

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (10/7) – UPDATED**

BUTTER: Grade AA closed at \$1.8500. The weekly average for Grade AA is \$1.8565 (-.0720).

CHEESE: Barrels closed at \$1.5100 and 40# blocks at \$1.5500. The weekly average for barrels is \$1.4810 (no change) and blocks, \$1.5360 (-.0005).

NONFAT DRY MILK: Grade A closed at \$.9150. The weekly average for Grade A is \$.9260 (-.0185).

BUTTER HIGHLIGHTS: Butter churning is seasonally active in the country. Most processors are gearing up operation schedules in order to meet Q4 butter needs. However, in the central region, a few butter manufacturers are curtailing production due to some operational issues in the plant. Microfixing is active in some plants across the nation. Nationwide, buyers' interest is inching up, as prices continue trending down at the CME Group. Print butter sales into retail channels are fair to good this week. Bulk butter prices reported throughout the country are ranging from 2 cents under to 13 cents over the market, based on the CME Group with various periods and averages used. The NASS Dairy Products report noted U.S. butter production during August 2016 was 129.0 million pounds, 0.7 percent higher than last year. During January–August 2016, U.S. butter production totaled 1,302.9 million pounds, 5.1 percent more than the same period in 2015. Grade AA butter price at the CME Group on Friday closed at \$1.8500, down \$.0475 from a week ago.

CHEESE HIGHLIGHTS: Western cheese production is strong and in some cases, milk is flowing toward cheese vats rather than other dairy manufacturing lines. Milk is readily available in the West. Midwest cheese production is active and near full capacity. However, a few cheese plants have scheduled down time for maintenance and repairs. Some milk intakes are down. Northeast milk supplies are adequate for increased cheese production in the region. Additional milk which has been deterred from moving into southern areas due to storms, may head into Northeast cheese vats. European cheese production struggles to meet demand, resulting in continuing draws on aging stocks. In CME Group trading Friday, barrels closed at \$1.5100, even with last Friday and blocks closed at \$1.5500, up \$.0175.

FLUID MILK: Milk production is hovering on either side of the seasonal low point throughout the nation. Across the northern tier

of states, milk production is generally steady, with some small increases noted in the Northwest. Northeast and Mid-Atlantic production is unchanged, while Florida's milk production is trending lower. Across the southern tier, South Central milk production is unchanged to slightly lower. Dairy operators in the southwest report milk production is trending higher as cow comfort improves. Bottled milk demand is uneven as school districts cycle through the fall semester break ahead of the holidays. Cream demand is lighter into frozen desserts and ice cream, leaving ample cream volumes for cheese and butter production.

DRY PRODUCTS: Dairy dry product markets are mixed depending on commodity. Low/medium heat nonfat dry milk markets are steady to lower as resistance emerges to the higher spot prices offered in the market. Some manufacturers are limiting mid-term contracting as price trends are uncertain. Dry buttermilk markets showed some weakness as near term demand declines and production increases seasonally. Dry whey markets firmed as interest from off shore buyers reemerges and uncommitted inventories decline. Feed buyers are also in the market to find blending ingredients to take advantage of recent offerings of slightly off specification, higher protein dairy commodities. As the fourth quarter begins, lactose prices firmed noticeably. Sellers indicate active buyer interest is present for lactose. The whey protein concentrate 34% market is firm. Buyers/end users are actively seeking loads outside of contracts, but supplies are limited for WPC 34% matching certain specifications. The dry whole milk market is wavered slightly on limited trading and light interest.

ORGANIC DAIRY MARKET NEWS (DMN): **Historic organic milk mailbox prices were recently posted by USDA in response to a Federal Order data request. The prices reflect a price paid to organic dairy farmers on a per hundredweight basis. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are reported at average component tests. For organic milk pooled on federal milk marketing orders for June, 2016 and June 2015, prices are as follows: Northeast Order, \$32.46, \$33.79; Upper Midwest Order, \$33.45, \$33.35; Central Order, \$34.24, \$ 33.63; Mideast Order, \$33.04, \$31.82;

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CME GROUP CASH TRADING

COMMODITY	MONDAY OCT 03	TUESDAY OCT 04	WEDNESDAY OCT 05	THURSDAY OCT 06	FRIDAY OCT 07	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.4875 (-.0225)	\$1.4775 (-.0100)	\$1.4500 (-.0275)	\$1.4800 (+.0300)	\$1.5100 (+.0300)	:: (N.C.)	:: \$1.4810 (N.C.)
40# BLOCKS	\$1.5325 (N.C.)	\$1.5325 (N.C.)	\$1.5325 (N.C.)	\$1.5325 (N.C.)	\$1.5500 (+.0175)	:: (+.0175)	:: \$1.5360 (-.0005)
NONFAT DRY MILK							
GRADE A	\$.9300 (+.0025)	\$.9300 (N.C.)	\$.9300 (N.C.)	\$.9250 (-.0050)	\$.9150 (-.0100)	:: (-.0125)	:: \$.9260 (-.0185)
BUTTER							
GRADE AA	\$1.8900 (-.0075)	\$1.8625 (-.0275)	\$1.8500 (-.0125)	\$1.8300 (-.0200)	\$1.8500 (+.0200)	:: (-.0475)	:: \$1.8565 (-.0720)

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-**

Pacific Northwest Order, \$34.54, \$35.79; Appalachian, Southeast, & Arizona Orders, \$41.40, \$38.58; and Southwest Order, \$35.14, \$33.61. In contrast, the most recently released monthly conventional milk mailbox price for June 2016 for all federal milk order areas is determined from area reports where the low was New Mexico at \$12.80, and the high was \$15.99 for New England. California, not included in the federal milk order system, had a June 2016 mailbox milk price of \$13.54. The June All Federal Order Area conventional milk mailbox price, was \$14.43. Organic pastures in much of the important organic dairy state of Wisconsin have been good. A recent stretch of rains has kept some pastures wet, but overall it has been a good grazing season. Most organic dairy producers began grazing in April and still have the cows grazing in pastures. Some expect to keep grazing into late November.

NATIONAL RETAIL REPORT (DMN): Total conventional dairy advertisements increased 14%, while organic dairy ads increased 17%. The national average price for 1 pound conventional butter is \$3.23, while 1 pound organic butter is \$5.02, an organic price premium of \$1.79. Total conventional butter ads increased 4% while total organic butter ads increased 63%. Advertisements for conventional ice cream in 48-64 ounce containers decreased 33% and the national weighted average advertised price is \$2.97, down 21 cents from last week. Conventional yogurt ads increased 4% this week, while organic yogurt ads increased 120%. The average price for 4-6 ounce conventional Greek yogurt was \$0.94, while 4-6 ounce organic Greek yogurt averaged \$1.06, an organic price premium of \$.12. Conventional Greek yogurt in 4-6 ounce containers was the top advertised dairy item, followed by shredded cheese in 8 ounce packages and non-Greek yogurt in 4-6 ounce containers. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.26, down 1 cent from last week. Ads for conventional 8 ounce shred cheese averaged \$2.25, down 6 cents from last week. The collective number of conventional cheese ads increased 57%. There were no organic cheese ads identified in the retail survey this week. This week, the difference between the average weighted price for organic half gallon milk, \$4.27, and the average weighted price for conventional half gallon milk, \$1.65, resulted in an organic price premium of \$2.62. Organic milk advertisements increased 25%, while ads for conventional milk increased 416%.

INTERNATIONAL DAIRY MARKET NEWS UPDATE (DMN): At the October 4 GDT event #173, average prices ranged from 9.7% lower to 9.3% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous averages are: anhydrous milk fat, \$4,954 -1.0%; butter, \$3,891 -0.3%; buttermilk powder, \$2,408 +9.3%; cheddar cheese, \$3,430 -2.3%; lactose, \$744 -9.7%; rennet casein, \$6,574 -3.7%; skim milk powder, \$2,209 -3.9%; and whole milk powder, \$2,681 -3.8%. International monthly average prices for September 2016 compared with 2015, show percentage increases for all commodities listed. Price change percentages for Oceania and Western Europe for the following were: butter, 29.5% and 49.3%; skim milk powder, 20.1% and 22.1%; and whole milk powder, 20.7% and 33.2%. Western European butteroil increased 22.9% and whey increased 40.0%. Oceania cheddar cheese increased 17.3%.

AUGUST 2016 DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 129 million pounds, 0.7 percent above August 2015, but 10.4 percent below July 2016. American type cheese production totaled 389 million pounds, 1.4 percent below August 2015, and 2.4 percent below July 2016. Total cheese output

(excluding cottage cheese) was 990 million pounds, 1.2 percent above August 2015, but 2.2 percent below July 2016. Nonfat dry milk production, for human food, totaled 117 million pounds, 5.8 percent below August 2015, and 22.7 percent below July 2016. Dry whey production, for human food, was 73.3 million pounds, 10.3 percent below August 2015, and 8.5 percent below July 2016. Ice cream, regular hard production totaled 70.5 million gallons, 1.4 percent above August 2015, and 1.3 percent above July 2016.

SEPTEMBER FEDERAL MILK ORDER FINAL CLASS AND COMPONENT PRICES (FMMO): The following are the September 2016 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$14.66 (-\$0.55), Class III: \$16.39 (-\$0.52), and Class IV: \$14.25 (-\$0.40). Component Price Information: Under the Federal milk order pricing system, the butterfat price for September 2016 is \$2.3082 per pound. Thus, the Class II butterfat price is \$2.3152 per pound. The protein and other solids prices for September 2016 are \$2.5675 and \$0.1096 per pound, respectively. These component prices set the Class III skim milk price at \$8.61 per cwt. The September 2016 Class IV skim milk price is \$6.39, which is derived from the nonfat solids price of \$0.7097 per pound. Product Price Averages: The product price averages for September 2016 are: butter: \$2.0775, nonfat dry milk: \$0.8847, cheese: \$1.7514, and dry whey: \$0.3055.

CME GROUP

MONDAY, OCTOBER 3, 2016

CHEESE -- SALES: 6 CARS BARRELS: 1 @ \$1.5075, 1 @ \$1.4900, 1 @ \$1.4875, 1 @ \$1.4850, 1 @ \$1.4900, 1 @ \$1.4875; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5100

NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.9300; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9300; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9350

BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$1.8950, 1 @ \$1.8925; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.8900

TUESDAY, OCTOBER 4, 2016

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4775

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9225; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9400

BUTTER -- SALES: 1 CAR GRADE AA @ \$1.8625; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8100; LAST OFFER UNCOVERED: NONE

WEDNESDAY, OCTOBER 5, 2016

CHEESE -- SALES: 6 CARS BARRELS: 2 @ \$1.4475, 1 @ \$1.4500, 1 @ \$1.4475, 2 @ \$1.4500; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4375; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4600

NONFAT DRY MILK -- SALES: 6 CARS GRADE A: 1 @ \$0.9300, 1 @ \$0.9275, 2 @ \$0.9250, 1 @ \$0.9325, 1 @ \$0.9300; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9300; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 1 CAR GRADE AA @ \$1.8500; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8400; LAST OFFER UNCOVERED: NONE

THURSDAY, OCTOBER 6, 2016

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.4500, 1 @ \$1.4700; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4800; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9250

BUTTER -- SALES: 1 CAR GRADE AA @ \$1.8300; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8000; LAST OFFER UNCOVERED: NONE

FRIDAY, OCTOBER 7, 2016

CHEESE -- SALES: 11 CARS BARRELS: 1 @ \$1.4900, 1 @ \$1.4875, 3 @ \$1.4900, 2 @ \$1.5000, 1 @ \$1.4900, 1 @ \$1.4975, 1 @ \$1.5050, 1 @ \$1.5100; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4800; 1 CAR 40# BLOCKS @ \$1.5500; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9000; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9150

BUTTER -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.8500; LAST OFFER UNCOVERED: 6 CARS GRADE AA @ \$1.9000

BUTTER MARKETS

NORTHEAST

In the aftermath of the recent *Cold Storage* butter report, with ample cream currently available, some processors' churns remain seasonally active. Some locations noted sale volumes rose well above initial projections, as buyers/sellers wrap up Q4 butter deals. Spot market buyers, in general, are making hand-to-mouth purchases with uncertainty, as some note a disconcerting market that provides little room for expectations while butter prices plummet. Contracted bulk butter sales into food service channels are fair, otherwise, loads can be hard to find. Bulk butter prices ranged 5-13 over the market of the CME Group, with various time frames and averages used. Market activity in the retail butter sector appears steady, with the occurrence of moderate to good print sales. Overall, the market undertone is weak. The CME Group monthly average price for Grade AA butter during September 2016 was \$1.9950, compared to \$2.6690 a year ago. Tuesday's CME Group cash trading saw Grade AA butter close at \$1.8625, down \$0.0725 from a week ago. According to the DMN *National Retail Report-Dairy*, for September 30-October 6, 2016, the national weighted average ad price for 1-pound butter is \$3.38, up 19 cents from last week and 6 cents from a year ago. The Northeast regional price is \$3.72, 40 cents above the previous week's advertised price. In the Southeast, the butter price averages \$2.96, a 4 cents adjustment below last week's average price.

CENTRAL

Butter manufacturing is mixed in the Central region. A few churn operators are curtailing production due to some operational issues in the plant. On the other hand, some butter processors are running operation schedules near to full capacity in order to meet current buyers' needs and the expected high demand in Q4. Microfixing is active in some plants. Print butter sales to retailers and food service are strong this week. Some manufacturers are clearing bulk butter stocks in the f.o.b. spot market. Meanwhile, buyers' interest is inching up, as prices continue trending down at the CME Group. Inventories are mixed throughout the region.

Bulk butter prices reported ranged from one cent under market to 7 cents over the market, with various periods and averages used. The DMN *National Retail Report-Dairy* for September 30 to October 6 noted the national weighted average advertised price for a 1 pound package of butter is \$3.38, 19 cents above one week ago and 6 cents higher than one year ago. The regional weighted average prices in the Midwest and South Central are \$2.92 and \$3.00, respectively. The NASS Dairy Products report noted U.S. butter production during August 2016 in the Central region totaled 50.6 million pounds, 1.0 percent higher than one year ago. Total U.S. butter production during August 2016 was 129.0 million pounds, 0.7 percent higher than last year. During January-August 2016, U.S. butter production totaled 1,302.9 million pounds, 5.1 percent more than the same period in 2015. The CME Group monthly average price for Grade AA butter during September was \$1.9950, compared to \$2.6690 a year ago. Wednesday at the CME Group, Grade AA butter closed at \$1.8500, down 7 cents from last Wednesday. According to FAS, January-August U.S. butter exports total 34.1 million pounds, 16% below last year during the same time span.

WEST

Western butter production is largely active as manufacturers continue to gear up for Q4 butter needs. Butter makers are trying to take advantage of available and inexpensive cream. However, a few processors are holding back on churn rates in an effort to balance supply with demand. Inventories are still long. Manufacturers report domestic demand is coming in waves as market prices move lower. Many buyers are comfortable with the availability of butter and are buying as needed. The DMN *National Retail Report-Dairy* for the week of September 30-October 6 found that the U.S. weighted average advertised price of 1 pound butter is \$3.38, up \$.19 from last week. The U.S. weighted average price was \$3.32 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.91, with a price range of \$3.49-\$3.99. In the Northwest, the weighted average advertised price of 1 pound butter is \$2.97, with a price range of \$2.49-\$3.49. According to the NASS *Dairy*

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NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
October 1, 2016	2,0490 2,461,483	1,6732 13,241,498	1,5950 11,166,195	.3135 6,567,321	.9076 18,111,857

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

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Products report, U.S. butter production during August 2016, 129.0 million pounds, was 0.7% higher than August 2015, but 10.4% lower than July 2016. U.S. cumulative 2016 butter production through August is 1.303 billion pounds, 5.1% higher than the same period last year. In the West, total August butter production was 70.4 million pounds, 1.8% higher than last year, but 10.7% lower than last month. California August production was 38.2 million pounds, 6.4% lower than last year, and 12.0% lower than last month. Bulk butter pricing in the West this week is 2 cents under market to 2 cents above, based on the CME Group with various time frames and averages used. The CME Group September 2016 monthly average price for AA butter, \$1.9950, is down from the August monthly average of \$2.1776. One year ago the CME Group monthly average was \$2.6690. The Grade AA butter price at the CME Group on Wednesday closed at \$1.8500, down \$.0700 from a week ago.

