

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (8/26)**

**BUTTER:** Grade AA closed at \$2.0575. The weekly average for Grade AA is \$2.0900 (-.1265).

**CHEESE:** Barrels closed at \$1.6800 and 40# blocks at \$1.7400. The weekly average for barrels is \$1.7880 (-.0770) and blocks, \$1.7925 (-.0295).

**NONFAT DRY MILK:** Grade A closed at \$0.8500. The weekly average for Grade A is \$0.8490 (-.0020).

**BUTTER HIGHLIGHTS:** Cream supplies are tight in some butter plants. However, butter churning is still active across the nation. Many processors are focusing schedules on the upcoming Q4 production needs. Therefore, print butter output rates are steadily increasing. In the Central region, some manufacturers are microfixing. National domestic demands from food service and retail outlets are strong. U.S. butter inventories are large, above previous year levels. This week, the closing prices at the CME Group suffered several price declines. According to some industry participants, this drop in prices is related to the higher stock levels in many processing plants. The NASS Cold Storage report noted U.S. butter stocks as of July 31, 2016, were 333.1 million pounds, up 2% from last month and up 31% from last year. Butter stocks in all warehouses were 254.3 million pounds last year at this time. The Grade AA butter price at the CME Group on Friday closed at \$2.0575, down \$.1325 from a week ago.

**CHEESE HIGHLIGHTS:** Cheese manufacturers across the nation are maximizing production schedules with the milk they have. Northeast and Central contacts both face a tight milk supply and have little opportunity to purchase spot loads of milk to round out production. Western cheese makers are having to reach a little further to find extra loads of milk this week. Many industry contacts feel demand is growing for many varieties of cheese including mozzarella and cheese curds. Fresh cheese inventories are mostly tight while cheddar and American cheese stocks are longer. Due to pricing differences, international interest in U.S. cheese remains light. This week the USDA announced plans to purchase approximately 11 million pounds of cheese from private inventories to assist food banks and pantries across the nations in efforts to help alleviate the surplus of cheese in the U.S. while providing a high-protein food to families in need. In CME Group trading Friday, barrels closed at \$1.6800, down \$.1850 from last Friday and blocks closed at \$1.7400, down \$.1250.

**FLUID MILK:** Cooler temperatures following weeks of prolonged hot, humid weather aided cow comfort in more northern areas of the country this week. Spot loads of milk are still hard to locate in the Central region. Eastern milk marketers report spot loads of milk available at discounts towards the end of the week into the weekend. California milk production is slowly climbing. Many schools across the nation are opening their doors for another school year, boosting bottled milk sales. Larger bottling demand has sparked more interest in condensed skim from other manufacturing sectors. Spot loads of condensed skim are reportedly harder to come by on the East and West coast and some manufacturers are producing nonfat dry milk instead of selling spot loads. Growth in bottling orders has contributed to a larger supply of cream in many areas of the U.S. Ice cream manufacturers continue to utilize large volumes of cream, but manufacturers are preparing for production slowdowns in the coming weeks. Regionally, multiples for all Classes range 1.30-1.42 in the East; 1.21-1.35, Central; and 1.19-1.33, West. USDA is extending the deadline for dairy producers to enroll in the Margin Protection Program to Dec. 16, 2016, from the previous deadline of Sept. 30. This voluntary dairy safety net program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs - falls below the coverage level selected by the producer.

**DRY PRODUCTS:** Demand for low/medium heat nonfat dry milk is higher this week. Cheese manufacturers are seeking spot loads of low/medium NDM for fortification purposes. International interest remains strong. The market undertone is mixed. Interest in high heat NDM is growing from the bakery sector. Inventories are tight. Dry buttermilk production is lower for many manufacturers. Demand from the bakery sector is growing. Inventories are mostly tight. The market undertone is firming. As milk supplies tighten across the nation, dry whole milk production is trending lower. Dry whey production is steady to lower. Domestic demand is increasing. Spot load availability is tightening for many market participants. Buyers seeking specific brands are willing to pay market overages. A few manufacturers are foregoing dry sweet whey production to produce higher protein concentration whey powders. The market undertone is firming. Spot load availability for WPC 34% is tight. Manufacturers report some

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NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

| COMMODITY                  | MONDAY<br>AUG 22     | TUESDAY<br>AUG 23    | WEDNESDAY<br>AUG 24  | THURSDAY<br>AUG 25   | FRIDAY<br>AUG 26     | WEEKLY<br>CHANGE* | WEEKLY<br>AVERAGE#         |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------|----------------------------|
| CHEESE<br>BARRELS          | \$1.8650<br>(N.C.)   | \$1.8650<br>(N.C.)   | \$1.7800<br>(-.0850) | \$1.7500<br>(-.0300) | \$1.6800<br>(-.0700) | ::<br>(-.1850)    | ::<br>\$1.7880<br>(-.0770) |
| 40# BLOCKS                 | \$1.8600<br>(-.0050) | \$1.8450<br>(-.0150) | \$1.7800<br>(-.0650) | \$1.7375<br>(-.0425) | \$1.7400<br>(+.0025) | ::<br>(-.1250)    | ::<br>\$1.7925<br>(-.0295) |
| NONFAT DRY MILK<br>GRADE A | \$.8525<br>(-.0050)  | \$.8475<br>(-.0050)  | \$.8475<br>(N.C.)    | \$.8475<br>(N.C.)    | \$.8500<br>(+.0025)  | ::<br>(-.0075)    | ::<br>\$.8490<br>(-.0020)  |
| BUTTER<br>GRADE AA         | \$2.1300<br>(-.0600) | \$2.1075<br>(-.0225) | \$2.0775<br>(-.0300) | \$2.0775<br>(N.C.)   | \$2.0575<br>(-.0200) | ::<br>(-.1325)    | ::<br>\$2.0900<br>(-.1265) |

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-**

setbacks when drying due to high heat and humidity levels. Demand for lactose is strong. Buyers are requesting additional loads outside of contracts and are looking to secure shipments through the end of the year.

**NATIONAL RETAIL REPORT (DMN):** Advertisements for ice cream in a 48-64 ounce containers increased by 31%, and became the top advertised dairy item for the week. Greek yogurt in 4-6 ounce containers and 8 ounce packages of shredded cheese followed closely behind. The national weighted average price for conventional 1 pound butter is \$3.00, while organic 1 pound butter is \$5.71. Total conventional ads decreased by 2%, but total organic ads increased by 35%. Organic cottage cheese in 16 ounce containers had the largest percentage increase, 782%, of all dairy items. Conventional Greek yogurt in 4-6 ounce containers held an average price of \$0.96, up 5 cents from last week's price, while organic Greek yogurt in the same size packages averaged \$1.17. Conventional non-Greek yogurt in 4-6 ounce containers averaged \$0.48, while its organic counterpart averaged \$1.12. Conventional yogurt ads decreased by 3% this week, while organic yogurt ads increased by 70%. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.17, up 5 cents from last week; 8 ounce shred cheese averaged \$2.30, up 1 cent from last week. Ads for 8 ounce organic block cheese average \$4.90, an organic premium of \$2.73. Ads for 8 ounce organic shred cheese average \$3.83, an organic premium of \$1.53. The number of conventional cheese ads decreased 17%, and organic cheese ads decreased 52% this week. The price spread between organic and conventional half gallon milk is \$2.66. Last week the spread was \$2.37. The price spread is the difference between the national weighted average price for organic, \$4.37, and conventional, \$1.71. Organic milk advertisements decreased by 17%, while ads for conventional milk increased by 42%.

**ORGANIC DAIRY MARKET NEWS (DMN):** This week, organic yogurt accounts for 34% of surveyed organic dairy ads, organic milk 29%, organic cottage cheese 15%, organic sour cream 15%, organic cheese 4%, organic flavored milk 1%, and organic butter 1%. The U.S. weighted average advertised price of organic milk half gallons, \$4.37, is up from \$3.75 last week and up from \$3.87 one year ago. Revised total organic milk products sales for June 2016, 213 million pounds, were up 6.7% compared with June last year and up 5.6% January through June compared with the same months of 2015. Revised total fat-reduced organic milk products sales for June 2016, 135 million pounds, were up 1.9% compared with June last year and up 0.4% January through June compared with the same months of 2015.

**JULY MILK PRODUCTION (NASS):** Milk production in the 23 major States during July totaled 16.8 billion pounds, up 1.4 percent from July 2015. June revised production, at 16.7 billion pounds, was up 1.6 percent from June 2015. The June revision represented an increase of 9 million pounds or 0.1 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,946 pounds for July, 24 pounds above July 2015. This is the highest production per cow for the month of July since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.65 million head, 19,000 head more than July 2015, and 2,000 head more than June 2016.

**JULY COLD STORAGE (NASS):** On July 31, U.S. cold storage holdings of butter totaled 333.1 million pounds, up 2 percent from the previous month, and up 31 percent from July 2015. Natural American cheese holdings total 770 million pounds, 2 percent higher than the previous month and 10 percent more than July 2015. Total natural

cheese stocks were 1,276.4 billion pounds, 2 percent higher than last month and 10 percent more than July 2015.

**JULY CONSUMER PRICE INDEX (BLS):** The July CPI for all food is 247.6, up 0.2 percent from 2015. The dairy products index is 214.6, down 3.1 percent from a year ago. The following are the July to July changes for selected products: fresh whole milk is down 7.0 percent; cheese, down 3.2 percent; and butter, up 3.1 percent.

## CME GROUP

MONDAY, AUGUST 22, 2016

CHEESE – SALES: 2 CARS 40# BLOCKS @ \$1.8650; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.8600  
 NONFAT DRY MILK – SALES: 4 CARS GRADE A: 1 @ \$0.8400, 1 @ \$0.8500, 2 @ \$0.8525; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8375; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.8525  
 BUTTER – SALES: 2 CARS GRADE AA: 1 @ \$2.1500, 1 @ \$2.1300; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0900; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1300

TUESDAY, AUGUST 23, 2016

CHEESE – SALES: 2 CARS 40# BLOCKS: 1 @ \$1.8475, 1 @ \$1.8450; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.8450  
 NONFAT DRY MILK – SALES: 3 CARS GRADE A: 1 @ \$0.8500, 1 @ \$0.8550, 1 @ \$0.8475; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.8400; LAST OFFER UNCOVERED: 3 CARS GRADE A @ \$0.8500  
 BUTTER – SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.1000; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1075

WEDNESDAY, AUGUST 24, 2016

CHEESE – SALES: 1 CAR BARRELS @ \$1.7800; 6 CARS 40# BLOCKS: 2 @ \$1.8275, 1 @ \$1.8100, 1 @ \$1.8025, 2 @ \$1.7800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.8300  
 NONFAT DRY MILK – SALES: 1 CAR GRADE A @ \$0.8500; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8400; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8475  
 BUTTER – SALES: 5 CARS GRADE AA: 1 @ \$2.1000, 1 @ \$2.0550, 1 @ \$2.1000, 1 @ \$2.0950, 1 @ \$2.0775; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0775; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0800

THURSDAY, AUGUST 25, 2016

CHEESE – SALES: 1 CAR BARRELS @ \$1.7625; 2 CARS 40# BLOCKS @ \$1.7375; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.7300; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7500; 1 CAR 40# BLOCKS @ \$1.7500  
 NONFAT DRY MILK – SALES: 7 CARS GRADE A: 2 @ \$0.8475, 1 @ \$0.8500, 4 @ \$0.8475; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8400; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8525  
 BUTTER – SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0775; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1300

FRIDAY, AUGUST 26, 2016

CHEESE – SALES: 1 CAR BARRELS @ \$1.6800; 6 CARS 40# BLOCKS: 2 @ \$1.7400, 1 @ \$1.7500, 1 @ \$1.7250, 1 @ \$1.7300, 1 @ \$1.7400; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6550; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK – SALES: 1 CAR GRADE A @ \$0.8500; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.8500; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.8525  
 BUTTER – SALES: 2 CARS GRADE AA: 1 @ \$2.0675, 1 @ \$2.0575; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0525; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$2.1000

## BUTTER MARKETS

## NORTHEAST

The Northeast milk supply has decreased in the recent weeks, in part because of seasonal factors and educational institutions. As students head back to school, an increasing amount of fluid milk has been going towards their demand and away from the production of other dairy products. In response, the Northeastern butter market has seen significant reduction in butter churning rates. However, suppliers are capable of producing butter and keeping up with the contractual demands. In response to increased fluid milk sales and low cream availability, butter has been tight in the market with cream multiples fluctuating in the mid-1.30s to the low 1.40 range. According to NASS *Cold Storage*, U.S. butter in storage on July 31, 2016 totaled 333.123 million pounds, 31% above a year ago and 2% more than last month. According to the DMN *National Retail Report-Dairy*, for August 19-25, the national weighted average advertised price for 1-pound butter is \$3.41, up \$0.18 from last week, and up \$.43 from a year ago. The Northeast regional price is \$3.52, a \$0.25 decrease from the previous week. In the Southeast butter is priced at \$3.00, \$0.41 lower than the national average. Tuesday's CME Group cash trading saw Grade AA butter close at \$2.1075, down \$0.1325 from a week ago.

## CENTRAL

Butter production is active this week in the Central region. Industry contacts feel spot loads of cream are still available, but less obtainable than in recent weeks. A few manufacturers who were previously selling loads of cream are now holding on and processing all contracted cream loads in order to keep churns full. Other manufacturers are slowing the churns slightly. Demand is strong. Market participants report growing demand from food service and retail outlets. Some contacts speculate some of the recent spark in demand can be attributed to schools going back into session. Many manufacturers feel comfortable entering the busy season with current inventory levels. Some manufacturers are microfixing for

upcoming orders. Bulk butter prices reported ranged from market to 7.5 cents over the market, with various time frames and averages used. The market undertone is firm. The DMN *National Retail Report-Dairy* for August 19-25 noted the national weighted average advertised price for a 1 pound package of butter was \$3.41, \$0.18 above one week ago, and \$0.43 above one year ago. The weighted average price in the Midwest region is \$3.49. The weighted average price in the South Central region was \$3.69 with a price range of \$3.49-\$3.99. The NASS *Cold Storage* report noted U.S. butter stocks on July 31, 2016 were 333.1 million pounds, up 31 percent from a year ago and 2 percent higher than last month. Wednesday at the CME Group, Grade AA butter closed at \$2.0775, down \$.1250 from last Wednesday.

