

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (1/23)**

BUTTER: Grade AA closed at \$1.5500. The weekly average for Grade AA is \$1.5500 (+.0050).

CHEESE: Barrels closed at \$1.4450 and 40# blocks at \$1.4800. The weekly average for barrels is \$1.4475 (-.0610) and blocks, \$1.4750 (-.0430).

BUTTER HIGHLIGHTS: The butter market is mostly steady. Buyers are generally looking to fill near-term needs at this time and are waiting for opportunities to purchase ahead. Production rates are mostly steady to higher. Cream is readily available while spot decisions vary from plant to plant on buying and selling. Export interest is improving as U.S. prices are now below the Global Dairy Trading market. Inventories are growing gradually. Bulk butter prices are ranging from 4 cents under to 6 cents over the market, based on various time frames and averages used. Friday at the CME Group, Grade AA butter closed at \$1.55, unchanged from a week ago. The NASS *Cold Storage* report noted U.S. butter stocks on November 30 were 98.6 million pounds, 2% lower than last month and 12% below a year ago. According to FAS, January–December 2014 U.S. butter quota imports total 14.9 million pounds, a 37% increase compared to same time span last year. This week, a cooperative export assistance program accepted requests for 1.80 million pounds of butter.

CHEESE HIGHLIGHTS: Cheese inventories are trending upward due to continuing volumes of milk moving into cheese plants, as well as some buyers moderating orders hoping for further price weakness. Decreasing export demand is also a factor contributing to inventory increases. NASS reports that total natural cheese stocks in refrigerated warehouses on December 31, 2014 were down slightly from November 30, but up slightly from December 31, 2013. Friday in CME Group trading, barrels closed at \$1.4450, down 1/2 cent from last Friday and 40# blocks closed at \$1.4800, up 1 cent from last Friday.

FLUID MILK: Milk production across the nation is mostly steady to slightly higher with many milk handlers noting production above year ago levels. Many processing facilities are hovering near capacity levels for milk intakes. Bottling sales are steady to improving with most educational institutions back in session. Class II demand is mixed. Interest for dips and sour cream are increasing as the Super Bowl nears, while requests for ice cream and other novelties are

seasonally lower. Cream is available with a majority of interest coming from butter churn operators. The cream spot market in the East is not as active as last week, while some buyers in the Midwest noted additional competition, which pushed multiples higher.

DRY PRODUCTS: Low/medium nonfat dry milk prices moved lower as various indexes and spot sales weakened. Production is active and supplies are increasing. Dry buttermilk supplies continue to exceed demand, softening prices for the most part. Prices for dry whole milk are unchanged in light trading. Dry whey prices are softening on a weakening market with increasing supplies. Prices of whey protein concentrate 34% declined considerably, shadowing the weak NDM market and increasing supplies available for the spot market. Lactose prices moved lower on active discounting in the spot market as manufacturers look to lower inventories.

NATIONAL RETAIL REPORT – DAIRY (DMN): Ad volume for 8 oz. cream cheese more than doubled this week, with a U.S. advertised price of \$1.73, down 24 cents from last week but up 17 cents from one year ago. Sour cream in 16 ounce containers also experienced a significant increase in ad numbers this week, with an average price of \$1.65, down 8 cents from last week and down 5 cents from one year ago. Ad numbers and the price for 1# butter are up, with the \$3.52 average price 52 cents higher than last week and 67 cents higher than one year ago. The U.S. average price for 8 ounce blocks, \$2.34, is 1 cent higher than one week ago and 14 cents higher than a year ago, while 8 ounce shredded cheese at \$2.56 is up 2 cents from the prior week and up 25 cents from the prior year. Ad volumes for 8 oz. blocks and 8 oz. shredded cheese are up from last week and one year ago. Greek 4-6 ounce yogurt ad volume leads the yogurt category with nearly triple the ads of all other surveyed sizes and types of yogurt. The average price of 4-6 ounce Greek yogurt, 98 cents, is up 2 cents from last week and up 1 cent from one year ago. Ads for 4-6 ounce yogurt have an average price of 49 cents, up 2 cents from last week but down 3 cents from one year ago. The organic versus conventional half gallon price spread is \$2.39, up \$1.20 from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.03, down from \$2.37, and the average for organic half gallon milk, \$4.42, up from \$3.56.

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CME GROUP CASH TRADING

COMMODITY	MONDAY JAN 19	TUESDAY JAN 20	WEDNESDAY JAN 21	THURSDAY JAN 22	FRIDAY JAN 23	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS		\$1.4450 (-.0050)	\$1.4500 (+.0050)	\$1.4500 (N.C.)	\$1.4450 (-.0050)	:: :: (-.0050)	:: :: \$1.4475 :: (-.0610)
40# BLOCKS	CLOSED	\$1.4750 (+.0050)	\$1.4750 (N.C.)	\$1.4700 (-.0050)	\$1.4800 (+.0100)	:: :: (+.0100)	:: :: \$1.4750 :: (-.0430)
NONFAT DRY MILK GRADE A	NO	\$.9525 (+.0025)	\$.9500 (-.0025)	\$.9600 (+.0100)	\$.9825 (+.0225)	:: :: (+.0325)	:: :: \$.9613 :: (-.0002)
BUTTER GRADE AA	TRADING		\$1.5500 (N.C.)	\$1.5500 (N.C.)	\$1.5500 (N.C.)	:: :: (N.C.)	:: :: \$1.5500 :: (+.0050)

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 informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/DAIRYMARKETNEWS.

NATIONAL DAIRY MARKET NEWS AT A GLANCE

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INTERNATIONAL DAIRY MARKET NEWS (DMN): WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW:

Western Europe milk production has slowed over the past number of weeks. Milk producers, who are over quota and face significant levees, have restricted production by various means to lower or avoid quota levee payments. Dairy cows are being culled at increasing rates in those areas producing over quota. Preliminary data for some of the over quota countries shows current milk intakes below year ago levels. Demand for fluid milk is normal for this time of year. Producers continue to manage their herds in a manner that will allow them to have strong milk production at the start of the non-quota year beginning April 1. Estat - Newcronos reported EU-28 January to October milk deliveries are 5.4% higher than the same period in 2013. Various member states showed the following January to October increases compared to last year: Germany, 4.1%; France, 6.6%; UK, 9.1%; Belgium, 7.7%; Italy, 4.2%; and Ireland, 6.0%. January-October milk delivery data showed increases for all countries in Western Europe with the exception of Greece -4.2%.

EASTERN OVERVIEW: Eastern European milk production is increasing along the typical seasonal trend. Reports of milk and cream loads going into Belarus have declined in recent weeks. November import data for China imports showed an increase in dry whey being exported from Poland to China. European milk deliveries for January-October reported by Estat - Newcronos, showed the following year over year changes for selected countries: Poland,+7.3%; Lithuania, +7.7%; Latvia, +10.6%; Estonia, +7.4%; and the Czech Republic, +0.9%.

OCEANIA OVERVIEW: **Australian** milk production continues on its typical seasonal decline. Dry conditions were alleviated, to some degree for some dairy producers, as significant rains covered much of the dairy region in Victoria. The hay market has been quiet with prices easing marginally. Overall supplies for the coming season are anticipated to be below normal. Dairy commodity supplies for some manufacturers are committed for the near term. **New Zealand's** milk production is declining at an accelerated pace. Dry conditions over both islands are beginning to prompt discussions about drought with some comparisons being made to the Q1 2013 decline in milk production. Conditions are more severe on the South Island where some irrigation systems are being shut down, due to low river levels. New Zealand cooperatives have revised their seasonal forecasts with seasonal production now estimated to be ranging from flat to 1.5% above last year's production. Rains are forecast in the coming week, but the impact of these rains on milk production will be marginal at best as farmgate prices remain low and are a disincentive for producers to extend the milk production season. At the January 20 GDT event #132, average prices ranged from 6.4% lower to 3.8% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,286 -5.0%; butter, \$3,564 +0.1%; buttermilk powder, \$2,559 -6.4%; cheddar cheese, \$2,961 -4.3%; lactose, n.a.; rennet casein, \$8,159 +3.3%; skim milk powder, \$2,389 +1.0%; sweet whey powder, \$1,155 -4.1%; and whole milk powder, \$2,402 +3.8%.

DECEMBER COLD STORAGE (NASS): On December 31, U.S. cold storage holdings of butter totaled 98.6 million pounds, down 2% from the previous month and 12% from December 2013. Natural American cheese holding total 623.8 million pounds, 2% less than the previous month, but 1% more than December 2013. Total natural cheese stocks were 1,012.6 million pounds, down slightly from the previous month, but up slightly from December 2013.

FEBRUARY FEDERAL ORDER ADVANCE PRICES

(FMMO): Under the Federal milk order pricing system, the base Class I price for February 2015 is \$16.24 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$10.76 and the advanced butterfat pricing factor of \$1.6719. A Class I differential for each order's principle 'pricing point (county) is added to the base price to determine the Class I Price. The base Class I price decreased \$2.34 per cwt when compared to the previous month of January 2015. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$18.06 per cwt, -\$1.553 per gallon; reduced fat milk (2%), -\$15.48 per cwt, -\$1.334 per gallon; fat-free (skim milk), -\$0.84 per cwt, -\$0.072 per gallon. The advanced Class IV skim milk pricing factor is \$7.64. Thus, the Class II skim milk price for February 2015 is \$8.34 per cwt, and the Class II nonfat solids price is \$0.9267. The two-week product price averages for February 2015 are: butter \$1.5521, nonfat dry milk \$1.0253, cheese \$1.5857 and dry whey \$0.5903.

DECEMBER MILK PRODUCTION (NASS): Milk production in the 23 major States during December totaled 16.2 billion pounds, up 3.2% from December 2013. Production per cow in the 23 major States averaged 1,886 pounds for December, 35 pounds above December 2013. This is the highest production per cow for the month of December since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.61 million head, 107,000 head more than December 2013, and 16,000 head more than November 2014.

CME GROUP

MONDAY, JANUARY 19, 2015

CME closed no trading

TUESDAY, JANUARY 20, 2015

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.4450, 4 @ \$1.4400; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4450; 1 CAR 40# BLOCKS @ \$1.4750; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4500

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9525; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 1 CAR GRADE AA @ \$1.5475; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5500; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JANUARY 21, 2015

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.4400, 1 @ \$1.4500, 1 @ \$1.4600; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.4300; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4500

NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.9550, 1 @ \$0.9575, 1 @ \$0.9500; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9500; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.5500; LAST OFFER UNCOVERED: NONE

THURSDAY, JANUARY 22, 2015

CHEESE -- SALES: 1 CAR BARRELS @ \$1.4575; 3 CARS 40# BLOCKS @ \$1.4700; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.4400; 3 CARS 40# BLOCKS @ \$1.4700; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4500

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.9600; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5500; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.5600

FRIDAY, JANUARY 23, 2015

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.4475, 1 @ \$1.4450; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.4300; 1 CAR 40# BLOCKS @ \$1.4800; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4600

NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 2 @ \$0.9725, 1 @ \$0.9825; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9825; LAST OFFER UNCOVERED: 5 CARS GRADE A @ \$0.9900

BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5500; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5700

BUTTER MARKETS**NORTHEAST**

Butter production rates are steady to increasing. Cream supplies are sufficient for manufacturers' targeted volumes. Indications are that butter stocks are building marginally with the Easter holiday in the forefront. Domestic market demand is moderate to good, as contractual obligations are being met and procurements based on immediate needs prevail. Export interest is active. Some additional forward sales are receiving price assistance. This week, a cooperative export assistance program accepted requests for 1.797 million pounds of butter. The market undertone is unsettled. The current bulk butter prices for domestic sales are 3 to 5 cents over the CME Group market, with various time frames and averages used. At the CME Group, Grade AA butter closed Tuesday at \$1.5500 up \$0.0075 from a week ago.

CONTRAL

Butter prices are mostly steady on a stable market. The Global Dairy Trading market is currently above the U.S. market, which is spurring some export interest. Domestic sales are at moderate levels within the region with a few suppliers noting reduced sales. Buyer interest is mainly for salted butter. Some butter churn operators sold volumes of cream to avoid building butter supplies, while others continued to purchase spot loads of cream at advantageous prices. Bulk butter prices are ranging from market to 6 cents over the market, with various time frames and averages used. Wednesday at the CME Group, Grade AA butter closed at \$1.5500, up \$0.0075 from last Wednesday. This week, a cooperative export assistance program accepted requests for 1.80 million pounds of butter.

WEST

Western butter prices are higher this week. The market remains weak with inventories mixed. Some manufacturers are making and storing bulk butter. Others are churning retail butter to fulfill contracts. Cream supplies are increasing plentiful. Reports indicate extra cream is available due to planned plant closures for maintenance. Buyers are looking to fill immediate needs and are willing to wait for opportunities to buy ahead. Due to the abundance of product, companies are looking into exporting. According to the National Retail Report-Dairy butter ads increased from last week. The U.S. weighted average price for a pound of butter was \$3.00, down \$.35 from last week. The weighted average price for butter in the Northwest was \$2.99. Butter prices at the CME Group on Wednesday closed at \$1.5500, up \$.0075 from a week ago.