2016 U.S. Butter and Milkfat Exports (USDA-FAS)

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	2.2	- 59
TOTAL, JAN - AUG	34.1	- 16
1 Mexico	18.2	+139
2 Canada	6.4	+44
3 Saudi Arabia	3.0	- 82
4 South Korea	0.9	- 66
5 China	0.8	+522

CHEESE MARKETS

NORTHEAST

Milk supplies are adequate for increased cheese production in the Northeast. Plants are running full. Reports suggest milk that typically dispatched to southeastern dairies will not move that direction, the results of expected storm conditions that will likely create delivery problems. Those volumes may possibly add to cheese processors' milk intakes as surplus loads are made available. Cheese inventories are sufficient and building. Food service and retail demands remain steady. A cooperative export assistance program accepted requests for export assistance to sell 1.601 million pounds (726 metric tons) of cheese this week. Daily market transactions convey a mixed undertone, as prices overall inch lower. This week, the Northeast cheese wholesale selling price for cheddar blocks and Muenster decreased \$0.0425. Process 5# prices moved lower \$0.0225. Grade A Swiss cheese prices are unchanged. The Northeast September 2016 monthly average price for cheddar blocks was \$2.2135, compared to \$2.2148 one year ago. Processed 5# sliced average price was \$2.0325, compared to \$2.0580 the previous year. Tuesday's CME Group daily cash prices saw barrel cheese close at \$1.4775, up \$0.0175 from the previous week, and blocks closed at \$1.5325, down \$0.0025 from a week ago. The CME Group September 2016 monthly average price for barrels was \$1.5415, down from \$1.5840 a year ago; blocks' average price was \$1.6224, down from \$1.6605 the previous year. According to the DMN *National Retail Report-Dairy*, for September 30-October 6, 2016, the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.31, 4 cents greater than the national average and 14 cents more than the previous week. The Southeast 8 oz. block cheese price was \$2.50, up 25 cents from last week's average. The Northeast advertised price for 8 oz. cheese shreds was \$2.21, 10 cents below the national average price. In the Southeast, the average price for 8 oz. shredded cheese was \$2.54, up 36 cents from last week.

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

Cheddar 40# Block	:	1.9350-2.2200
Process 5# Sliced	:	1.6800-2.1600
Muenster	:	1.9200-2.2700
Grade A Swiss Cuts 10 - 14#	:	2.9175-3.2400

MIDWEST

Midwest cheese production is active and running near full capacity when possible. A few cheese plants have scheduled down time for maintenance and repairs this week. Some manufacturers report milk intakes are down. Whether it is a transportation issue, milk production issue or simply an adjustment to milk rebalancing within areas of the region, the available milk is putting some pressure on cheese production volumes. A number of end users say cheese loads have been shorted a little this week as cheese makers juggle orders and production schedules. Market participants expect cheese shipments to resume normal and expected deliveries as milk availability and production rebalances. Domestic retail and food service demand remains strong in advance of the end of year holiday season. The DMN *National Retail Report-Dairy* shows that September 30-October 6 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$1.62, 69 cents lower than the national average. Midwest prices range from \$0.98-\$2.00. One year ago, the national price was \$2.40. For 8 ounce blocks, the Midwest average price is \$1.78, 49 cents below the national

average price. Midwest ads are priced from \$0.98-\$2.50. Last year, the national price was \$2.44. Midwestern wholesale prices are unchanged for Swiss cuts, down \$.0225 for process, and down \$.0425 for all other types. This week, a cooperative export assistance program accepted 10 requests for 1.6 million pounds (726 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 39.7 million pounds of cheese in export markets. The CME Group September 2016 monthly average price for barrels, \$1.5415, is down from the last month's average of \$1.8110, and down from the monthly average of a year ago, \$1.5840. Blocks' September average price, \$1.6224, is down from the \$1.7826 August monthly average, and down from \$1.6605 one year ago. In CME Group trading Wednesday, barrels closed at \$1.4500, down \$.0300 from last Wednesday and blocks closed at \$1.5325, down \$.0050.

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

Process American 5# Loaf	:	1.5725-1.9325
Brick And/Or Muenster 5#	:	1.9050-2.3300
Cheddar 40# Block	:	1.6325-2.0275
Monterey Jack 10#	:	1.8800-2.0850
Blue 5#	:	2.1725-3.1600
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7050-2.6450
Grade A Swiss Cuts 6 - 9#	:	2.4350-2.5525

WEST

Western cheese production remains strong. Cheese makers say they are not having much trouble getting milk for their cheese facilities. In some cases, western milk is flowing toward the cheese vats rather than other dairy manufacturing lines. Cheese inventories are long, but many industry contacts feel the stocks are manageable. Some manufacturers are shifting production from mozzarella to cheddars to add to aging programs. Domestic cheese demand is solid, especially for retail and food service business. Export markets, however, have not yet improved. The DMN *National Retail Report-Dairy* for the week of September 30-October 6 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.31, up \$.15 from last week, but down \$.09 from a year ago. Packs average \$2.47 in the Southwest and \$2.24 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.27, up \$.09 from last week, but down \$.17 from a year ago. Blocks average \$2.12 in the Southwest and \$2.24 in the Northwest this week. In the West, wholesale prices are down \$.0225 for process, and down \$.0425 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged. This week, a cooperative export assistance program accepted 10 requests for 1.6 million pounds (726 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 39.7 million pounds of cheese in export markets. Dairy Products (NASS) reports total 2016 U.S. cheese production, year to date through August, is 7.970 billion pounds, 1.9% above January through August 2015. August 2016 U.S. total cheese production, 990.0 million pounds, is 2.2% below July 2016. In the West, total cheese production for August 2016 was 422.0 million pounds, 4.0% less than last month. For total cheese production and various types of cheese, August 2016 U.S. and West cheese production percent changes compared to August 2015 are as follows:

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CHEESE MARKETS

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	U.S.	West
Total Cheese	+ 1.2%	+ 3.1%
American	- 1.4%	...
Cheddar	...	+ 5.4%
Total Italian	+ 5.0%	+ 6.9%
Mozzarella	+ 4.4%	+ 7.1%
Swiss	- 3.2%	...

The CME Group September 2016 monthly average price for barrels, \$1.5415, is down from the August 2016 monthly average of \$1.8110, and down from the monthly average of a year ago, \$1.5840. Blocks' September average price, \$1.6224, is down from the \$1.7826 August monthly average, and down from \$1.6605 one year ago. In CME Group trading Wednesday, barrels closed at \$1.4500, down \$.0300 from a week ago and blocks closed at \$1.5325, down \$.0050.

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

Process 5# Loaf	:	1.5875-1.8450
Cheddar 40# Block	:	1.6375-2.0825
Cheddar 10# Cuts	:	1.8175-2.0375
Monterey Jack 10#	:	1.8275-1.9875
Grade A Swiss Cuts 6 - 9#	:	2.4950-2.9250

FOREIGN

European sliced cheese markets for the third quarter exhibited a tight supply and brisk demand. Cheese production using available milk struggled to match demand, resulting in continuing draws on aging stocks. This resulted in some cheese deliveries being younger cheese stock. Even existing cheese customers with orders experienced some cuts and allocation of supplies. Semi hard cheese demand is expected to increase into later autumn, while milk volumes are expected to decline into November, resulting in tight cheese availability in the immediate future. Cheese exports from the EU January-July 2016 increased 13.1% while imports increased 19.5%. Primary export receiving countries and percentage of exports received are: U.S.A., +17%; Japan, 9.4%; and Switzerland, 7.3%. The top 3 cheese importing countries and changes in volumes from 2015 are: Switzerland, 67.2%; New Zealand, 26.5%; and Norway, 3%. In the U.S., wholesale domestic blue, gorgonzola, parmesan and Romano cheese prices decreased \$0.0425 following lower 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	: 2.1000-3.5875*
Gorgonzola	: 3.6900-5.7400	: 2.6075-3.3250*
Parmesan (Italy)	: -0-	: 3.4900-5.5800*
Romano (Cows Milk)	: -0-	: 3.2900-5.4400*
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-	: 2.9550-3.2775
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

* = Price change.

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

	BUTTER	CHEESE
10/03/16	23,280	: 87,455
10/01/16	23,462	: 87,250
CHANGE	-182	: 205
% CHANGE	-1	: 0

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	50.1	...
TOTAL, JAN - AUG	411.4	- 17
1 Mexico	129.8	- 5
2 South Korea	58.7	- 40
3 Japan	41.4	- 25
4 Australia	22.0	- 23
5 Canada	17.6	- 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	110	0	90	0	220	0
SOUTHEAST STATES	0	0	0	0	0	0

Farm milk production in the Northeast and Mid-Atlantic is generally steady, as output hovers near seasonal lows. Class I, II, and III demand is good. Plants in the Mid-Atlantic are seeing milk intakes increase due to surplus milk availability. Hurricane conditions are expected to impact distribution to some areas of the southeast. Milk production in the Southeast remains in good balance with only occasional need to ship to manufacturing plants. Class I demand continues to be good, at seasonally expected levels, as bottlers add to orders. As Florida's milk production bottoms, Hurricane Matthew is expected to move along the East coast state beginning Thursday afternoon. Bottling plants in the southernmost region received additional milk to prepare for any delivery delays, with plans to postpone production until the storm passes. Moving north of the state's coast, some plants will operate, but plan to adjust production depending on conditions. Other bottlers scheduled to close completely. In general, temperatures are hot, with cooler nights and late afternoon showers. Import milk shipments total 110 f.o.b. spot loads this week. Cream supplies are ample, allowing buyers to shop around for lower multiples. This week, **cream multiples** ranged **1.20-1.30** with the upper end of the range supported by bottled cream manufacturers. Demand is moderate. Some butter plants have expanded churning schedules and are building inventories for the upcoming holiday season. The DMN September monthly average price for Northeast Class II cream was \$2.6256, compared to \$3.5154 a year ago. At the CME Group, Grade AA butter closed Wednesday at \$1.8500, down \$0.0700 from a week ago. Demand for **condensed skim** milk from Class II manufacturers, particularly yogurt, remains good. The DMN September monthly average price for Northeast Class II condensed skim was \$0.8114, compared to \$0.8086 a year ago. According to the DMN *National Retail Report-Dairy*, for September 30-October 6, 2016, the U.S. weighted average advertised price for a gallon of milk was \$3.48, up 74 cents compared to last year and up \$1.16 from last week. The Southeast weighted average price for a gallon of milk was \$3.65, an increase of \$1.03 from last week.

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 - 2.3142-2.5071

F.O.B. producing plants: Upper Midwest - 2.1599-2.3528

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

Northeast - Class II - includes monthly formula prices - .70-.97

Northeast - Class III - spot prices - .80-.94

MIDWEST

In the South Central area, milk production is unchanged to lower. Herds are adjusting to lower day/night temperatures. In the North Central area, farm milk pickup volumes are mostly steady. The high humidity in some areas has worked against cow comfort. Bottled milk interest is at seasonal levels with few add-on loads requested beyond contracted volumes. Some cheese plant operators indicated they had been using spot condensed skim and cream loads to operate above current in-house intakes, but those loads are less available this week. Prices on spot loads of milk range from \$.75-\$2.00 over Class with

limited availability within the region. Cream demand is trending lower from Class II manufacturers as the next few weeks are the shoulder season ahead of planned heavy production of holiday items in early November. Cream multiples are mixed, ranging from 1.12-1.22. Cream is readily available in the region as some churn operators are opting to reduce butter production to control inventories. The NASS *Dairy Products* report noted August 2016 U.S. regular (hard) ice cream production totaled 70.5 million gallons, up 1.4 percent from last year. January-August U.S. production totals 547.9 million gallons, 2.0 percent above 2015 during the same time span. August production in the Central region totaled 37.3 million gallons, 8.6 percent above a year ago. The DMN *National Retail Report-Dairy* for September 30-October 6 noted the national weighted average advertised price for one gallon of milk was \$3.48, up \$1.16 from a week ago, and \$0.74 higher than a year ago. The weighted average regional prices in the Midwest and South Central and changes from the previous week are \$2.79(+\$1.24) and \$2.99(+\$0.80), respectively. Cream multiples are mixed, ranging from 1.08-1.25.

WEST

Farm milk intakes are trending higher in California. Daytime temperatures continue getting cooler in the Central Valley, aiding dairy herds' comfort. Milk components are still improving. Schools are requesting bottled milk as part of their meal programs. Class 1 sales to many retail outlets and restaurants are even this week. Moderate to heavy manufacturing milk volumes continue clearing into Class 4b as western cheese production continues to be strong. The September 4a price (butter/powder) in California is \$13.58, down 41 cents from the previous month and \$1.82 lower from a year ago. This compares to the Federal Order Class IV price of \$14.25 for September. The September 4b price (cheese) is \$15.24, down \$1.10 from the previous month, but 30 cents above a year ago. This compares to the Federal Order Class III price for September at \$16.39. Milk production is higher in Arizona. The cooler temperatures are reducing the stress on cows. Requests from grocery stores and food service for bottled milk are steady to higher. Orders from educational institutions are lower as most schools will be off for the fall break during next week. Demand for ice cream is waning, but is improving for sour cream. In New Mexico, the favorable weather conditions are raising the milk yield at the farm level. Class I sales to restaurants and many retail channels are up this week. However, orders from schools are down as the fall break starts by the end of the current week. Manufacturing milk volumes moving into cheese processing plants are mixed this week. According to the DMN *National Retail Report-Dairy* for the week of September 30 to October 6, the national weighted average advertised price for one gallon of milk is \$3.48. The weighted average regional price in the Northwest is \$3.74. Pacific Northwest dairy contacts say they are seeing a slight increase in milk production. As manufacturers ramp up to meet holiday demand for dairy products, milk intakes are in good balance with processing needs. Bottling demands are steady. Pasture and rangeland conditions are good or excellent in 45% of Washington and 19% of Oregon. Milk production in the mountain states of Colorado, Utah and Idaho has backed off just slightly, but some industry contacts note milk intakes are up, predominantly due to increases in the milking herd. Most manufacturers are not having any trouble getting the milk needed for processing. Temperatures are providing good cow comfort and there has been some snow at higher

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elevations. Pasture and rangeland conditions are good or excellent in 60% of Colorado, 40% of Idaho, and 42% of Utah. In the West region, moderate to heavy condensed skim volumes continue clearing into NDM and SMP manufacturing. However, a few plants are receiving lower volumes as some dryers are off due to routine maintenance projects. Condensed skim demand for ice cream production continues waning. There is enough cream for processing in the West region. Demands from cream cheese makers are active as well from sour cream processors. Moderate to heavy cream volumes continue clearing into butter manufacturing. Interest from ice cream producers is weakening. This week, multiples for all classes are steady to lower, ranging from 1.08 to 1.20.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices for low/medium nonfat dry milk are unchanged in the mostly series. Production is mostly steady, with a few plants able to clear more condensed skim into low/medium NDM as Class II condensed needs decline. Current demand is somewhat sluggish, with limited buyer interest as contract sales make up the bulk of transactions. Transactions in spot markets are generally on a need-to-basis. Some NDM customers are shifting buying interests to substitute dairy products that are competitively priced. Hence, manufacturers' inventories are building incrementally. Central high heat nonfat dry milk prices are higher, as demand increases with seasonal baking interest. Production is steady to higher. Stocks are mainly light. Contracted volumes are moving on schedule. The market undertone is firm. The September 2016 Dairy Market News Central and East monthly average for the low/medium heat nonfat dry milk mostly series was \$0.9212, compared to \$0.8769 a year ago. High heat NDM monthly average price was \$1.0312, compared to \$1.0054 the previous year. The monthly average price, at the CME Group, for NDM is \$0.9160, compared to \$0.9045 the previous year. The NASS *Dairy Products* report noted U.S. human NDM production during August 2016 in the Central region totaled 22.0 million pounds, 4.4 percent higher than one year ago. Total U.S. human NDM production during August 2016 was 117.0 million pounds, 5.8 percent lower than last year. During January–August 2016, U.S. human NDM production totaled 790.8 million pounds, 23 percent more than the same time span in 2015. Total U.S. NDM, human, month ending stocks for August were 235.5 million pounds, 1.5 percent above a year ago.

EAST: The market for Eastern low/medium nonfat dry milk (NDM) reports the mostly price series as steady, in a somewhat quiet market. A volume spot sale shifted prices slightly lower at the bottom of the range. Sales appear mixed. Some low/medium NDM suppliers report oversold inventories for the year. Most manufacturers are drying every day, although at lower rates in some instances due to supply availability. Domestic demand is slow to moderate. International trading is active. The market undertone is mixed. Prices for high heat nonfat dry milk (NDM) are seasonally advancing. High heat NDM production is gearing up at some facilities to meet the demands of the upcoming baking season. The market undertone is firm. The September 2016 Dairy Market News Central and East monthly average for the low/medium heat nonfat dry milk range price series is \$0.9089 compared to \$0.8879, in the previous year. Wednesday at the CME Group, Grade A NDM closed at \$0.9300, down \$0.0225 from last week. The Foreign Agricultural Service (FAS), reports that August 2016 U.S. nonfat dry milk exports totaled 116.0 million pounds, a 23% increase from a year ago.