## WEST

Western butter makers are looking at anticipated Q4 butter needs to guide production. Many processors are making more print than bulk butter as they try to prepare for fall baking needs. Domestic print butter demand remains solid. Cream availability is mixed, with some areas being tight and other areas having cream readily available. A few processors continue to sell cream off as opposed to making butter. U.S. butter inventories are large, but industry contacts question how much of the stockpile is bulk or print butter, and how much is committed versus not committed to buyers. The DMN *National Retail Report-Dairy* for the week of August 19-25 found that the U.S. weighted average advertised price of 1 pound butter is \$3.41, up \$.18 from last week. The U.S. weighted average price is up \$.43 from \$2.98 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$1.79. In the Northwest, the weighted average advertised price of 1 pound butter is \$3.34, with a price range of \$2.49-\$3.99. The NASS *Cold Storage* report noted U.S. butter stocks as of July 31, 2016, were 333.1

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## NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

| WEEK ENDING     | BUTTER              | CHEESE 40# BLOCKS    | CHEESE BARRELS<br>38% MOISTURE | DRY WHEY           | NDM                 |
|-----------------|---------------------|----------------------|--------------------------------|--------------------|---------------------|
| August 20, 2016 | 2,2465<br>2,987,566 | 1,7741<br>13,366,049 | 1,8816<br>10,344,607           | .2809<br>8,085,198 | .8672<br>12,507,859 |

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

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million pounds, up 2% from last month and up 31% from last year. Butter stocks in all warehouses were 254.3 million pounds last year at this time. 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 \$2.0775, down \$.1250 from a week ago.

## CHEESE MARKETS

## NORTHEAST

The market is tight around this time of year with fluid milk tightening and supplies down. Some cheese plants are operating as best they can with the given milk levels. While students return to school, it has been difficult to fill cheese orders that have been coming in. Suppliers have been routing milk to areas of the nation with low supplies, like the Southeast, moving more to fluid and less to cheese vats. Manufacturers' cheese stocks remain balanced to tight. Northeast prices for process cheese and Muenster shifted lower, \$0.0125, and block cheese prices moved higher, \$0.0250. The Grade A Swiss price did not change from last week. According to NASS *Cold Storage*, U.S. stocks of total natural cheese as of July 31, 2016 totaled 1.276 billion pounds, 2% more than the previous month, and 10% more than the last year. Swiss cheese totaled 25.7 million pounds, 19% more than a year ago, and 5% more than last month. According to the DMN *National Retail Report-Dairy*, for August 19-25, the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.14, \$0.02 more than the national average, but 9 cents lower than a week ago. The Southeast 8 oz. block cheese price was \$2.32, unchanged from the previous week. The advertised price for 8 oz. shredded cheese in the Northeast is \$2.36, 7 cents more than the national average price. In the Southeast, the average advertised price for 8 oz. shredded cheese is \$2.24, down 19 cents from last week. Tuesday's CME Group daily cash prices saw barrels close at \$1.8650, no change from a week ago; blocks closed at \$1.8450, up \$0.0650 from a week ago.

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

|                             |   |               |
|-----------------------------|---|---------------|
| Cheddar 40# Block           | : | 2.2225-2.5075 |
| Process 5# Sliced           | : | 2.0650-2.5450 |
| Muenster                    | : | 2.2075-2.5575 |
| Grade A Swiss Cuts 10 - 14# | : | 2.8650-3.1875 |

## CENTRAL

Midwest cheese makers are filling vats and running schedules as full as possible. After several weeks of decreases in milk intakes, some manufacturers feel the fall in production has begun to level off. A few industry contacts report being short on milk, but are able to find spot loads when needed. Demand is mixed. Some market participants feel sales slowed some this week following several weeks of active orders outside of contracts. Other manufacturers feel demand continues to grow ahead of the holiday season. Several manufacturers report high volumes of calls from buyers looking for cheese. However, only some manufacturers can meet their needs. Cheese curd sales continue to soar as the fair and carnival season continues. Inventories vary and widely depend on the variety of cheese. Cheddar and American cheese inventories are mostly long. Some manufacturers are blending cheese with some age on it with fresher cheese in an effort to manage aged cheese stocks. International inquiries remain light. The market undertone is steady to firming. The DMN *National Retail Report-Dairy* shows that August 19-25 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.19, 10 cents lower than the national average. Midwest prices range from \$1.33-\$2.99. One year ago, the national price was \$2.34. For 8 ounce blocks, the Midwest average price is \$1.91, 21 cents below the national average price. Midwest ads are priced from \$1.33-\$2.00. Last year, the national price was \$2.31. Midwestern wholesale prices are unchanged for Swiss cuts, down \$0.0125 for process, but up \$0.0250 for all other types. According to the NASS *Cold Storage* report, the East North Central region (Wisconsin,

Illinois, Michigan, Indiana and Ohio) American cheese stocks on July 31, 2016, were 10 percent higher than last year, and 2 percent above last month. East North Central region other cheese stocks were 6 percent higher than July 31, 2015 and 1 percent above June 30, 2016. Total U.S. natural cheese stocks on July 31, 2016, were 10 percent higher than a year ago and 2 percent above the previous month. In CME Group trading Wednesday, barrels closed at \$1.7800, down \$.0850 from last Wednesday and blocks closed at \$1.7800 down \$.0400 from last Wednesday.

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

|   |   |               |
|---|---|---------------|
| Process American 5# Loaf                    | : | 1.9575-2.3175 |
| Brick And/Or Muenster 5#                    | : | 2.1925-2.6175 |
| Cheddar 40# Block                           | : | 1.9200-2.3150 |
| Monterey Jack 10#                           | : | 2.1675-2.3725 |
| Blue 5#                                     | : | 2.4600-3.4475 |
| Mozzarella 5 - 6# (Low Moisture, Part Skim) | : | 1.9925-2.9325 |
| Grade A Swiss Cuts 6 - 9#                   | : | 2.3825-2.5000 |

## WEST

Industry contacts say Western cheese makers are trying to keep their production schedules full. Although milk is generally available within the immediate area, a few processors have had to reach a little further to get extra spot loads of milk needed to round out production. Some manufacturers note domestic retail and food service demand has eased back a little for American style cheeses, but mozzarella demand is picking up. Cheese marketers continue to report U.S. cheese is facing strong competition in international markets, mostly based on pricing differences. Industry inventories remain long for many varieties of cheese. Some contacts suggest cheese market prices need to be reset lower in order for significant volumes of cheese to clear. The DMN *National Retail Report-Dairy* for the week of August 19-25 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.29, up \$.04 from last week, but down \$.05 from a year ago. Packs average \$1.96 in the Southwest and 2.44 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.12, down \$.05 from last week, and down \$.19 from a year ago. Blocks average \$1.58 in the Southwest and \$1.73 in the Northwest this week. In the West, wholesale prices are down \$.0125 for process, but up \$.0250 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of July 2016 were 1.276 billion pounds, up 2% from June 2016 holdings, and up 10% from July 2015. American stocks were 10% more, other natural stocks were 9% more, and Swiss stocks were up 19% compared to last year. In the Mountain Region, American cheese stocks were 14% lower than one year earlier, but 4% more than one month earlier. Pacific Region American cheese stocks were 5% more than one year earlier, and unchanged from the previous month. Also in the Pacific Region, other natural cheese stocks were 16% above a year ago, and up 1% from a month ago. In CME Group trading Wednesday, barrels closed at \$1.7800, down \$.0850 from a week ago and blocks closed at \$1.7800, down \$.0400.

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

|                           |   |               |
|---------------------------|---|---------------|
| Process 5# Loaf           | : | 1.9725-2.2300 |
| Cheddar 40# Block         | : | 1.9250-2.3700 |
| Cheddar 10# Cuts          | : | 2.1050-2.3250 |
| Monterey Jack 10#         | : | 2.1150-2.2750 |
| Grade A Swiss Cuts 6 - 9# | : | 2.4425-2.8725 |

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## CHEESE MARKETS

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## FOREIGN

The tight supply situation for cheese in the EU is not expected to significantly ease in the near term. Recent reports show that June 2016 milk production fell below June 2015 levels. Cheese manufacturers do not expect that increased milk supplies will become available for making cheese in the near term. This will keep supplies tight and put upward pressure on prices. Nevertheless, through June this year, EU cheese exports increased 14% over the same period of 2015 according to Eurostat. The top three export destinations for the period this year are: U.S.A. +4%; Japan +11%; and Switzerland +4%. In the U.S., wholesale domestic blue, gorgonzola, parmesan and Romano cheese prices increased \$0.0250 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 | : 2.3875-3.8750* |
| Gorgonzola               | : 3.6900-5.7400 | : 2.8950-3.6125* |
| Parmesan (Italy)         | : -0-           | : 3.7775-5.8675* |
| Romano (Cows Milk)       | : -0-           | : 3.5775-5.7275* |
| 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-           | : 2.9025-3.2250  |
| Swiss Cuts Finnish       | : 2.6700-2.9300 | : -0-            |

\* = Price change.

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

|          | <u>BUTTER</u> | <u>CHEESE</u> |
|----------|---------------|---------------|
| 08/22/16 | 30,026        | : 89,384      |
| 08/01/16 | 29,546        | : 92,876      |
| CHANGE   | 480           | : -3,492      |
| % CHANGE | 2             | : -4          |

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          | 40        | 0   | 65        | 0   | 200       | 0   |
| SOUTHEAST STATES | 0         | 0   | 0         | 0   | 50        | 0   |

Hot weather saw some relief this week in the Northeast. Evening temperatures dipped down into the 50s in some parts of the area, boosting cow comfort. Milk marketers report a smaller decrease in milk production than in recent weeks. As education institutions go back into session, bottlers report strong orders for single serve containers. Industry contacts report availability of discounted spot loads of milk on the weekends. Mid-Atlantic milk production continues to seasonally decline. Milk supply in this area is tighter as demand for milk in the Southeast grows. Class I demand is strong in the Southeast as many schools are back in session. Milk production continues to fall as hot, humid weather prevails. Florida milk production is steady to slightly lower this week. Milk marketers anticipate production will continue to fall in the upcoming weeks. Class I demand remains strong and bottlers report continual demand for single serve containers. The state milk imports totaled 40 loads this week. Stronger demand for bottled milk has resulted in more cream availability on the spot market in the East. **Cream multiples** for all Classes, range **1.30-1.42**. Cream cheese manufacturers are gearing up for the beginning of their busy season and anticipate pulling more cream into production in the upcoming weeks. Ice cream manufacturers continue to utilize large volumes of cream for production purposes. **Condensed skim** supplies are dwindling as orders for bottlers pick up. Some manufacturers are seeking condensed skim loads as a way to offset seasonal declines in milk intakes. Several industry contacts are choosing to hold on to condensed skim supplies and are filling dryers in efforts to build NDM inventories. According to the *DMN National Retail Report-Dairy*, for August 19-25, 2016, the U.S. weighted average advertised price for a gallon of milk was \$2.58, a 1 cent increase compared to last year, and up 9 cents from last week. The weighted average regional price for a gallon of milk in the Northeast was \$3.74, with a price range of \$3.59-\$3.99. **MILK PRODUCTION:** According to NASS, milk production in the 23 major states during July 2016 totaled 16.8 billion pounds, up 1.4% from one year ago. Eastern states' milk production and changes are as follows:

July 2016 Milk Production, (USDA-NASS)

(Million Lb.) % Change From  
1 Year Ago

|              |       |       |
|--------------|-------|-------|
| Florida      | 202   | - 5.6 |
| New York     | 1,268 | + 4.0 |
| Pennsylvania | 920   | + 0.3 |
| Vermont      | 230   | ...   |
| Virginia     | 143   | - 3.4 |

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 - 2.8815-3.1474

F.O.B. producing plants: Upper Midwest - \$2.6820-2.9923

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

Northeast - Class II - includes monthly formula prices - .70-.93

Northeast - Class III - spot prices - .70-.75

MIDWEST

Temperature relief helped level off decreases in farm level milk output this week in the Central region. Temperatures overnight dipped down into the 50s in the North Central area, aiding cow comfort. Many processors note steady intakes this week. However, spot loads of milk continue to be difficult to come by. Spot loads are reported at \$1.50 to \$2.00 over Class. Bottlers are busy filling orders from schools as many educational institutions in the Central region reopen their doors. North Central milk marketers are turning to other areas of the region for additional milk to meet demands. However, industry contacts do not anticipate this tightness in the market to be long term. They speculate production will begin to climb back up following Labor Day. Increases in bottling orders have contributed to an available cream supply in the Central region. A few manufacturers do feel a slight tightness in the market. After weeks of having additional loads of cream to sell throughout the week, these manufacturers report needing their entire cream supply for processing purposes. However, contacts anticipate the supply will increase as they approach the Labor Day weekend. Ice cream and frozen dessert production is mostly steady this week. Manufacturers anticipate a more relaxed production pace in the coming weeks as the peak of ice cream season has come and gone. Cream multiples are steady this week, 1.21-1.35. The *DMN National Retail Report-Dairy* for August 19-25 noted the national weighted average advertised price for one gallon of milk was \$2.58, up \$0.09 from a week ago, and \$0.01 higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$1.68 and \$2.99, respectively. The *NASS Milk Production* report noted July 2016 milk production in the 23 selected states was 16.8 billion pounds, 1.4% above a year ago. Milk cows in the 23 selected states totaled 8.65 million head, 19,000 head more than a year ago. The following table shows Central states included in the report and the monthly milk production and changes compared to a year ago:

July 2016 Milk Production, (USDA-NASS)

(Million Lb.) % Change From  
1 Year Ago

|              |       |       |
|--------------|-------|-------|
| Illinois     | 156   | + 0.6 |
| Indiana      | 340   | + 1.5 |
| Iowa         | 414   | + 2.5 |
| Kansas       | 271   | + 2.7 |
| Michigan     | 928   | + 4.5 |
| Minnesota    | 822   | + 1.5 |
| Ohio         | 473   | + 0.4 |
| South Dakota | 215   | + 5.9 |
| Texas        | 893   | + 4.4 |
| Wisconsin    | 2,562 | + 2.1 |

According to the *NASS Crop Progress* report, 70 percent of corn in the South Central area is in the dented stage and 47 percent of this year's crop has been harvested. South Central farmers have begun harvesting soybeans. In the North Central area, 25 percent of corn is in the dented stage and soybean leaves are beginning to turn color.