2014 U.S. Butter Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Dec. Quota Imports	1.2	- 8	8
Jan. - Dec.			
High Tier	7.7	+1374	N.A.
Quota Imports	14.9	+ 37	97

NATIONAL DAIRY PRODUCTS SALES REPORT**U.S. AVERAGES AND TOTAL POUNDS**

<u>WEEK ENDING</u>	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
January 17, 2015	1,5510 3,709,395	1,5819 12,905,575	1,5661 9,843,246	.5924 7,869,175	1.0085 25,855,580

Further data and revisions may be found on the internet at: <http://www.ams.usda.gov/AMSV1.0/DairyProductMandatoryReporting>

CHEESE MARKETS

NORTHEAST

Sufficient milk intakes are furthering seasonally active wholesale cheese production rates. Plants are operating near capacity in some instances. Orders for mozzarella are active, prompted by food service and retail demand as schools reopen and the Super Bowl looms. Current Swiss transactions exemplify an inelastic tone as buyers are willing to pay the higher prices associated with the aging cost of production. Inventories are mixed but growing marginally. The market is unsettled. Last week, the weekly average cheese prices on the CME Group declined for both blocks and barrels. This week, the Northeast wholesale price for 40# block and muenster retreated \$0.0575, as process 5# sliced declined \$0.0350. Grade A Swiss price is steady. Tuesday's CME Group daily cash prices saw barrels close at \$1.4450, down \$0.1500 from a week ago, while blocks closed at \$1.4750, down \$0.1150 from a week ago.

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

Cheddar 40# Block	:	1.9150-2.2000
Process 5# Sliced	:	1.7325-2.2125
Muenster	:	1.9350-2.2950
Grade A Swiss Cuts 10 - 14#	:	4.1050-4.4275

MIDWEST

Inventory is building at some Midwest cheese plants. Contributing factors include active cheese production, with some manufacturers using their cheese plants to balance the volume of milk intakes, as well as some potential buyers pulling back during a falling price market. Once prices began to fall significantly last week, some buyers slowed orders in an opportunistic buying strategy. Other buyers are more regular about taking orders and this leaves some larger plants with cheese moving out the door mostly as expected. Quickly declining markets present a profitability challenge to manufacturers because cheese sales are often based off CME Group pricing while prices paid for milk used to make cheese are based off another index which can lag the rate of CME Group price decline, leaving manufacturers with a higher cost basis for cheese sold at a lower sales price in markets with rapidly declining prices. Less spot milk is currently available for making cheese this week. Higher cheese production is helping boost cheddar manufacturing as well as mozzarella. *The National Retail Report - Dairy* (DMN) found that January 16 to 22nd Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.58, 4 cents higher than the national average, \$2.54. One year ago the national average price was \$2.39. The Midwest price range is \$1.98 to \$3.99. For 8 ounce blocks, the Midwest average price is \$2.20, 13 cents lower than the national average price, \$2.33. One year ago the national average price was \$2.29. The Midwest price range is \$1.98 to \$2.50. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese decreased \$.0350, Swiss is unchanged and the remaining varieties decreased \$.0575. In CME Group cheese trading, barrels closed this week Wednesday at \$1.4500, up \$.0075 from Wednesday last week and blocks closed at \$1.4750, up \$.0050 from Wednesday last week.

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

Process American 5# Loaf	:	1.6150-1.9750
Brick And/Or Muenster 5#	:	1.8950-2.3200
Cheddar 40# Block	:	1.6000-2.0175
Monterey Jack 10#	:	1.8700-2.0750
Blue 5#	:	2.1625-3.1500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7400-2.6350
Grade A Swiss Cuts 6 - 9#	:	3.6225-3.7400

WEST

Western cheese prices were lower this week. Some manufacturers are running at full production. Demand is steady. There has been some more spot availability due to export demand decreasing. Inventories are building slightly but manufacturers are cautious as not to have too much. Advertised U.S. cheese prices for a 1 pound block, as reported in the *National Retail Report-Dairy*, showed the national weighted average at \$4.25, up \$.30 from last week. In the southwest, the weighted average price is at \$3.99. On Wednesday at the CME, barrels closed at \$1.4500, up .0075 from last Wednesday and blocks at \$1.4750, up \$.0050 from week ago.

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

Process 5# Loaf	:	1.6350-1.8925
Cheddar 40# Block	:	1.6475-2.0925
Cheddar 10# Cuts	:	1.8275-2.0475
Monterey Jack 10#	:	1.8375-1.9975
Grade A Swiss Cuts 6 - 9#	:	3.6825-4.1125

FOREIGN

Prices for domestic foreign type cheeses declined this week, erasing the gains made last week. Imported and Swiss cheese prices were unchanged. Wholesalers are establishing their Q2 orders and negotiating contracts. Global and domestic supplies are readily available. Some buyers are being conservative with their Q2 orders, because of the markets' weak undertone and the possibility of lower prices in the future.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.0550-3.5425*
Gorgonzola	: 3.6900-6.4900	: 2.5625-3.2600*
Parmesan (Italy)	: -0-	: 3.4450-5.5350*
Provolone (Italy)	: -0-	: 2.0975-2.3500*
Romano (Cows Milk)	: -0-	: 3.2450-5.3950*
Sardo Romano (Argentine)	: 2.8500-4.4900	: -0-
Reggianito (Argentine)	: 3.2900-4.7500	: -0-
Jarlsberg-(Brand)	: 2.9500-6.2500	: -0-
Swiss Cuts Switzerland	: -0-	: 4.2025-4.5250
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
01/19/15	4,505	101,015
01/01/15	3,004	96,221
CHANGE	1,501	4,794
% CHANGE	50	5

2014 U.S. Cheese Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Dec. Quota Imports	28.9	+ 69	10
Jan. - Dec. High Tier Quota Imports	29.8 200.0	+ 9 + 17	N.A. 67

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	125	0	150	0	88	0
SOUTHEAST STATES	0	0	0	0	0	0

The Northeast and Mid-Atlantic milk production remains significantly above previous year's levels. Most schools and universities are back in session, prompting stronger Class I demand. Icy roads and wintery conditions, at the first of the week, led to a few milk delays to processing plants. Milk production in the Southeast is steady. Sales are increasing with active Class I demand. Milk re-distribution continues as a bottling plant remains down. A few orders were cut with the fulfillment of post-holiday school needs. Manufacturing milk supplies are adequate. In Florida, temperatures are average with cool nights hovering in the 30s while daytime highs range in the 60s to 70s. Increases in milk production are showing signs of leveling off. Class I demand remains strong. Milk spot shipments into the state have dropped slightly this week, totaling 125 loads compared to 150 last week. Cream supplies are available in most production channels. Trading in the spot market has declined compared to last week. Some contacts expect cream supplies to outlast demand. Multiples for all Classes moved higher, ranging from 1.15-1.24. Class II orders are good for products such as dips and sour cream in preparation for consumers Super Bowl party needs. Condensed skim supplies are sufficient. Class II spot transactions are sluggish. Manufacturing volumes clearing to Class IV production are steady.

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 -	1.7767-1.9158
F.O.B. producing plants: Upper Midwest -	1.8231-1.9467

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	.80-1.33
Northeast - Class III - spot prices -	1.00-1.35

MIDWEST

Milk production is mostly steady on the week. However, output is noted to be considerably higher than year ago levels due to the mild winter, adequate high quality feed, and producers taking advantages of current milk prices. Milk supplies are heavier than desired for some processors. Milk spot loads are ranging from \$2 under Class to Class. Bottlers note fluid sales are not picking up as anticipated. Milk demand moving into Class II is mixed. Some manufacturers are increasing production to satisfy upcoming demand contributed to the Super Bowl, while others are noting reduced interest. Cream supplies are readily available, but not to the degree as previous weeks as contacts noted increased competition. Cream multiples rose this week ranging from 1.18 to 1.26. The weekly Cow Slaughter under Federal Inspection report shows U.S. dairy cow slaughter for the week ending January 3, at 48,200 head, 3,000 head or 6% less than the comparable week a year ago.

WEST

Milk output in CALIFORNIA is mostly characterized as holding flat to making slight gains from a week ago. Conditions are variable, but are not impacting the milk flow at the farm level to any great extent. Milk is being handled well by processors with minimal downtimes noted. Class I demand has stabilized as the school and retail orders have flattened. ARIZONA milk production is moving higher on a week to week basis and trending several percentage points higher from a year ago. Plant capacity is becoming snuggier and processors are limiting the milk supplies from other sources. Weather has been neutral for cows. Demand for Class I milk has leveled off. NEW MEXICO milk supplies are being handled well and processors are getting the volumes needed for various products. Bottling demand has slowed following higher interest shown through last week. The CREAM market is stable. Pricing and overages are holding steady in a tighter range. There are adequate supplies to service accounts in the region. Buying interest is fair to good and readily clearing offerings. Butter makers are more comfortable making butter instead of selling cream at lower multiples or overages. West cream multiples are unchanged at 1.15 to 1.55. At the CME Group, Grade AA butter closed Wednesday at \$1.5500, up \$.0075 compared to a week earlier. Milk production in the PACIFIC NORTHWEST is increasing along seasonally expected lines. Manufacturers are anxious for any increased production as most are running at nearly full capacity. Temperatures in the region are favorable for increased milk production with no serious winter storms to disrupt production. UTAH and IDAHO milk production is increasing as mild winter weather has had little adverse effects on dairies. Milk processing capacity in the region is nearing current production levels. Milk production is still up 3 to 4% in the region. Production per cow is also increasing. Due to the increase in milk price during last year, the number of cows increased. According to the National Retail Report- Dairy, the U.S. weighted average price for a gallon of milk is \$2.92, up \$.37 from last week. In the Southwest, the weighted average price was \$2.99.

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: The low/medium heat NDM spot market actively traded at reduced prices as manufacturers looked to lower on-hand inventories. The market tone is weak. Buyer interest is improving in large part to bigger discounts available. Blenders note many opportunities available for NDM and other interchangeable products. Export orders are marginal and noted to be below a year ago. Production of low/medium heat NDM remains strong as milk supplies are heavy. Supplies range from moderate to heavy. HIGH HEAT NDM prices shifted lower on the bottom due to weaker index pricing. Spot load availability of high heat is light as production is limited. Wednesday at the CME Group, Grade A NDM closed at \$0.9500, down \$0.0050 from last Wednesday.

EAST: Eastern nonfat dry milk continues to trend lower with a drop in prices this week. Production remains active although an increase in Class I sales has somewhat eased low/medium nonfat schedules at drying facilities. The conversion to CME price basing is ongoing in some channels. Consequently, spot transactions are fairly active as market participants are currently procuring nonfat dry milk through the cash market. With the recent reports of Mexico's demand for nonfat dry milk, some contacts suggest annual export volumes will be comparably lower. Low/medium heat nonfat inventories are building overall. The market undertone is soft. High heat nonfat dry milk prices are lower to steady. Processors are advancing the opportunity to manufacture high heat nonfat as dryer time become available. Inventories are tight. Some buyers are finding high heat nonfat difficult to procure in the Eastern spot market. Inventories are light. The market tone continues to weaken.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .9000 - 1.1125 MOSTLY: .9500 - 1.0625
 HIGH HEAT: 1.0125 - 1.2800

NONFAT DRY MILK - WEST

Prices for Western low/medium heat nonfat dry milk again moved lower as both spot pricing and index based sales moved downward. The market undertone remains weak. Production of low heat is moderate to heavy as processors work through seasonally heavy milk supplies. Buyer interest is light to moderate. Export demand is beginning to improve to existing accounts that are finding pricing points more palatable. Offerings are available from producers and from the resale market. The CME weekly average last week was \$.9615, down \$.0360 from the prior week. Western high heat prices continue to decline. Market activity is often limited as buyers are cautious at current levels. Seller are not giving much discounts as they often don't have a lot of extra that needs to move. Offerings remain light as production needs favor making low heat NDM. Holdings of high heat are mostly light to moderate with product in place to service future needs.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .9000 - 1.0950 MOSTLY: .9200 - 1.0100
 HIGH HEAT: 1.0100 - 1.1500

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Some manufacturers moved large volumes during last week as buyers noted this week heavily discounted loads were no longer offered in the marketplace. Most spot trading is shifting lower into the mid-eighties to low-nineties. The overall market tone is weak. Drying rates of buttermilk are strong, following butter production. Buyer interest is light to moderate with a heavy influence based on supplies on hand. Spot activity picked up this week. Volumes are steadily moving through supply contracts.

EAST: East dry buttermilk prices are mixed. Prices are generally moving lower in the spot market. Dry buttermilk production is active; paralleling the region's heavy churning schedules. Condensed buttermilk sales to ice cream processing are limited, at seasonal levels, and adding to dry buttermilk productivity. Producers' stocks are moderate to heavy. Domestically, interest remains lackluster as potential buyers hold off purchases in expectation of further price decreases. Dry buttermilk is primarily clearing through contracts. The market undertone is unsettled.

F.O.B. CENTRAL/EAST: .7000 - 1.0500

DRY BUTTERMILK - WEST

Dry buttermilk market prices continue to move downwards for both the range and mostly price series. The market undertone remains weak. The impact of lower prices for other protein categories is also reaching into the dry buttermilk market. Buying interest is light to moderate and piqued with lower prices. Some buyers are low-ball bidding to see what will happen. Production runs are mixed for dry buttermilk and depend on dryer times available and sales of condensed buttermilk. Stock levels are above current needs.

F.O.B. WEST: .8500 - 1.0300 MOSTLY: .9000 - 1.0000

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged and reflect a wide price range. The market tone remains weak. Trading activity is light and the market is not being aggressively tested. Domestic demand is limited. Export interest is only to existing contracts with little new shopping taking place. Drying of DWM remains light with available stocks adequate to long to service existing demand.

