

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (2/06)**

**BUTTER:** Grade AA closed at \$1.7950. The weekly average for Grade AA is \$1.8075 (+.1580).

**CHEESE:** Barrels closed at \$1.4825 and 40# blocks at \$1.5350. The weekly average for barrels is \$1.4875 (+.0070) and blocks, \$1.5350 (+.0360).

**BUTTER HIGHLIGHTS:** Butter prices are increasing rapidly which has led to a firmer market tone. Production is increasing due to the higher available milk. Spot loads of cream are readily available and price negotiating was active. Butter demand is steady to higher as some buyers are purchasing for only current needs while the price increases have sparked additional demand with others. Export demand is lighter in the West and Central regions, but is steady in the East. Bulk butter is available in the West, with pricing often lower than lagging averages, which has led to more sales. Manufacturers are cautious not to keep high levels of stocks at current pricing. Friday at the CME Group, Grade AA butter closed at \$1.7950, up \$.0450 from a week ago.

**CHEESE HIGHLIGHTS:** Heavy milk volumes flowing to cheese plants are contributing to active production. Many plants are running fuller than had been projected but sales are generally good, with some buyers building cheese stocks. The weakness in the Euro, compared to the U.S. Dollar, has increased imported cheese sales. Sources in Europe indicate that strong export sales to the U.S. and other countries have considerably reduced inventories with aged cheese supplies unseasonably low. Dairy Products (NASS) reports 2014 U.S. cumulative total cheese production, 11.4 billion pounds, leads 2013 by 2.8%. The CME Group January 2015 monthly average price for barrels, \$1.4995 is \$.6732 lower than January 2014. Blocks' January 2015 average price, \$1.5218, is \$.7009 lower than January 2014. Friday in CME Group trading, barrels closed at \$1.4825, down 2 1/4 cents from last Friday and 40# blocks closed at \$1.5350, up 1/4 cent from last Friday.

**FLUID MILK:** Farm milk production increases are noted in many areas including the West, Northwest, Midwest, and Florida. Production is steady to increasing in the Southeast and strong the Northeast. Weather related transportation impacts were noted in the Northeast and Midwest. Milk sales \$2.00 below Class were noted in the Midwest. Milk intakes in California are somewhat below year ago volumes while intakes are increasing in the Pacific Northwest, Utah

and Idaho. There are concerns about handling milk volumes in Utah and Idaho during the flush.

**DRY PRODUCTS:** Low/medium heat nonfat dry milk production is active and heavy in the East and West while prices are mixed, advancing in the East and Central states but lower and higher on the range in the West and higher across the mostly price series. High heat NDM prices are mixed, moving lower and higher in all regions. Central and Eastern dry buttermilk prices are higher, but lower in the West. Dry whey prices are steady to weaker with light to moderate demand. Whey protein concentrate 34% prices are unchanged to lower with a weak market tone and light to moderate buyer interest. Lactose markets are weak, with the price range unchanged to lower and the mostly series unchanged. Casein prices held steady in light trading on an unsettled market.

**INTERNATIONAL DAIRY MARKET NEWS (DMN):**  
**WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW:** Western Europe milk production increases have slowed compared to year ago levels, primarily due to over quota producers reducing milk flows to reduce levee payments. Available supplies of butter, SMP and WMP are relatively tight. Winter weather conditions have been typical and have not influenced milk production, positively or negatively. The Euro exchange rate continues to weaken, making European dairy products more competitively priced on the world market. ESTAT - Newcronos reported EU-28 January to November milk deliveries are 5.1% higher than the same period in 2013. Various member states showed the following January to November increases compared to last year: Germany, 3.9%; France, 6.2%; UK, 8.8%; Belgium, 7.2%; Italy, 4.7%; and Ireland, 5.0%. January-November milk delivery data showed increases for all countries in Western Europe with the exception of Greece -4.8%.  
**EASTERN OVERVIEW:** Eastern Europe milk production continues to build with production increases especially noteworthy in Poland and the Baltic States. European milk deliveries for January-November reported by ESTAT - Newcronos, showed the following year over year changes for selected countries: Poland, +7.1%; Lithuania, +7.4%; Latvia, +10.0%; Estonia, +6.8%; and the Czech Republic, +1.1%. According to Eurostat, Poland's milk production increases resulted in the following dairy product production increases: butter, 3.8%; SMP, 51.8%; and WMP, 17.3%.