DAIRY PRODUCTS: According to NASS, Atlantic region production of human food nonfat dry milk for August 2016 totaled 23.9 million pounds, 0.5% less than a year ago and 20.9% below last month. The August 2016 U.S. production of skim milk powder totaled 46.1 million pounds, 17.2% more than a year ago, but 5.6% less than last month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .8600 - 1.0200 MOSTLY: .9200 - .9700
 HIGH HEAT: 1.0500 - 1.1000

end users. NDM usage for cheese fortification is active. The demand from bakers is fair to good. Low/medium heat NDM processing is ongoing in many plants as moderate to heavy condensed skim loads continue clearing into dryers. However, a few processing plant operators are curtailing production as they have routine maintenance work scheduled on their dryers. Low/medium heat NDM inventories are steady throughout the region. Prices for high heat nonfat dry milk are steady to higher on a firmer market. Interest from bakers is active. Spot trading activity is very light as supplies continue to be very tight. The CME Group monthly average price for Grade A NDM during September was \$0.9160, compared to \$0.9045 a year ago. The September 2016 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$0.9281 compared to \$.8425 a year ago. The average for Western high heat nonfat dry milk is \$1.0105 compared to \$.9185 a year ago. The NASS *Dairy Products* report noted U.S. human NDM production during August 2016 in the West region totaled 70.9 million pounds, 10.1 percent lower than one year ago. Total U.S. human NDM production during August 2016 was 116.7 million pounds, 5.8 percent lower than last year. During January–August 2016, U.S. human NDM production totaled 1198.3 million pounds, 8.2 percent less than the same period in 2015. Total U.S. NDM, human, month ending stocks for August were 234.7 million pounds, 1.5 percent above a year ago.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .8750 - 1.0200 MOSTLY: .9300 - .9700
 HIGH HEAT: 1.0000 - 1.1000

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
September 30	\$.8924	11,535,112
September 23	\$.8743	9,088,116

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

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	116.0	+ 23
TOTAL, JAN – AUG	790.8	- 4
1 Mexico	345.2	+ 4
2 Philippines	113.7	+ 10
3 Indonesia	78.6	+ 17
4 Malaysia	35.7	- 12
5 Pakistan	34.7	- 16

NONFAT DRY MILK - WEST

F.O.B. spot prices for low/medium heat nonfat dry milk (NDM) are mixed on the range and mostly series. Trading activity in the spot market is light to moderate. The market undertone continues to be strong for many manufacturers, but uncertain according to some buyers/

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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.

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DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices in the Central region are mixed in a sluggish market. Buyer interest is quieter this week for dry buttermilk. Production is moderate, as churning schedules vary in the region. Dry buttermilk inventories range from tight, relative to spot purchasing, but comfortable for filling committed customer orders. Opportunities to build stocks are developing as cream supplies rise and some butter manufacturers actively run full capacity to meet expected high year-end demand. The DMN monthly average of the range price series for Central and East dry buttermilk during July was \$0.8569, compared to \$0.8692 a year ago. The NASS *Dairy Products* report noted U.S. dry buttermilk production during August 2016 totaled 6.8 million pounds, 4.8 percent higher than a year ago. Total U.S. dry buttermilk month-ending stocks for August were 16.2 million pounds, 34.1 percent above last year.

EAST: Dry buttermilk spot sales reduced the price spread this week. F.O.B. spot prices increased at the bottom end of the range while moving slightly lower at the top of the range. As some manufacturers increase butter output, inventories listed as tight are expected to expand. Demand is flat to weak with potential buyers/end users taking a wait and see attitude as the markets adjust to the declining CME Group butter price. Dry buttermilk is moving through contracts with limited availability for the spot market. In general, the market has a mixed undertone.

F.O.B. CENTRAL/EAST: .8400 - .9000

DRY BUTTERMILK - WEST

Spot prices for western dry buttermilk are steady to lower on light to moderate trading. According to industry contacts, the market undertone is unsettled. Interest from bakers is active as the fall baking season approaches. However, demand from ice cream makers is seasonally waning. Condensed buttermilk supplies are more available for drying. Production is ongoing, in line with the regional butter churning activity. Dry buttermilk inventories are steady to slightly higher. The September 2016 Dairy Market News monthly average for the West dry buttermilk mostly series is \$0.8469 compared to \$0.7936 a year ago. The NASS *Dairy Products* report noted U.S. dry buttermilk production during August 2016 totaled 6.8 million pounds, 4.8 percent higher than a year ago. Total U.S. dry buttermilk month-ending stocks for August were 16.2 million pounds, 34.1 percent above last year.

F.O.B. WEST: .8000 - .9100 MOSTLY: .8400 - .8700

DRY WHOLE MILK - NATIONAL

National dry whole milk f.o.b. spot prices are mixed on light trading. Some spot sales shifted down the top of the price range. Most sales are based on contractual needs. The market undertone is unsettled across the country. Production is steady to lower as some manufacturers are using the milk butterfat to process other dairy products instead of dry whole milk. Inventories are tight. The September 2016 Dairy Market News monthly average for the National price series for dry whole milk is \$1.3498 compared to \$1.2455 a year ago. The NASS *Dairy Products* report noted U.S. dry whole milk production during August 2016 totaled 7.7 million pounds, 13.9 percent higher than a year ago. Total U.S. dry whole milk month-ending stocks for August were 13.7 million pounds, 30.2 percent below last year.

F.O.B. PRODUCING PLANT: 1.2900 - 1.4500

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Central dry whey prices are steady to higher this week. Prices moved slightly higher at the bottom of both the range and mostly price series. Some manufacturers suggest they are starting to see buyer resistance to prices above the current mostly price series. A few whey buyers are working to get contracts in place for 2017. Industry contacts say the availability of dry whey spot loads has tightened. Production is steady to lower as manufacturers focus more effort on making higher whey protein concentrations. Animal feed whey prices are unchanged. End users are working through existing inventories, but will take additional loads if the price is right. The DMN monthly average of the mostly price series for Central dry whey during September was \$0.3052, compared to \$0.2798 last month. One year ago, the Central dry whey monthly average was \$0.2044. The monthly average of the range price series for Central animal feed whey during September was \$0.2485, compared to \$0.2123 a month ago and \$0.1793 a year ago. The NASS *Dairy Products* report noted U.S. total dry whey production for August 2016 was 73.3 million pounds, down 10.3 percent from a year ago. January-August U.S. total dry whey production totals 644.4 million pounds, 0.5 percent below the same time span in 2015. The Central region accounted for 49.2 percent (36.0 million pounds) of U.S. human dry whey production in August. This production is 5.0 percent lower than a year ago. Total U.S. human dry whey month ending stocks for August were 59.5 million pounds, 26.7 percent below a year ago.

F.O.B. CENTRAL: .2775 - .4100 MOSTLY: .2900 - .3350
 F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2100 - .2950

DRY WHEY - NORTHEAST

Dry whey prices continue to trend upwards as f.o.b. spot sales adjusted the market. Active cheese output augments dry whey production. Current inventories, at best, are adequate for filling near term contractual customer accounts. Transactions in spot markets are limited and hand-to-mouth, with premiums usually attached. The current dry whey market undertone is firm. The September 2016 Dairy Market News monthly average for Northeast dry whey was \$0.3218, compared to \$0.2496 the previous year. The Foreign Agricultural Service (FAS), reports that August 2016 U.S. dry whey exports totaled 45.1 million pounds, increasing 47% from a year ago. DAIRY PRODUCTS: According to NASS, August 2016 U.S. human food dry whey production totaled 73.3 million pounds, 10.3% less than a year ago and 8.5% less than the previous month. The Atlantic region's production of human food dry whey in August 2016 totaled 19.2 million pounds, 13.7% less than a year ago and 6.4% less than last month.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3200 - .3700

DRY WHEY - WEST

Western whey prices moved slightly higher this week. Industry contacts say export demand has picked up and has allowed some manufacturers to clear inventories. A few manufacturers report dry whey stocks are committed through much of the remainder of the calendar year and there is limited spot load availability. Production is active, but lower as manufacturers focus on producing higher whey protein concentrations. Industry contacts say the secondary market is active. The DMN monthly average of the mostly price series for West dry whey during September was \$0.3239 compared to \$0.3020 one month ago and \$0.2185 a year ago. NASS reports that August 2016 U.S. human whey production, 73.3 million pounds, is down 10.3% from a year ago, and down 8.5% from July 2016. The Western region produced 18.0 million pounds of edible dry whey during August, down 16.1% from last year, and down 12.8% from July. Month ending stocks for U.S. human whey, at 59.5 million pounds, are 26.7% lower than one year ago and down 14.4% from July 2016.

NONHYGROSCOPIC: .2950 - .4100 MOSTLY: .3100 - .3600

U.S. Dry Whey Exports. H.S. Code 040104000(FAS)

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	45.1	+ 47
TOTAL, JAN – AUG	266.0	- 8
1 China	86.8	+ 7
2 Canada	30.9	+ 2
3 Mexico	25.1	- 21
4 Vietnam	20.8	+ 64
5 Philippines	17.9	- 27

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are steady to slightly higher. Limited availability and high demand for desired brands and WPC34% with specific mineral content required for certain markets continue to push prices for some WPC34% higher. Inventories are tight and buyers are looking for available loads. However, some manufacturers note weaker demand and price pressures from other protein sources for WPC34% not meeting certain market buyer requirements. Production is steady, but some manufacturers continue to shift production focus to higher protein concentrations in lieu of WPC 34%. The September 2016 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$0.7305 compared to \$0.7151 one month ago and \$0.5610 one year ago. According to the NASS *Dairy Products* report U.S. production of WPC (25.0-49.9% protein) during August 2016 totaled 13.5 million pounds, 22.4% lower than one year ago. Year to date total WPC 34% production through August is 119.4 million pounds, 21.8% less than January through August one year ago. Manufacturers' end-of-month stocks for WPC (25.0-49.9% protein) totaled 20.7 million pounds, 43.0% lower than one year ago, and 1.2% less than July 2016.

F.O.B. EXTRA GRADE 34% PROTEIN: .6100 - .8750 MOSTLY: .6800 - .8050

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WHEY, WPC 34%, LACTOSE & CASEIN

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

-CONTINUED FROM PAGE 6-**CASEIN - NATIONAL****U.S. WPC < 80% Exports, H.S. Code 0404100500(FAS)**

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	28.2	+ 45
TOTAL, JAN - AUG	202.4	+ 44
1 China	94.0	+ 97
2 Mexico	25.9	+ 37
3 Canada	22.8	- 10
4 Malaysia	12.5	+569
5 Indonesia	8.2	- 4

Rennet casein and acid casein prices are unchanged this week, following several weeks of increases. With very low spot market activity, many participants are stepping back to assess the holding ability of current pricing. It is estimated that EU casein production for 2016 will slightly increase over 2015 volumes, with about one half expected to be exported and the balance consumed within the EU. At GDT event 173 on October 4, rennet casein contracts for October yielded price increases of 0.7%, while the all contracts average price decrease was 3.7%.

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: 3.1150 - 3.1325
ACID: 3.1300 - 3.1500

LACTOSE - CENTRAL AND WEST

Lactose prices moved slightly higher at the bottom of the mostly price series and held steady at the top of the series. But the range price series moved significantly higher as a number of Q4 contracts took effect. Industry contacts say interest is present from buyers. Contacts also note a little more activity from EU lactose manufacturers in export markets. Inventories are tight, especially for higher mesh lactose. Supplies are more available for lower mesh lactose. Production is steady. The September 2016 Dairy Market News average of the mostly price series for Central and West lactose was \$0.3208, compared to \$0.2948 one month ago and \$0.1893 one year ago. NASS's *Dairy Products* report shows U.S. lactose production during August 2016 totaled 92.1 million pounds, a 6.5% increase from one year ago. Year to date lactose production through August is 724.4 million pounds, 2.5% more than a year ago. Month ending stocks, at 119.0 million pounds, are 5.0% lower than one year ago, but 1.7% higher than July 2016.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2800 - .4700 MOSTLY: .2850 - .3650

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	53.4	+ 56
TOTAL, JAN - AUG	376.1	+ 8
1 New Zealand	65.3	+ 53
2 China	64.3	+ 8
3 Mexico	48.9	+ 19
4 Japan	31.1	+ 20
5 Indonesia	29.3	+ 58

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
09/17/2016	56.2	2,079.7	59.8	2,113.0

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

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

CLASS III MILK PRICES (3.5% BF)

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

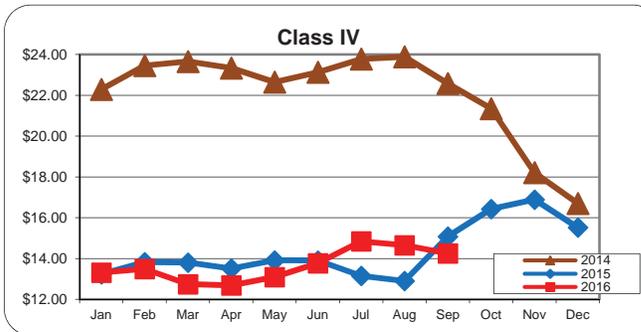
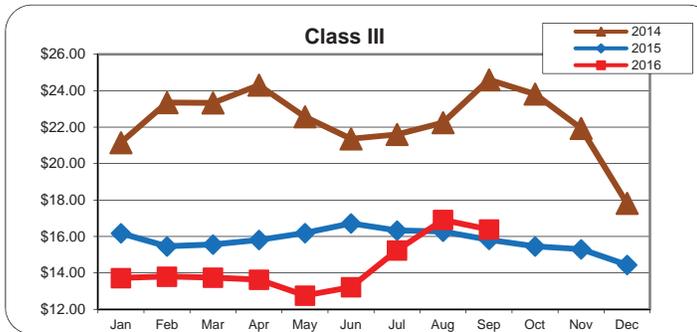
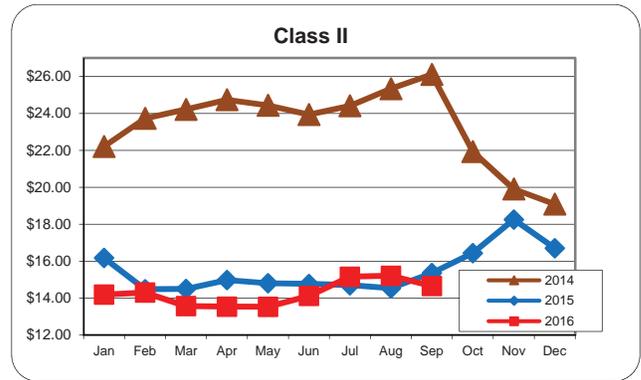
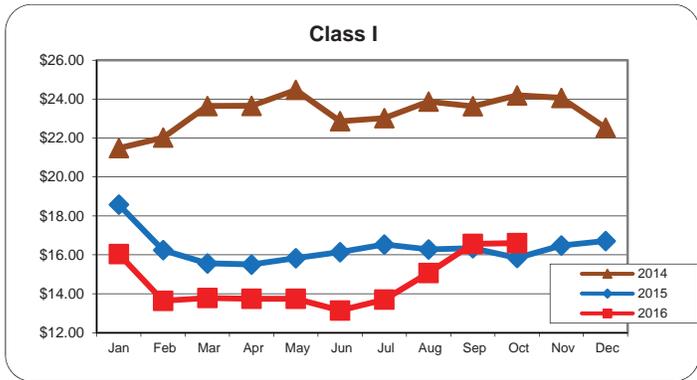
CLASS IV MILK PRICES (3.5%)

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

FEDERAL MILK ORDER CLASS PRICES FOR 2016 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.04	13.64	13.78	13.74	13.70	13.14	13.70	15.07	16.56	16.60		
II	14.19	14.30	13.57	13.54	13.53	14.12	15.16	15.21	14.66			
III	13.72	13.80	13.74	13.63	12.76	13.22	15.24	16.91	16.39			
IV	13.31	13.49	12.74	12.68	13.09	13.77	14.84	14.65	14.25			

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



ORGANIC DAIRY MARKET NEWS
Information gathered September 26 - October 7, 2016

ORGANIC DAIRY FLUID OVERVIEW—UPDATED**

Organic Milk Producer Pay Price Premium over Conventional Milk Updated. **Historic organic milk mailbox prices were recently posted by USDA in response to a Federal Order data request. The prices reflect a price paid to organic dairy farmers on a per hundredweight basis. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are reported at average component tests. For organic milk pooled on federal milk marketing orders for June, 2016 and June 2015, prices are as follows: Northeast Order, \$32.46, \$33.79; Upper Midwest Order, \$33.45, \$33.35; Central Order, \$34.24, \$33.63; Mideast Order, \$33.04, \$31.82; Pacific Northwest Order, \$34.54, \$35.79; Appalachian, Southeast, & Arizona Orders, \$41.40, \$38.58; and Southwest Order, \$35.14, \$33.61. In contrast, the most recently released monthly conventional milk mailbox price for June 2016 for all federal milk order areas is determined from area reports where the low was New Mexico at \$12.80, and the high was \$15.99 for New England. California, not included in the federal milk order system, had a June 2016 mailbox milk price of \$13.54. The June All Federal Order Area conventional milk mailbox price, was \$14.43.

Organic Dairy Transitioning Efforts. A national organic brand has about 250 dairy producers transitioning into organic certification. The end of the process for many will be 2018-19. The added volumes of organic milk are estimated to be sufficient to meet increasing demand as of then. Undertaking additional producers wishing to transition into organic is now under evaluation, to determine whether there will be demand to utilize additional milk volumes beyond what is currently in the transitioning pipeline. An additional variable is geographic, evaluating whether proposed new organic farms fit geographically within milk routes and processing capacity. There is expected to continue to be an upward trend of organic milk demand but processors are attuned to keeping increasing milk supplies within reasonable balance of estimated demand trends, as well as to maximize efficiencies of handling and processing new organic milk volumes.

Exploring Organic Dairy Export Potential. An effort to find new outlets for organic milk produced in the United States, has once again looked to Europe as an export market. Participants on a trade mission noted that organic milk pay prices in the U.S. tend to be higher than in Western Europe. This is a factor affecting pricing of organic dairy products which may be successfully exported. The reality is that exporting to Europe while competing with lower organic milk pay prices in Western Europe makes marketing more challenging. That has led to focusing on increasing export efforts for organic dairy products such as organic energy drinks, which are more specialized and which have the advantage of a higher value added component, making price competition less of a factor. These organic dairy energy drinks are also suited to withstand the time factor in being shipped to European markets.