F.O.B. PRODUCING PLANT: 1.2700 - 1.6000

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
January 16	\$1.0199	15,016,314
January 9	\$1.0155	13,139,595

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. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Dry whey prices were mostly steady with the exception of a decrease on the top of the mostly prices series due to lower spot trading and weaker index pricing. End users note increasing offers at flat or below market. The undertone is softening as some buyers are bearish on whey moving forward and feel whey is currently overvalued. Production rates are steady to slightly higher. Buyer interest domestically is light and many end users are working off inventories on hand. Export orders picked up this week, but are noted below year ago levels. Supplies are steady to growing. ANIMAL FEED WHEY prices are slightly lower on the top of the range on reduced index pricing. Spot activity was lighter this week, which some contribute to the numerous opportunities available in the animal feed marketplace.

F.O.B. CENTRAL: .4000 - .6275 MOSTLY: .5000 - .5500
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3500 - .5150

DRY WHEY - NORTHEAST

Northeast dry whey prices declined in a weak market. Spot sales are moving prices lower as supplies outpace demand. Cheese manufacturers' milk intakes are heavy and encouraging dry whey production rates. Output is increasing most of the producers' inventories, as dry whey competes with comparative priced protein streams.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4700 - .6175

DRY WHEY - WEST

Western dry whey prices are lower with a weak undertone. Whey production is increasing seasonally with higher processing milk volumes. Increased cheese production, with the subsequent increase in whey stream products is helping to supply both contract and spot buyers with whey. Domestic demand is fair and whey is available for most needs. Poor export interest has led to marketers offering heavy discounts for older product.

NONHYGROSCOPIC: .3800 - .6075 MOSTLY: .4200 - .5000

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Some buyers secured significantly discounted spot loads in volume this week. The undertone is soft as market participants note the weak NDM market is considerably impacting the WPC 34% market. Purchasers indicated many offerings at flat or below the market. Domestic interest varies from light to moderate depending on brand and end use. Export demand is limited. Some suppliers noted increasing challenges of shipping out exports on the West coast due to port congestion. Spot loads are readily available in the marketplace.

F.O.B. EXTRA GRADE 34% PROTEIN: .9000 - 1.3400 MOSTLY: 1.0200 - 1.2900

LACTOSE - CENTRAL AND WEST

Lactose prices shifted mostly lower on weaker spot trading and index pricing. Many suppliers are actively clearing volumes at a discount to work inventories lower. The market tone is weak. Production rates are steady to lower with some manufacturers scaling back production due to current price points. Buyers domestically and internationally are actively shopping for bargains, otherwise have light interest unless having a need to restock supplies.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1900-.4600 MOSTLY: .2500-.3700

CASEIN - NATIONAL

Casein production has increased globally and supplies are readily available. Rennet casein production in Europe has been especially strong this production season. Demand for casein has lessened in recent weeks, especially for acid casein. Spot sales activity remains light as many buyers are only covering their immediate needs. The market has a weak undertone. At the January 20 GDT event 132, the average winning price for rennet casein for all contract periods increased 3.3% to \$8,159/MT.

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: 3.6500 - 4.0000
ACID: 3.8000 - 4.4000

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered January 12 - 23, 2015

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN OVERVIEW: Western European milk production has slowed over the past number of weeks. Milk producers, who are over quota and face significant levees, have restricted production by various means to lower or avoid quota levee payments. Dairy cows are being culled at increasing rates in those areas producing over quota. Preliminary data for some of the over quota countries shows current milk intakes below year ago levels. Demand for fluid milk is normal for this time of year. Producers continue to manage their herds in a manner that will allow them to have strong milk production at the start of the non-quota year beginning April 1. Estat - Newcronos reported EU-28 January to October milk deliveries are 5.4% higher than the same period in 2013. Various member states showed the following January to October increases compared to last year: Germany, 4.1%; France, 6.6%; UK, 9.1%; Belgium, 7.7%; Italy, 4.2%; and Ireland, 6.0%. January-October milk delivery data showed increases for all countries in Western Europe with the exception of Greece -4.2%.

BUTTER/BUTTEROIL: The butter price range narrowed with the low end marginally increasing and the upper end price declining. Butter production is transitioning away from package butter to increased bulk production. Demand for package butter is about normal for this time of year, while bulk butter demand has increased with active export interest. Export buyers who took a wait and see attitude over the holiday period are now back in the market with the realization that prices did not decline to the degree anticipated. Technical storage of winter butter is increasing as cream volumes are lower than anticipated as milk production slows, due to levee concerns. The weaker Euro, compared to the U.S. Dollar, continues to make European butter more competitively priced globally. PSA stock levels through January 4 amounted to 22,398 MT. The Netherlands and Ireland make up a majority of the supplies held in PSA. Butteroil prices are more competitively priced with New Zealand sourced supplies, but the market has not experienced any significant increase in export interest. Import data from China for November did show some volumes of butteroil moving into China from Belgium, France and the Netherlands.

82% BUTTERFAT: 3,225 - 3,500
99% BUTTERFAT: 3,850 - 4,225

SKIM MILK POWDER (SMP): Prices for skim milk powder moved slightly higher on the upper end of the range. The market is stable as production is being moderated, due to lower milk intakes in countries over quota. Export demand has increased, prompted in part by competitive pricing caused by the weaker European currency. A majority of Q1 supplies are committed. Though prices are near the intervention level, contacts report that it is unlikely supplies will be offered to intervention in the near term. The results of a high volume tender are being eagerly anticipated and will give increased clarity to current market trends. The market undertone is steady to firm. PSA stock levels through January 4 amounted to 17,342 MT with Germany accounting for over 50% of the volume in

storage. November import data from China showed an increase in exports of SMP from France going to China.

1.25% BUTTERFAT: 2,000 - 2,300

WHOLE MILK POWDER (WMP): Whole milk powder prices are unchanged this reporting period. The WMP market is stable and balanced with a focus on the domestic market. Export demand is restricted to buyers preferring European product with limited new buyer interest. Some countries are considering transitioning away from fat filled powder to WMP, due to the relatively low price. China's November import data showed some marginal exports from Denmark and France being shipped into China.

26% BUTTERFAT: 2,600 - 2,850

SWEET WHEY POWDER: Dry whey prices declined marginally on both ends of the range. The market is fairly stable with production restricted by the reduction in cheese output, caused by the continuing Russian ban. Export demand is holding steady, though receiving increased competition from U.S. manufacturers. China's November import data showed France as the second leading supplier of whey to China.

NONHYGROSCOPIC: 975 - 1,275

EASTERN OVERVIEW: Eastern European milk production is increasing along the typical seasonal trend. Reports of milk and cream loads going into Belarus have declined in recent weeks. November import data for China imports showed an increase in dry whey being exported from Poland to China. European milk deliveries for January-October reported by Estat - Newcronos, showed the following year over year changes for selected countries: Poland,+7.3%; Lithuania, +7.7%; Latvia, +10.6%; Estonia, +7.4%; and the Czech Republic, +0.9%.

**Exchange rates for selected foreign currencies:
January 19, 2015**

.1162 Argentina Peso	.0085 Japan Yen
.8211 Australian Dollar	.0684 Mexican Peso
.8373 Canadian Dollar	.7781 New Zealand Dollar
1.1608 Euro	.2681 Poland Zloty
.0162 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0684) = 14.6199 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered January 12 - 23, 2015

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

AUSTRALIAN milk production continues on its typical seasonal decline. Dry conditions were alleviated, to some degree for some dairy producers, as significant rains covered much of the dairy region in Victoria. The hay market has been quiet with prices easing marginally. Overall supplies for the coming season are anticipated to be below normal. Dairy commodity supplies for some manufacturers are committed for the near term. **NEW ZEALAND's** milk production is declining at an accelerated pace. Dry conditions over both islands are beginning to prompt discussions about drought with some comparisons being made to the Q1 2013 decline in milk production. Conditions are more severe on the South Island where some irrigation systems are being shut down, due to low river levels. New Zealand cooperatives have revised their seasonal forecasts with seasonal production now estimated to be ranging from flat to 1.5% above last year's production. Rains are forecast in the coming week, but the impact of these rains on milk production will be marginal at best as farmgate prices remain low and are a disincentive for producers to extend the milk production season. At the January 20 GDT event #132, average prices ranged from 6.4% lower to 3.8% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,286 -5.0%; butter, \$3,564 +0.1%; buttermilk powder, \$2,559 -6.4%; cheddar cheese, \$2,961 -4.3%; lactose, n.a.; rennet casein, \$8,159 +3.3%; skim milk powder, \$2,389 +1.0%; sweet whey powder, \$1,155 -4.1%; and whole milk powder, \$2,402 +3.8%.

BUTTER: Butter prices were mixed as the range narrowed with an increase on the low end of the range, while prices declined on the upper end. Butter production is slowing reflecting the decline in overall milk intakes. Offerings for export have declined as manufacturers are balancing lower production levels with existing sales and not wanting to be over committed. Export and domestic demand are good. Global prices have converged over the past number of weeks and have resulted in some Oceania prices above European prices. Australian domestic demand is strong and restricting volumes available for export and in some cases requiring a premium for export consideration. The focus on butter production and covering future commitments has brought about a decline in butteroil production. Export demand is steady with recent weeks. According to GTIS, China's January to November butter imports show a 63% increase, compared to last year with AMF imports up 79% for the same period. New Zealand's November butter exports going to China made up 87% of China's total imported volume. China's butteroil imports increased compared to the previous month, with New Zealand covering nearly 96% of China's imported butteroil volume. At the January 20 GDT event #132, NZ butter averaged \$3,605/MT for the March 2015 contracts, +0.8% from the prior event. Butter for all regions and contracting periods averaged \$3,564/MT, +0.1%. New Zealand AMF prices averaged \$4,289/MT for the March contracts, -5.1% from the prior event. For all contracting periods, the AMF price average was \$4,286/MT, -5.0%.

82% BUTTERFAT:

3,250 - 3,700

SKIM MILK POWDER (SMP): Prices for skim milk powder moved marginally higher on the low end of the range. Production is active and supplies are readily available. Demand is fairly good with continued interest from those countries with weaker economies who typically purchase SMP when prices are relatively low. The steady demand over the last number of weeks has kept supplies from becoming burdensome. The market undertone is steady. According to GTIS, China's imports of skim milk powder decreased for the fourth consecutive month in November. New Zealand was able to increase its export volume in November. The January to November totals show China's SMP imports 19% over year ago levels. At the January 20 GDT event 132, SMP for all regions and contracting periods averaged \$2,389 per MT, +1.0%. For trading in contract period 2, March, prices averaged \$2,415 for NZ sourced medium heat product, down \$5 from the prior event.

1.25% BUTTERFAT:

2,225 - 2,600

CHEDDAR CHEESE: Cheddar prices were unchanged. Milk flows going to cheese production have been augmented with some milk diversions from WMP production, resulting in some marginal increases in production. Domestic demand is good and exports are performing well, but are encountering increased competition from the U.S. The market undertone is steady to weak. According to GTIS, November cheese imports into China increased, compared to the previous month. New Zealand and Australia were the top 2 exporters of cheese into China. January to November cheese imports into China are 43% above year ago levels.

39% MAXIMUM MOISTURE:

3,400 - 4,000

WHOLE MILK POWDER (WMP): Prices for whole milk powder moved higher on the low end of the range. Production is decreasing as milk volumes decline, but also due to milk flows being diverted from WMP production to other commodities offering a better return. Supplies are more than adequate to cover needs, but not burdensome. The dry conditions in New Zealand have sparked some increased export interest. China's whole milk powder imports for November showed an increase compared to the previous month. New Zealand remains the largest exporter of WMP into China, covering 98% of the WMP imported supplies. January to November whole milk powder imports into China are cited at 21% above year ago levels. At the January 20 GDT event 132, the WMP pricing index, across all contracting periods, averaged \$2,402 per MT, up 3.8% compared to the prior event. For contract periods 2 and 3, March and April, NZ regular WMP averaged \$2,330 and \$2,385 per MT.