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NATIONAL RETAIL REPORT-DAIRY

**CME GROUP CASH TRADING**

COMMODITY	MONDAY FEB 02	TUESDAY FEB 03	WEDNESDAY FEB 04	THURSDAY FEB 05	FRIDAY FEB 06	WEEKLY CHANGE*	WEEKLY AVERAGE#
<b>CHEESE</b>							
BARRELS	\$1.4975 (-.0075)	\$1.4875 (-.0100)	\$1.4850 (-.0025)	\$1.4850 (N.C.)	\$1.4825 (-.0025)	:- (-.0225)	:- \$1.4875 (+.0070)
40# BLOCKS	\$1.5350 (+.0025)	\$1.5350 (N.C.)	\$1.5350 (N.C.)	\$1.5350 (N.C.)	\$1.5350 (N.C.)	:- (+.0025)	:- \$1.5350 (+.0360)
<b>NONFAT DRY MILK</b>							
GRADE A	\$1.0100 (-.0600)	\$1.0525 (+.0425)	\$1.0550 (+.0025)	\$1.0600 (+.0050)	\$1.1000 (+.0400)	:- (+.0300)	:- \$1.0555 (+.0245)
<b>BUTTER</b>							
GRADE AA	\$1.7625 (+.0125)	\$1.7900 (+.0275)	\$1.8500 (+.0600)	\$1.8400 (-.0100)	\$1.7950 (-.0450)	:- (+.0450)	:- \$1.8075 (+.1580)

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**CONTINUED FROM PAGE 1**

**OCEANIA OVERVIEW:** Australian milk production moved marginally lower, compared to the previous report. Australia experienced its third warmest year on record in 2014 with seasonally average rainfall. Many parts of the country are already experiencing dry conditions which will impact livestock and crops in 2015. Prices for most dairy commodities have seen some recovery as uncommitted supplies are running tighter than anticipated. Hay demand has slowed as dairy producers are utilizing summer forage crops and available paddocks. Corporate activity across Australia in 2014 was active with various acquisitions, mergers and building projects. Many in the industry anticipate a continuation of this trend in 2015. Dairy Australia reports dairy product exports for the July-November period totaling 291.8 thousand MT, up 1.1% from the year ago period. Various dairy product export changes compared to the same period last year are: butter, -20.9%; butter oil, -12.5%; cheddar, -11.2%; SMP, +27.2%; WMP, -33.8% and whey products -0.7%. The total value of exports for the July-November period was down 10.9%. According to Dairy Australia, December 2014 milk production in Australia was 1.6% below December 2013. The state changes from a year earlier are: New South Wales, unchanged; Victoria, -3.2%; Queensland, -6.1%; South Australia, -1.3%; Western Australia, +6.0% and Tasmania +7.2%. Australia's milk production season to date (July-December) is +2.6%, compared to last season. Dairy Australia also reported, production of various dairy commodities for November 2014 showing the following percentage changes compared to 2013: butter, +1.5%; butteroil, +15.6%; skim milk powder, +18.3%; whole milk powder, -28.2%; buttermilk powder, +10.4%; cheese, +20.0%; and whey powder, unchanged. The big news out of **New Zealand** has been the downgrade in this season's milk production forecast by various cooperatives. The combination of dry weather and low farmgate prices are bringing a quick end to milk production on both islands. The accelerated declines have prompted cooperatives to lower their seasonal forecasts with some cooperatives estimating this year's production falling 3% or more, compared to last year. Dairy product supplies are adequate to cover current commitments, but the declines in production will likely decrease volumes offered on future GDT auctions. The announcement of forecasts below year ago levels and the likelihood of reduced GDT volumes has sparked buyer interest for various dairy products, especially whole milk powder. November milk production as reported by DCANZ was 3.045 million MT, up 2.8% from November 2013 and 6.9% higher than the level two years ago. November milksolids reflected a 5.0% increase compared November 2013. At the February 3 GDT event #133, average prices ranged from 11.1% lower to 19.2% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,067 -5.4%; butter, \$3,783 +6.1%; buttermilk powder, \$2,436 -0.4%; cheddar cheese, \$2,636 -11.1%; lactose, n.a.; rennet casein, \$8,776 +7.7%; skim milk powder, \$2,598 +6.7%; sweet whey powder, n.a.; and whole milk powder, \$2,874 +19.2%.