WEST

In California, many dairy operators are seeing a slight uptick on milk yields. However, the butterfat component in the milk continues to be low. Sales into Class 1 balancing plants are up as bottlers are filling many K-12 pipelines. Interest for Class 2 is stable at customary levels. Orders from retailers and food service are steady. Manufacturing milk

## FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

demand from Class 3 (ice cream) makers is active, but is less strong compared to a month ago. Demand for alfalfa hay is moderate, but supplies are tight. Many dairy operators continue importing good to high quality alfalfa hay from nearby states. According to California Department of Food and Agriculture, July 2016 pool receipts of milk in the state total 3.23 billion pounds. This is 1.3% lower compared to the same month a year ago. From January through July 2016, receipts are 2.4% lower from the comparable period in 2015. The Value at Test price is \$14.82, \$1.02 higher than the previous month, but \$0.13 lower from a year ago. The percentage of receipts used in Class 1 products is 12.49%. The July quota price is \$15.66 and the over quota price is \$13.96. These prices are \$1.04 higher than June 2016, but \$0.36 below a year ago. Milk production is lower in Arizona. Although the effects of monsoon season are less active, temperatures remain high at 110 degrees. Manufacturers report having enough milk supplies to cover current production needs. Class I orders from educational institutions are even as pipelines have been filled. Requests from the retail sector are up as some grocery stores are restocking shelves. Bottled milk sales into restaurants are even this week. Interest for ice cream is active. Good/excellent alfalfa hay harvesting continues across the state. In New Mexico farm milk output is slightly lower this week. Some sporadic rain showers are unsettling cows' comfort. Bottled milk sales into educational institutions are up. Class I milk demands from retailers and food service are mostly steady. Class II sales are slightly down as interest for ice cream is somewhat less active. Manufacturing milk volumes moving into cheese processing facilities are flat. Demand for alfalfa hay from dairy operators is light, supplies are readily available. New Mexico is between the fourth and fifth cuttings of good to excellent alfalfa hay. According to the DMN *National Retail Report-Dairy* for the week of August 19-25, the national weighted average advertised price for one gallon of milk is \$2.58, up 9 cents from last week and one cent higher than a year ago. The weighted average regional price in the Southwest is \$2.18. Pacific Northwest milk production is steady and following typical seasonal trends. Recent hot spells have suppressed milk production a little, but intakes rebound as temperatures moderate. Good volumes of milk continue to flow into bottling for school milk programs. Manufacturers have adequate supplies of milk for most processing needs. Milk production is steady in the mountain states of Colorado, Idaho and Utah. Bottling draws for schools are taking heavier volumes of milk. Some processors are looking for a little extra milk to fill up manufacturing schedules. Intakes are in good balance with processing needs and most milk is staying within the region. Demand for western **condensed skim** from NDM processors is strong. Condensed skim supplies are steady to lower throughout the region. Some processors are opting to dry instead of selling in the spot market. In the West region, butter churners are pulling more cream volumes ahead of Q4 production needs. Some butter makers are starting to run operations at full capacity. Also, sales to ice cream manufacturers are active, but are less intense compared to the previous month. This week, **multiples** for all classes are higher, ranging from 1.19 to 1.33. The NASS *Milk Production* report noted July 2016 milk production in the 23 selected states was 16.8 billion pounds, 1.4% above a year ago. Milk cows in the 23 selected states totaled 8.65 million head, 19,000 head more than a year ago. The following table shows western states included in the report and the monthly milk production changes compared to a year ago:

|            | July 2016 Milk Production, (USDA-NASS) |                             |
|------------|--|-----------------------------|
|            | (Million Lb.)                          | % Change From<br>1 Year Ago |
| Arizona    | 392                                    | + 1.3                       |
| California | 3,377                                  | - 0.8                       |
| Colorado   | 336                                    | + 4.3                       |
| Idaho      | 1,273                                  | + 3.7                       |
| New Mexico | 651                                    | - 1.2                       |
| Oregon     | 219                                    | + 2.8                       |
| Utah       | 183                                    | - 5.2                       |
| Washington | 560                                    | ...                         |

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 mixed this week. The range price series moved higher on the low end of the range while the top end of the range came down two cents. The mostly price series moved higher on both ends to capture where the majority of spot sale activity is occurring. Market participants report growth in buyer interest this week. In several instances, contacts report calls from buyers looking to secure contracts through the end of 2016. Some cheese manufacturers are reportedly interested in making low/medium heat NDM purchases in the short term to aid with seasonally decreasing yields. International interest remains active and export sales are strong. Inventories are mostly long in the Central region. However, as milk production declines, milk is being diverted away from dryers. This, in return, is helping manufacturers manage long low/medium heat NDM inventories. The market undertone is mixed. High heat nonfat dry milk prices are steady on the bottom end of the price range series but higher on the top. Changes on contract indices pulled prices higher in several instances. Production is intermittent and based largely on contractual needs. Many manufacturers report having little to no inventory and are not currently offering any high heat NDM on the spot market. Inquiries outside of contracts are light. The market undertone is steady.

**EAST:** F.O.B spot prices for eastern low/medium nonfat dry milk (NDM) are mixed on the range, but higher on the mostly series. Domestic trading activity has been moderate throughout the week. According to industry participants, the current market undertone is unsettled. Demands from bakers and cheese manufacturers are fair to good. Eastern NDM processing is slightly lower as less condensed skim volumes are moving into dryers. Inventories are mixed across the eastern region. This week, high heat nonfat dry milk prices are steady to higher. Interest from the bakery sector is active. Drying schedules are uneven in most processing plants. Inventories continue to be tight. Therefore, sales in the f.o.b. spot market are limited.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .8475 - .9300 MOSTLY: .8700 - .9200  
 HIGH HEAT: .8800 - 1.0500

**NONFAT DRY MILK - WEST**

Western f.o.b. prices for low/medium heat nonfat dry milk (NDM) are mixed on the range, but higher on the mostly series. The market undertone is unsettled for some industry participants, but firmer for others. Some buyers/end users continue pushing manufacturers to drop prices. Meanwhile, some processors are holding stocks instead of selling, anticipating higher prices in the next few weeks. NDM usage for cheese fortification is active. Also, demands from bakers, cheese and dry mix manufacturers are fair to good. Trades to Mexico are more active compared to the previous week. Moderate condensed skim volumes continue clearing into NDM processing. NDM production is ongoing. Inventories are steady to slightly higher. F.O.B. spot prices for high heat nonfat dry milk are mixed. Interest from the bakery sector is good. Production is irregular, based on contractual requirements. High heat NDM supplies continue tightening. Therefore, spot trading activity is light.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .7925 - .9500 MOSTLY: .8800 - .9200  
 HIGH HEAT: .9100 - 1.0425

**CALIFORNIA MANUFACTURING PLANTS - NDM**

| WEEK ENDING | PRICE   | TOTAL SALES |
|-------------|---------|-------------|
| August 19   | \$.8440 | 3,380,618   |
| August 12   | \$.8525 | 6,993,875   |

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 hold steady this week in the Central region. Market participants report light sales transactions but growing inquiries from buyers. Several industry contacts speculate that demand will continue to grow in the upcoming weeks. Manufacturers note that inquiries from the bakery sector, specifically, have increased. They believe this can be attributed to schools beginning again and preparation prior to the holiday season. Production is intermittent. Several manufacturers are not taking the time to dry buttermilk and are moving it as condensed. Overall, contacts report a tight supply of dry buttermilk in the Central region. The market undertone is firming.

**EAST:** Eastern dry buttermilk prices are unchanged on light trading. Demand from bakers is fair to good. According to most industry participants, the market undertone is unsettled. Dry buttermilk production is trending lower parallel with the butter churning activity in the region. Inventories are tight.

F.O.B. CENTRAL/EAST: .7800 - .8600

**DRY BUTTERMILK - WEST**

F.O.B. spot prices for dry buttermilk in the West are lower on the range, but steady on the mostly series. At this point, the market undertone is mixed. Demands from the bakery and confectionery sectors are fair to good. Dry buttermilk production is steady to slightly lower as less condensed buttermilk volumes are available to dry. However, some manufacturers anticipate a production uptick in the near future as butter churners are increasing manufacturing to cover Q4 needs. Dry buttermilk inventories are tight.

F.O.B. WEST: .7800 - .8800 MOSTLY: .8350 - .8675

**DRY WHOLE MILK - NATIONAL**

National dry whole milk prices are steady to lower this week. A few spot sales in different regions of the country pushed down the top of the range. Demands from the bakery and confectionary sectors are fair to good. Dry whole milk manufacturing is trending lower as less manufacturing milk volumes are available to dry. The market undertone is mixed throughout the country. Nationwide, inventories vary from plant to plant.

F.O.B. PRODUCING PLANT: 1.2900 - 1.3500

**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 mostly higher this week in the Central region. Many buyers agree whey is more difficult to come by than in recent weeks and availability is tight. Buyers seeking specific brands or quality specifications are willing to pay premiums unseen in previous weeks. Several market participants feel both domestic and international demand is strong. However, a few manufacturers do feel sales slowed down slightly this week but they are moving contracts easily. Dry whey production varies in the Central region. Some manufacturers have slowed dryers in reaction to decreased cheese production rates. Others continue to have an ample whey stream to keep dryers full. Inventories are comfortable to light. Industry contacts with whey stocks note holding on to a large portion of their inventories for upcoming contractual commitments. The market undertone is firming. Animal feed whey prices are unchanged on light trading. Market participants feel animal feed whey is hard to come by and is not being offered at discounts like in previous months. Many feed blenders are making spot market purchases after working through the majority of their inventories. A few industry contacts note higher protein dairy powders for blending are harder to come by this week. Production schedules are full and sales are picking up after seasonal decreases in buyer interest. The market undertone is steady to firming.

F.O.B. CENTRAL: .2500 - .4000 MOSTLY: .2650 - .3250  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2000 - .2550

**DRY WHEY - NORTHEAST**

Eastern dry whey prices moved slightly higher at the top of the range as specific brands of whey sell for just a little more. Industry contacts describe domestic whey demand as steady and product is moving well through contracts. International demand is good. Inventories are getting tighter and supplies for spot sales are not as readily available. Dry whey production is stable.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2650 - .3300

**DRY WHEY - WEST**

Western whey prices moved higher. Domestic demand is increasing and export demand has provided good support for prices. Inventories are comfortable to tight. A few buyers are finding limited availability of western whey outside of contracts, especially for some specific brands. Dry whey production is stable, but manufacturers are currently using more of the liquid whey to make higher protein concentrations than dry whey.

NONHYGROSCOPIC: .2800 - .3800 MOSTLY: .2850 - .3400

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices for whey protein concentrate 34% moved slightly higher at the top end of the mostly price series on limited spot market activity. Industry contacts continue to report tight inventories. There is good interest from brokers, and regular customers are providing a steady demand. Buyers report available spot loads are hard to find. WPC 34% production is active and steady, but some manufacturers report the high heat and humidity have made production more difficult.

F.O.B. EXTRA GRADE 34% PROTEIN: .5950 - .8600 MOSTLY: .6700 - .7650

**LACTOSE - CENTRAL AND WEST**

The top end of the lactose mostly price series moved higher this week. Domestic and export demand is good. Recent price increases have spurred further interest as buyers seek to gain coverage for lactose needs later in the year. Some manufacturers report regular customers are asking for additional loads to be added to their requests. Lactose inventories across the nation are largely tight, especially for higher mesh sizes. Although several plants recently had down time for unscheduled repairs, lactose production is steady and active.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2300 - .3800 MOSTLY: .2700 - .3500

**CASEIN - NATIONAL**

Both rennet and acid casein prices increased slightly at the bottom of their price ranges. Most current production is already contracted and the focus is on firming commitments for first quarter 2017 transactions. In an off GDT week with tight current supplies, there are few significant transactions to influence pricing.

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: 2.8900 - 2.9200  
ACID: 2.9100 - 2.9800

**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 |
|-------------|------------------------|----------------------------|------------------------|----------------------------|
| 08/06/2016  | 52.2                   | 1,753.4                    | 52.4                   | 1,782.0                    |

WEBSITE: [http://www.ams.usda.gov/mnreports/sj\\_ls714.txt](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 |

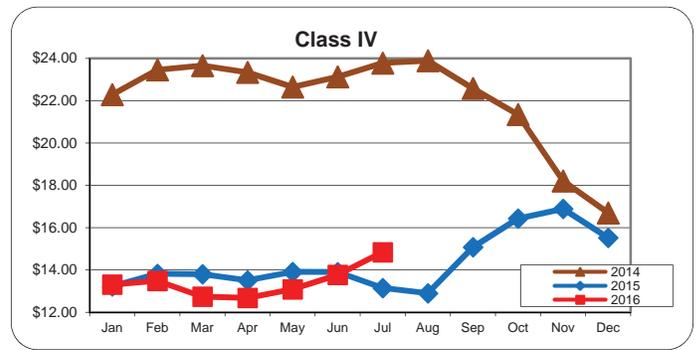
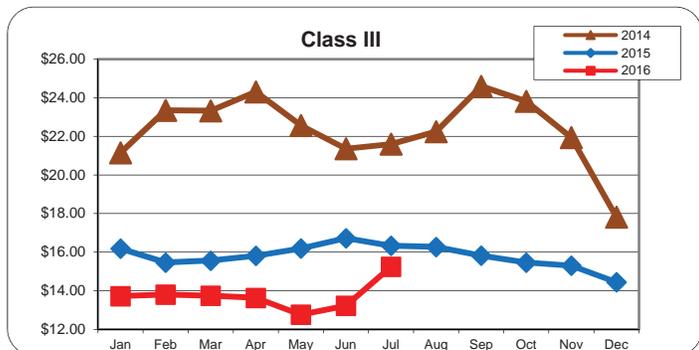
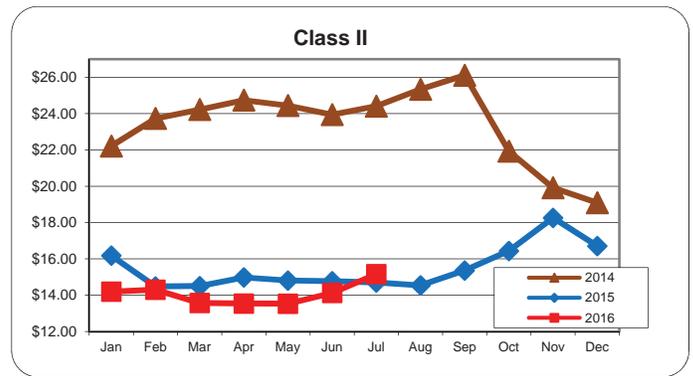
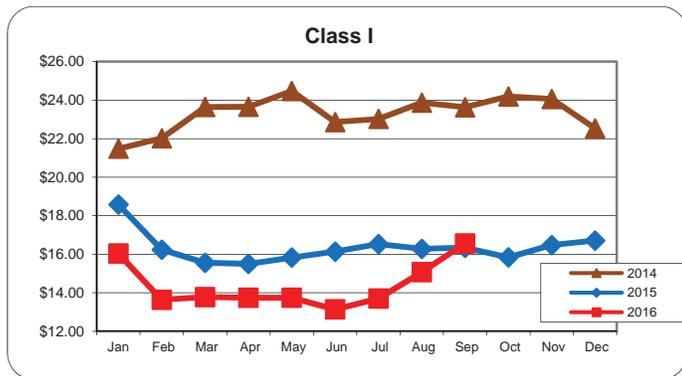
**CLASS IV MILK PRICES (3.5%)**

| 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 | 15.07 | 16.56 |     |     |     |
| II    | 14.19 | 14.30 | 13.57 | 13.54 | 13.53 | 14.12 | 15.16 |       |       |     |     |     |
| III   | 13.72 | 13.80 | 13.74 | 13.63 | 12.76 | 13.22 | 15.24 |       |       |     |     |     |
| IV    | 13.31 | 13.49 | 12.74 | 12.68 | 13.09 | 13.77 | 14.84 |       |       |     |     |     |

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



**ORGANIC DAIRY MARKET NEWS**  
Information gathered August 15 - 26, 2016

**ORGANIC DAIRY FLUID OVERVIEW**

Revised June Milk Product Sales. Following some months of 2015 when organic milk production seemed to have slowed, or even declined, 2016 has been a good year for growth in production. Recent efforts by some processors to increase numbers of organic dairy producers are now generating increased organic milk flows.