26% BUTTERFAT:

2,300 - 2,700

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 132 Recap - January 20, 2015												
	Contract 1 Feb-15		Contract 2 Mar-15		Contract 3 Apr-15		Contract 4 May-15		Contract 5 Jun-15		Contract 6 Jul-15		All Contracts
Anhydrous Milk Fat	n.a.	\$4,289	-5.1%	\$4,287	-5.5%	\$4,285	-4.7%	\$4,232	-4.4%	\$4,411	-2.4%	\$4,286	-5.0%
Butter	n.a.	\$3,605	0.8%	\$3,560	-0.1%	\$3,470	2.4%	\$3,600	-6.6%	n.a.		\$3,564	0.1%
Buttermilk Powder	n.a.	\$2,535	-6.6%	\$2,645	-5.7%	n.a.		n.a.		n.a.		\$2,559	-6.4%
Cheddar	n.a.	\$2,942	-7.4%	\$2,950	-2.8%	\$2,999	-2.1%	n.a.		n.a.		\$2,961	-4.3%
Lactose	n.a.	n.a.		n.a.									
Rennet Casein	n.a.	\$8,129	4.6%	\$8,172	2.2%	\$8,286	0.4%	n.a.		n.a.		\$8,159	3.3%
Skim Milk Powder	n.a.	\$2,332	1.4%	\$2,435	0.9%	\$2,481	0.8%	\$2,497	-0.3%	\$2,509	-1.8%	\$2,389	1.0%
Sweet Whey Powder	n.a.	\$1,155	-4.1%	n.a.		n.a.		n.a.		n.a.		\$1,155	-4.1%
Whole Milk Powder	n.a.	\$2,348	3.8%	\$2,413	3.9%	\$2,464	3.3%	\$2,522	5.8%	\$2,465	1.7%	\$2,402	3.8%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 132 Recap - January 20, 2015												
	Contract 1 Feb-15		Contract 2 Mar-15		Contract 3 Apr-15		Contract 4 May-15		Contract 5 Jun-15		Contract 6 Jul-15		All Contracts
Anhydrous Milk Fat	n.a.	\$1.9455	-5.1%	\$1.9446	-5.5%	\$1.9437	-4.7%	\$1.9196	-4.4%	\$2.0008	-2.4%	\$1.9441	-5.0%
Butter	n.a.	\$1.6352	0.8%	\$1.6148	-0.1%	\$1.5740	2.4%	\$1.6329	-6.6%	n.a.		\$1.6166	0.1%
Buttermilk Powder	n.a.	\$1.1499	-6.6%	\$1.1998	-5.7%	n.a.		n.a.		n.a.		\$1.1608	-6.4%
Cheddar	n.a.	\$1.3345	-7.4%	\$1.3381	-2.8%	\$1.3603	-2.1%	n.a.		n.a.		\$1.3431	-4.3%
Lactose	n.a.	n.a.		n.a.									
Rennet Casein	n.a.	\$3.6873	4.6%	\$3.7068	2.2%	\$3.7585	0.4%	n.a.		n.a.		\$3.7009	3.3%
Skim Milk Powder	n.a.	\$1.0578	1.4%	\$1.1045	0.9%	\$1.1254	0.8%	\$1.1326	-0.3%	\$1.1381	-1.8%	\$1.0836	1.0%
Sweet Whey Powder	n.a.	\$0.5239	-4.1%	n.a.		n.a.		n.a.		n.a.		\$0.5239	-4.1%
Whole Milk Powder	n.a.	\$1.0650	3.8%	\$1.0945	3.9%	\$1.1177	3.3%	\$1.1440	5.8%	\$1.1181	1.7%	\$1.0895	3.8%

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

CME GROUP, INC FUTURES
Selected settling prices, (open interest)

Month	01/06	01/07	01/08	01/09	01/12	01/13	01/14	01/15	01/16	01/19	01/20	01/21
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)												
JAN 15	15.65 (5978)	15.80 (6018)	16.00 (6056)	15.97 (6086)	16.07 (6117)	16.09 (6156)	15.90 (6284)	16.02 (6343)	16.01 (6376)	NO TRADING	16.01 (6369)	16.05 (6357)
FEB 15	14.70 (5383)	14.94 (5395)	14.93 (5345)	14.84 (5368)	14.94 (5444)	15.07 (5396)	14.36 (5439)	14.48 (5472)	14.43 (5502)		14.45 (5543)	14.58 (5543)
MAR 15	14.64 (4967)	14.93 (5001)	14.83 (5135)	14.66 (5161)	14.64 (5193)	14.57 (5195)	13.93 (5291)	14.10 (5388)	14.02 (5416)		14.09 (5451)	14.32 (5487)
APR 15	14.27 (4310)	14.50 (4347)	14.50 (4407)	14.41 (4447)	14.29 (4507)	14.13 (4527)	13.60 (4608)	13.78 (4665)	13.90 (4703)		14.02 (4784)	14.25 (4808)
MAY 15	14.41 (4128)	14.54 (4149)	14.57 (4203)	14.52 (4254)	14.43 (4280)	14.30 (4306)	13.98 (4395)	14.07 (4461)	14.18 (4470)		14.22 (4567)	14.47 (4588)
JUN 15	14.86 (3833)	14.98 (3864)	15.06 (3918)	15.00 (4020)	15.00 (4077)	14.90 (4074)	14.64 (4089)	14.65 (4139)	14.80 (4166)		14.75 (4233)	14.88 (4281)
JUL 15	15.62 (2906)	15.74 (2924)	15.80 (2944)	15.76 (2971)	15.69 (2979)	15.63 (2981)	15.43 (2993)	15.44 (3037)	15.51 (3069)		15.38 (3169)	15.42 (3182)
AUG 15	15.95 (2805)	16.06 (2826)	16.06 (2839)	16.09 (2849)	16.07 (2856)	16.06 (2857)	15.90 (2871)	15.87 (2907)	15.84 (2931)		15.70 (2971)	15.78 (2964)
SEP 15	16.25 (2703)	16.32 (2720)	16.32 (2725)	16.34 (2733)	16.33 (2737)	16.33 (2737)	16.16 (2750)	16.15 (2765)	16.06 (2765)		15.94 (2765)	16.05 (2755)
OCT 15	16.39 (2273)	16.35 (2287)	16.35 (2307)	16.35 (2315)	16.34 (2318)	16.36 (2319)	16.20 (2339)	16.20 (2364)	16.20 (2371)		16.14 (2386)	16.22 (2386)
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)												
JAN 15	14.49 (379)	14.40 (350)	14.30 (350)	14.17 (350)	14.05 (350)	13.96 (356)	13.85 (354)	13.51 (354)	13.51 (354)	NO TRADING	13.48 (347)	13.48 (347)
FEB 15	14.23 (324)	14.26 (311)	14.11 (312)	14.05 (319)	13.88 (315)	13.80 (297)	13.63 (295)	13.59 (295)	13.45 (295)		13.45 (295)	13.45 (295)
MAR 15	14.25 (352)	14.50 (342)	14.24 (343)	14.18 (351)	14.00 (351)	13.87 (342)	13.61 (340)	13.54 (340)	13.40 (340)		13.40 (340)	13.40 (340)
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)												
JAN 15	158.00 (731)	158.75 (724)	158.75 (724)	159.25 (729)	158.05 (731)	158.05 (736)	158.05 (740)	156.00 (731)	155.70 (727)	NO TRADING	155.03 (709)	156.00 (711)
FEB 15	159.00 (833)	160.00 (839)	160.50 (846)	161.50 (854)	161.25 (859)	161.15 (866)	161.00 (861)	159.00 (863)	158.50 (862)		157.00 (860)	156.00 (861)
MAR 15	159.50 (899)	161.50 (912)	162.50 (947)	164.50 (974)	164.50 (978)	163.00 (979)	162.00 (976)	161.50 (980)	161.00 (985)		160.05 (984)	159.50 (985)
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)												
JAN 15	114.00 (633)	113.50 (634)	112.03 (634)	110.50 (639)	109.50 (640)	108.80 (602)	104.75 (593)	105.00 (573)	105.00 (572)	NO TRADING	105.00 (568)	104.50 (565)
FEB 15	111.75 (635)	111.75 (635)	111.00 (638)	108.00 (652)	106.50 (656)	105.50 (656)	102.50 (666)	101.03 (660)	100.55 (659)		100.05 (646)	100.25 (647)
MAR 15	113.50 (688)	114.00 (696)	112.00 (709)	108.00 (708)	106.00 (703)	105.00 (704)	101.00 (707)	100.00 (695)	100.00 (695)		100.50 (691)	102.00 (692)
WHEY (Electronic-Traded) (¢/lb)												
JAN 15	53.55 (787)	53.85 (775)	55.25 (776)	56.00 (777)	54.90 (782)	55.00 (787)	54.03 (794)	55.93 (793)	56.00 (793)	NO TRADING	56.00 (782)	56.00 (760)
FEB 15	47.30 (830)	47.20 (835)	47.23 (826)	45.75 (832)	45.08 (839)	45.08 (839)	44.40 (850)	45.40 (853)	44.93 (857)		44.35 (864)	45.48 (869)
MAR 15	40.48 (835)	40.50 (839)	40.28 (835)	40.25 (841)	39.03 (841)	38.75 (842)	36.13 (851)	36.38 (871)	36.93 (877)		37.00 (884)	37.95 (892)
CHEESE CSC (Electronic-Traded) (\$/lb)												
JAN 15	1.55 (3997)	1.57 (3998)	1.58 (4020)	1.58 (4013)	1.59 (4015)	1.59 (4018)	1.58 (3977)	1.58 (3910)	1.58 (3896)	NO TRADING	1.58 (3882)	1.58 (3883)
FEB 15	1.50 (3955)	1.53 (3965)	1.53 (4040)	1.52 (4084)	1.53 (4112)	1.54 (4122)	1.49 (4187)	1.49 (4201)	1.49 (4269)		1.49 (4296)	1.50 (4322)
MAR 15	1.53 (4086)	1.55 (4089)	1.55 (4145)	1.54 (4196)	1.54 (4221)	1.54 (4233)	1.49 (4287)	1.50 (4371)	1.49 (4431)		1.50 (4480)	1.52 (4502)
APR 15	1.53 (3507)	1.55 (3546)	1.55 (3647)	1.54 (3653)	1.53 (3682)	1.52 (3701)	1.47 (3773)	1.49 (3847)	1.50 (3891)		1.51 (3968)	1.53 (3986)
MAY 15	1.54 (3276)	1.56 (3310)	1.57 (3361)	1.56 (3417)	1.55 (3445)	1.54 (3481)	1.52 (3518)	1.52 (3561)	1.54 (3604)		1.54 (3705)	1.56 (3729)
JUN 15	1.59 (3233)	1.61 (3263)	1.62 (3324)	1.61 (3370)	1.61 (3394)	1.60 (3415)	1.58 (3460)	1.58 (3511)	1.59 (3563)		1.59 (3618)	1.60 (3657)

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

Margin Protection Program for Dairy Producers

The Margin Protection Program - Dairy (MPP – D) replaces MILC and is effective through December 31, 2018. The Margin Protection Program offers dairy producers: (1) catastrophic coverage, at no cost to the producer, other than an annual \$100 administrative fee; and (2) various levels of buy-up coverage. Catastrophic coverage provides payments to participating producers when the national dairy production margin is less than \$4.00 per hundredweight (cwt). The national dairy production margin is the difference between the all-milk price and average feed costs. Producers may purchase buy-up coverage that provides payments when margins are between \$4.00 and \$8.00 per cwt. To participate in buy-up coverage, a producer must pay a premium that varies with the level of protection elected.

State-by-State 2015 Margin Protection Program Enrollment					
State	Licensed Dairy Operations (NASS 2013)	Milk Production (NASS 2013) (mil lbs)	% Enrolled (at basic or buy-up levels)	% Buy-up (within those that enrolled)	Estimated Enrolled Milk Production* (mil lbs)
Alabama	45	120	29%	8%	35
Alaska	3	3	67%	0%	2
Arizona	110	4,489	72%	23%	3,224
Arkansas	85	105	61%	65%	64
California	1515	41,256	69%	35%	28,457
Colorado	130	3,322	71%	37%	2,351
Connecticut	130	371	70%	81%	260
Delaware	40	94	50%	20%	47
Florida	130	2,383	66%	34%	1,576
Georgia	240	1,560	74%	51%	1,151
Hawaii	2	30	50%	0%	15
Idaho	550	13,431	66%	29%	8,816
Illinois	745	1,879	72%	53%	1,352
Indiana	1315	3,830	33%	40%	1,264
Iowa	1425	4,606	45%	58%	2,082
Kansas	325	2,932	60%	51%	1,759
Kentucky	780	1,076	47%	60%	509
Louisiana	130	206	61%	47%	125
Maine	300	606	62%	47%	378
Maryland	470	972	43%	42%	414
Massachusetts	155	230	76%	79%	175
Michigan	2030	9,164	53%	48%	4,821
Minnesota	3865	9,140	69%	73%	6,314
Mississippi	100	185	65%	38%	120
Missouri	1290	1,349	48%	79%	647
Montana	70	298	49%	59%	145
Nebraska	200	1,165	78%	54%	903
Nevada	20	644	90%	17%	580
New Hampshire	120	271	58%	81%	156
New Jersey	70	127	64%	62%	82
New Mexico	140	8,057	64%	17%	5,122
New York	5030	13,469	48%	57%	6,520
North Carolina	250	935	72%	50%	669
North Dakota	110	342	58%	69%	199
Ohio	2930	5,448	34%	37%	1,854
Oklahoma	180	790	52%	37%	413
Oregon	260	2,514	63%	28%	1,595
Pennsylvania	7200	10,565	30%	58%	3,171
Puerto Rico**	313	599	12%	23%	75
Rhode Island	15	17	67%	80%	11
South Carolina	75	264	33%	24%	88
South Dakota	300	2,023	69%	56%	1,403
Tennessee	390	767	55%	40%	419
Texas	460	9,610	71%	54%	6,790
Utah	220	2,036	80%	34%	1,638
Vermont	930	2,606	63%	63%	1,631
Virginia	640	1,742	58%	66%	1,015
Washington	480	6,336	64%	58%	4,079
West Virginia	80	152	34%	63%	51
Wisconsin	10860	27,572	54%	55%	14,895
Wyoming	20	128	5%	0%	6
Totals	47,273	201,816	50.4%	55.0%	119,467

* Extrapolated from 2013 production data and assumes that the operations that enrolled are representative of the respective state's milk production distribution.