**DECEMBER AGRICULTURAL PRICES (NASS):** The All Milk price received by farmers was \$20.40 in December, down \$1.60 from December 2013. The alfalfa hay price was \$183.00 in December, down \$3.00 from December 2013. The corn price was \$3.78 in December, down \$0.63 from December 2013. The soybean price was \$10.30 in December, down \$2.70 from December 2013. The milk-feed price ratio was 2.38 in December, down 0.08 from December 2013. The index of prices received by farmers for dairy products during the month of December 2014 was down 13 points to 101. Compared to December 2013, the index was down 8 points (7.3%). The index of prices paid by farmers for commodities and services,

interest, taxes, and wage rates in December 2014 was unchanged at 111. Compared with December 2013, the index was up 5 points (4.7%).

**NATIONAL RETAIL REPORT – DAIRY (DMN):** Ad volume for butter, cottage cheese, cream cheese and ice cream each declined this week. The national average advertised price for 1# butter, \$3.03, is down 29 cents from the prior week but up 6 cents from one year ago. Cottage cheese in 16 ounce containers has an average price of \$2.32, up 36 cents from one week ago and up 34 cents from one year ago. Cream cheese 8 oz. has an average price of \$1.83, up 7 cents from one week ago and up 39 cents from one year ago. Ice cream in 48-64 oz. containers has an average price of \$3.01, down 23 cents from one week ago and down 8 cents from one year ago. Greek 4-6 ounce yogurt ad volume is greater than the combined ad volume for all other categories and sizes of yogurt. The average price of 4-6 ounce Greek yogurt, 98 cents, is down 1 cent from last week and even with one year ago. Ads for 4-6 ounce yogurt have an average price of 50 cents, down 2 cents from last week and one year ago. The U.S. average price for 8 ounce cheese blocks, \$2.47, is 3 cents lower than one week ago but 17 cents higher than a year ago, while 8 ounce shredded cheese at \$2.52 is down 4 cents from one week ago but up 34 cents one year ago. Ad volumes for 8 oz. blocks declined 13%, while 8 oz. shredded cheese volume declined 32% from last week. The organic versus conventional half gallon milk price spread is \$1.97, up \$0.16 from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$1.92, down from \$2.18, and the average for organic half gallon milk, \$3.89, down from \$3.99.

**DECEMBER DAIRY PRODUCTS (NASS):** Butter production was 167.0 million pounds, 3.3% above December 2013 and 17.4% above November 2014. American type cheese production totaled 387.1 million pounds, 1.5% above December 2013 and 3.8% above November 2014. Total cheese output (excluding cottage cheese) was 1.00 billion pounds, 2.5% above December 2013 and 5.5% above November 2014. Nonfat dry milk production, for human food, totaled 163.1 million pounds, 29.9% above December 2013 and 7.8% above November 2014. Dry whey production, for human food, was 75.2 million pounds, 10.0% below December 2013 but 9.0% above November 2014. Ice cream, regular hard production totaled 51.3 million gallons, 18.1% above December 2013 but 2.5% below November 2014.

**DECEMBER PRICE AND POOL HIGHLIGHTS (DY PROGRAMS):** Combined totals for the 10 consolidated orders are being released. During December, more than 11.6 billion pounds of milk were received from federally pooled producers. This volume of milk is 6.7% higher than the December 2013 volume. In December 2014 and December 2013, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. Regulated handlers pooled 3.613 billion pounds of producer milk as Class I products, down 0.8% when compared to the previous year. Class I utilization decreased in 8 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 31%, Class II = 10%, Class III = 45%, and Class IV = 14%. The weighted average statistical uniform price was \$20.10, \$1.95 lower than last month and \$0.72 lower than last year.