Wisconsin Organic Pastures. Organic pastures in much of the important organic dairy state of Wisconsin have been good. A recent stretch of rains has kept some pastures wet, but overall it has been a good grazing season. Most organic dairy producers began grazing in April and still have the cows grazing in pastures. Some expect to keep grazing into late November.

ORGANIC GRAIN AND FEEDSTUFF MARKETS

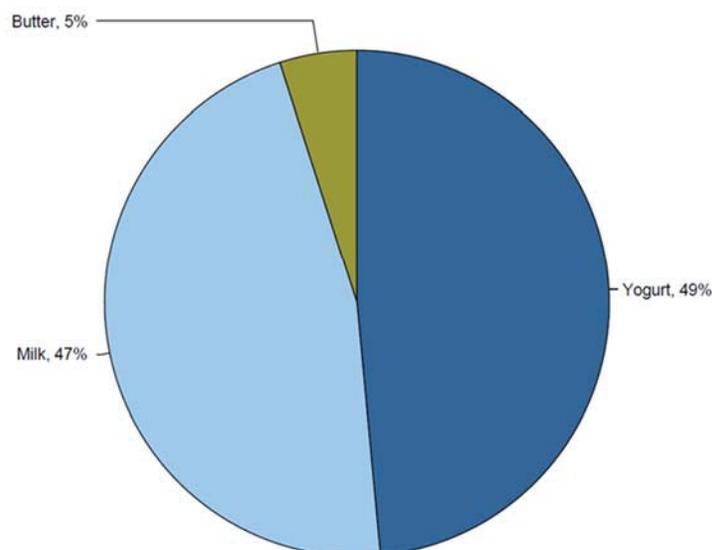
Feed corn demand is moderate to good, with moderate trading and prices steady to firm. Feed soybean demand is light, with steady prices. Feed wheat trades are too limited to trend and demand is light. Soybean meal trading is light with moderate demand. Soybean oil and feed barley trades are too limited to trend. Hay trading and demand is moderate.

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

ORGANIC DAIRY RETAIL OVERVIEW

Organic Dairy Overview. This week, organic yogurt leads all organic dairy products in retail ad numbers, increasing 120% over the prior survey report. In addition, several organic commodities did not post ads, reducing the number of organic ad categories. The pie chart below outlines retail statistics for this period.

Percentage of Total Organic Ads by Commodity



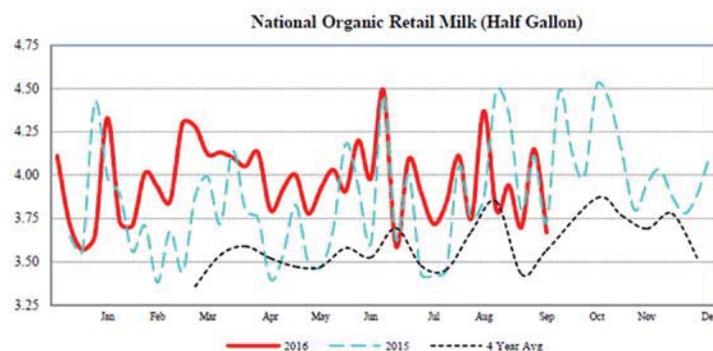
Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from September 9-15, 2016 identifying weekly “specials” and containing organic dairy content. Surveyed ads reflect advertised “specials” and not the range of non-advertised supermarket cooler prices.

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

NATIONAL RETAIL ORGANIC DAIRY (Wtd.Avg.Price)

Commodity	This Week	Last Week	Last Year
Butter	5.02	5.61	...
Milk			
Half gal.	4.27	3.67	4.49
Gal.	5.57	5.23	6.56
8 oz.	1.00	1.08	1.00
Yogurt			
4-6 oz. Greek	1.06	1.28	1.24
4-6 oz. Yogurt	1.11	.75	.99
32 oz. Yogurt	3.21	3.58	3.50

Historic pricing information of organic half-gallon milk is shown in the graph below:



Data source/graph USDA/AMS/Dairy Market News

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>

DAIRY MARKET NEWS MONTHLY SUMMARY AND AVERAGES FOR SEPTEMBER 2016 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 35		::REPORT NUMBER 36		::REPORT NUMBER 37		::REPORT NUMBER 38		::REPORT NUMBER 39		2016	2015
	::-----::-----::-----::-----::-----::										Monthly	Monthly
	SEP 01 - 02	SEP 05 - 09	SEP 12 - 16	SEP 19 - 23	SEP 26 - 30	Average		Average				

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.8800 - 2.2400	:: 1.7250 - 2.0850	:: 1.7275 - 2.0875	:: 1.6225 - 1.9825	:: 1.5950 - 1.9550	:: 1.8650	: 1.8805
-- Brick And/Or Muenster 5#	:: 2.1625 - 2.5875	:: 2.0650 - 2.4900	:: 2.0775 - 2.5025	:: 2.0300 - 2.4550	:: 1.9475 - 2.3725	:: 2.2535	: 2.2648
-- Cheddar 40# Block	:: 1.8900 - 2.2850	:: 1.7925 - 2.1875	:: 1.8050 - 2.2000	:: 1.7575 - 2.1525	:: 1.6750 - 2.0700	:: 1.9660	: 1.9773
-- Monterey Jack 10#	:: 2.1375 - 2.3425	:: 2.0400 - 2.2450	:: 2.0525 - 2.2575	:: 2.0050 - 2.2100	:: 1.9225 - 2.1275	:: 2.1185	: 2.1298
-- Blue 5#	:: 2.4300 - 3.4175	:: 2.3325 - 3.3200	:: 2.3450 - 3.3325	:: 2.2975 - 3.2850	:: 2.2150 - 3.2025	:: 2.8022	: 2.8135
-- Mozzarella 5 - 6#	:: 1.9625 - 2.9025	:: 1.8650 - 2.8050	:: 1.8775 - 2.8175	:: 1.8300 - 2.7700	:: 1.7475 - 2.6875	:: 2.3110	: 2.3223
-- Grade A Swiss Cuts 6 - 9#	:: 2.3825 - 2.5000	:: 2.4350 - 2.5525	:: 2.4350 - 2.5525	:: 2.4350 - 2.5525	:: 2.4350 - 2.5525	:: 2.4888	: 2.8773

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 40# Block	:: 2.1925 - 2.4775	:: 2.0950 - 2.3800	:: 2.1075 - 2.3925	:: 2.0600 - 2.3450	:: 1.9775 - 2.2625	:: 2.2135	: 2.2148
-- Process 5# Sliced	:: 1.9875 - 2.4675	:: 1.8325 - 2.3125	:: 1.8350 - 2.3150	:: 1.7300 - 2.2100	:: 1.7025 - 2.1825	:: 2.0325	: 2.0580
-- Muenster	:: 2.1775 - 2.5275	:: 2.0800 - 2.4300	:: 2.0925 - 2.4425	:: 2.0450 - 2.3950	:: 1.9625 - 2.3125	:: 2.2310	: 2.2673
-- Grade A Swiss Cuts 10 - 14#	:: 2.8650 - 3.1875	:: 2.9175 - 3.2400	:: 2.9175 - 3.2400	:: 2.9175 - 3.2400	:: 2.9175 - 3.2400	:: 3.0738	: 3.4623

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 1.8950 - 2.1525	:: 1.7400 - 1.9975	:: 1.7425 - 2.0000	:: 1.6375 - 1.8950	:: 1.6100 - 1.8675	:: 1.8288	: 1.8442
-- Cheddar 40# Block	:: 1.8950 - 2.3400	:: 1.7975 - 2.2425	:: 1.8100 - 2.2550	:: 1.7625 - 2.2075	:: 1.6800 - 2.1250	:: 1.9960	: 2.0073
-- Cheddar 10# Cuts	:: 2.0750 - 2.2950	:: 1.9775 - 2.1975	:: 1.9900 - 2.2100	:: 1.9425 - 2.1625	:: 1.8600 - 2.0800	:: 2.0635	: 2.0748
-- Monterey Jack 10#	:: 2.0850 - 2.2450	:: 1.9875 - 2.1475	:: 2.0000 - 2.1600	:: 1.9525 - 2.1125	:: 1.8700 - 2.0300	:: 2.0435	: 2.0548
-- Grade A Swiss Cuts 6 - 9#	:: 2.4425 - 2.8725	:: 2.4950 - 2.9250	:: 2.4950 - 2.9250	:: 2.4950 - 2.9250	:: 2.4950 - 2.9250	:: 2.7050	: 3.0936

FLUID PRODUCTS

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

-- Northeast - f.o.b	:: 2.7170 - 2.9260	:: 2.6528 - 2.8600	:: 2.4420 - 2.6862	:: 2.5200 - 2.6813	:: 2.4199 - 2.6380	:: 2.6256	: 3.5154
-- Upper Midwest - f.o.b	:: 2.5498 - 2.7797	:: 2.5285 - 2.7357	:: 2.4013 - 2.6048	:: 2.3789 - 2.6208	:: 2.1422 - 2.4794	:: 2.4965	: 3.5285

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

-- Class II	:: 0.75 - 0.93	:: 0.75 - 0.93	:: 0.75 - 0.93	:: 0.50 - 0.90	:: 0.75 - 0.97	:: 0.8114	: 0.8086
-- Class III	:: 0.70 - 0.80	:: 0.71 - 0.94	:: 0.71 - 0.94	:: 0.75 - 0.94	:: 0.80 - 0.94	:: 0.8333	: 0.9440

DAIRY MARKET NEWS MONTHLY SUMMARY AND AVERAGES FOR SEPTEMBER 2016 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 35		::REPORT NUMBER 36		::REPORT NUMBER 37		::REPORT NUMBER 38		::REPORT NUMBER 39		2016	2015
	::-----::-----::-----::-----::-----::										Monthly	Monthly
	SEP 01 - 02	SEP 05 - 09	SEP 12 - 16	SEP 19 - 23	SEP 26 - 30	Average		Average				
DRY PRODUCTS												
NONFAT DRY MILK												
-- Central And East (f.o.b.)												
-- Low/Medium Heat	:: 0.8300 - 0.9500	:: 0.8500 - 0.9600	:: 0.8400 - 0.9700	:: 0.7800 - 0.9800	:: 0.8850 - 1.0200	:: 0.9089	:	0.8879				
-- Mostly	:: 0.8500 - 0.9200	:: 0.8800 - 0.9200	:: 0.9000 - 0.9400	:: 0.9000 - 0.9600	:: 0.9200 - 0.9700	:: 0.9212	:	0.8769				
-- High Heat	:: 0.9300 - 1.0500	:: 0.9800 - 1.0700	:: 0.9800 - 1.0700	:: 1.0000 - 1.0800	:: 1.0200 - 1.0800	:: 1.0312	:	1.0054				
-- West (f.o.b.)												
-- Low/Medium Heat	:: 0.8000 - 0.9500	:: 0.8425 - 0.9500	:: 0.8400 - 0.9800	:: 0.8650 - 1.0000	:: 0.8800 - 1.0200	:: 0.9189	:	0.8549				
-- Mostly	:: 0.8800 - 0.9200	:: 0.8900 - 0.9300	:: 0.9050 - 0.9350	:: 0.9200 - 0.9500	:: 0.9400 - 0.9700	:: 0.9281	:	0.8425				
-- High Heat	:: 0.9300 - 1.0475	:: 0.9300 - 1.0600	:: 0.9500 - 1.0600	:: 0.9500 - 1.0700	:: 1.0000 - 1.0750	:: 1.0105	:	0.9185				
WHEY POWDER (Nonhygroscopic)												
-- Central (f.o.b.)	:: 0.2400 - 0.3800	:: 0.2550 - 0.3800	:: 0.2550 - 0.4000	:: 0.2600 - 0.4100	:: 0.2750 - 0.4100	:: 0.3293	:	0.2265				
-- Mostly	:: 0.2650 - 0.3250	:: 0.2750 - 0.3350	:: 0.2750 - 0.3350	:: 0.2750 - 0.3350	:: 0.2850 - 0.3350	:: 0.3052	:	0.2044				
-- West (f.o.b.)	:: 0.2800 - 0.3800	:: 0.2850 - 0.3800	:: 0.2850 - 0.4000	:: 0.2850 - 0.4100	:: 0.2850 - 0.4100	:: 0.3418	:	0.2388				
-- Mostly	:: 0.3000 - 0.3425	:: 0.3000 - 0.3425	:: 0.3000 - 0.3450	:: 0.3000 - 0.3525	:: 0.3000 - 0.3525	:: 0.3239	:	0.2185				
-- Northeast (f.o.b.)	:: 0.2650 - 0.3350	:: 0.3000 - 0.3350	:: 0.3000 - 0.3450	:: 0.3000 - 0.3550	:: 0.3000 - 0.3550	:: 0.3218	:	0.2496				
WHEY PROTEIN CONCENTRATE												
-- Central And West (f.o.b.)												
-- Extra Grade 34% Protein	:: 0.5900 - 0.8700	:: 0.5950 - 0.8750	:: 0.6000 - 0.8750	:: 0.5950 - 0.8750	:: 0.6100 - 0.8750	:: 0.7369	:	0.5937				
-- Mostly	:: 0.6700 - 0.7775	:: 0.6700 - 0.7800	:: 0.6700 - 0.7850	:: 0.6800 - 0.7875	:: 0.6800 - 0.7950	:: 0.7305	:	0.5610				
ANIMAL FEED - WHEY												
-- Central (f.o.b.)												
-- Milk Replacer	:: 0.2000 - 0.2550	:: 0.2250 - 0.2750	:: 0.2250 - 0.2750	:: 0.2100 - 0.2900	:: 0.2100 - 0.2950	:: 0.2485	:	0.1793				
BUTTERMILK (Min. 30% protein)												
-- Central And East (f.o.b.)	:: 0.7800 - 0.8900	:: 0.8100 - 0.8900	:: 0.8300 - 0.8900	:: 0.8400 - 0.9000	:: 0.8000 - 0.9100	:: 0.8569	:	0.8692				
-- West (f.o.b.)	:: 0.7800 - 0.8800	:: 0.7800 - 0.8900	:: 0.8000 - 0.9200	:: 0.8000 - 0.9200	:: 0.8000 - 0.9200	:: 0.8524	:	0.7879				
-- Mostly	:: 0.8200 - 0.8500	:: 0.8200 - 0.8500	:: 0.8200 - 0.8700	:: 0.8200 - 0.8700	:: 0.8400 - 0.8900	:: 0.8469	:	0.7936				
DRY WHOLE MILK												
-- National (f.o.b.)	:: 1.2900 - 1.3500	:: 1.2900 - 1.3500	:: 1.2900 - 1.3500	:: 1.2900 - 1.4500	:: 1.2900 - 1.5000	:: 1.3498	:	1.2455				
LACTOSE												
-- Central And West (f.o.b.)	:: 0.2300 - 0.3800	:: 0.2300 - 0.4050	:: 0.2300 - 0.4050	:: 0.2300 - 0.4050	:: 0.2300 - 0.4050	:: 0.3163	:	0.2077				
-- Mostly	:: 0.2700 - 0.3500	:: 0.2800 - 0.3600	:: 0.2800 - 0.3650	:: 0.2800 - 0.3650	:: 0.2800 - 0.3650	:: 0.3208	:	0.1893				
CASEIN - Edible - National (f.o.b.)												
-- Nonrestricted - Rennet	:: 2.8950 - 2.9200	:: 3.0100 - 3.0700	:: 3.0250 - 3.0700	:: 3.0950 - 3.1200	:: 3.1150 - 3.1325	:: 3.0652	:	3.1250				
-- Nonrestricted - Acid	:: 2.9150 - 2.9800	:: 3.0350 - 3.1000	:: 3.0400 - 3.1000	:: 3.1100 - 3.1500	:: 3.1300 - 3.1500	:: 3.0888	:	3.2500				

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

DAIRY MARKET NEWS INTERNATIONAL MONTHLY SUMMARY AND AVERAGES FOR SEPTEMBER 2016 1/
 (UNLESS OTHERWISE NOTED, PRICES ARE U.S.DOLLARS/METRIC TON, F.O.B. PORT)

COMMODITY	:::REPORT NUMBER 35	:::REPORT NUMBER 37	:::REPORT NUMBER 39	::: 2016 *	::: 2015 *
	:::-----	:::-----	:::-----	::: Monthly	::: Monthly
	::: SEP 01 - 02	::: SEP 05 - 16	::: SEP 19 - 30	::: Average	::: Average