** number of dairy operation for Puerto Rico is based on industry data since NASS data was not available.

For more information on the MPP: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=dmp&topic=landing>

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

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

All stocks in thousand pounds except where otherwise indicated

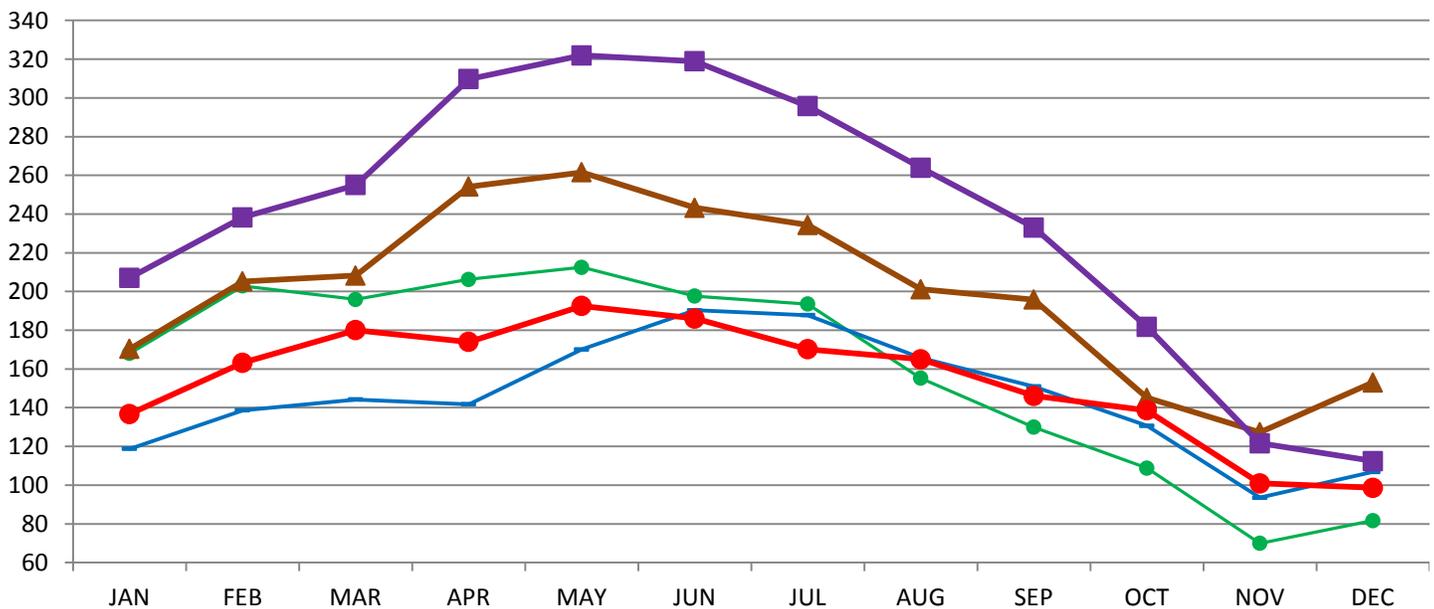
U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	NOV 30, 2012	NOV 30, 2013	REVISED NOV 30, 2014	DEC 31, 2012	DEC 31, 2013	DEC 31, 2014
Butter	127,282	121,627	100,899	153,027	112,467	98,646
Cheese, Natural American	611,687	613,965	634,825	635,590	618,265	623,758
Cheese, Swiss	30,906	26,102	24,419	31,747	24,688	21,266
Cheese, Other Natural	343,278	356,542	356,997	355,765	366,428	367,527
Total Cheese	985,871	996,609	1,016,241	1,023,102	1,009,381	1,012,551

DECEMBER STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
New England	37,134	50,494	61,181	---	---	---	961	1,198	879
Middle Atlantic	39,735	63,066	66,711	---	---	---	18,283	14,804	21,513
East North Central	263,804	222,758	225,098	---	---	---	253,782	255,479	232,956
West North Central	111,649	107,514	100,002	---	---	---	35,049	39,067	45,638
South Atlantic	433	652	761	---	---	---	5,247	5,476	17,395
East South Central	3,425	3,324	4,498	---	---	---	11,069	9,587	13,338
West South Central	10,323	6,488	15,054	---	---	---	482	476	551
Mountain	61,189	50,254	52,032	---	---	---	6,594	2,947	2,256
Pacific	107,898	113,715	98,421	---	---	---	24,298	37,394	33,001
TOTAL	635,590	618,265	623,758	153,027	112,467		355,765	366,428	367,527

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

MILLION POUNDS

BUTTER COLD STORAGE HOLDINGS



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

2010 2011 2012 2013 2014

FEDERAL MILK ORDER ADVANCE PRICES, FEBRUARY

Base Class I Price: Under the Federal milk order pricing system, the base Class I price for February 2015 is \$16.24 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$10.76 and the advanced butterfat pricing factor of \$1.6719. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I Price.

Comparison to Previous Month: The base Class I price decreased \$2.34 per cwt when compared to the previous month of January 2015. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$18.06 per cwt, -\$1.553 per gallon; reduced fat milk (2%), -\$15.48 per cwt, -\$1.334 per gallon; fat-free (skim milk), -\$0.84 per cwt, -\$0.072 per gallon

Class II Price Information: The advanced Class IV skim milk pricing factor is \$7.64. Thus, the Class II skim milk price for February 2015 is \$8.34 per cwt, and the Class II nonfat solids price is \$0.9267.

Product Price Averages: The two-week product price averages for February 2015 are: butter \$1.5521, nonfat dry milk \$1.0253, cheese \$1.5857 and dry whey \$0.5903.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION ^{1/ 2/}				
Federal Milk Order Marketing Area ^{3/}	Order Number	February 2015		
		Class I Price (3.5%)	Class I Skim Milk Price	Class I Butterfat Price
		<u>\$ per cwt.</u>	<u>\$ per cwt.</u>	<u>\$ per pound</u>
Northeast (Boston) ^{4/}	001	19.49	14.01	1.7044
Appalachian (Charlotte) ^{5/}	005	19.64	14.16	1.7059
Florida (Tampa) ^{6/}	006	21.64	16.16	1.7259
Southeast (Atlanta) ^{7/}	007	20.04	14.56	1.7099
Upper Midwest (Chicago) ^{8/}	030	18.04	12.56	1.6899
Central (Kansas City) ^{9/}	032	18.24	12.76	1.6919
Mideast (Cleveland) ^{10/}	033	18.24	12.76	1.6919
Pacific Northwest (Seattle) ^{11/}	124	18.14	12.66	1.6909
Southwest (Dallas) ^{12/}	126	19.24	13.76	1.7019
Arizona (Phoenix)	131	18.59	13.11	1.6954
All-Market Average		19.13	13.65	1.7008

^{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/} Note: 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.

DECEMBER MILK PRODUCTION

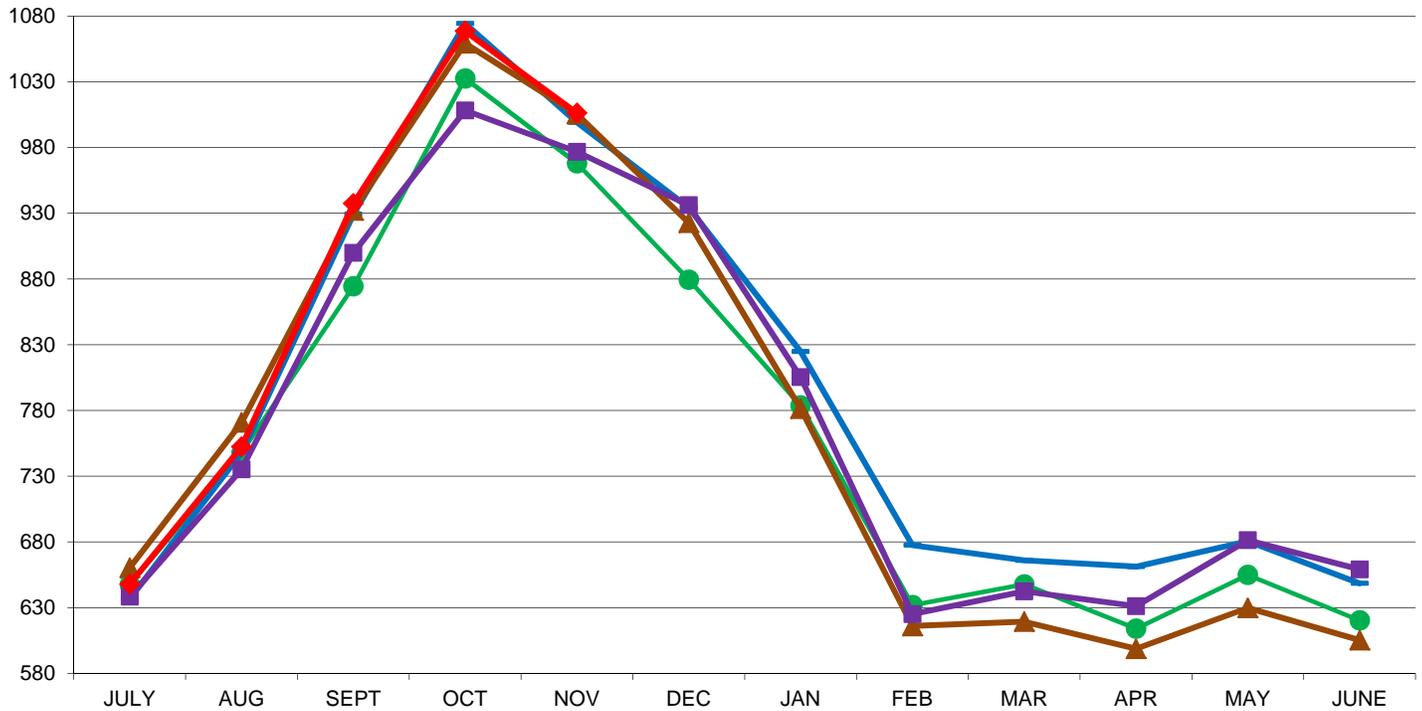
Milk production in the 23 major States during December totaled 16.2 billion pounds, up 3.2 percent from December 2013. November revised production at 15.5 billion pounds, was up 3.5 percent from November 2013. The November revision represented an increase of 12 million pounds or 0.1 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,886 pounds for December, 35 pounds above December 2013. This is the highest production per cow for the month of December since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.61 million head, 107,000 head more than December 2013, and 16,000 head more than November 2014. Milk production in the United States during the October - December quarter totaled 50.9 billion pounds, up 3.4 percent from the October - December quarter last year. The average number of milk cows in the United States during the quarter was 9.28 million head, 16,000 head more than the October - December quarter, and 83,000 head more than the same period last year.

STATE	MILK COWS ^{1/2/}				MILK PRODUCTION ^{1/3/}			
	DECEMBER		OCTOBER - DECEMBER		DECEMBER		OCTOBER - DECEMBER	
	2013	2014	2013	2014	2014	% CHANGE FROM 2013	2014	% CHANGE FROM 2013
	THOUSANDS				MILLION LBS.	PERCENT	MILLION LBS.	PERCENT
AL	--	--	9.0	8.0	--	--	25.0	-10.7
AK	--	--	0.3	0.3	--	--	0.9	12.5
AZ	191	194	190.0	193.0	396	4.5	1,141.0	4.8
AR	--	--	8.0	7.0	--	--	22.0	--
CA	1,781	1,780	1,780.0	1,780.0	3,471	-0.1	10,259.0	1.7
CO	140	145	138.0	145.0	307	6.6	906.0	8.0
CT	--	--	18.0	19.0	--	--	95.0	5.6
DE	--	--	4.7	4.9	--	--	24.3	7.0
FL	123	124	123.0	123.0	205	4.1	575.0	4.0
GA	--	--	80.0	81.0	--	--	397.0	7.9
HI	--	--	2.2	2.2	--	--	7.2	--
ID	565	579	567.0	579.0	1,146	3.5	3,425.0	4.2
IL	96	94	96.0	93.0	155	-0.6	447.0	-2.2
IN	178	180	178.0	179.0	336	3.7	980.0	3.0
IA	206	209	206.0	208.0	404	4.9	1,176.0	4.4
KS	136	143	135.0	143.0	267	6.4	788.0	6.2
KY	--	--	69.0	62.0	--	--	249.0	-3.1
LA	--	--	15.0	14.0	--	--	47.0	2.2
ME	--	--	30.0	30.0	--	--	148.0	1.4
MD	--	--	50.0	49.0	--	--	241.0	--
MA	--	--	12.0	12.5	--	--	55.0	1.9
MI	380	402	380.0	399.0	828	7.8	2,426.0	7.3
MN	460	460	461.0	460.0	784	2.3	2,286.0	2.4
MS	--	--	13.0	12.0	--	--	44.0	2.3
MO	--	--	90.0	88.0	--	--	337.0	6.0
MT	--	--	14.0	14.0	--	--	74.0	-1.3
NE	--	--	53.0	54.0	--	--	304.0	6.7
NV	--	--	29.0	28.0	--	--	173.0	7.5
NH	--	--	13.5	14.0	--	--	69.0	3.0
NJ	--	--	7.0	7.0	--	--	31.0	--
NM	323	323	322.0	323.0	665	0.5	1,965.0	0.5
NY	613	615	611.0	615.0	1,162	4.1	3,428.0	3.7
NC	--	--	45.0	47.0	--	--	239.0	5.3
ND	--	--	17.0	16.0	--	--	79.0	-2.5
OH	267	268	268.0	267.0	458	2.0	1,350.0	2.1
OK	--	--	44.0	40.0	--	--	170.0	-11.0
OR	124	125	123.0	124.0	207	-0.5	616.0	--
PA	530	530	530.0	530.0	917	3.3	2,676.0	3.4
RI	--	--	0.9	0.9	--	--	4.1	2.5
SC	--	--	15.5	15.0	--	--	61.0	-3.2
SD	95	98	95.0	97.0	183	6.4	539.0	5.5
TN	--	--	47.0	47.0	--	--	189.0	3.8
TX	440	470	440.0	470.0	879	9.7	2,576.0	8.2
UT	94	96	93.0	96.0	186	8.8	548.0	8.1
VT	132	132	132.0	132.0	225	3.2	662.0	3.6
VA	94	93	94.0	92.0	152	1.3	440.0	1.9
WA	266	277	266.0	276.0	546	5.0	1,621.0	4.9
WV	--	--	9.0	9.0	--	--	34.0	--
WI	1,270	1,274	1,271.0	1,272.0	2,363	3.1	6,957.0	2.8
WY	--	--	6.0	6.0	--	--	32.0	3.2
23 STATE TOTAL	8,504	8,611	--	--	16,242	3.2	--	--
U.S. ^{4/5/}			9,201.0	9,284.0			50,939.0	3.4