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

**JANUARY 1 MILK COW INVENTORY (NASS):** The number of milk cows in the United States as of January 1, 2015, totaled 9.3 million head, up 1% from January 1, 2014. Milk cow replacement heifers totaled 4.6 million head, up 1% from January 1, 2014. The percentage of milk cow replacement heifers per 1,000 milk cows on January 1, 2015 was 49.6, up 0.2% from January 1, 2014. Milk cow replacement heifers expected to calve during the year totaled nearly 3 million head, up 1% from January 1, 2014.

**FMO CLASS AND COMPONENT PRICES, JANUARY:**

The following are the January 2015 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$16.18 (-\$2.91), Class III: \$16.18 (-\$1.64), and Class IV: \$13.23 (-\$3.47). Under the Federal milk order pricing system, the butterfat price for January 2015 is \$1.6855 per pound. Thus, the Class II butterfat price is \$1.6925 per pound. The protein and other solids prices for January 2015 are \$2.6731 and \$0.4001 per pound, respectively. These component prices set the Class III skim milk price at \$10.65. The January 2015 Class IV skim milk price is \$7.60, which is derived from the nonfat solids price of \$0.8439 per pound. The product price averages for January 2015 are: butter: \$1.5633, nonfat dry milk: \$1.0202, cheese: \$1.5807, and dry whey: \$0.5875.

## CME GROUP

MONDAY, FEBRUARY 2, 2015

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.5000, 1 @ \$1.4975; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.5350; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5050

NONFAT DRY MILK -- SALES: 3 CARS GRADE A @ \$1.0100; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 4 CARS GRADE AA @ \$1.7600; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7625; LAST OFFER UNCOVERED: NONE

TUESDAY, FEBRUARY 3, 2015

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.4925, 1 @ \$1.4900, 1 @ \$1.4875; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4875; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5000

NONFAT DRY MILK -- SALES: 20 CARS GRADE A: 16 @ \$1.0400, 2 @ \$1.0450, 2 @ \$1.0475; LAST BID UNFILLED: 2 CARS GRADE A @ \$1.0525; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 3 CARS GRADE AA: 2 @ \$1.7625, 1 @ \$1.7900; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7900; LAST OFFER UNCOVERED: NONE

WEDNESDAY, FEBRUARY 4, 2015

CHEESE -- SALES: 1 CAR BARRELS @ \$1.4850; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4975

NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$1.0525, 2 @ \$1.0550; LAST BID UNFILLED: 2 CARS GRADE A @ \$1.0550; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 11 CARS GRADE AA: 2 @ \$1.8200, 4 @ \$1.8300, 1 @ \$1.8350, 1 @ \$1.8325, 1 @ \$1.8375, 2 @ \$1.8500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.8600

THURSDAY, FEBRUARY 5, 2015

CHEESE -- SALES: 3 CARS BARRELS @ \$1.4850; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE A @ \$1.0600; LAST OFFER UNCOVERED: NONE

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

FRIDAY, FEBRUARY 6, 2015

CHEESE -- SALES: 1 CAR BARRELS @ \$1.4825; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4925

NONFAT DRY MILK -- SALES: 28 CARS GRADE A: 2 @ \$1.0800, 2 @ \$1.0900, 2 @ \$1.1000, 15 @ \$1.0925, 7 @ \$1.1000; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.0950; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7950