AMS reports total organic milk products sales for June 2016, 213 million pounds, were up 6.7% from June last year and up 5.6% January through June compared with the same months of 2015.

Total organic whole milk products sales for June 2016, 78 million pounds, were up 16.2% compared with June last year and up 16.3% January through June compared with the same months of 2015.

**ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS - Revised, JUNE 2016, WITH COMPARISONS 1/**

| Product Name | Sales     |       | Change from: 2/ |         |
|--------------|-----------|-------|-----------------|---------|
|              | JUN       | Y-T-D | Prev Yr.        | Y-T-D   |
|              | Mil. Lbs. |       |                 | Percent |

**ORGANIC PRODUCTION PRACTICE**

|                            |      |        |      |       |
|----------------------------|------|--------|------|-------|
| Whole Milk                 | 78   | 462    | 16.2 | 16.3  |
| Reduced Fat Milk (2%)      | 64   | 395    | 6.8  | 10.9  |
| Low Fat Milk (1%)          | 37   | *222   | -1.4 | -2.1  |
| Fat-Free Milk (Skim)       | 27   | *164   | -4.2 | -8.6  |
| Flavored Fat-Reduced Milk  | 7    | *43    | 1.8  | -26.1 |
| Other Fluid Milk Products  | 0    | 1      | --   | --    |
| Total Fat-Reduced Milk 3/  | *135 | *824   | 1.9  | 0.4   |
| Tot. Organic Milk Products | *213 | *1,288 | 6.7  | 5.6   |

\*Revised 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/ Organic fat-reduced milk categories are total of reduced fat, low-fat, skim, and flavored fat reduced milk.

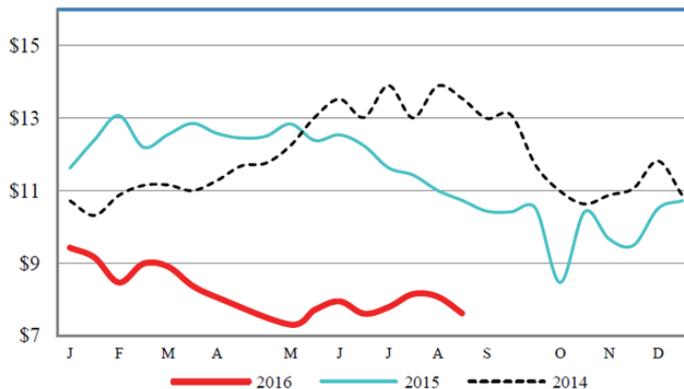
**New England Organic Milk Sales and sourcing.** In New England, Federal Milk Market Order 1 reports utilization of types of organic milk by pool plants. During July, 2016, organic whole milk utilization totaled 12.3 million pounds, up from 11.9 million in July 2015. The 2016 butterfat content was 3.29%, up from 3.28% in 2015. Organic reduced fat milk utilization for July this year, 18.5 million pounds, was down from 19.2 million in July last year. Butterfat this July was 1.22%, up from 1.19% last year. During July there was also withdrawal of organic milk produced from outside the order which had previously been pooled and sold within Order 1. Minnesota organic milk had been shipping to Order 1, but withdrew in July. Organic milk from new Indiana and Michigan sources entered the order in July.

**Idaho Organic Dairy Developments.** An organization representing Western Organic Dairy Producers has provided information that there are 17 certified organic dairy producers in Idaho.

**Organic Milk Pay Prices in the EU.** Organic milk farm gate prices in the EU are trending higher than a year ago. Average organic milk farm prices in Germany for June 2016, 46.97 Euros/100kg, are 0.09% higher than a year ago, but down 0.68% from May, according to CLAL. In Bavaria, the June price, 47.58 Euros, is up 0.91% from a year earlier but down 0.25% from May. As of August 24, the exchange rate was 1.1259 Euros per 1 U.S. dollar.

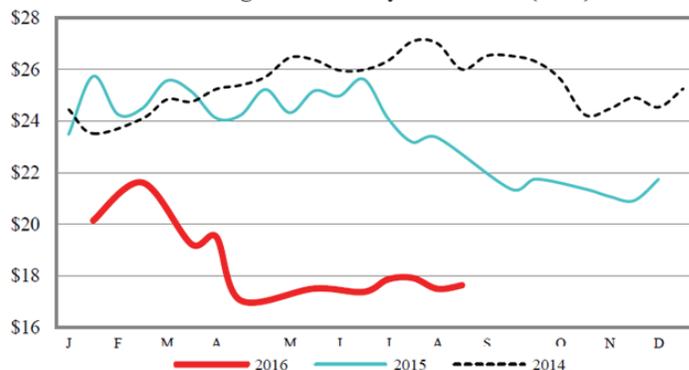
**ORGANIC GRAIN AND FEEDSTUFF MARKETS:** Feed grade corn prices are 46 cents lower f.o.b. Feed grade soybean demand is moderate to good, trading 14 cents higher f.o.b. Trading is limited for soybean meal and oil, with steady prices. Feed grade HRW wheat, feed grade oats, and barley trading is good, with no comparable trades. Grower bids on feed corn are \$7.00-\$8.00/bushel f.o.b., \$7.00-\$9.25/bushel delivered; food soybeans \$22.00/bushel delivered (high protein); feed soybeans \$15.50-\$18.00/bushel f.o.b., \$16.00-\$19.20/bushel delivered; feed barley \$5.50-\$7.00/bushel delivered; feed oats \$4.00-\$5.00/bushel delivered; feed grade wheat bids \$6.00-\$7.50/bushel f.o.b., \$8.00 per bushel delivered; and feed rye \$7.00/bushel delivered.

**National Organic Feed Corn Prices (\$/bu)**



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

**National Organic Feed Soybean Prices (\$/bu)**

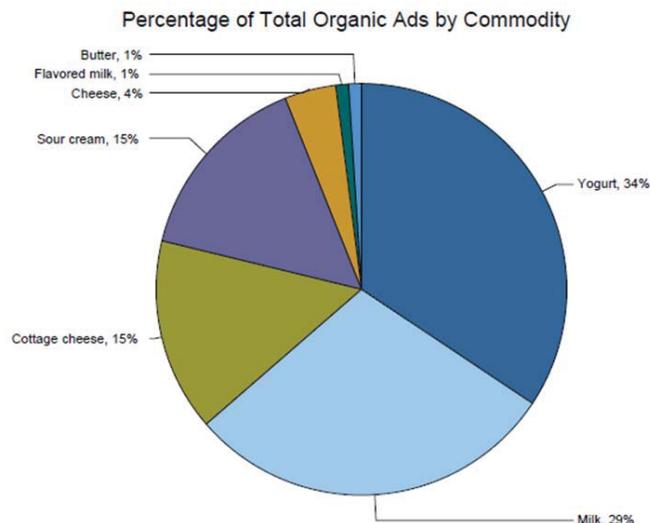


Data source/graph USDA Livestock, Poultry & Grain Market News

Additional livestock and grain market news information is available at: [www.ams.usda.gov/LSMarketNews](http://www.ams.usda.gov/LSMarketNews)

**ORGANIC DAIRY RETAIL OVERVIEW**

**Organic Dairy Overview.** This week, organic yogurt leads all organic dairy products in ad numbers, further delineated in the pie chart below.



**ORGANIC DAIRY MARKET NEWS**

Information gathered August 15 - 26, 2016

**CONTINUED FROM PAGE -8-**

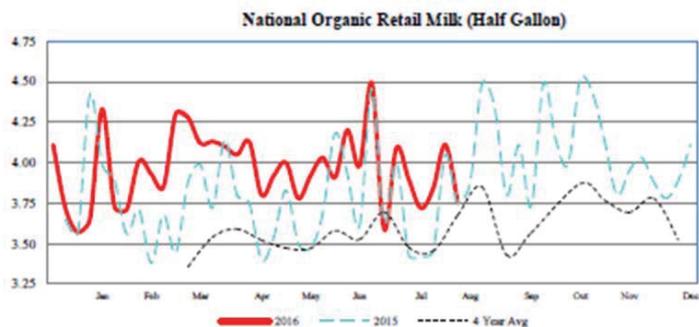
Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from August 26-September 1, 2016 identifying weekly “specials” and containing organic dairy content. Surveyed ads reflect advertised “specials” and not the range of non-advertised supermarket cooler prices.

Selected organic dairy product pricing information from the current weekly survey is shown in the following table:

**Retail Organic Dairy Average Price (Dollars)**

| Commodity     | This Week | Last Week | Last Year |
|---------------|-----------|-----------|-----------|
| Butter        | 5.71      | 4.99      | 4.79      |
| Cheese        |           |           |           |
| 8 oz. Blk.    | 4.90      | 4.15      | 3.67      |
| 8 oz. shred   | 3.83      | 3.60      | ...       |
| Milk          |           |           |           |
| Half gal.     | 4.37      | 3.75      | 3.87      |
| Gal.          | 5.10      | 4.95      | 6.26      |
| 8 oz.         | 1.03      | 1.00      | 1.00      |
| Yogurt        |           |           |           |
| 4-6 oz. Greek | 1.17      | 1.51      | 1.25      |
| 4-6 oz.       | 1.12      | ...       | 1.01      |

Historic organic half gallon milk pricing information is shown in the following graph:



Complete results of the weekly organic dairy retail survey including regional delineation, can be accessed at:

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

## July Milk Production

Milk production in the 23 major States during July totaled 16.8 billion pounds, up 1.4 percent from July 2015. June revised production, at 16.7 billion pounds, was up 1.6 percent from June 2015. The June revision represented an increase of 9 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,946 pounds for July, 24 pounds above July 2015. This is the highest production per cow for the month of July since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.65 million head, 19,000 head more than July 2015, and 2,000 head more than June 2016.

**July 2016 Milk Cows and Milk Production, by States**

| State          | Milk Cows <sup>1</sup> |       | Milk per Cow <sup>2</sup> |       | Milk Production <sup>2</sup> |        |                  |
|----------------|------------------------|-------|---------------------------|-------|------------------------------|--------|------------------|
|                | 2015                   | 2016  | 2015                      | 2016  | 2015                         | 2016   | Change from 2015 |
|                | <i>(thousands)</i>     |       | <i>(pounds)</i>           |       | <i>(million pounds)</i>      |        | <i>(percent)</i> |
| AZ             | 195                    | 198   | 1,985                     | 1,980 | 387                          | 392    | 1.3              |
| CA             | 1,778                  | 1,768 | 1,915                     | 1,910 | 3,405                        | 3,377  | -0.8             |
| CO             | 145                    | 150   | 2,220                     | 2,240 | 322                          | 336    | 4.3              |
| FL             | 125                    | 121   | 1,715                     | 1,670 | 214                          | 202    | -5.6             |
| ID             | 586                    | 595   | 2,095                     | 2,140 | 1,228                        | 1,273  | 3.7              |
| IL             | 94                     | 94    | 1,650                     | 1,660 | 155                          | 156    | 0.6              |
| IN             | 181                    | 184   | 1,850                     | 1,850 | 335                          | 340    | 1.5              |
| IA             | 211                    | 211   | 1,915                     | 1,960 | 404                          | 414    | 2.5              |
| KS             | 143                    | 145   | 1,845                     | 1,870 | 264                          | 271    | 2.7              |
| MI             | 409                    | 420   | 2,170                     | 2,210 | 888                          | 928    | 4.5              |
| MN             | 460                    | 462   | 1,760                     | 1,780 | 810                          | 822    | 1.5              |
| NM             | 323                    | 310   | 2,040                     | 2,100 | 659                          | 651    | -1.2             |
| NY             | 619                    | 620   | 1,970                     | 2,045 | 1,219                        | 1,268  | 4.0              |
| OH             | 266                    | 266   | 1,770                     | 1,780 | 471                          | 473    | 0.4              |
| OR             | 122                    | 125   | 1,745                     | 1,750 | 213                          | 219    | 2.8              |
| PA             | 530                    | 530   | 1,730                     | 1,735 | 917                          | 920    | 0.3              |
| SD             | 107                    | 115   | 1,895                     | 1,870 | 203                          | 215    | 5.9              |
| TX             | 462                    | 471   | 1,850                     | 1,895 | 855                          | 893    | 4.4              |
| UT             | 96                     | 92    | 2,010                     | 1,990 | 193                          | 183    | -5.2             |
| VT             | 132                    | 130   | 1,740                     | 1,770 | 230                          | 230    | ---              |
| VA             | 91                     | 90    | 1,630                     | 1,590 | 148                          | 143    | -3.4             |
| WA             | 275                    | 274   | 2,035                     | 2,045 | 560                          | 560    | ---              |
| WI             | 1,280                  | 1,278 | 1,960                     | 2,005 | 2,509                        | 2,562  | 2.1              |
| 23 State Total | 8,630                  | 8,649 | 1,922                     | 1,946 | 16,589                       | 16,828 | 1.4              |

<sup>1</sup> Includes dry cows. Excludes heifers not yet fresh.