^{1/} Preliminary. ^{2/} Includes dry cows, excludes heifers not yet fresh. ^{3/} Excludes milk sucked by calves. ^{4/} Includes states for which individual monthly estimates are not available. ^{5/} Milk cows will not add due to rounding. **Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. *Milk Production, January 2015.*

MILLION LITRES

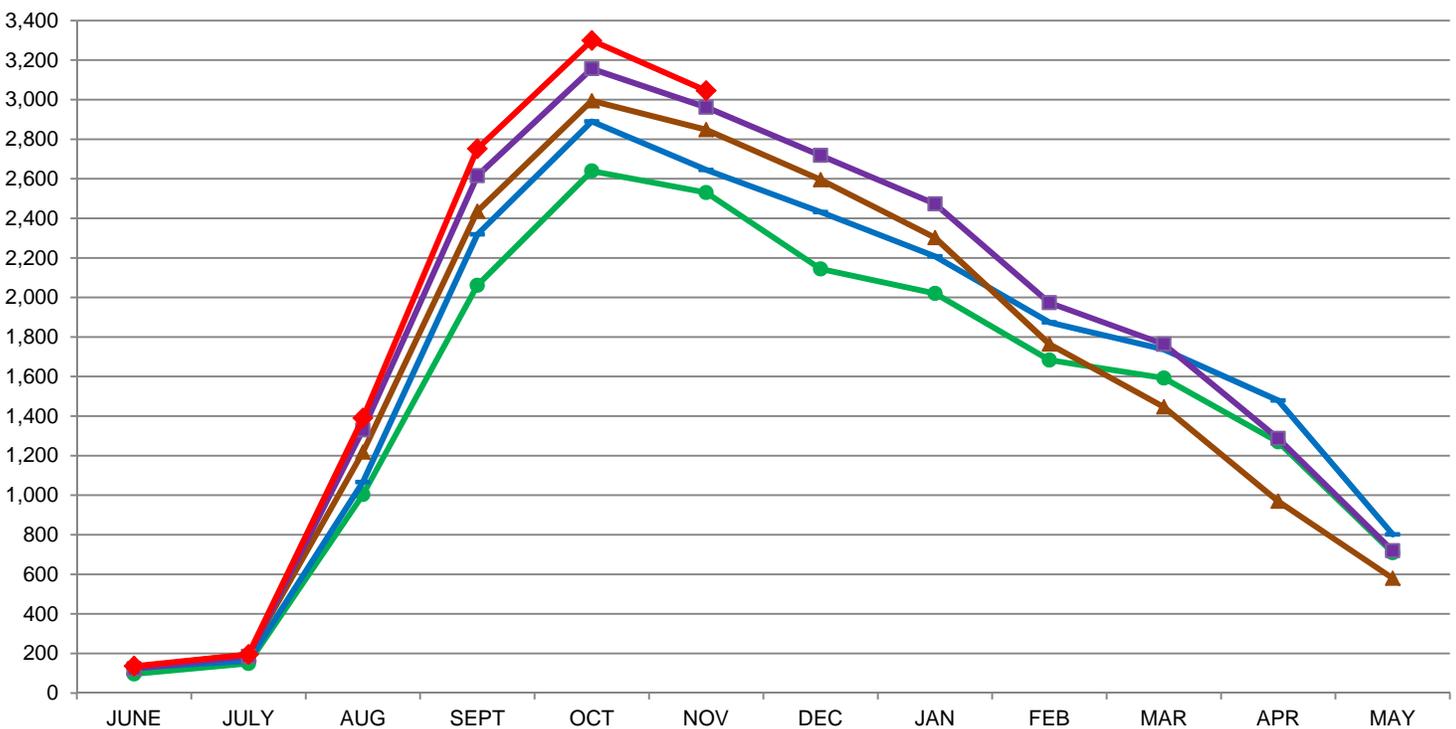
MONTHLY AUSTRALIAN MILK PRODUCTION



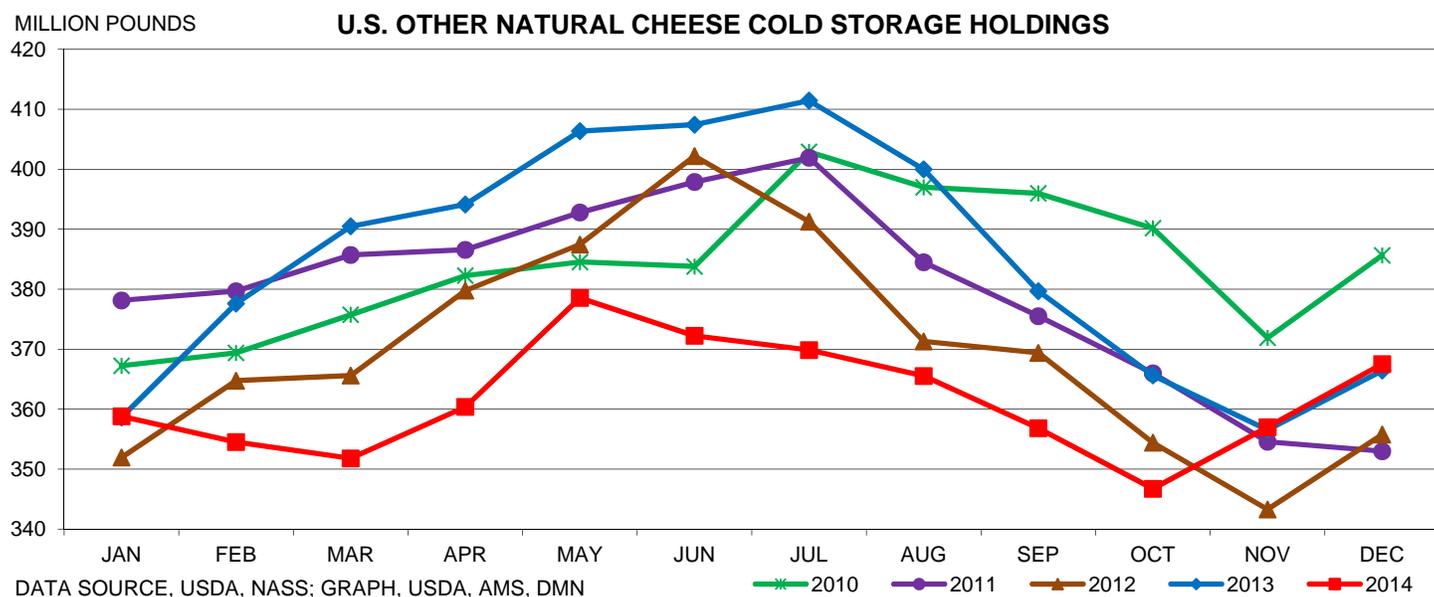
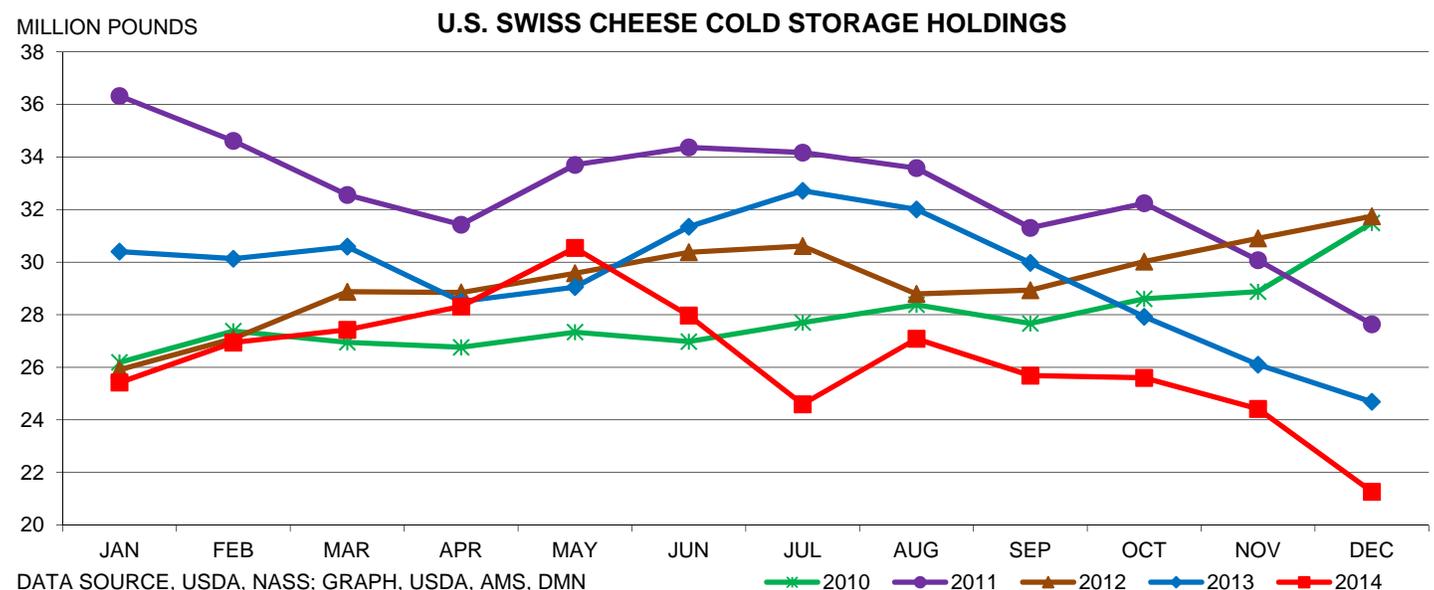
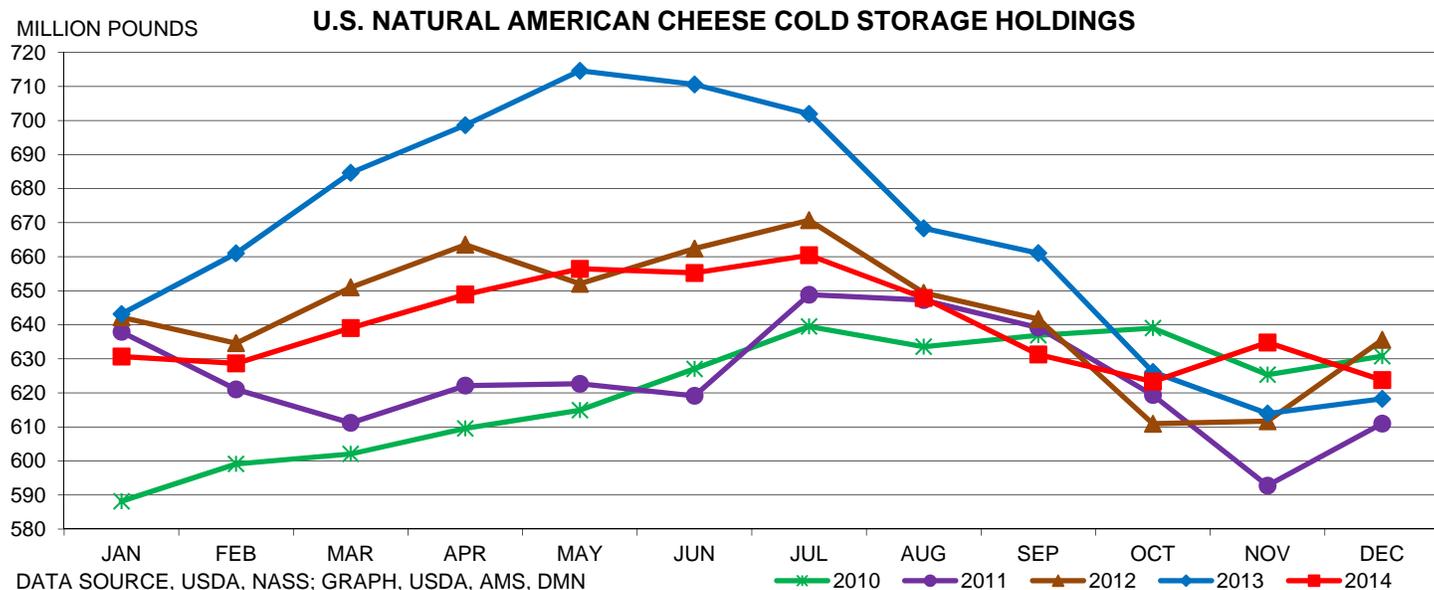
DATA SOURCE, DAIRY AUSTRALIA LTD.; GRAPH, USDA, AMS, DMN 2010-11 2011-12 2012-13 2013-14 2014-15