## BUTTER MARKETS

## NORTHEAST

Northeast churns are running heavy schedules as available cream elevates butter output. Manufacturers are producing both 80% and 82% at increased levels. Inventories are tight as underlying demand is strong. Buyers are making earlier than normal purchases in some instances, to ensure product availability. The haste and level of purchasing activity is equated to panic buying by some market participants. Retail orders are good. Export interest remains fairly active. The market is unsettled as prices continue to fluctuate. The current bulk butter prices for domestic sales are 3 to 6 cents over the CME Group market, with various time frames and averages used. Tuesday's CME Group cash trading saw Grade AA butter close at \$1.7900, up \$0.1875 from a week ago. The CME Group monthly average price for Grade AA butter during January was \$1.5714, compared to \$1.7756 a year ago. According to the DMN *National Retail Report-Dairy*, for January 30-February 05, the U.S. weighted average advertised price for 1-pound butter was \$3.32, a decrease of \$0.20 compared to a week ago. The price in the Northeast was \$3.28, a drop of \$0.12 compared to a week ago. The Southeast price was \$2.99, an increase of \$0.17 compared to a week ago. DAIRY PRODUCTS: According to NASS, U.S. butter production for December 2014 totals 167.0 million pounds, up 3.3% from last year, and 17.4% from a month ago. Butter output in the Atlantic region totals 19.4 million pounds, up 10.8% from last year and 33.8% from a month ago.

## CENTRAL

The cash market is higher this week partly due to early Easter. Prices are gaining momentum, increasing every day this week on the CME. Some buyers are purchasing only what is needed as they wait and see if prices will come down. Domestic demand is steady to higher while export demand has weakened. Spot loads are available but buyers and sellers are negotiating prices. Cream is readily available. 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 \$1.8500, up \$0.2125 from last Wednesday. DAIRY

PRODUCTS: The NASS *Dairy Products Report* shows butter production in December 2014 was at 167.0 million pounds, up 3.3% from December 2013. Total cumulative production for 2014 was 1.831 billion pounds, down 1.7% from 2013. According to the DMN *National Retail Report-Dairy*, the national weighted average advertised price of a pound of butter was \$3.32, down \$.20 from last week, but up \$.47 from year ago. In the Midwest, the weighted average price was \$3.14, with a range of \$2.79-3.50.

## WEST

The trade is trying to assess the impact of last week's strong 20 cents gain in pricing at the CME Group and continuing strong pricing through midweek this week. The increases have created some additional demand as some buyers are looking to protect their short positions. Other buyers are cautious and don't want to create additional tightness by overbuying at a time when their needs are generally light. Butter production is trending higher with increasing milk intakes and better cream availability. Producers are putting up print butter for Easter/Passover commitments and bulking excess. Export interest is retreating further as the price gap with other markets increases. The cream market has tightened and gotten a little pricier as the basing points move higher. Bulk butter pricing is 4 cents under to 4.5 cents over based on the CME Group with various time frames and averages used. There have been some opportunity buys as some averages are lower than current daily closes. Holdings are generally light to moderate. There are some major concerns about the longevity of current prices and the values of current inventories. The DMN *National Retail Report-Dairy* ads for the week of January 30-February 5, shows the U.S. weighted average advertised retail price for a one pound pack of butter at \$3.32, down \$.20 from last week but \$.47 higher than a year ago. Butter ad prices averaged \$3.49 in the Southwest and \$3.99 in the Northwest.

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**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 31, 2015	1,5641 6,263,066	1,5579 13,261,663	1,5122 10,492,928	5,779 5,100,568	0,9737 33,817,711

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

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DAIRY PRODUCTS: According to NASS, December butter production was 3.3% higher than a year ago in the U.S., while 8.5% lower in the West. Butter prices at the CME Group on Wednesday closed at \$1.8500, up \$.2125 from a week ago.

## 2014 U.S. Butter and Milkfat Exports, (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	
December Total	8.6	-	61
Total, Jan - Dec	159.1	-	21
1 Saudi Arabia	33.9	-	20
2 Iran	18.5	-	29
3 Morocco	18.1	+	1
4 Mexico	14.1	+	100
5 Egypt	10.5	-	32