BUTTER (82% BUTTERFAT)					
-- OCEANIA	::: 3200 - 3600	::: 3850 - 4000	::: 3850 - 3925	::: 3860	::: 2981
-- WESTERN EUROPE	::: 3900 - 4100	::: 4100 - 4300	::: 4300 - 4625	::: 4301	::: 2880
BUTTEROIL (99% BUTTERFAT)					
-- WESTERN EUROPE	::: 4050 - 4500	::: 3975 - 4450	::: 4000 - 4600	::: 4258	::: 3465
CHEDDAR CHEESE (39% MAXIMUM MOISTURE)					
-- OCEANIA	::: 3200 - 3500	::: 3400 - 3625	::: 3500 - 3800	::: 3560	::: 3036
SKIM MILK POWDER (1.25% BUTTERFAT)					
-- OCEANIA	::: 2000 - 2200	::: 2275 - 2300	::: 2300 - 2600	::: 2344	::: 1951
-- WESTERN EUROPE	::: 2050 - 2150	::: 2150 - 2250	::: 2200 - 2400	::: 2236	::: 1832
WHEY POWDER (NONHYGROSCOPIC)					
-- WESTERN EUROPE	::: 0800 - 0900	::: 0850 - 0925	::: 0900 - 1100	::: 935	::: 668
WHOLE MILK POWDER (26% BUTTERFAT)					
-- OCEANIA	::: 2600 - 2900	::: 2750 - 2950	::: 2800 - 2975	::: 2858	::: 2368
-- WESTERN EUROPE	::: 2650 - 2800	::: 2750 - 2900	::: 2875 - 3025	::: 2873	::: 2157

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

CME GROUP AVERAGES FOR SEPTEMBER 2016

COMMODITY	::REPORT NUMBER 35::		::REPORT NUMBER 36::		::REPORT NUMBER 37::		::REPORT NUMBER 38::		::REPORT NUMBER 39::		2016 *	2015 *
	::-----::		::-----::		::-----::		::-----::		::-----::		Monthly	Monthly
	SEP 1 - 2	SEP 5 - 9	SEP 12 - 16	SEP 19 - 23	SEP 26 - 30	Average	Average					
BUTTER*												
-- GRADE AA												
--Monday	::	::	1/	::	2.0325	::	1.9675	::	1.9750	::	:	
--Tuesday	::	::	2.0375	::	2.0325	::	1.9550	::	1.9350	::	:	
--Wednesday	::	::	2.0350	::	2.0100	::	1.9675	::	1.9200	::	:	
--Thursday	::	2.0650	2.0350	::	2.0050	::	2.0000	::	1.9150	::	:	
--Friday	::	2.0500	2.0325	::	2.0000	::	2.0275	::	1.8975	::	1.9950	2.6690
--Weekly Average**	::	2.0725	2.0350	::	2.0160	::	1.9835	::	1.9285	::	:	
CHEESE*												
-- BARRELS												
--Monday	::	::	1/	::	1.5700	::	1.4750	::	1.4800	::	:	
--Tuesday	::	::	1.6525	::	1.5500	::	1.5075	::	1.4600	::	:	
--Wednesday	::	::	1.6600	::	1.5275	::	1.5100	::	1.4800	::	:	
--Thursday	::	1.6300	1.6200	::	1.5200	::	1.5100	::	1.4750	::	:	
--Friday	::	1.6400	1.6050	::	1.4800	::	1.5100	::	1.5100	::	1.5415	1.5840
--Weekly Average**	::	1.6325	1.6344	::	1.5295	::	1.5025	::	1.4810	::	:	
-- 40# BLOCKS												
--Monday	::	::	1/	::	1.6500	::	1.5875	::	1.5450	::	:	
--Tuesday	::	::	1.7000	::	1.6650	::	1.5975	::	1.5350	::	:	
--Wednesday	::	::	1.7200	::	1.6700	::	1.5850	::	1.5375	::	:	
--Thursday	::	1.6800	1.7000	::	1.6700	::	1.5625	::	1.5325	::	:	
--Friday	::	1.6800	1.7100	::	1.6500	::	1.5600	::	1.5325	::	1.6224	1.6605
--Weekly Average**	::	1.6960	1.7075	::	1.6610	::	1.5785	::	1.5365	::	:	
NONFAT DRY MILK*												
-- GRADE A												
--Monday	::	::	1/	::	0.9050	::	0.9200	::	0.9450	::	:	
--Tuesday	::	::	0.9100	::	0.9050	::	0.9200	::	0.9525	::	:	
--Wednesday	::	::	0.8975	::	0.9050	::	0.9225	::	0.9525	::	:	
--Thursday	::	0.8600	0.9050	::	0.9075	::	0.9350	::	0.9450	::	:	
--Friday	::	0.8700	0.9050	::	0.9100	::	0.9350	::	0.9275	::	0.9160	0.9045
--Weekly Average**	::	0.8590	0.9044	::	0.9065	::	0.9265	::	0.9445	::	:	

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

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

1/ CME closed for Labor Day on September 5

August 2016 Dairy Products Highlights

Butter production was 129 million pounds, 0.7 percent above August 2015, but 10.4 percent below July 2016. **American type cheese** production totaled 389 million pounds, 1.4 percent below August 2015, and 2.4 percent below July 2016. **Total cheese** output (excluding cottage cheese) was 990 million pounds, 1.2 percent above August 2015, but 2.2 percent below July 2016. **Nonfat dry milk** production, for human food, totaled 117 million pounds, 5.8 percent below August 2015, and 22.7 percent below July 2016. **Dry whey** production, for human food, was 73.3 million pounds, 10.3 percent below August 2015, and 8.5 percent below July 2016. **Ice cream, regular hard** production totaled 70.5 million gallons, 1.4 percent above August 2015, and 1.3 percent above July 2016.

Production of Dairy Products									
Product	August 2016	Change from			Product	August 2016	Change from		
		August 2015	July 2016	Year to Date ¹			August 2015	July 2016	Year to Date ¹
	<i>(1,000 lbs)</i>	<i>(percent)</i>				<i>(1,000 lbs)</i>	<i>(percent)</i>		
Butter	129,035	0.7	-10.4	5.1	Yogurt (plain and flavored)	416,264	3.6	15.0	-1.0
Cheese					Dry whey, human food	73,328	-10.3	-8.5	---
American types ²	389,368	-1.4	-2.4	-0.1	Dry whey, animal feed	2,471	143.2	11.1	---
Cheddar	279,353	---	-0.9	-0.8	Dry whey, total ⁸	75,799	-8.4	-8.0	-0.5
Other American	110,015	-4.8	-6.1	---	Reduced lactose & minerals				
Brick & Muenster	14,949	2.0	-10.5	---	Human food	2,705	-0.7	39.8	---
Cream & Neufchatel	78,258	-4.6	11.9	---	Animal feed	2,370	-1.5	-13.6	---
Hispanic	21,750	4.5	0.5	---	Lactose, human food & animal feed	92,141	6.5	-5.7	2.5
Total Italian types	422,443	5.0	-4.7	4.1	Whey protein concentrate				
Mozzarella	329,058	4.4	-5.6	3.5	Human food ⁹	33,963	-12.9	-6.7	---
Other Italian	93,385	7.2	-1.3	---	Animal feed ⁹	197	-64.4	-25.9	---
Swiss	25,340	-3.2	-6.4	---	Total ⁹	34,160	-13.7	-6.8	-10.1
All other types	37,861	1.6	8.0	---	25.0-49.9 percent ¹⁰	13,520	-22.4	-9.4	---
Total	989,969	1.2	-2.2	1.9	50.0-89.9 percent ¹⁰	20,640	-6.8	-5.1	---
Cottage cheese, curd ³	35,557	5.2	6.6	---	Whey protein isolates ¹¹	8,385	-7.3	-6.5	---
Cottage cheese, cream ⁴	28,336	1.9	7.0	1.3					
Cottage cheese, lowfat ⁵	31,457	0.3	5.2	0.4					
Dry buttermilk	6,773	4.8	-7.0	---	Frozen products				
Dry whole milk	7,736	13.9	-7.2	---	Ice cream, regular hard	70,470	1.4	1.3	2.0
Milk protein conc. (MPC), total ⁶	9,835	-1.3	-18.1	---	Ice cream, lowfat, hard	19,210	-7.7	10.4	---
Nonfat dry milk (NDM), human	116,704	-5.8	-22.7	-8.2	Ice cream, lowfat, soft	25,044	15.2	3.4	---
Skim milk powders (SMP) ⁷	46,064	17.2	-5.6	29.1	Ice cream, lowfat, total	44,254	4.0	6.4	-2.0
Sour cream	114,583	6.7	9.3	3.5	Sherbet, hard	3,111	-12.4	-3.7	-8.0
					Frozen yogurt, total	5,917	0.4	-1.4	-6.4

Manufacturers' Stocks, End of Month ¹²							
Product	August 2016	August 2015	July 2016	Product	August 2016	August 2015	July 2016
	<i>(1,000 lbs)</i>	<i>(percent)</i>			<i>(1,000 lbs)</i>	<i>(percent)</i>	
Dry whey, human food	59,463	-26.7	-14.4	Whey protein concentrate			
Dry whey, animal feed	1,186	-55.9	-19.8	Human food ⁹	57,686	-26.0	4.0
Reduced lactose & minerals—human & animal ¹³	7,653	-23.7	5.7	Animal feed ⁹	455	-28.6	-25.0
Lactose, human food & animal feed	119,011	-5.0	1.7	Total ⁹	58,141	-26.1	3.7
Dry buttermilk	16,167	34.1	-13.2	25.0-49.9 percent ¹⁰	20,679	-43.0	-1.2
Nonfat dry milk, human food	234,695	1.5	-8.6	50.0-89.9 percent ¹⁰	37,462	-11.5	6.6
				Whey protein isolates ¹¹	16,711	20.3	-7.5

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

Federal Milk Order Final Class and Component Prices, September

Class Prices: The following are the September 2016 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$14.66 (-\$0.55), Class III: \$16.39 (-\$0.52), and Class IV: \$14.25 (-\$0.40).

Component Price Information: Under the Federal milk order pricing system, the butterfat price for September 2016 is \$2.3082 per pound. Thus, the Class II butterfat price is \$2.3152 per pound. The protein and other solids prices for September 2016 are \$2.5675 and \$0.1096 per pound, respectively. These component prices set the Class III skim milk price at \$8.61 per cwt. The September 2016 Class IV skim milk price is \$6.39, which is derived from the nonfat solids price of \$0.7097 per pound.

Product Price Averages: The product price averages for September 2016 are: butter: \$2.0775, nonfat dry milk: \$0.8847, cheese: \$1.7514, and dry whey: \$0.3055.

Federal Milk Order Minimum Class Prices for Milk of 3.5 Percent Butterfat ^{1,2}						
Federal Milk Order Marketing Areas ³	Order Number	September 2016				October 2016
		Class I	Class II	Class III	Class IV	Class I
<i>(dollars per 100 pounds)</i>						
Northeast (Boston) ⁴	001	19.81	14.66	16.39	14.25	19.85
Appalachian (Charlotte) ⁵	005	19.96	14.66	16.39	14.25	20.00
Florida (Tampa) ⁶	006	21.96	14.66	16.39	14.25	22.00
Southeast (Atlanta) ⁷	007	20.36	14.66	16.39	14.25	20.40
Upper Midwest (Chicago) ⁸	030	18.36	14.66	16.39	14.25	18.40
Central (Kansas City) ⁹	032	18.56	14.66	16.39	14.25	18.60
Mideast (Cleveland) ¹⁰	033	18.56	14.66	16.39	14.25	18.60
Pacific Northwest (Seattle) ¹¹	124	18.46	14.66	16.39	14.25	18.50
Southwest (Dallas) ¹²	126	19.56	14.66	16.39	14.25	19.60
Arizona (Phoenix)	131	18.91	14.66	16.39	14.25	18.95
All-Market Average	---	19.45	14.66	16.39	14.25	19.49

¹ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk.

² The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

³ Names in parentheses are the major city in the principal pricing point of the markets.

⁴ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25, and Washington, DC, minus \$0.25.

⁵ Class I prices at other cities are: Knoxville, minus \$0.20 and Louisville, minus \$1.10.

⁶ Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40.

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

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

⁹ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

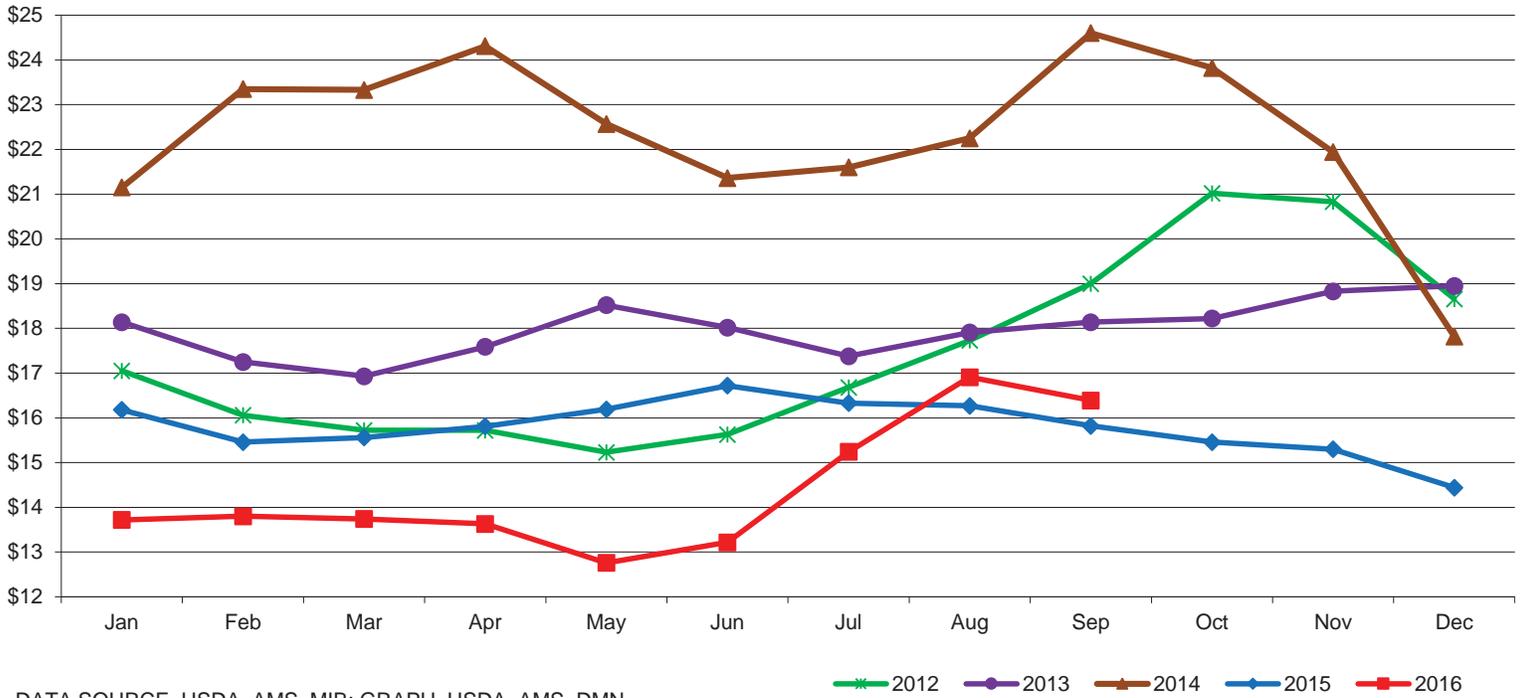
¹⁰ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