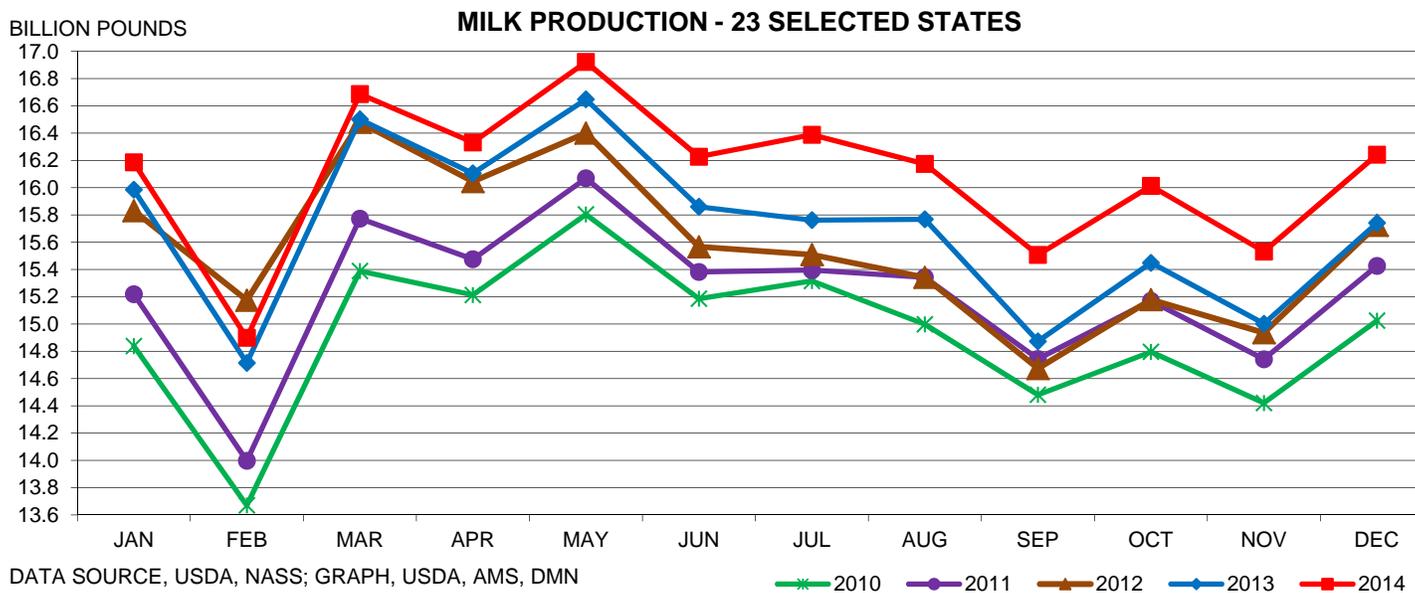
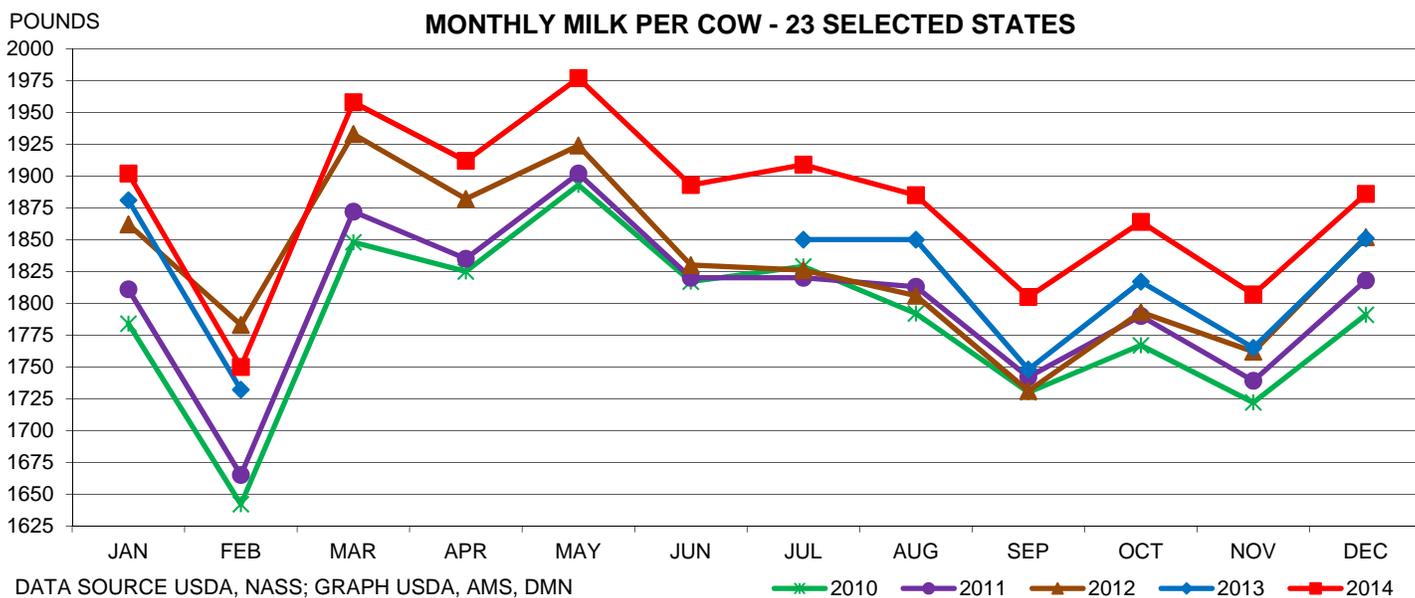
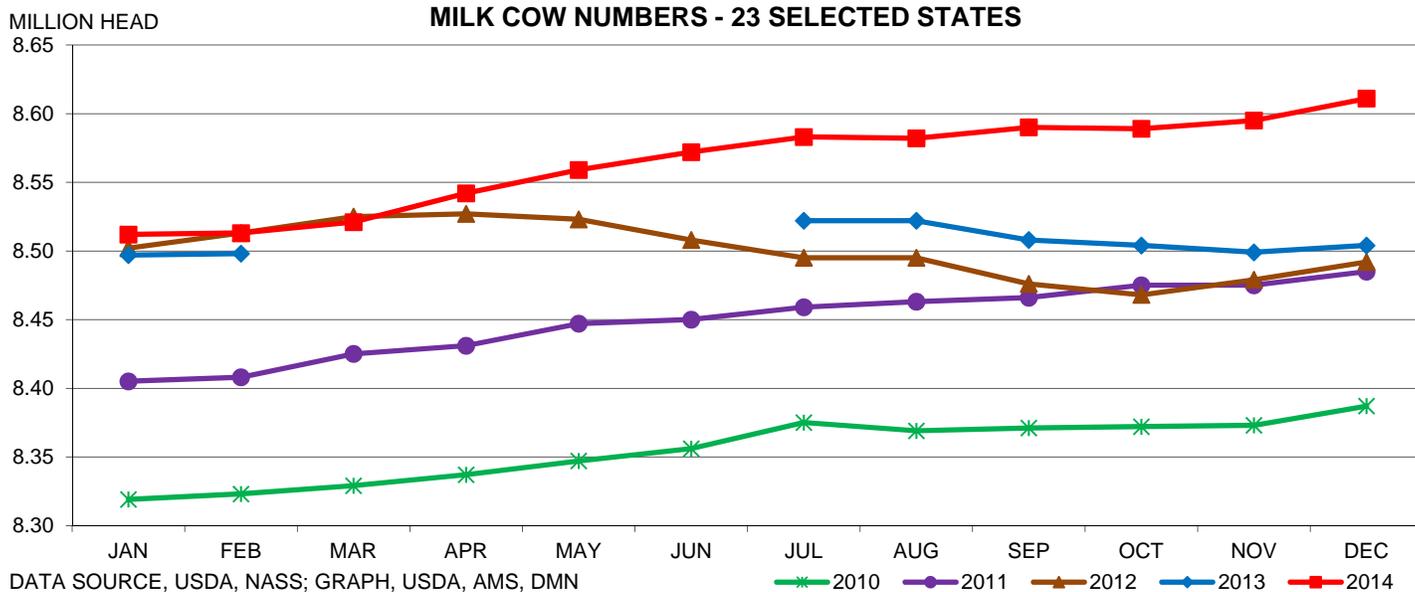
MONTHLY NEW ZEALAND MILK PRODUCTION

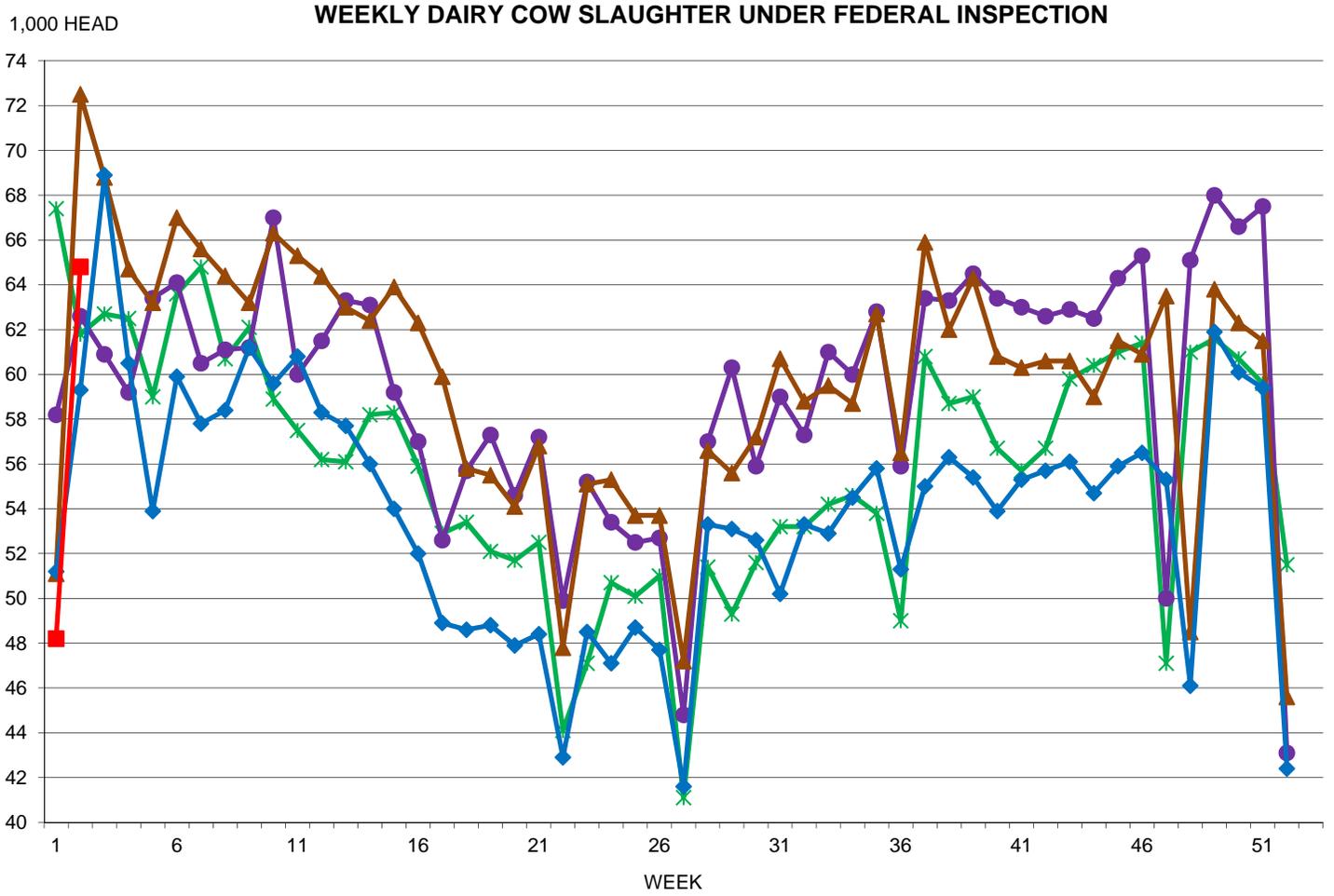
1,000 MT



DATA SOURCE, DCANZ; GRAPH, USDA, AMS, DMN 2010-11 2011-12 2012-13 2013-14 2014-15







DATA SOURCES, USDA, NASS & AMS, LMN; GRAPH, USDA, AMS, DMN

—*— 2011 —●— 2012 —▲— 2013 —◆— 2014 —■— 2015



Dairy Market News Branch

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Friday, January 23, 2015

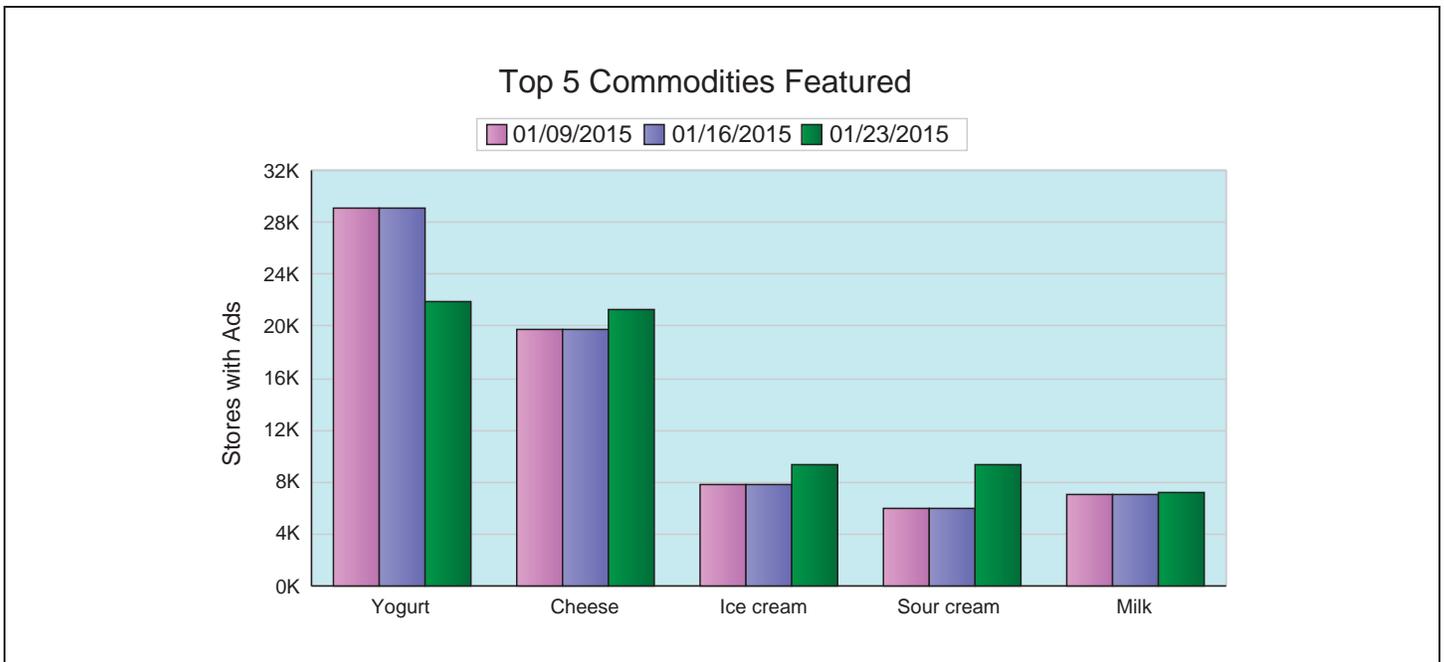
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 01/23/2015 to 01/29/2015