## CHEESE MARKETS

## NORTHEAST

Steady to slightly higher milk intakes are facilitating at/near capacity cheese production. Spot interest is light to fair. As post Super Bowl demand declines, manufacturers are keeping an eye on inventory growth. The market undertone is unsettled. This week, the Northeast wholesale cheese prices bounced back as cheddar and muenster rose \$0.0250; process increased \$0.0325. The Grade A Swiss price is steady. Tuesday's CME Group daily cash prices saw barrels close at \$1.4875, up \$0.0175 from a week ago; blocks closed at \$1.5350, up \$0.0500 from a week ago. The CME Group monthly average price for cheese blocks during January 2015 was \$1.5218, compared to \$2.2227 one year ago; barrels averaged \$1.4995, compared to \$2.1727 one year ago. According to the DMN *National Retail Report-Dairy*, for January 30-February 05, 2015, the weighted average advertised price for 8 oz. cheese blocks in the Northeast is \$2.62; 11 cents more than the national price and 20 cent more than a week ago. The Southeast 8 oz. block cheese price was \$2.63, 43 cents more than last week. The weighted average price for 8 oz. shredded cheese in the Northeast was \$2.66, 9 cents more than the national price but 24 cents more than last week. The Southeast 8 oz. shredded cheese price was \$2.37, 7 cents more than last week. DAIRY PRODUCTS: According to NASS, U.S. total cheese production in December 2014 was 1.0 billion pounds, 2.5% more than a year ago. In the Atlantic region, total cheese production for December 2014 was 130.2 million pounds, 1.0% less than a year ago but 11.3% more than the previous month. Total cheese production and percentage change from one year ago for Eastern states are: New York 73.1 million pounds, - 1.4%; Pennsylvania 38.7 million pounds, + 2.8%; and Vermont 10.9 million pounds, + 4.9%.

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

Cheddar 40# Block	:	1.8975-2.1825
Process 5# Sliced	:	1.7050-2.1850
Muenster	:	1.9175-2.2775
Grade A Swiss Cuts 10 - 14#	:	4.1050-4.4275

## MIDWEST

Larger Midwest cheese manufacturers are feeling better about the prices they sell cheese for compared with prices they pay for milk, than in mid-January, when cheese prices declined rapidly. Barring sharp declines in cheese prices during February, many manufacturers are more at ease with their margins looking forward a few weeks than they were several weeks ago. Some cheese manufacturers notice more recent interest from cheese brokers in acquiring inventories. This adds to purchasing by regular retail customers supplemented by food service buyers, who all seem to be stocking up on cheese. Nevertheless, some other manufacturers continue to lament lower cheese sales attributed to buyers only filling immediate needs in case prices move lower. Exporting cheese is somewhat challenging by virtue of relative currency valuation as well as decisions of several previously large customers of U.S. exported cheese having slowed or curtailed purchases. Nevertheless, exports still supplement profitability for some Midwest cheese plants in the form of current whey exports. Milk available to manufacturers is typically "up a little" from volumes a year ago. Cheese manufacturers expect milk volumes to seasonally increase until about May. Present cheese manufacturing schedules at most plants are very full, even maximum production in many plants. The *National Retail Report - Dairy* (DMN) found that January 30 to February 5 Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.49, 8 cents lower than the national average, \$2.57. One year ago the national average price was \$2.31. The Midwest price range is

\$1.66 to \$2.99. For 8 ounce blocks, the Midwest average price is \$2.31, 20 cents lower than the national average price, \$2.51. One year ago the national average price was \$2.20. The Midwest price range is \$1.66 to \$2.99. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese increased \$.0325, Swiss is unchanged and the remaining varieties increased \$.0250. DAIRY PRODUCTS: NASS reports 2014 U.S. cumulative total cheese production, 11.4 billion pounds, leads 2013 by 2.8%. For various types of cheese, 2014 U.S. production compared with 2013 includes: American, +1.9%; cheddar, +1.9%; total Italian, +4.9%; mozzarella, +6.5%; and other Italian cheese types, +6.3%. Total U.S. cheese production for December, 1.004 billion pounds, was 5.5% above November 2014 and 2.5% above December 2013. In the Central region, cheese production for December 2014 compared with December 2013 was: total cheese, +3.7%; American cheese, +0.6%; cheddar cheese, +1.2%; total Italian cheese, +6.3%; and mozzarella cheese, +4.3%. The CME Group January 2015 monthly average price for barrels, \$1.4995 is \$.6732 lower than January 2014. Blocks' January 2015 average price, \$1.5218, is \$.7009 lower than January 2014. In CME Group cheese trading, barrels closed Wednesday this week at \$1.4850, up 1 cent from Wednesday last week and blocks closed at \$1.5350, up 5 cents.