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

¹² Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

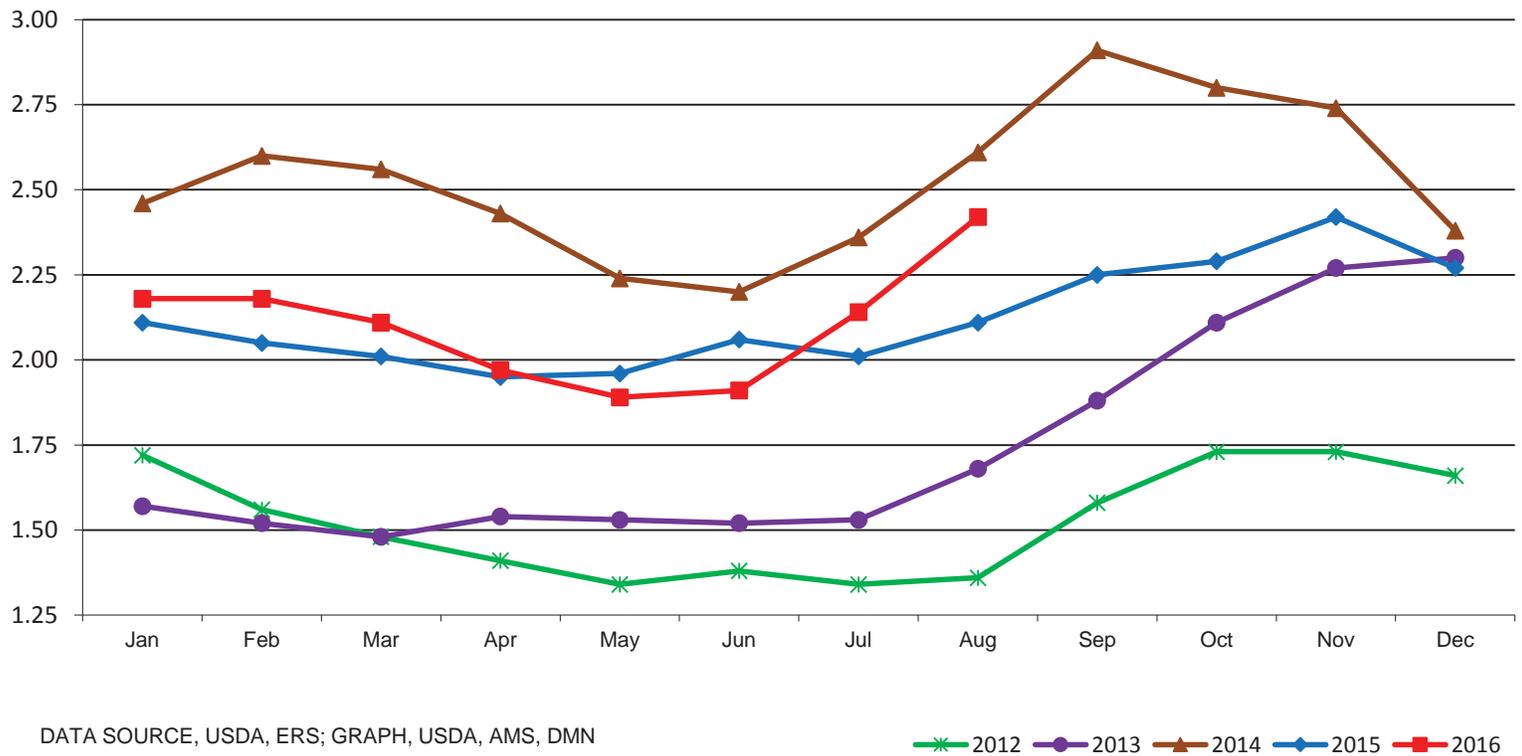
PER CWT

Class III Milk Price at 3.5% Test



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

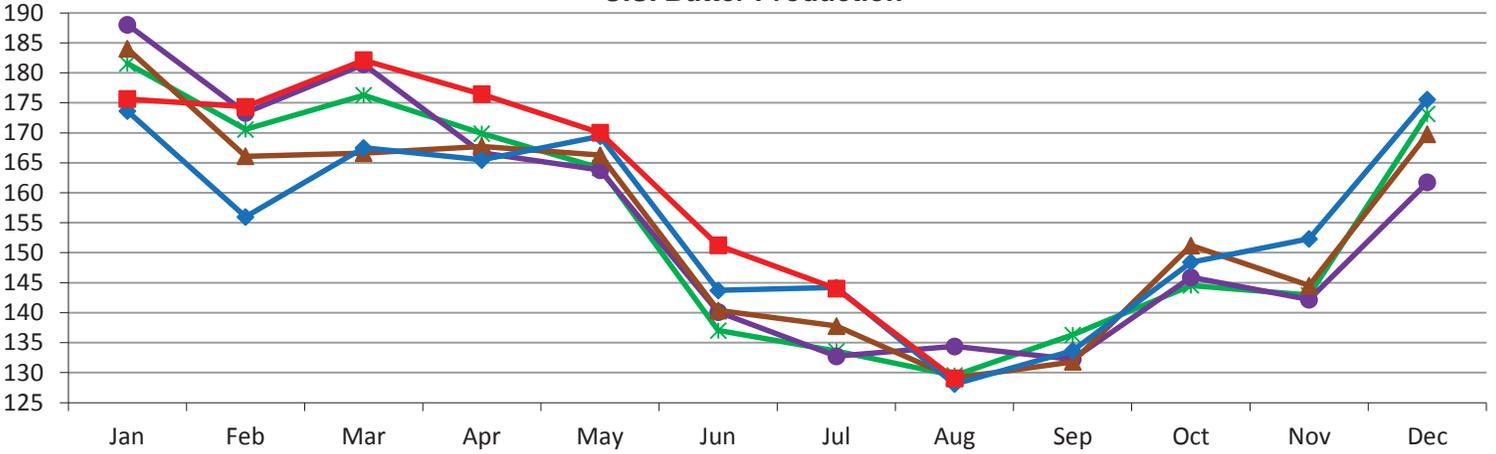
Milk-Feed Price Ratio Based on the Pounds of 16% Mixed Dairy Feed Equal in Value to 1 Pound of Whole Milk



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

MILLION POUNDS

U.S. Butter Production

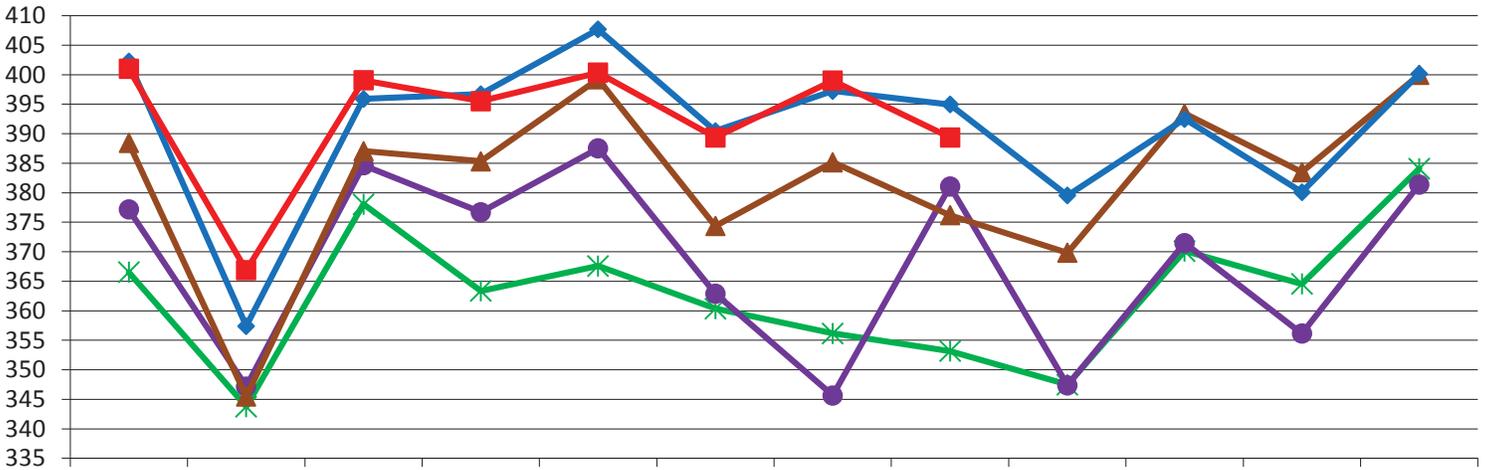


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2012 2013 2014 2015 2016

MILLION POUNDS

U.S. Total American Cheese Production

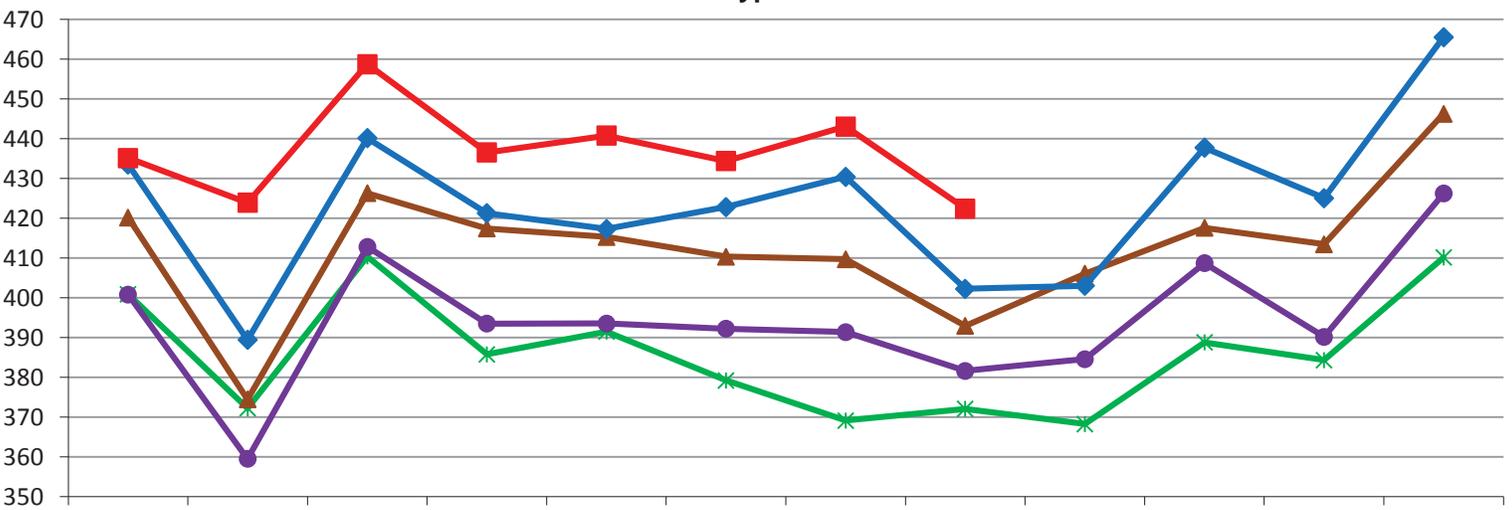


DATA SOURCE USDA, NASS; GRAPH, USDA, DMN

2012 2013 2014 2015 2016

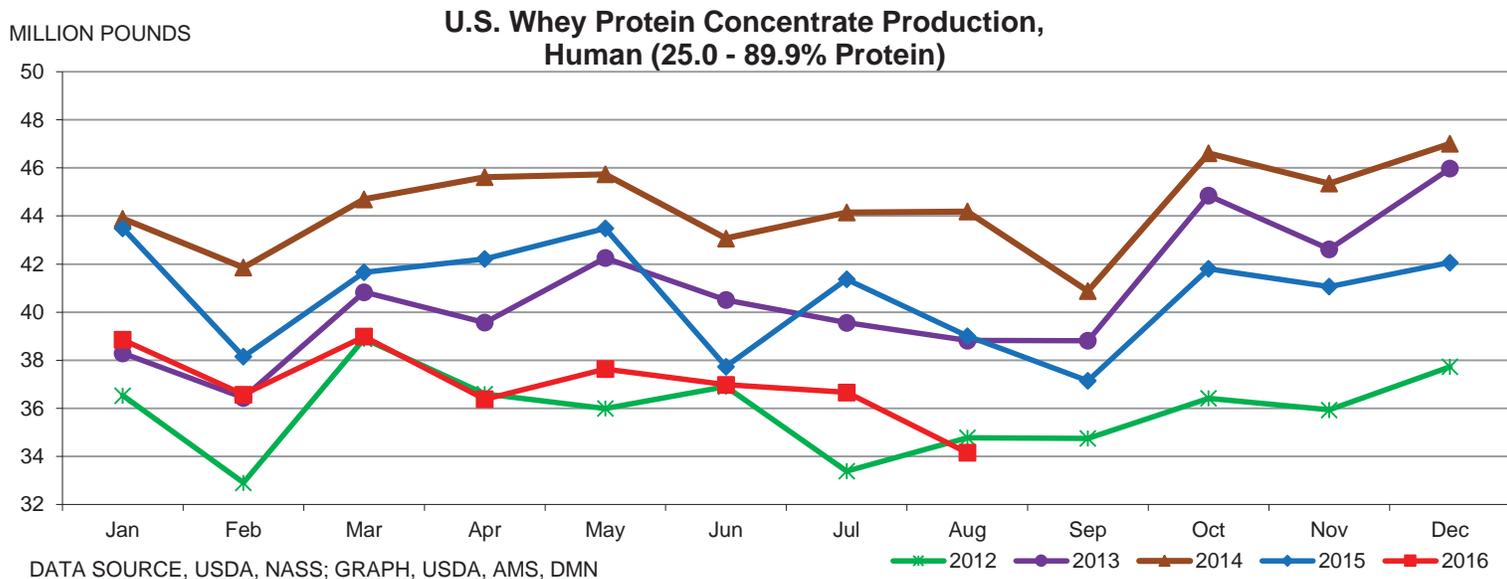
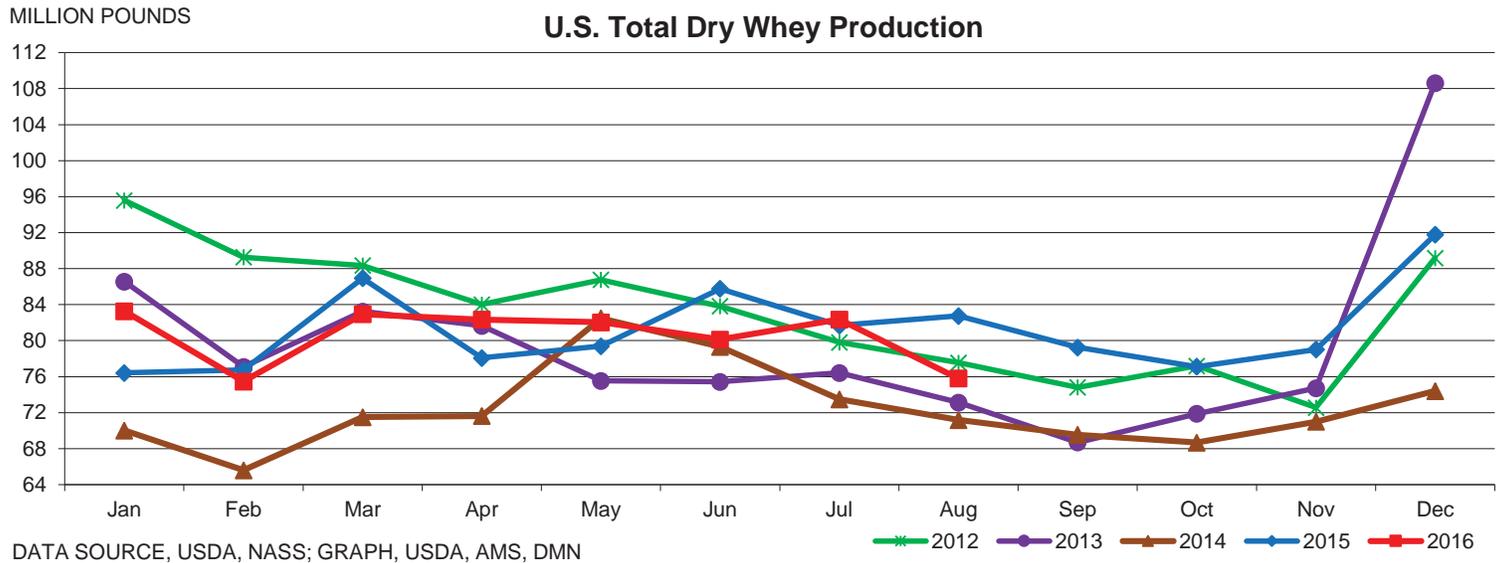
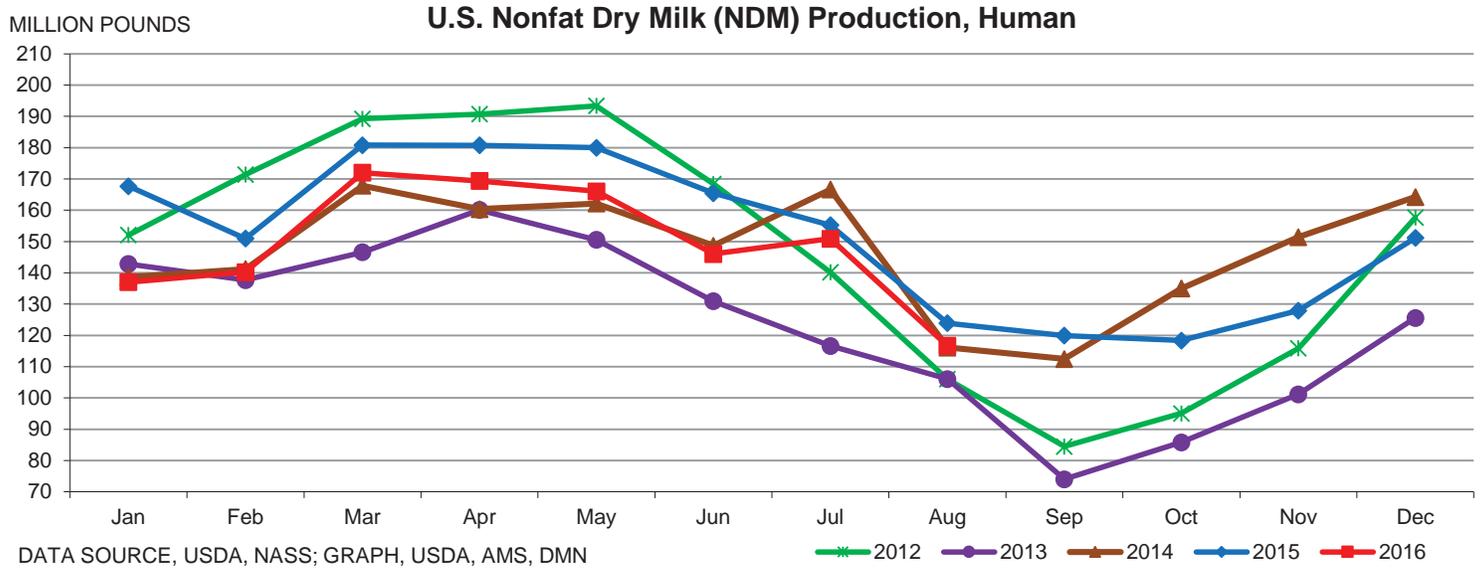
MILLION POUNDS