Ad volume for 8 oz. cream cheese more than doubled this week, with a U.S. advertised price of \$1.73, down 24 cents from last week but up 17 cents from one year ago. Sour cream in 16 ounce containers also experienced a significant increase in ad numbers this week, with an average price of \$1.65, down 8 cents from last week and down 5 cents from one year ago. Ad numbers and the price for 1# butter are up, with the \$3.52 average price 52 cents higher than last week and 67 cents higher than one year ago.

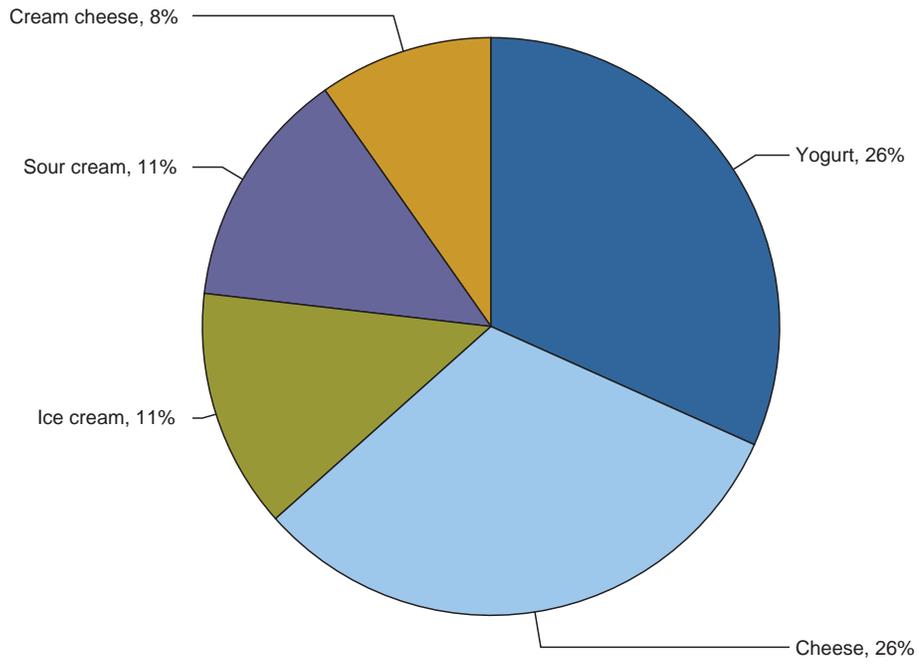
The U.S average price for 8 ounce blocks, \$2.34, is 1 cent higher than one week ago and 14 cents higher than a year ago, while 8 ounce shredded cheese at \$2.56 is up 2 cents from the prior week and up 25 cents from the prior year. Ad volumes for 8 oz. blocks and 8 oz. shredded cheese are up from last week and one year ago.

Greek 4-6 ounce yogurt ad volume leads the yogurt category with nearly triple the ads of all other surveyed sizes and types of yogurt. The average price of 4-6 ounce Greek yogurt, 98 cents, is up 2 cents from last week and up 1 cent from one year ago. Ads for 4-6 ounce yogurt have an average price of 49 cents, up 2 cents from last week but down 3 cents from one year ago.

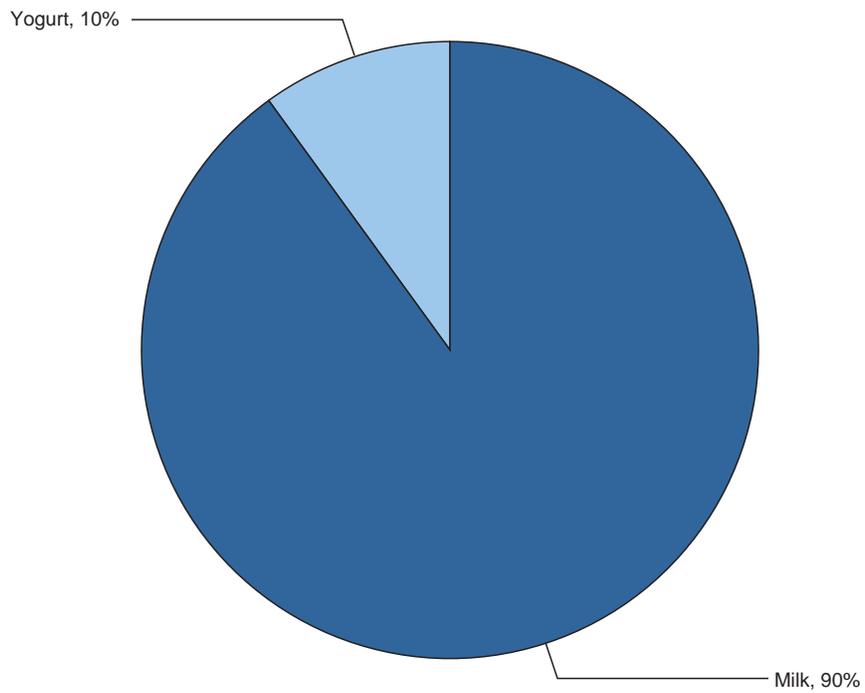
The organic versus conventional half gallon price spread is \$2.39, up \$1.20 from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.03, down from \$2.37, and the average for organic half gallon milk, \$4.42, up from \$3.56.



Top 5 Percentage of Total Conventional Ads



Top 5 Percentage of Total Organic Ads





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 #	2391	3.52	1710	3.00	2467	2.85
Cheese	Natural Varieties	8 oz block	8028	2.34	6270	2.33	6029	2.20
Cheese	Natural Varieties	1 # block	809	4.81	1862	4.25	1415	3.88
Cheese	Natural Varieties	2 # block	258	6.97	1412	7.88	592	6.29
Cheese	Natural Varieties	8 oz shred	10997	2.56	8340	2.54	8132	2.31
Cheese	Natural Varieties	1 # shred	1181	3.61	1591	4.28	2110	3.82
Cottage cheese		16 oz	5253	1.82	4491	2.25	2987	2.24
Cream cheese		8 oz	6380	1.73	3103	1.97	5799	1.56
Flavored milk	All fat tests	half gallon	365	2.55	105	3.79	343	2.55
Flavored milk	All fat tests	gallon			310	3.88	559	3.85
Ice cream		48-64oz	9404	3.19	7649	3.11	11983	3.27
Milk	All fat tests	half gallon	1567	2.03	2093	2.37	581	1.97
Milk	All fat tests	gallon	4138	3.04	1193	2.92	3665	3.01
Sour cream		16 oz	9351	1.65	5910	1.73	5143	1.70
Yogurt	Greek	4-6 oz	15904	.98	16906	.96	11838	.97
Yogurt	Greek	32 oz	1386	3.91	1347	4.19	329	4.49
Yogurt	Yogurt	4-6 oz	4225	.49	8504	.47	6870	.52
Yogurt	Yogurt	32 oz	261	2.80	450	2.70	1561	2.37

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.48-3.99	1044	3.40	2.50-3.00	334	2.82	2.50	122	2.50
Cheese	Natural Varieties	8 oz block	1.79-3.00	2290	2.42	1.66-2.99	1451	2.20	1.98-2.50	1470	2.11
Cheese	Natural Varieties	1 # block	4.98	137	4.98	3.98-4.99	279	4.28			
Cheese	Natural Varieties	2 # block	8.99	84	8.99						
Cheese	Natural Varieties	8 oz shred	1.99-3.00	2247	2.42	1.66-2.99	1331	2.30	1.98-2.50	2012	2.37
Cheese	Natural Varieties	1 # shred	3.29	255	3.29	3.29	227	3.29	3.49	370	3.49
Cottage cheese		16 oz	1.99-2.50	1058	2.09	1.25-2.49	1424	1.93	1.50-2.00	1143	1.59
Cream cheese		8 oz	1.50-2.00	1208	1.59	1.00-2.29	1415	1.52	1.79-2.00	878	1.88
Flavored milk	All fat tests	half gallon							2.39-2.99	253	2.69
Ice cream		48-64oz	1.99-3.99	3544	2.84	2.49-4.99	1069	3.82	2.49-4.00	2504	3.17
Milk	All fat tests	half gallon	1.99-2.50	531	2.37				1.25-2.50	488	1.77
Milk	All fat tests	gallon	2.88	100	2.88	2.59-3.00	1449	2.97	2.50-2.99	484	2.83
Sour cream		16 oz	1.00-2.00	2384	1.60	1.25-1.79	1225	1.60	1.00-2.00	1877	1.46
Yogurt	Greek	4-6 oz	0.88-1.00	2587	.99	0.79-1.00	2676	.95	0.79-1.00	4555	.98
Yogurt	Greek	32 oz	3.89-3.99	514	3.94	3.89	227	3.89	3.99-4.39	320	4.12
Yogurt	Yogurt	4-6 oz	0.45-0.60	1436	.51	0.40-0.60	1050	.49	0.40-0.60	928	.48

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	2.69	60	2.69	2.49	64	2.49			

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.79-2.69	148	2.24	3.29-4.99	682	4.56	2.99	61	2.99
Cheese	Natural Varieties	8 oz block	1.79-2.99	1096	2.37	1.99-2.50	1192	2.36	2.50-3.49	529	2.83
Cheese	Natural Varieties	1 # block	6.69	99	6.69	3.99-4.99	294	4.60			
Cheese	Natural Varieties	2 # block							5.99	174	5.99
Cheese	Natural Varieties	8 oz shred	1.99-2.99	2023	2.53	2.00-3.99	2505	2.87	2.50-3.49	879	2.89
Cheese	Natural Varieties	1 # shred	3.29	151	3.29	4.99	178	4.99			
Cottage cheese		16 oz	1.25-2.00	591	1.49	1.25-1.99	797	1.71	1.50-2.50	240	2.23
Cream cheese		8 oz	1.49-2.50	1088	1.76	1.49-2.49	1209	1.94	1.50-1.99	582	1.85
Flavored milk	All fat tests	half gallon	2.49	51	2.49				2.00	61	2.00
Ice cream		48-64oz	2.99-4.79	772	3.73	2.88-3.50	1160	3.29	3.49-3.50	355	3.50
Milk	All fat tests	half gallon	1.78-2.99	247	2.15				0.99-2.00	301	1.77
Milk	All fat tests	gallon	1.99-3.39	636	2.63	1.99-5.29	1180	3.27	3.79	289	3.79
Sour cream		16 oz	1.25-1.99	1265	1.64	1.25-2.49	2063	1.87	1.50-1.99	537	1.80
Yogurt	Greek	4-6 oz	0.67-1.25	1989	.94	0.79-1.00	2986	.98	0.79-1.50	1111	1.03
Yogurt	Greek	32 oz	3.89	151	3.89				3.50	174	3.50
Yogurt	Yogurt	4-6 oz	0.50	261	.50	0.40-0.50	315	.44	0.50	235	.50
Yogurt	Yogurt	32 oz				2.99	137	2.99			

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz block			84	3.99		
Cheese	Natural Varieties	2 # block			107	7.99		
Cheese	Natural Varieties	8 oz shred			84	3.99	63	3.99
Ice cream		48-64oz			137	5.99		
Milk	All fat tests	half gallon	1128	4.42	1029	3.56	3734	3.41
Milk	All fat tests	8 oz UHT	342	1.11	2677	1.00	671	.91
Yogurt	Greek	4-6 oz	168	1.25	1639	1.02	707	1.14
Yogurt	Greek	32 oz			189	4.99		
Yogurt	Yogurt	4-6 oz			114	1.00	801	.67

Wtd Avg - Simple weighted average



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
Milk	All fat tests	8 oz UHT	1.25	147	1.25	1.00	195	1.00			
Yogurt	Greek	4-6 oz	1.25	62	1.25				1.25	106	1.25

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
Milk	All fat tests	half gallon	3.99-4.89	235	4.43	3.99-4.39	604	4.19	4.89	289	4.89

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
NATIONAL	Continental United States

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