<sup>2</sup> Excludes milk sucked by calves.

**Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Milk Production*, (August 2016).

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated

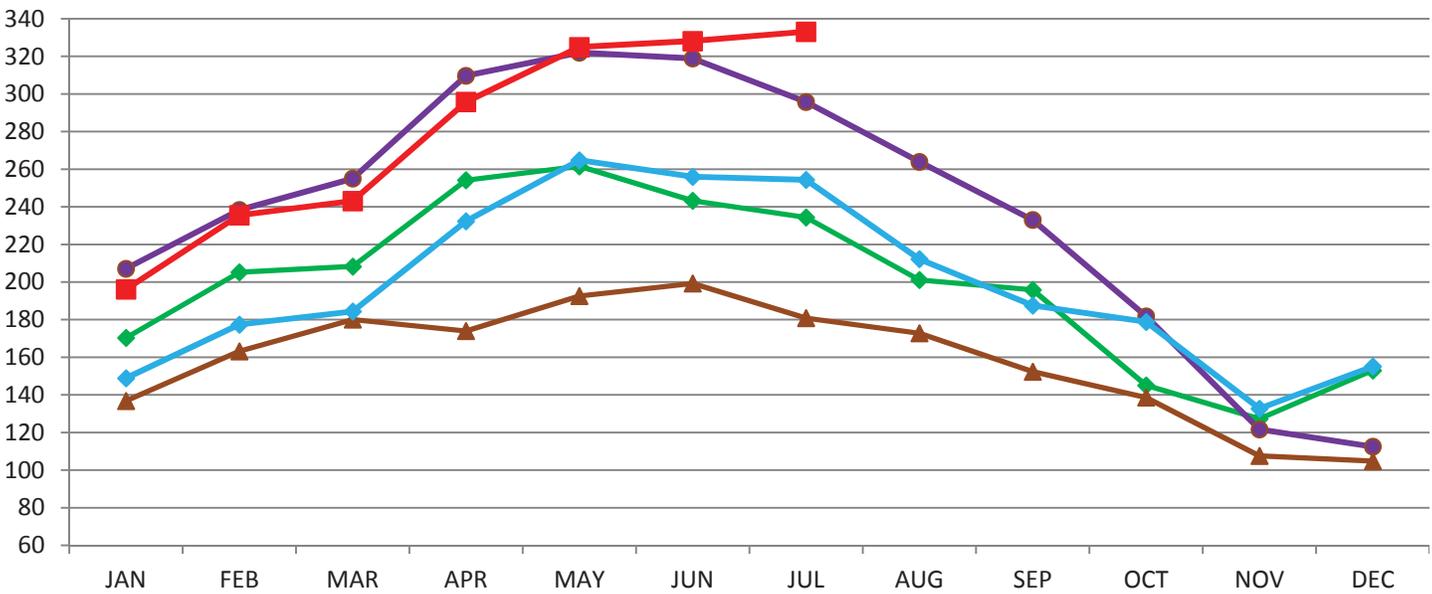
| U.S. HOLDINGS OF DAIRY PRODUCTS |              |              |                      |              |              |              |
|---------------------------------|--------------|--------------|----------------------|--------------|--------------|--------------|
| COMMODITY                       | JUN 30, 2014 | JUN 30, 2015 | REVISED JUN 30, 2016 | JUL 31, 2014 | JUL 31, 2015 | JUL 31, 2016 |
| Butter                          | 199,248      | 256,000      | 328,149              | 180,834      | 254,347      | 333,123      |
| Cheese, Natural American        | 655,239      | 685,745      | 756,950              | 660,438      | 698,029      | 769,982      |
| Cheese, Swiss                   | 27,972       | 20,841       | 24,492               | 24,593       | 21,591       | 25,705       |
| Cheese, Other Natural           | 372,231      | 435,655      | 468,886              | 369,861      | 442,176      | 480,664      |
| Total Cheese                    | 1,055,442    | 1,142,241    | 1,250,328            | 1,054,892    | 1,161,796    | 1,276,351    |

| JULY STORAGE HOLDINGS BY REGION |                         |         |         |          |         |         |                      |         |         |
|---------------------------------|-------------------------|---------|---------|----------|---------|---------|----------------------|---------|---------|
| REGION                          | Natural American Cheese |         |         | Butter * |         |         | Other Natural Cheese |         |         |
|                                 | 2014                    | 2015    | 2016    | 2014     | 2015    | 2016    | 2014                 | 2015    | 2016    |
| New England                     | 61,092                  | 63,369  | 63,996  | ---      | ---     | ---     | 755                  | 780     | 749     |
| Middle Atlantic                 | 55,456                  | 70,476  | 91,645  | ---      | ---     | ---     | 22,698               | 24,011  | 21,045  |
| East North Central              | 240,158                 | 275,377 | 303,188 | ---      | ---     | ---     | 246,831              | 283,812 | 301,308 |
| West North Central              | 111,177                 | 112,230 | 132,604 | ---      | ---     | ---     | 45,655               | 45,810  | 48,817  |
| South Atlantic                  | 541                     | 1,029   | 2,202   | ---      | ---     | ---     | 5,071                | 26,757  | 29,703  |
| East South Central              | 5,242                   | 6,583   | 7,341   | ---      | ---     | ---     | 13,637               | 13,640  | 23,260  |
| West South Central              | 21,418                  | 13,038  | 16,453  | ---      | ---     | ---     | 554                  | 1,195   | 1,319   |
| Mountain                        | 54,596                  | 57,188  | 49,187  | ---      | ---     | ---     | 2,593                | 2,796   | 4,220   |
| Pacific                         | 110,758                 | 98,739  | 103,366 | ---      | ---     | ---     | 32,067               | 43,375  | 50,243  |
| TOTAL                           | 660,438                 | 698,029 | 769,982 | 180,834  | 254,347 | 333,123 | 369,861              | 442,176 | 480,664 |

\*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

MILLION POUNDS

Butter Cold Storage Holdings



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

Legend: 2012 (green diamond), 2013 (purple circle), 2014 (brown triangle), 2015 (light blue diamond), 2016 (red square)

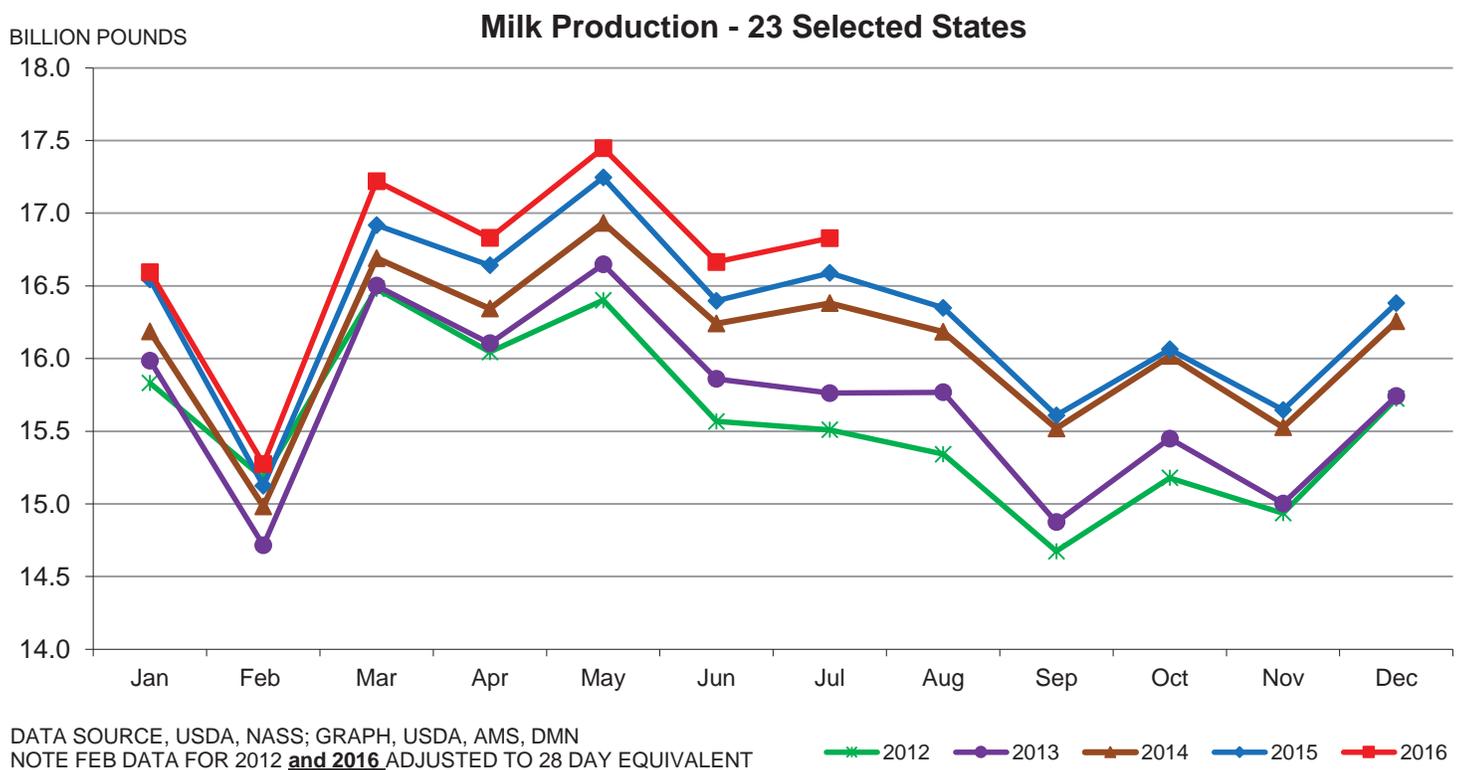
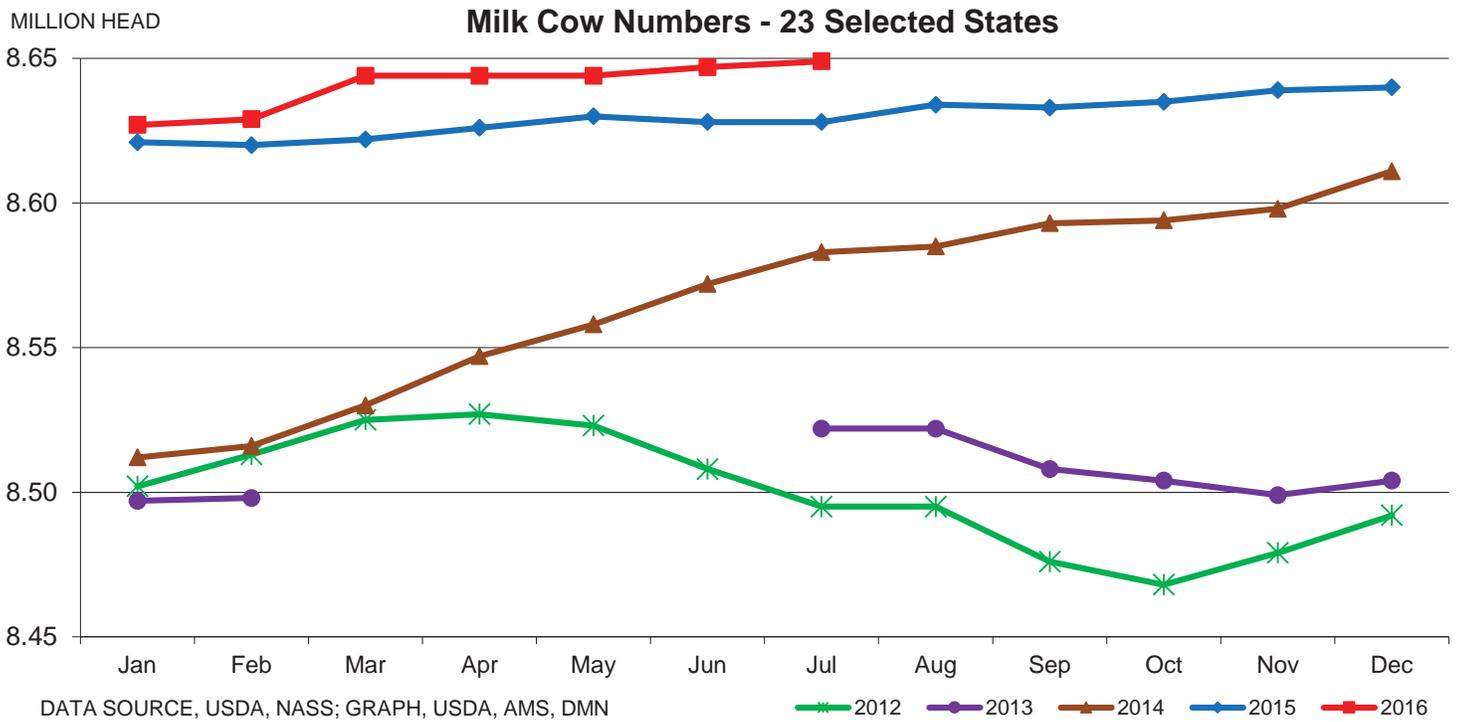
## Consumer Price Index and Average Retail Prices for Selected Products, U.S. City Average <sup>1</sup>

| <b>Consumer Price Index</b> |                  |                          |                  |                          |                  |                          |                  |                          |                  |                          |                                  |                          |
|-----------------------------|------------------|--------------------------|------------------|--------------------------|------------------|--------------------------|------------------|--------------------------|------------------|--------------------------|----------------------------------|--------------------------|
| Month                       | All Food         |                          | Dairy Products   |                          | Fresh Whole Milk |                          | Cheese           |                          | Butter           |                          | Meat, Poultry,<br>Fish, and Eggs |                          |
|                             | CPI <sup>2</sup> | Pct.<br>Chg <sup>3</sup> | CPI <sup>2</sup>                 | Pct.<br>Chg <sup>3</sup> |
| May 2016                    | 247.9            | 0.7                      | 216.1            | -2.2                     | 200.6            | -5.3                     | 228.6            | -1.9                     | 229.6            | 3.5                      | 249.0                            | -3.2                     |
| Jun 2016                    | 247.5            | 0.3                      | 214.8            | -2.2                     | 199.2            | -4.8                     | 225.2            | -2.6                     | 233.6            | 4.8                      | 248.0                            | -5.0                     |
| Jul 2016                    | 247.6            | 0.2                      | 214.6            | -3.1                     | 197.8            | -7.0                     | 226.6            | -3.2                     | 235.7            | 3.1                      | 246.9                            | -5.6                     |