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

Process American 5# Loaf	:	1.5875-1.9475
Brick And/Or Muenster 5#	:	1.8775-2.3025
Cheddar 40# Block	:	1.5825-2.0000
Monterey Jack 10#	:	1.8525-2.0575
Blue 5#	:	2.1450-3.1325
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7225-2.6175
Grade A Swiss Cuts 6 - 9#	:	3.6225-3.7400

## WEST

Cheese prices are trending higher, reflecting increased demand for current and future needs. Domestic cheese demand is fair to good and clearing product. Export interest is limited. Demand for Swiss types is holding up well with good cut and food service orders noted. The trade notes that sales of cheddar and natural varieties have been fair to good. Mozzarella interest has been good around the football holidays to pizza accounts. Cheese production is active with increasing milk supplies within the region. Some plants are running fuller than projected and milk is moving to find processing space. Holdings are adequate for current needs. Western wholesale prices moved higher for process and natural varieties; are unchanged for Swiss. The DMN *National Retail Report-Dairy* for the week of January 30-February 5, shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.57, up \$.01 from last week and \$.26 higher than a year ago. Packs averaged \$2.76 in the Southwest and \$2.75 in the Northwest. On Wednesday at the CME, barrels closed at \$1.4850, up \$.0100 from last Wednesday and blocks at \$1.5350, up \$.0500. According to NASS, December total cheese production was 2.5% higher than a year ago in the U.S., while 2.4% higher in the West.

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

Process 5# Loaf	:	1.6075-1.8650
Cheddar 40# Block	:	1.6300-2.0750
Cheddar 10# Cuts	:	1.8100-2.0300
Monterey Jack 10#	:	1.8200-1.9800
Grade A Swiss Cuts 6 - 9#	:	3.6825-4.1125

CONTINUED ON PAGE 3A

## CHEESE MARKETS

## CONTINUED FROM PAGE 3

## FOREIGN

Imported and Swiss cheese prices were unchanged this week, while domestic foreign type cheese prices moved higher. Good retail sales over the period leading up to the Super Bowl are prompting some refill orders. The weakness in the Euro, compared to the U.S. dollar, has increased imported cheese sales. Sources in Europe indicate that strong export sales to the U.S. and other countries have considerably reduced inventories with aged cheese supplies unseasonably low.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	2.6400-5.3800	2.0375-3.5250*
Gorgonzola	3.6900-6.4900	2.5450-3.2425*
Parmesan (Italy)	-0-	3.4275-5.5175*
Provolone (Italy)	-0-	2.0800-2.3325*
Romano (Cows Milk)	-0-	3.2275-5.3775*
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
02/02/15	6,867	100,759
02/01/15	6,652	100,879
CHANGE	215	-120
% CHANGE	3	0

2014 U.S. Cheese and Curd Exports, (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
December	60.6	- 12
Total Jan.-Dec.	812.9	+ 17
1 Mexico	182.1	unchanged
2 South Korea	156.7	+ 44
3 Japan	123.5	+ 80
4 Australia	39.3	+ 47
5 Saudi Arabia	34.3	+ 31

## FLUID MILK AND CREAM

## EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	0	0	0	0	53
SOUTHEAST STATES	0	0	0	0	0	0

The Northeast has been blistered by a second snow storm in as many weeks. The wintery conditions brought transportation to a halt, while leaving massive amounts of snow on roadways in Massachusetts and parts of New York. Schools were cancelled as roads also turned icy as temperatures plummeted below zero. Milk production is still strong in the region. Manufacturers experienced some disruptions due to milk delays. Class I sales are good. Milk supplies in the Mid-Atlantic region are heavy. A few truck loads were delayed by wintery conditions. Class I sales are slightly down from last week, shifting loads to manufacturing. Milk production in the Southeast is steady to increasing. Milk into manufacturing is close to 50% capacity. Class I sales are seeing some decline. Distributors are expecting a February bounce back, as sales are below expectations. Florida's farm level milk production is showing an uptick. This week milk shipments are balanced with no imports or exports. Class I demand is sluggish. Weather is seasonally normal although somewhat cooler. Contractual cream deliveries were cut due to trucking delays, as heavy snowfall fell in the Northeast. The latest round of snowstorms, and loads clearing into the Central region impacted prices on the lower end of the range. **Cream multiples for all Classes range 1.10-1.23.** Manufacturers report limited spot trading as churns in general have ramped up butter production. **Condensed skim** is readily available. Milk production rates are fueling supply levels at most manufacturing plants. Condensed skim Class II spot transactions are sluggish, with prices noted as flat to 3 over the market. Volumes are being cleared to dryers as plants balance heavy condensed skim milk supplies.