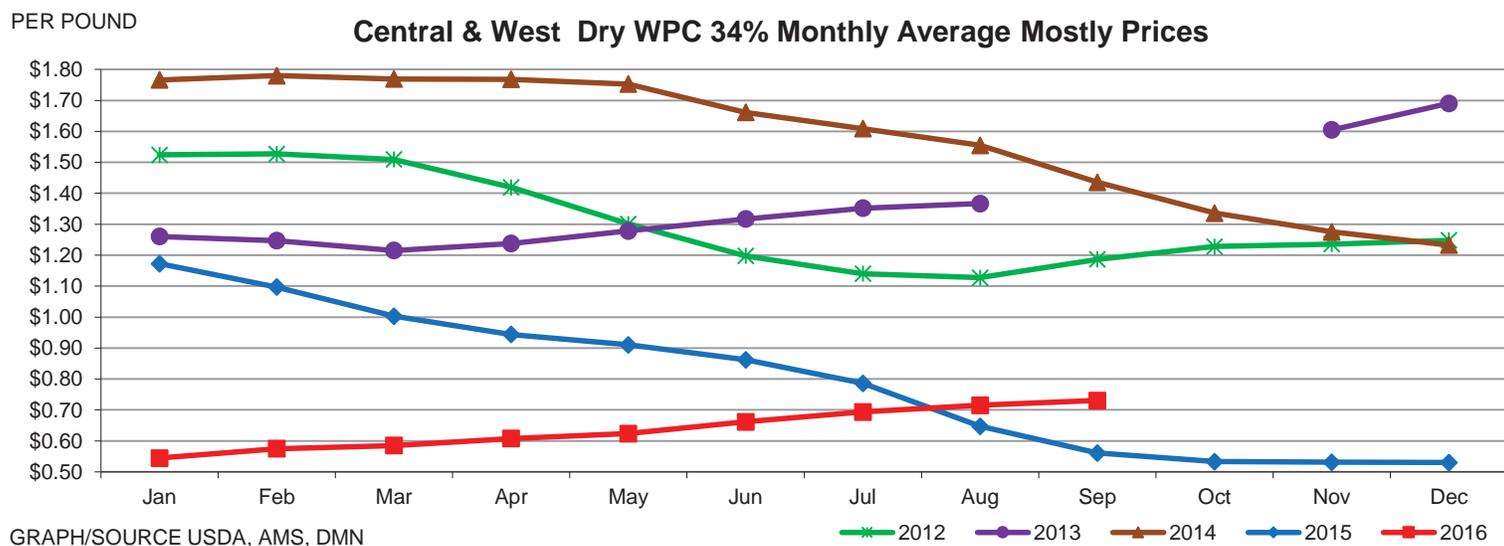
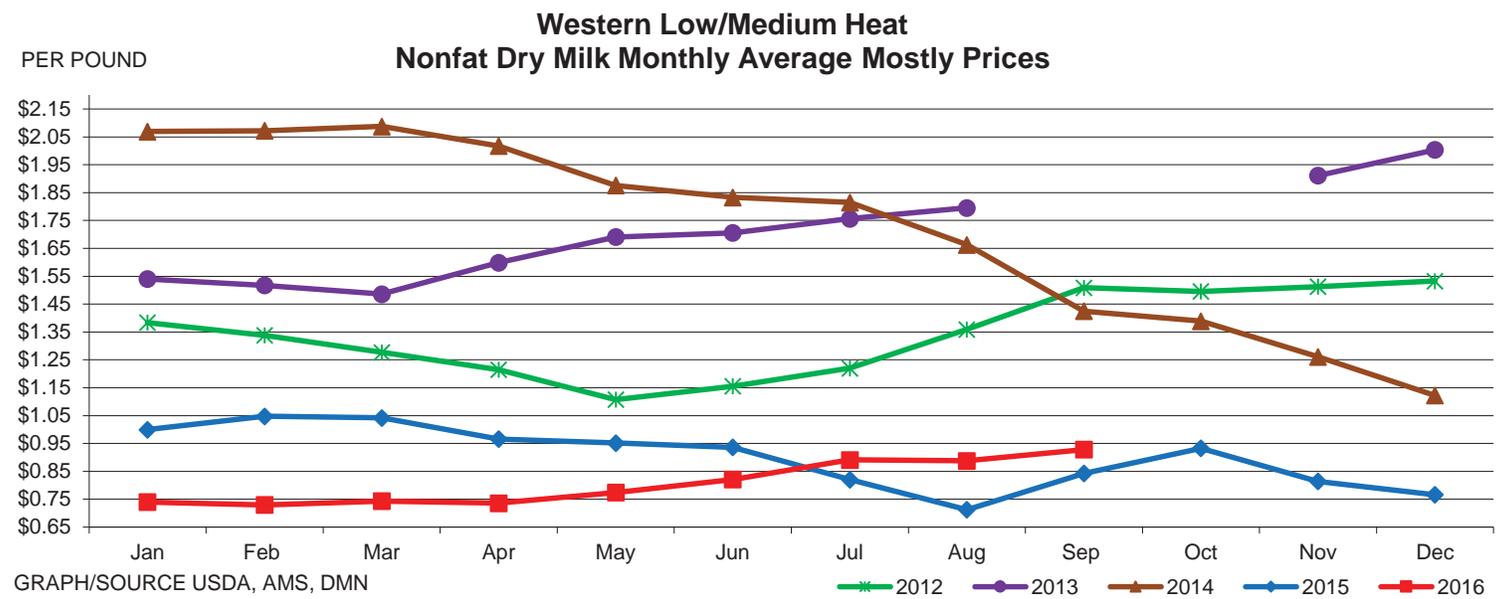
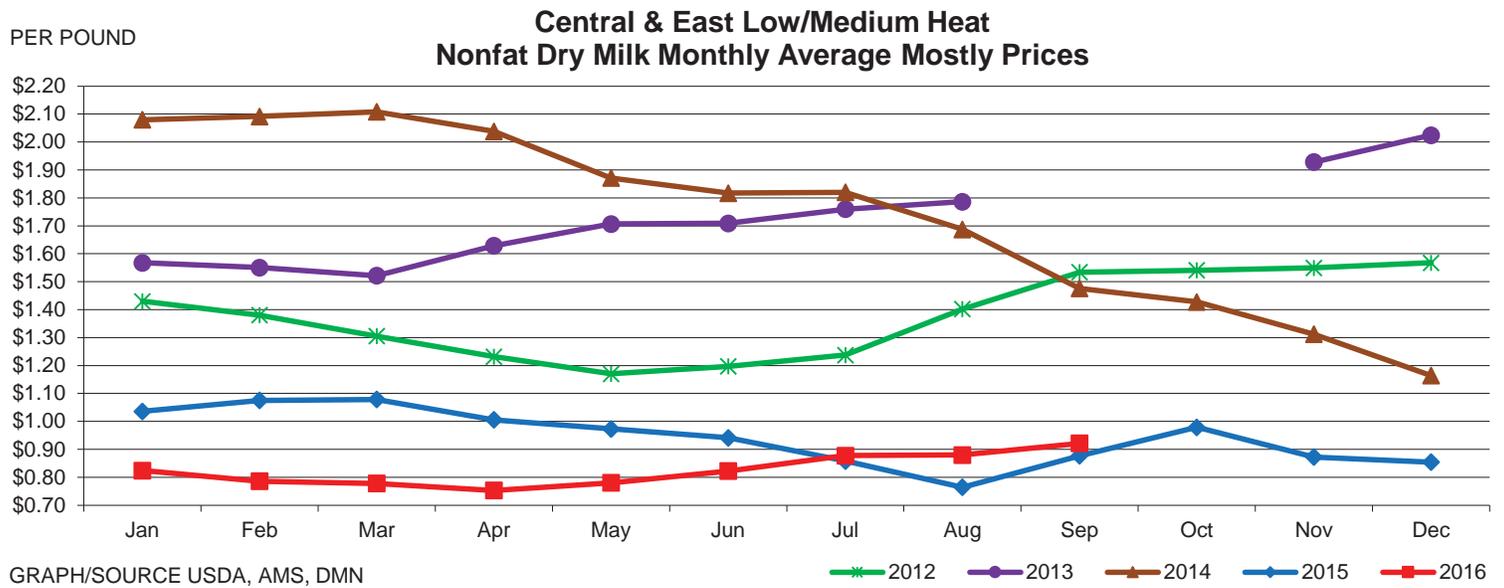
U.S. Total Italian-Type Cheese Production

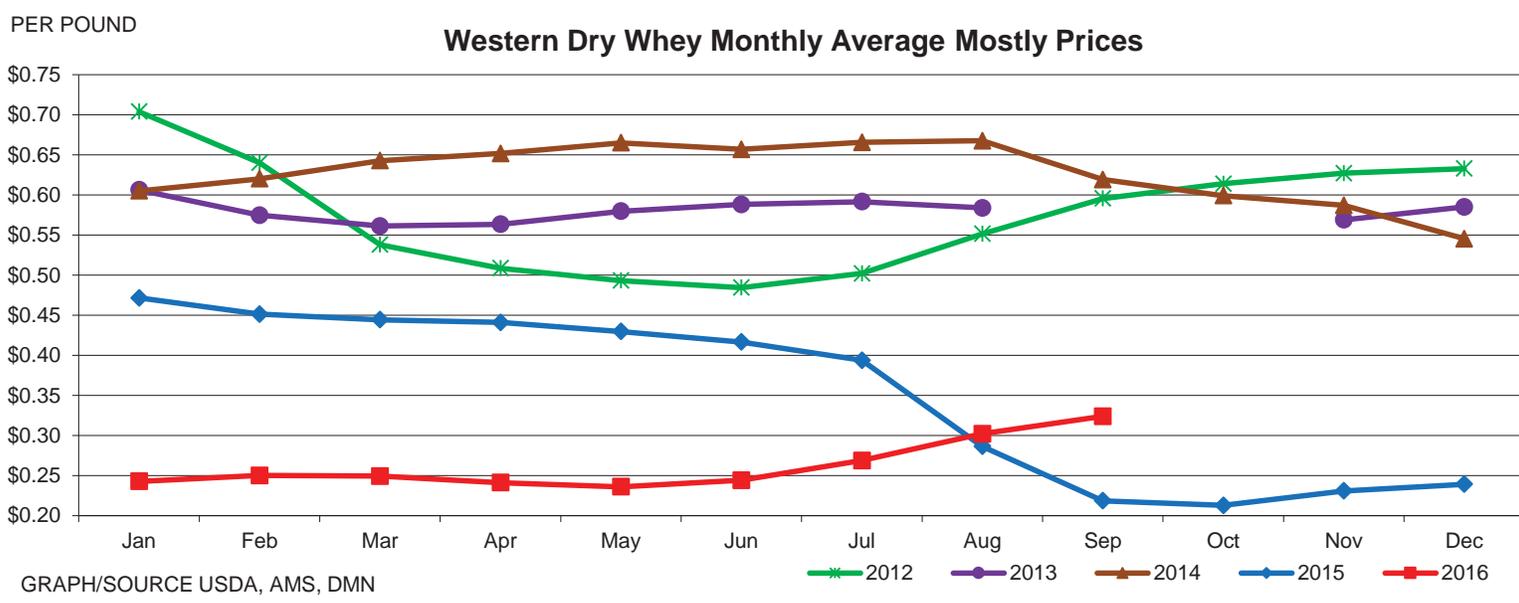
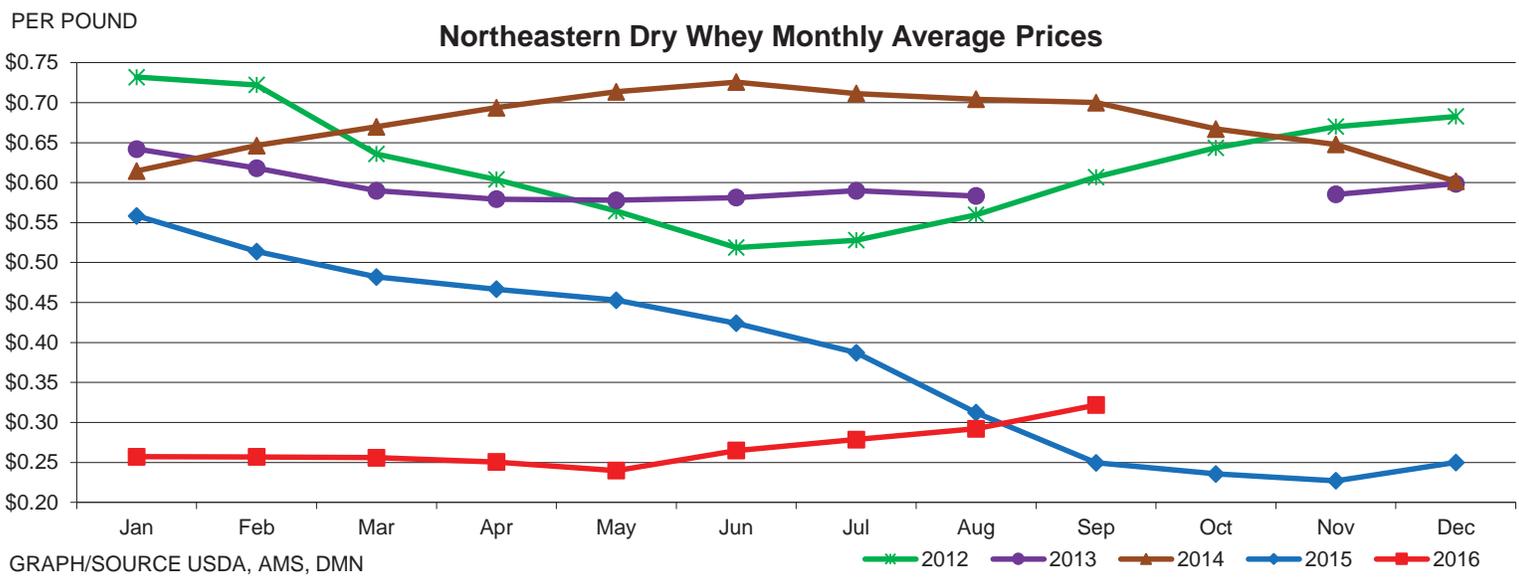
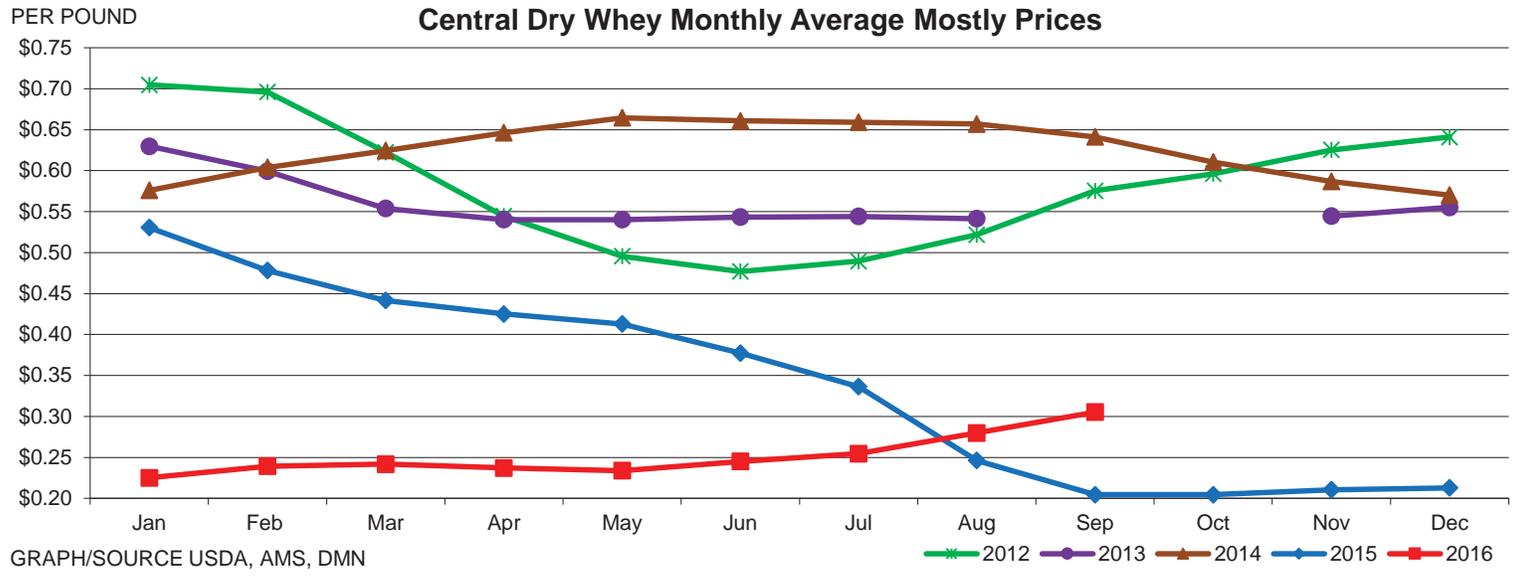