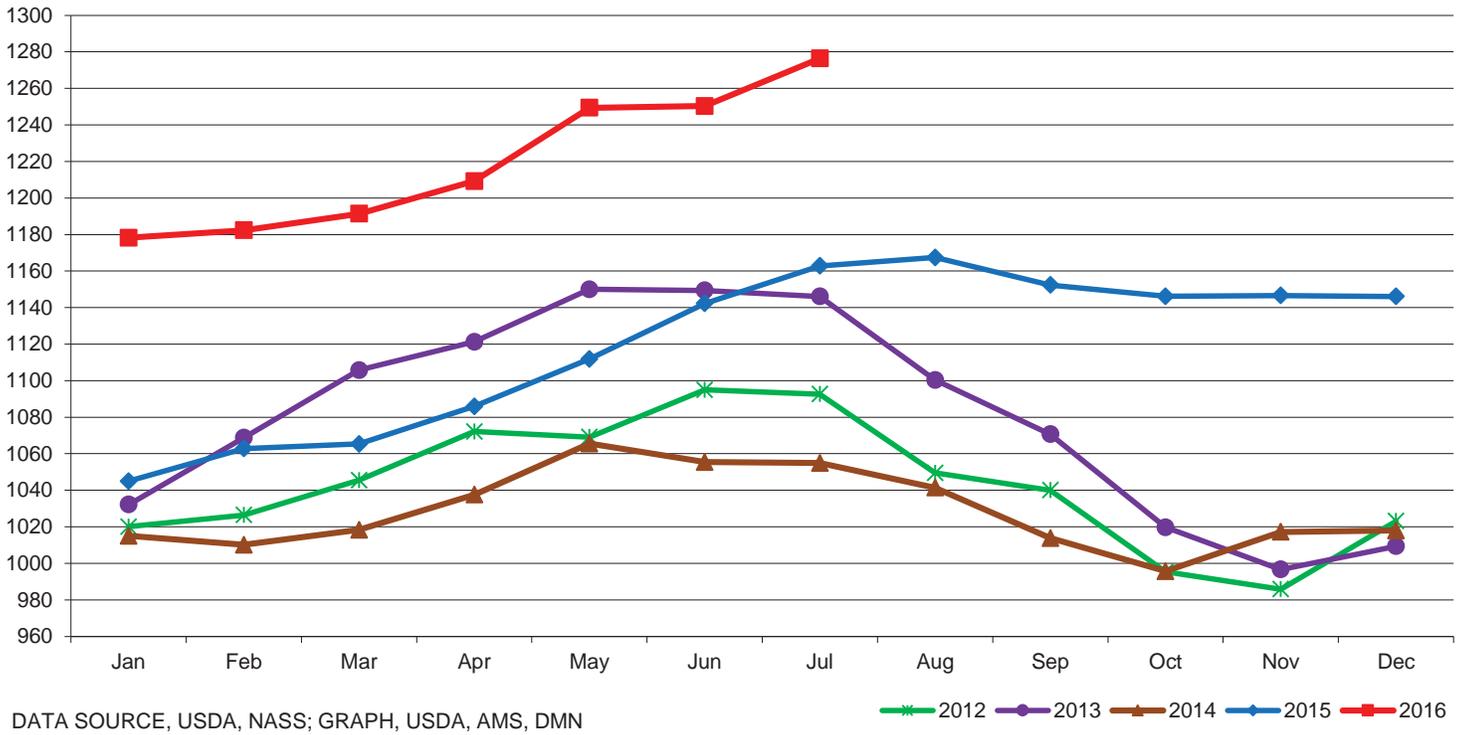
| <b>U.S. City Average Retail Prices</b> |                         |       |                     |      |                             |       |                             |       |                        |       |
|--|-------------------------|-------|---------------------|------|-----------------------------|-------|-----------------------------|-------|------------------------|-------|
| Month                                  | Whole Milk <sup>4</sup> |       | Butter <sup>5</sup> |      | Process Cheese <sup>6</sup> |       | Natural Cheese <sup>7</sup> |       | Ice Cream <sup>8</sup> |       |
|  | 2016                    | 2015  | 2016                | 2015 | 2016                        | 2015  | 2016                        | 2015  | 2016                   | 2015  |
|  | <i>(dollars)</i>        |       |                     |      |                             |       |                             |       |                        |       |
| May                                    | 3.157                   | 3.387 | N/A                 | N/A  | 4.325                       | 4.417 | 5.365                       | 5.312 | 4.801                  | 4.696 |
| Jun                                    | 3.115                   | 3.366 | N/A                 | N/A  | 4.310                       | 4.265 | 5.269                       | 5.256 | 4.710                  | 4.620 |
| Jul                                    | 3.062                   | 3.430 | N/A                 | N/A  | 4.373                       | 4.352 | 5.184                       | 5.376 | 4.691                  | 4.466 |

N/A = Not available. <sup>1</sup> "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. <sup>2</sup> The standard reference base period for these indexes is 1982-1984 = 100. <sup>3</sup> Percent change over previous year. <sup>4</sup> Per gallon. <sup>5</sup> Per pound. Grade AA, salted, stick butter. <sup>6</sup> Per pound, any size and type of package. <sup>7</sup> Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc). <sup>8</sup> Per 1/2 gallon prepackaged regular.



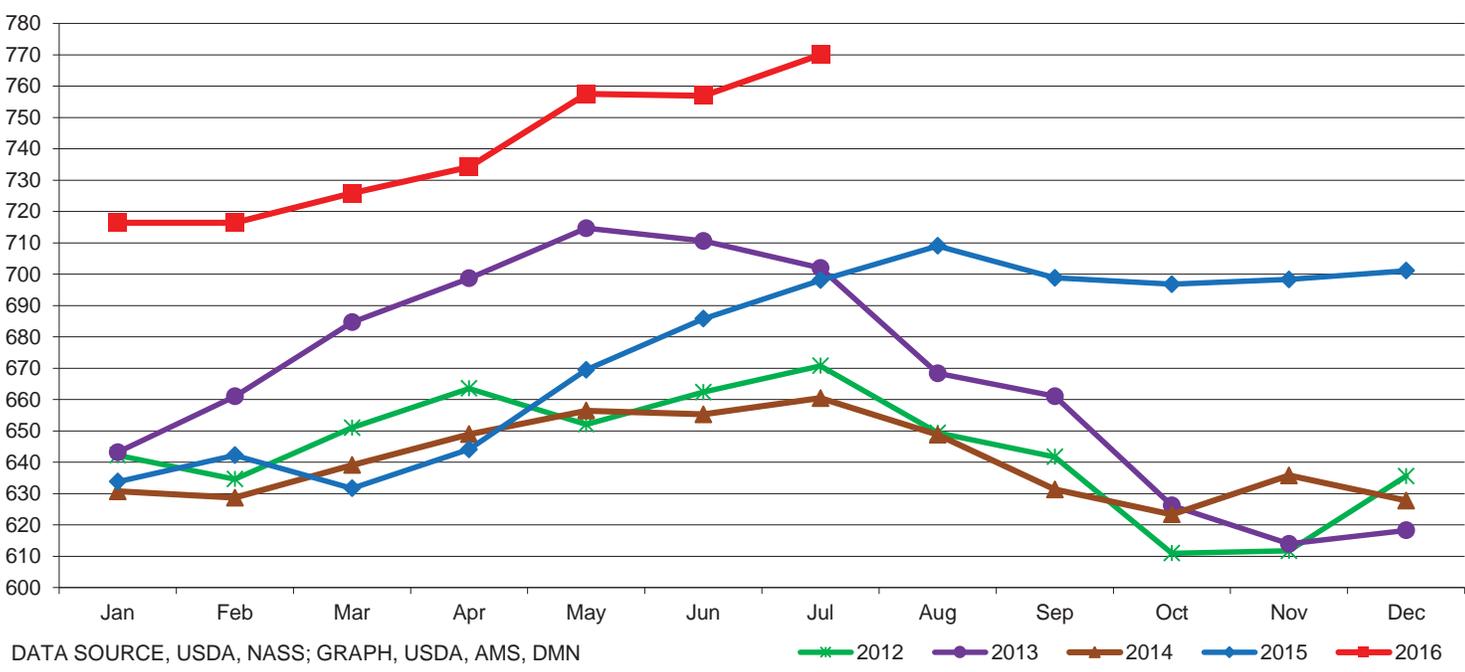
MILLION POUNDS

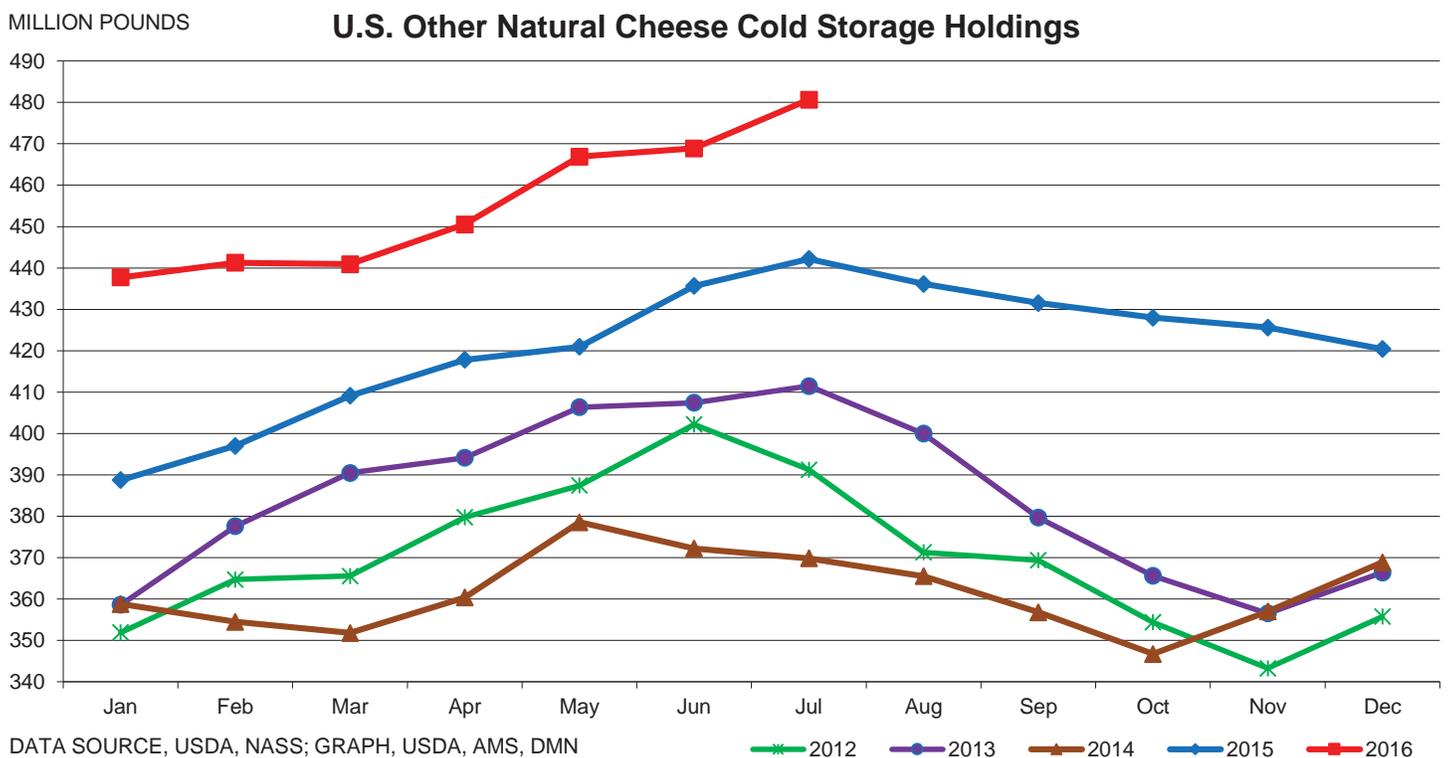
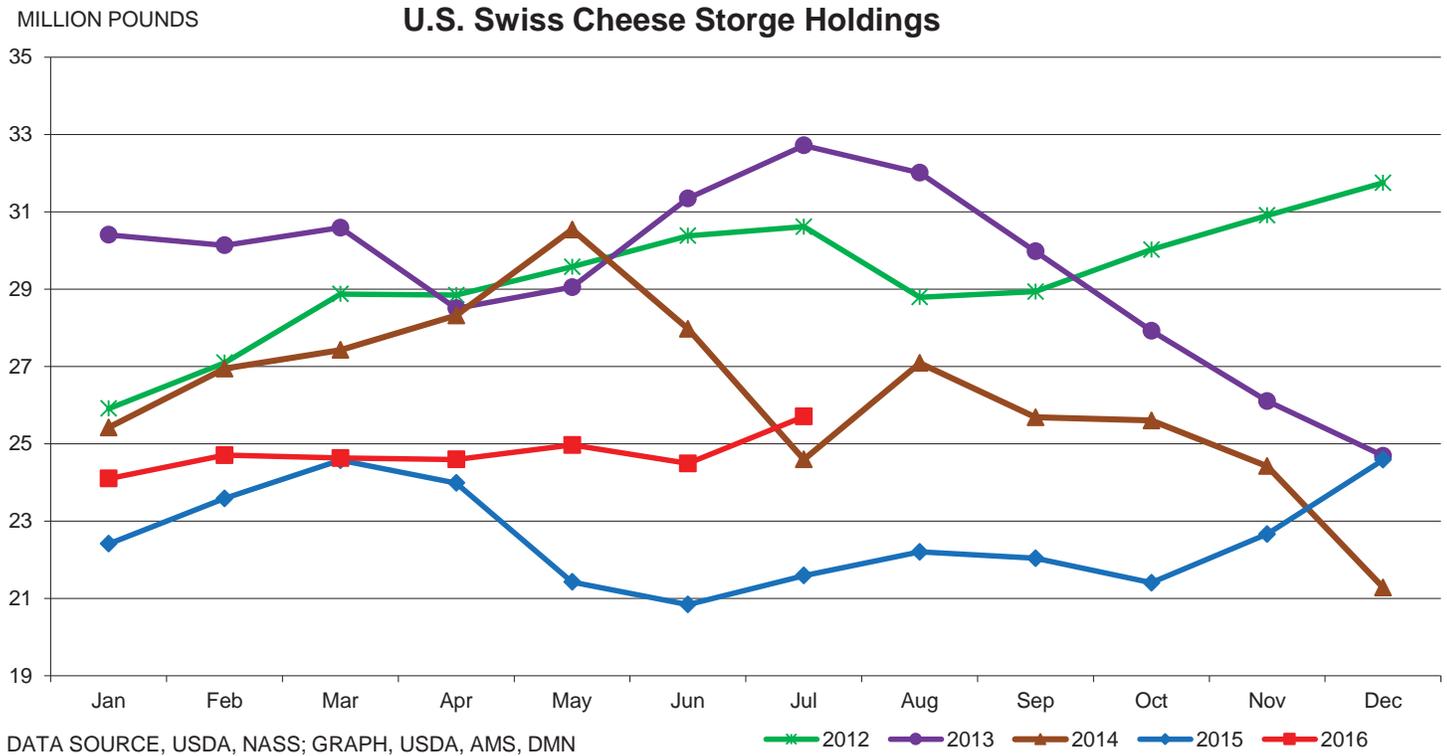
### U.S. Total Natural Cheese Cold Storage Holdings



### U.S. Natural American Cheese Cold Storage Holdings

MILLION POUNDS







## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Retail Report-Dairy

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

Volume 83- Number 34

Issued Weekly

Friday, August 26, 2016

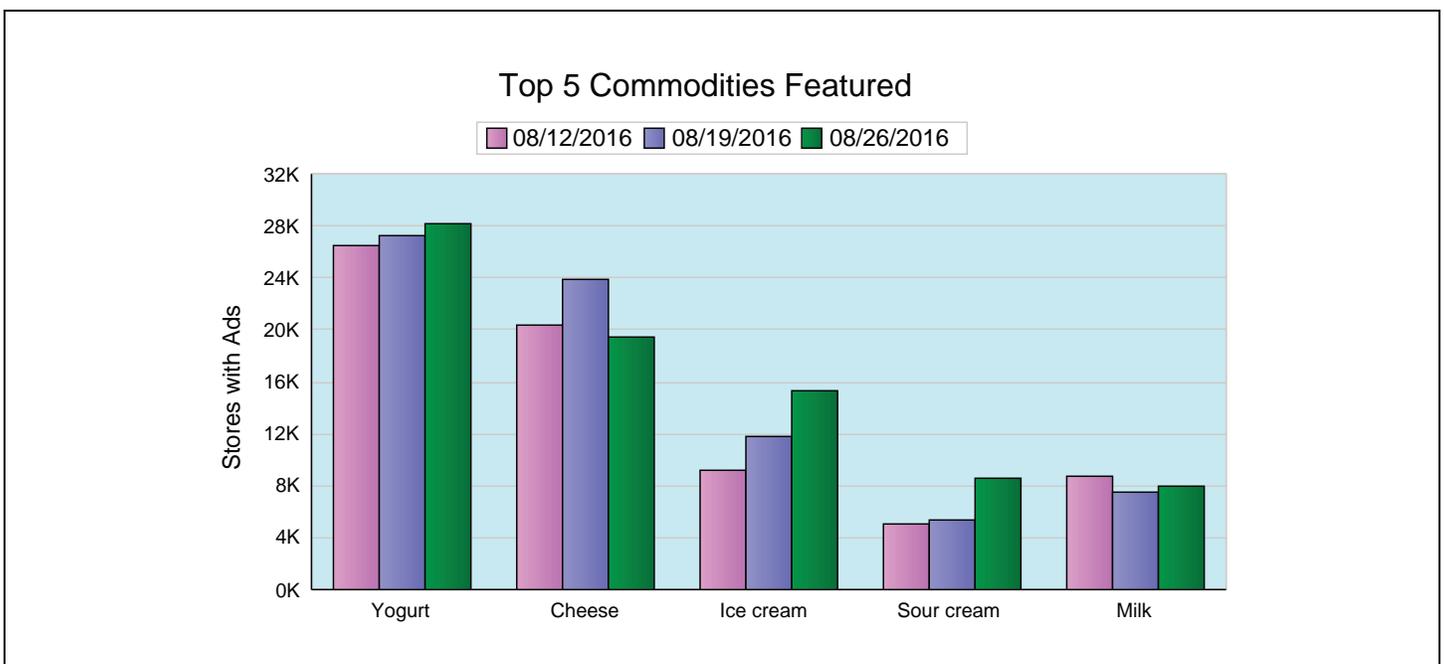
### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 08/26/2016 to 09/01/2016

Advertisements for ice cream in a 48-64 ounce containers increased by 31%, and became the top advertised dairy item for the week. Greek yogurt in 4-6 ounce containers and 8 ounce packages of shredded cheese followed closely behind. The national weighted average price for conventional 1 pound butter is \$3.00, while organic 1 pound butter is \$5.71. Total conventional ads decreased by 2%, but total organic ads increased by 35%. Organic cottage cheese in 16 ounce containers had the largest percentage increase, 782%, of all dairy items.

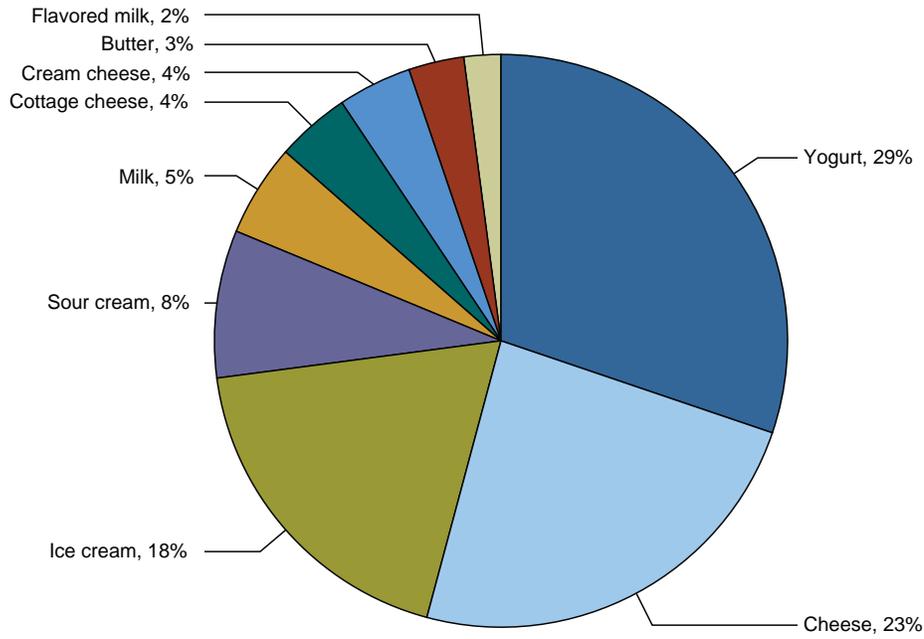
Conventional Greek yogurt in 4-6 ounce containers held an average price of \$0.96, up 5 cents from last week's price, while organic Greek yogurt in the same size packages averaged \$1.17. Conventional non-Greek yogurt in 4-6 ounce containers averaged \$0.48, while its organic counterpart averaged \$1.12. Conventional yogurt ads decreased by 3% this week, while organic yogurt ads increased by 70%.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.17, up 5 cents from last week; 8 ounce shred cheese averaged \$2.30, up 1 cent from last week. Ads for 8 ounce organic block cheese average \$4.90, an organic premium of \$2.73. Ads for 8 ounce organic shred cheese average \$3.83, an organic premium of \$1.53. The number of conventional cheese ads decreased 17%, and organic cheese ads decreased 52% this week.

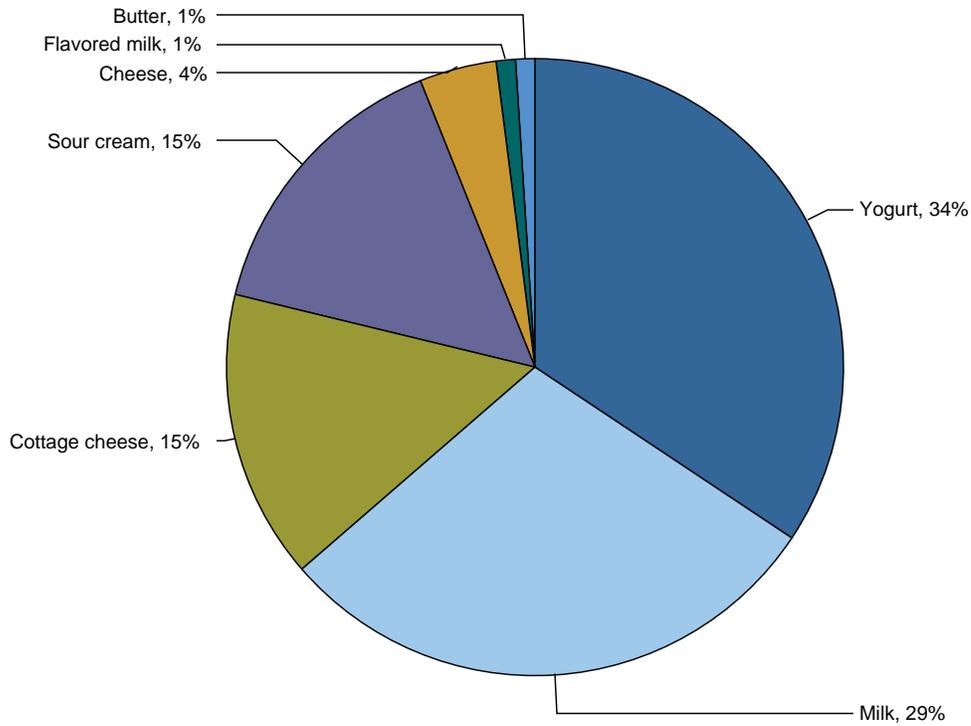
The price spread between organic and conventional half gallon milk is \$2.66. Last week the spread was \$2.37. The price spread is the difference between the national weighted average price for organic, \$4.37, and conventional, \$1.71. Organic milk advertisements decreased by 17%, while ads for conventional milk increased by 42%.



### 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 #         | 2712            | 3.00          | 2645            | 3.41          | 4934            | 3.16          |
| Cheese         | Natural Varieties | 8 oz block  | 5730            | 2.17          | 7662            | 2.12          | 6981            | 2.34          |
| Cheese         | Natural Varieties | 1 # block   | 933             | 4.07          | 3145            | 3.79          | 2856            | 3.37          |
| Cheese         | Natural Varieties | 2 # block   | 1872            | 6.29          | 1055            | 6.36          | 340             | 7.55          |
| Cheese         | Natural Varieties | 8 oz shred  | 10103           | 2.30          | 8884            | 2.29          | 7910            | 2.46          |
| Cheese         | Natural Varieties | 1 # shred   | 171             | 4.39          | 1943            | 3.82          | 2923            | 3.26          |
| Cottage cheese |                   | 16 oz       | 3600            | 1.95          | 3767            | 1.88          | 3319            | 1.95          |
| Cream cheese   |                   | 8 oz        | 2950            | 1.79          | 5445            | 1.98          | 3679            | 1.89          |
| Flavored milk  | All fat tests     | half gallon | 1263            | 2.25          | 1913            | 2.31          | 143             | 2.00          |
| Flavored milk  | All fat tests     | gallon      | 397             | 3.44          | 404             | 3.48          | 351             | 1.99          |
| Ice cream      |                   | 48-64oz     | 15349           | 3.06          | 11731           | 2.90          | 12084           | 3.12          |
| Milk           | All fat tests     | half gallon | 1369            | 1.71          | 433             | 1.38          | 879             | 1.96          |
| Milk           | All fat tests     | gallon      | 2737            | 2.37          | 2467            | 2.58          | 1757            | 2.51          |
| Sour cream     |                   | 16 oz       | 6677            | 1.79          | 5096            | 1.57          | 7595            | 1.71          |
| Yogurt         | Greek             | 4-6 oz      | 14067           | .96           | 14737           | .91           | 11377           | .96           |
| Yogurt         | Greek             | 32 oz       | 1982            | 3.96          | 1687            | 4.06          | 1482            | 3.98          |
| Yogurt         | Yogurt            | 4-6 oz      | 7131            | .48           | 7046            | .47           | 4403            | .55           |
| Yogurt         | Yogurt            | 32 oz       | 630             | 2.19          | 1153            | 2.07          | 1518            | 2.21          |

## REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

| Commodity      | Type              | Pack Size   | NORTHEAST U.S. |                 |               | SOUTHEAST U.S. |                 |               | MIDWEST U.S. |                 |               |
|----------------|-------------------|-------------|----------------|-----------------|---------------|----------------|-----------------|---------------|--------------|-----------------|---------------|
|                |                   |             | Price Range    | Stores with Ads | Wtd Avg Price | Price Range    | Stores with Ads | Wtd Avg Price | Price Range  | Stores with Ads | Wtd Avg Price |
| Butter         |                   | 1 #         | 2.99-3.99      | 957             | 3.18          | 3.25-3.50      | 295             | 3.30          | 3.00-3.49    | 401             | 3.08          |
| Cheese         | Natural Varieties | 8 oz block  | 1.66-3.00      | 2334            | 2.23          | 1.49-2.50      | 1064            | 2.21          | 1.66-3.00    | 815             | 2.07          |
| Cheese         | Natural Varieties | 1 # block   | 3.50           | 135             | 3.50          |                |                 |               | 2.79         | 57              | 2.79          |
| Cheese         | Natural Varieties | 2 # block   | 6.99-8.98      | 171             | 7.72          |                |                 |               |              |                 |               |
| Cheese         | Natural Varieties | 8 oz shred  | 1.66-3.50      | 2391            | 2.39          | 1.49-2.50      | 2256            | 2.29          | 1.66-3.00    | 1283            | 2.04          |
| Cheese         | Natural Varieties | 1 # shred   | 3.99           | 137             | 3.99          |                |                 |               |              |                 |               |
| Cottage cheese |                   | 16 oz       | 1.50-2.50      | 1113            | 1.96          | 1.99-2.00      | 1588            | 2.00          |              |                 |               |
| Cream cheese   |                   | 8 oz        | 1.50-1.99      | 1212            | 1.80          | 1.49-2.00      | 362             | 1.79          | 0.99-1.88    | 226             | 1.46          |
| Flavored milk  | All fat tests     | half gallon | 1.99-2.99      | 841             | 2.25          | 2.50           | 61              | 2.50          | 1.99-2.00    | 287             | 2.00          |
| Ice cream      |                   | 48-64oz     | 1.99-3.99      | 3074            | 2.80          | 1.99-3.99      | 4698            | 3.11          | 1.88-3.99    | 2436            | 2.94          |
| Milk           | All fat tests     | half gallon | 2.00           | 396             | 2.00          | 0.99           | 184             | .99           | 1.00         | 98              | 1.00          |
| Milk           | All fat tests     | gallon      | 1.89-2.99      | 703             | 2.34          | 1.99-2.75      | 552             | 2.25          | 1.69-2.49    | 206             | 1.96          |
| Sour cream     |                   | 16 oz       | 1.29-2.00      | 2332            | 1.78          | 1.48-2.00      | 1823            | 1.87          | 1.50-1.99    | 494             | 1.85          |
| Yogurt         | Greek             | 4-6 oz      | 0.50-1.00      | 3227            | .94           | 0.80-1.00      | 4025            | .98           | 0.80-1.00    | 1738            | .91           |
| Yogurt         | Greek             | 32 oz       | 3.49-5.49      | 309             | 4.55          | 3.99           | 1002            | 3.99          | 3.88         | 107             | 3.88          |
| Yogurt         | Yogurt            | 4-6 oz      | 0.33-0.60      | 1952            | .47           | 0.44-0.50      | 1652            | .50           | 0.39-0.60    | 891             | .53           |
| Yogurt         | Yogurt            | 32 oz       | 1.99-2.50      | 328             | 2.08          |                |                 |               | 2.00-2.49    | 299             | 2.29          |

Wtd Avg - Simple weighted average



| Commodity      | Type              | Pack Size   | SOUTH CENTRAL U.S. |                 |               | SOUTHWEST U.S. |                 |               | NORTHWEST U.S. |                 |               |
|----------------|-------------------|-------------|--------------------|-----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|---------------|
|                |                   |             | Price Range        | Stores with Ads | Wtd Avg Price | Price Range    | Stores with Ads | Wtd Avg Price | Price Range    | Stores with Ads | Wtd Avg Price |
| Butter         |                   | 1 #         | 2.99-3.99          | 334             | 3.48          | 1.79-2.49      | 358             | 2.01          | 2.49-2.99      | 364             | 2.73          |
| Cheese         | Natural Varieties | 8 oz block  | 1.66-3.33          | 602             | 2.35          | 1.00-2.50      | 853             | 1.88          |                |                 |               |
| Cheese         | Natural Varieties | 1 # block   | 3.99               | 162             | 3.99          | 2.99-4.99      | 545             | 4.26          |                |                 |               |
| Cheese         | Natural Varieties | 2 # block   | 5.99               | 121             | 5.99          | 5.00-7.99      | 942             | 6.22          | 4.99-7.99      | 604             | 6.03          |
| Cheese         | Natural Varieties | 8 oz shred  | 1.49-3.33          | 1951            | 2.34          | 1.50-2.99      | 1896            | 2.32          | 0.79-2.99      | 262             | 2.11          |
| Cottage cheese |                   | 16 oz       | 2.00-2.29          | 217             | 2.22          | 1.00-1.99      | 472             | 1.49          | 2.00-2.50      | 210             | 2.25          |
| Cream cheese   |                   | 8 oz        | 1.66-2.39          | 235             | 1.96          | 1.99           | 356             | 1.99          | 1.49-2.50      | 532             | 1.69          |
| Flavored milk  | All fat tests     | half gallon | 2.99               | 74              | 2.99          |                |                 |               |                |                 |               |
| Flavored milk  | All fat tests     | gallon      | 2.99               | 114             | 2.99          | 3.69           | 178             | 3.69          | 3.49           | 105             | 3.49          |
| Ice cream      |                   | 48-64oz     | 1.99-4.29          | 1594            | 3.22          | 2.29-5.00      | 2686            | 3.06          | 2.99-4.99      | 713             | 3.75          |
| Milk           | All fat tests     | half gallon | 0.99-1.00          | 429             | .99           | 2.50-3.99      | 228             | 3.25          |                |                 |               |
| Milk           | All fat tests     | gallon      | 2.99-3.88          | 375             | 3.22          | 1.89-2.39      | 792             | 2.17          | 2.50           | 105             | 2.50          |
| Sour cream     |                   | 16 oz       | 1.00-1.50          | 394             | 1.35          | 1.00-2.49      | 971             | 1.92          | 1.50-2.00      | 604             | 1.64          |
| Yogurt         | Greek             | 4-6 oz      | 0.67-1.00          | 2050            | .93           | 0.85-1.00      | 1703            | .98           | 0.88-1.00      | 1212            | .96           |
| Yogurt         | Greek             | 32 oz       | 3.39-3.99          | 276             | 3.64          | 2.49           | 114             | 2.49          | 3.99-4.49      | 174             | 4.29          |
| Yogurt         | Yogurt            | 4-6 oz      | 0.30-0.50          | 722             | .43           | 0.39-0.50      | 1489            | .45           | 0.40-0.50      | 340             | .48           |

| 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 #         | 2.95        | 3               | 2.95          |             |                 |               |
| Cheese       | Natural Varieties | 8 oz block  | 2.50-3.50   | 34              | 3.32          | 2.50-2.99   | 28              | 2.92          |
| Cheese       | Natural Varieties | 1 # block   |             |                 |               | 5.99        | 34              | 5.99          |
| Cheese       | Natural Varieties | 2 # block   | 3.98-7.99   | 7               | 5.56          | 6.99        | 27              | 6.99          |
| Cheese       | Natural Varieties | 8 oz shred  | 2.50-3.50   | 36              | 3.29          | 2.50-2.99   | 28              | 2.92          |
| Cheese       | Natural Varieties | 1 # shred   |             |                 |               | 5.99        | 34              | 5.99          |
| Cream cheese |                   | 8 oz        | 1.69-2.00   | 27              | 1.93          |             |                 |               |
| Ice cream    |                   | 48-64oz     | 3.98-4.79   | 32              | 4.18          | 2.75-7.99   | 116             | 4.49          |
| Milk         | All fat tests     | half gallon |             |                 |               | 3.00        | 34              | 3.00          |
| Milk         | All fat tests     | gallon      |             |                 |               | 5.19        | 4               | 5.19          |
| Sour cream   |                   | 16 oz       | 1.69-2.00   | 32              | 1.89          | 1.99        | 27              | 1.99          |
| Yogurt       | Greek             | 4-6 oz      | 1.00-1.25   | 48              | 1.14          | 1.00-1.25   | 64              | 1.11          |
| Yogurt       | Yogurt            | 4-6 oz      |             |                 |               | 0.44-1.00   | 85              | .71           |
| Yogurt       | Yogurt            | 32 oz       |             |                 |               | 3.50        | 3               | 3.50          |

**NATIONAL -- ORGANIC DAIRY PRODUCTS**

| Commodity | Type | Pack Size | THIS PERIOD | LAST WEEK | LAST YEAR |
|-----------|------|-----------|-------------|-----------|-----------|
|-----------|------|-----------|-------------|-----------|-----------|

Wtd Avg - Simple weighted average



|                |                   |             | Stores With Ads | Wtd Avg Price | Stores With Ads | Wtd Avg Price | Stores With Ads | Wtd Avg Price |
|----------------|-------------------|-------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| Butter         |                   | 1 #         | 154             | 5.71          | 183             | 4.99          | 69              | 4.79          |
| Cheese         | Natural Varieties | 8 oz block  | 351             | 4.90          | 754             | 4.15          | 527             | 3.67          |
| Cheese         | Natural Varieties | 8 oz shred  | 229             | 3.83          | 467             | 3.60          |                 |               |
| Cottage cheese |                   | 16 oz       | 1975            | 3.34          | 224             | 3.22          | 693             | 2.99          |
| Cream cheese   |                   | 8 oz        |                 |               | 278             | 2.32          |                 |               |
| Flavored milk  | All fat tests     | half gallon | 161             | 4.99          | 269             | 4.47          |                 |               |
| Milk           | All fat tests     | half gallon | 1965            | 4.37          | 3467            | 3.75          | 1253            | 3.87          |
| Milk           | All fat tests     | gallon      | 189             | 5.10          | 219             | 4.95          | 502             | 6.26          |
| Milk           | All fat tests     | 8 oz UHT    | 1637            | 1.03          | 886             | 1.00          | 831             | 1.00          |
| Sour cream     |                   | 16 oz       | 1913            | 3.27          | 244             | 1.50          | 404             | 2.53          |
| Yogurt         | Greek             | 4-6 oz      | 3044            | 1.17          | 1108            | 1.51          | 117             | 1.25          |
| Yogurt         | Greek             | 32 oz       | 301             | 3.90          | 264             | 2.50          |                 |               |
| Yogurt         | Yogurt            | 4-6 oz      | 311             | 1.12          |                 |               | 614             | 1.01          |
| Yogurt         | Yogurt            | 32 oz       | 723             | 3.48          | 1200            | 2.69          | 69              | 3.50          |

### 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 |
| Cottage cheese |               | 16 oz       |                |                 |               | 2.99-3.49      | 394             | 3.38          | 2.99-3.49    | 468             | 3.24          |
| Flavored milk  | All fat tests | half gallon | 4.99           | 161             | 4.99          |                |                 |               |              |                 |               |
| Milk           | All fat tests | half gallon | 3.59-4.99      | 1020            | 4.41          | 4.68           | 195             | 4.68          | 4.79         | 81              | 4.79          |
| Milk           | All fat tests | gallon      | 3.99           | 84              | 3.99          |                |                 |               |              |                 |               |
| Milk           | All fat tests | 8 oz UHT    | 1.00           | 229             | 1.00          | 1.00-1.25      | 650             | 1.08          | 1.00         | 260             | 1.00          |
| Sour cream     |               | 16 oz       |                |                 |               | 2.99-3.49      | 394             | 3.38          | 2.99-3.49    | 468             | 3.24          |
| Yogurt         | Greek         | 4-6 oz      | 1.00-1.39      | 1698            | 1.27          | 1.00-1.25      | 455             | 1.03          | 1.00         | 235             | 1.00          |
| Yogurt         | Greek         | 32 oz       |                |                 |               |                |                 |               | 3.50         | 57              | 3.50          |
| Yogurt         | Yogurt        | 4-6 oz      | 0.69-1.25      | 144             | .97           |                |                 |               |              |                 |               |
| Yogurt         | Yogurt        | 32 oz       | 3.39-3.50      | 651             | 3.48          | 3.50           | 61              | 3.50          |              |                 |               |

| 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 #        | 4.49               | 51              | 4.49          |                |                 |               | 5.00           | 69              | 5.00          |
| Cheese    | Natural Varieties | 8 oz block |                    |                 |               | 4.99           | 246             | 4.99          | 4.69           | 105             | 4.69          |
| Cheese    | Natural Varieties | 8 oz shred | 3.99               | 51              | 3.99          | 3.79           | 178             | 3.79          |                |                 |               |

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 |
| Cottage cheese |               | 16 oz       | 2.99-3.49          | 429             | 3.15          | 3.49-3.99      | 513             | 3.55          | 3.29-3.49      | 171             | 3.41          |
| Milk           | All fat tests | half gallon | 3.49-3.99          | 276             | 3.78          | 3.99-4.49      | 345             | 4.23          |                |                 |               |
| Milk           | All fat tests | gallon      |                    |                 |               |                |                 |               | 5.99           | 105             | 5.99          |
| Milk           | All fat tests | 8 oz UHT    | 1.00               | 429             | 1.00          |                |                 |               | 1.00           | 69              | 1.00          |
| Sour cream     |               | 16 oz       | 2.99-3.49          | 429             | 3.15          | 3.49           | 451             | 3.49          | 2.50-3.29      | 171             | 2.80          |
| Yogurt         | Greek         | 4-6 oz      | 1.00               | 429             | 1.00          | 1.00-1.25      | 227             | 1.15          |                |                 |               |
| Yogurt         | Greek         | 32 oz       |                    |                 |               | 3.99           | 244             | 3.99          |                |                 |               |
| Yogurt         | Yogurt        | 4-6 oz      |                    |                 |               | 1.25           | 167             | 1.25          |                |                 |               |

| 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 #         |             |                 |               | 8.99        | 34              | 8.99          |
| Milk      | All fat tests | half gallon | 2.99        | 11              | 2.99          | 5.97-6.99   | 37              | 6.91          |
| Yogurt    | Yogurt        | 32 oz       | 2.99        | 11              | 2.99          |             |                 |               |

**REGIONAL DEFINITIONS**

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

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



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## GENERAL NUMBER

(608)557-7000

Elizabeth Frederick

(608) 557-7002

Elizabeth.Frederick@AMS.USDA.GOV

## EAST

Daniel Johnson

(608) 557-7006

Daniel.Johnson@AMS.USDA.GOV

## CENTRAL

Amy Schmitz

(608) 557-7004

Amy.L.Schmitz@AMS.USDA.GOV

## SOUTHWEST

Angel Teñan

(608) 557-7011

Angel.Teran@AMS.USDA.GOV

## NORTHWEST/MOUNTAIN

Mike Bandli

(608) 557-7010

Mike.Bandli@AMS.USDA.GOV

## ORGANIC/INTERNATIONAL

Eric Graf

(608) 557-7005

Eric.Graf@AMS.USDA.GOV

## ACTING NATIONAL SUPERVISOR

Janet Linder

(608) 557-7003

Janet.Linder@AMS.USDA.GOV

## INTERNET ADDRESS

[www.ams.usda.gov/market-news/dairy](http://www.ams.usda.gov/market-news/dairy)

## MARKET NEWS PORTAL

[www.marketnews.usda.gov/mnp/da-home](http://www.marketnews.usda.gov/mnp/da-home)

## RECORDED INFORMATION SYSTEM

(608) 557-7000

## FAX

(608) 819-0629

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