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2012 2013 2014 2015 2016









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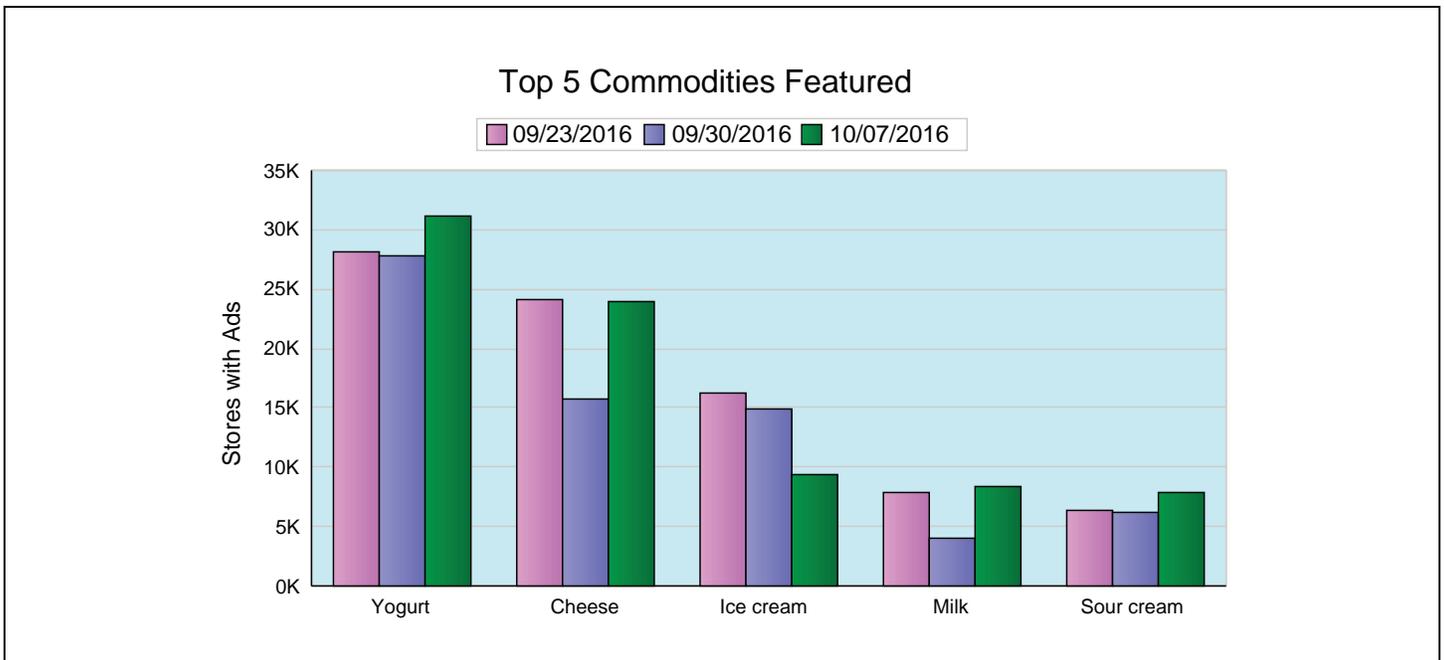
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 10/07/2016 to 10/13/2016

Total conventional dairy advertisements increased 14%, while organic dairy ads increased 17%. The national average price for 1 pound conventional butter is \$3.23, while 1 pound organic butter is \$5.02, an organic price premium of \$1.79. Total conventional butter ads increased 4% while total organic butter ads increased 63%. Advertisements for conventional ice cream in 48-64 ounce containers decreased 33% and the national weighted average advertised price is \$2.97, down 21 cents from last week.

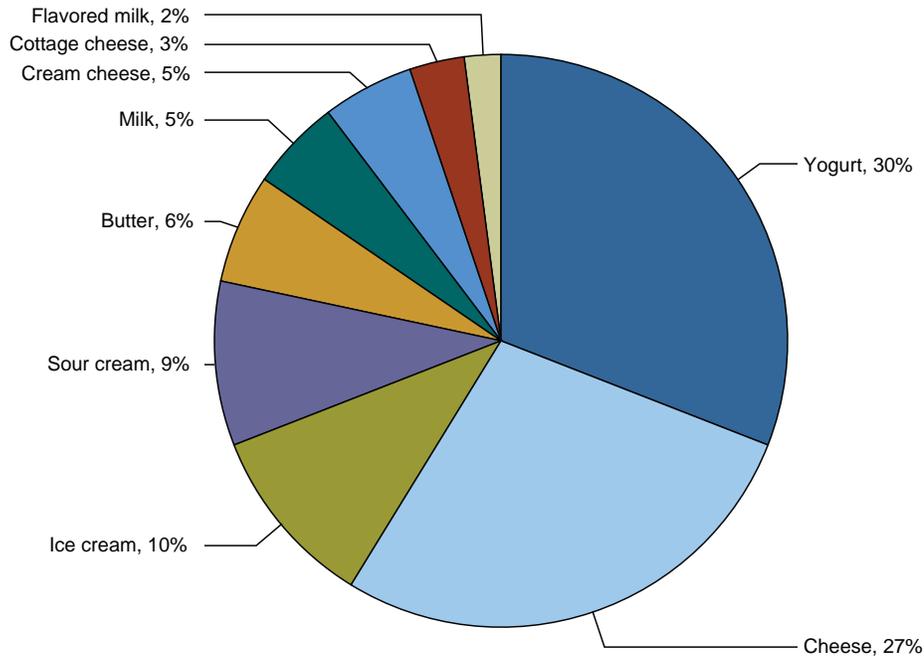
Conventional yogurt ads increased 4% this week, while organic yogurt ads increased 120%. The average price for 4-6 ounce conventional Greek yogurt was \$0.94, while 4-6 ounce organic Greek yogurt averaged \$1.06, an organic price premium of \$.12. Conventional Greek yogurt in 4-6 ounce containers was the top advertised dairy item, followed by shredded cheese in 8 ounce packages and non-Greek yogurt in 4-6 ounce containers.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.26, down 1 cent from last week. Ads for conventional 8 ounce shred cheese averaged \$2.25, down 6 cents from last week. The collective number of conventional cheese ads increased 57%. There were no organic cheese ads identified in the retail survey this week.

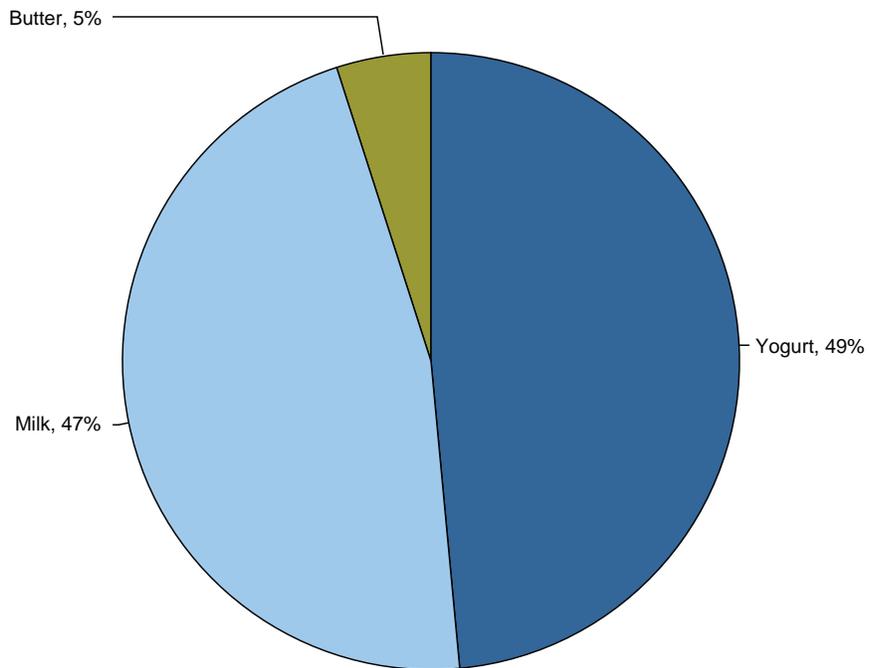
This week, the difference between the average weighted price for organic half gallon milk, \$4.27, and the average weighted price for conventional half gallon milk, \$1.65, resulted in an organic price premium of \$2.62. Organic milk advertisements increased 25%, while ads for conventional milk increased 416%.



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 #	5309	3.23	5100	3.38	6770	3.09
Cheese	Natural Varieties	8 oz block	8236	2.26	4702	2.27	7391	2.37
Cheese	Natural Varieties	1 # block	1661	3.47	1526	4.91	2353	4.13
Cheese	Natural Varieties	2 # block	766	6.30	1207	5.67	802	5.72
Cheese	Natural Varieties	8 oz shred	10955	2.25	6441	2.31	8052	2.47
Cheese	Natural Varieties	1 # shred	2294	4.06	1357	5.03	2444	4.04
Cottage cheese		16 oz	3037	1.86	3379	2.04	3609	1.95
Cream cheese		8 oz	4416	1.99	5346	1.98	3811	1.96
Egg nog		quart	246	2.50	246	2.50		
Flavored milk	All fat tests	half gallon	1016	2.46	163	3.46	549	2.09
Flavored milk	All fat tests	gallon	674	2.70	74	4.29	585	3.17
Ice cream		48-64oz	9333	2.97	13877	3.18	9807	2.95
Milk	All fat tests	half gallon	875	1.65	307	3.43	294	1.16
Milk	All fat tests	gallon	3575	2.38	555	3.48	1960	2.56
Sour cream		16 oz	7796	1.69	5923	1.75	4336	1.62
Yogurt	Greek	4-6 oz	11874	.94	13706	.97	11086	.93
Yogurt	Greek	32 oz	2756	4.53	2907	4.36	1934	4.11
Yogurt	Yogurt	4-6 oz	10779	.49	7550	.48	6958	.47
Yogurt	Yogurt	32 oz	1668	2.38	1862	2.64	127	2.75

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.60-4.49	1756	3.32	2.48-3.50	1699	2.90	2.68-3.50	735	3.30
Cheese	Natural Varieties	8 oz block	1.99-3.50	2097	2.26	1.67-3.00	3626	2.39	1.66-2.50	1190	1.94
Cheese	Natural Varieties	1 # block	1.99-5.99	795	3.83	3.48-3.50	409	3.49	2.99	57	2.99
Cheese	Natural Varieties	8 oz shred	1.99-2.98	2089	2.28	1.67-3.00	3939	2.39	1.66-3.00	1537	2.09
Cheese	Natural Varieties	1 # shred				3.48	195	3.48	4.22	810	4.22
Cottage cheese		16 oz	1.50-4.59	1204	2.32	1.50-1.99	1066	1.53			
Cream cheese		8 oz	1.50-3.00	1219	2.08	1.50-2.50	2066	1.90	1.25-2.49	373	2.04
Flavored milk	All fat tests	half gallon	2.50-2.99	208	2.75	2.99	214	2.99	0.99-2.50	471	2.06
Flavored milk	All fat tests	gallon	3.99-4.49	146	4.28				2.99	119	2.99
Ice cream		48-64oz	2.49-3.49	2863	2.72	2.50-3.99	2447	2.93	1.28-3.50	1250	2.90
Milk	All fat tests	half gallon				1.25-2.79	221	1.95	1.25-2.99	290	1.59
Milk	All fat tests	gallon	1.99-3.49	259	2.89	2.49-2.69	1173	2.67	1.59-2.69	636	2.01
Sour cream		16 oz	1.50-2.00	2098	1.77	1.50-2.00	2076	1.51	1.49-1.98	929	1.92
Yogurt	Greek	4-6 oz	0.70-1.25	3166	1.01	0.80-1.00	4305	.93	0.88-1.00	1264	.95
Yogurt	Greek	32 oz	3.74-4.99	964	4.34	3.00-4.99	1150	4.84	3.50-5.48	393	4.41
Yogurt	Yogurt	4-6 oz	0.39-0.69	2633	.49	0.44-0.50	3513	.49	0.39-0.66	1123	.49

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	1.99	261	1.99				1.88-3.49	492	2.46

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 #	2.48-3.88	522	3.35	2.50-3.99	531	3.69	3.99	61	3.99
Cheese	Natural Varieties	8 oz block	1.67-2.50	487	1.86	1.50-3.00	545	2.30	1.66-2.50	174	2.17
Cheese	Natural Varieties	1 # block	1.67-3.49	337	2.56	3.99	63	3.99			
Cheese	Natural Varieties	2 # block	5.99	201	5.99	4.99-7.99	373	6.64	4.99-6.99	183	5.99
Cheese	Natural Varieties	8 oz shred	1.67-2.99	1525	2.10	1.50-3.00	1259	2.34	1.25-2.50	463	1.59
Cheese	Natural Varieties	1 # shred	3.99-4.22	1091	4.20	2.99	178	2.99			
Cottage cheese		16 oz	0.99-1.99	194	1.58	1.25-2.48	284	1.73	1.50	289	1.50
Cream cheese		8 oz	1.50-2.50	197	1.98	1.50-2.88	487	2.18	1.69	69	1.69
Egg nog		quart				2.50	246	2.50			
Flavored milk	All fat tests	half gallon	2.50	99	2.50						
Flavored milk	All fat tests	gallon				2.19	120	2.19	1.99	289	1.99
Ice cream		48-64oz	2.49-4.99	908	3.74	2.48-3.50	1371	3.07	2.49-3.00	350	2.58
Milk	All fat tests	half gallon	1.25-2.50	177	1.95				1.00-1.25	187	1.09
Milk	All fat tests	gallon	1.89-2.19	431	2.13	1.89-2.59	628	2.26	1.99	394	1.99
Sour cream		16 oz	0.99-1.99	1443	1.85	0.99-1.67	601	1.35	1.50	578	1.50
Yogurt	Greek	4-6 oz	0.69-1.00	664	.89	0.69-1.00	1860	.88	0.88-1.00	532	.90
Yogurt	Greek	32 oz				3.99	246	3.99			
Yogurt	Yogurt	4-6 oz	0.39-0.63	1278	.45	0.40-0.88	1669	.50	0.39-0.88	463	.47
Yogurt	Yogurt	32 oz	2.50-3.49	196	2.91	2.50	358	2.50	1.99	289	1.99

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 #	2.50-4.50	5	3.30			
Cheese	Natural Varieties	8 oz block	1.49-3.50	55	2.57	3.00-3.29	62	3.11
Cheese	Natural Varieties	2 # block	4.40-6.99	9	5.46			
Cheese	Natural Varieties	8 oz shred	1.49-2.00	27	1.60	3.00-3.50	116	3.18
Cheese	Natural Varieties	1 # shred	5.62	8	5.62	5.62	12	5.62
Cream cheese		8 oz	1.50	2	1.50	2.50	3	2.50
Flavored milk	All fat tests	half gallon				3.00	24	3.00
Ice cream		48-64oz	4.00-4.99	20	4.89	3.25-6.49	124	3.93
Milk	All fat tests	gallon	3.59	11	3.59	4.49-5.19	43	4.61
Sour cream		16 oz	2.14	8	2.14	1.99-3.08	63	2.20
Yogurt	Greek	4-6 oz	1.00-1.66	49	1.38	0.99-1.25	34	1.04
Yogurt	Greek	32 oz				5.99	3	5.99
Yogurt	Yogurt	4-6 oz	0.50-0.60	9	.57	0.44-0.79	91	.61
Yogurt	Yogurt	32 oz	2.49	21	2.49	2.49-3.59	51	3.01

Wtd Avg - Simple weighted average

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	379	5.02	233	5.61		
Cheese	Natural Varieties	8 oz block			246	6.99	63	4.75
Cheese	Natural Varieties	8 oz shred			255	3.44		
Cottage cheese		16 oz			105	2.99		
Ice cream		48-64oz			1083	4.00	121	4.49
Milk	All fat tests	half gallon	2643	4.27	2472	3.67	206	4.49
Milk	All fat tests	gallon	299	5.57	226	5.23	236	6.56
Milk	All fat tests	8 oz UHT	959	1.00	435	1.08	903	1.00
Sour cream		16 oz			273	2.04	360	3.99
Yogurt	Greek	4-6 oz	1599	1.06	558	1.28	623	1.24
Yogurt	Greek	32 oz			246	3.99		
Yogurt	Yogurt	4-6 oz	1955	1.11	183	.75	63	.99
Yogurt	Yogurt	32 oz	536	3.21	868	3.58	2	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
Butter		1 #							4.99	69	4.99
Milk	All fat tests	half gallon	3.99-4.99	316	4.34	3.98	195	3.98	4.49-4.78	476	4.60
Milk	All fat tests	gallon	5.99	167	5.99						
Milk	All fat tests	8 oz UHT	1.00	543	1.00	1.00	61	1.00			
Yogurt	Greek	4-6 oz	0.60	62	.60	1.00	1083	1.00	1.25	247	1.25
Yogurt	Yogurt	4-6 oz	1.25	59	1.25	1.00-1.25	1387	1.05	1.25	221	1.25
Yogurt	Yogurt	32 oz	3.69	167	3.69				3.50	180	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 #							4.99	289	4.99
Milk	All fat tests	half gallon	2.99-4.49	545	3.90	3.99-4.49	771	4.31	4.29	289	4.29
Milk	All fat tests	gallon							4.99	121	4.99
Milk	All fat tests	8 oz UHT				1.00	355	1.00			
Yogurt	Greek	4-6 oz	1.25	141	1.25				1.25	66	1.25
Yogurt	Yogurt	4-6 oz	1.25	288	1.25						
Yogurt	Yogurt	32 oz	2.50	72	2.50	2.50	117	2.50			

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	5.49	21	5.49			
Milk	All fat tests	half gallon	4.59	21	4.59	5.49-5.97	30	5.54
Milk	All fat tests	gallon	5.49	11	5.49			

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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