## 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 -	1.8144-2.1278
F.O.B. producing plants: Upper Midwest -	1.8804-2.0619

## PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	.93-1.08
Northeast - Class III - spot prices -	1.10-1.35

## MID -WEST

Sources indicate milk production is at 2 to 3% above year ago levels. Fluid milk is selling for \$2.00 under class to class. Fluid milk is available. Retail promotions in some stores are helping to elevate sales. Trucking delays have been an issue due to winter storms. Class II sales are strong. Some contacts indicate extra supplies are being made into sweetened condensed milk. Cream is available. Eastern cream is making its way into the Midwest. **Cream multiples moved lower this week, ranging from 1.14 to 1.25.** The NASS Agricultural Prices report noted the National alfalfa hay price received during December averaged \$183 per ton, compared to \$186 a year ago. The average corn price was \$3.78 per bushel, compared to \$4.41 last year; while soybeans averaged \$10.30 per bushel, compared to \$13.00 a year ago. The all milk price averaged \$20.40 per cwt, compared to \$22.00 a year ago and \$23.00 from November. The milk-feed ratio was 2.38, compared to 2.30 a year ago. The January average price received for milk cows was at \$1,900, compared to \$1,440 from last year. According to DMN

National Retail Report- Dairy, the national weighted average advertised price for the week of January 30 through February 5 for a gallon of milk was \$3.40 compared to \$3.01 a year ago. In the Midwest, the advertised price for a gallon of milk was \$2.50.

## WEST

Farm milk production is CALIFORNIA is steady to incrementally higher than last week, however intakes are somewhat below year ago volumes. Changes in production vary within the state, with more noticeable increases in the Central and Southern regions compared to the Northern region. The latest manual snow survey was completed at several locations, with disappointing results. The statewide snow water equivalent was at 25 percent of the long-term average for this time of year. Alfalfa harvest is underway in the Imperial Valley, giving dairy producers fresh forage to include in rations. Bottler sales are active at seasonal volumes. Various stores offer alternating bottled milk brands with competitive pricing from week to week. December 2014 POOL RECEIPTS of milk in CALIFORNIA total 3.36 billion pounds, 0.4% higher compared to December last year, according to California Department of Food and Agriculture. Year-to-date through December 2014 receipts are 3.6% higher from the comparable months in 2013. The December Value at Test price is \$17.82, \$2.60 lower than November 2014 and \$2.90 lower than December 2013. The percentage of receipts used in Class I products is 14.27%. The December quota price is \$18.22 and the over quota price is \$16.52. These prices are \$2.48 lower than November 2014 and \$2.76 lower than a year ago. ARIZONA milk production is steady to increasing incrementally. Weather conditions are conducive to cow comfort. In-state plant operators are also taking in some milk loads that usually clear to out of state locations. Sales to bottler accounts are steady. Interest from Class II is light to moderate. NEW MEXICO milk production is modestly higher and feed inputs are readily available. Transportation generally moved without a hitch this week as the weather cooperated. Milk volumes clearing into fluid plants are increasing as orders arrive to replenish stocks at consumer outlets. Sales into Class II operations are steady with good interest. With generally higher milk intakes throughout the West region, cream availability is steady to improving. In addition, cream pricing in some state orders has decreased, allowing more cream loads to clear out of state. A few butter churn operators report that with the recent uptick in Grade AA butter pricing on the CME Group, with limited supply/demand basis for the run up in prices, they are concerned about building butter stocks beyond what they expect for Q1-Q2 orders. Sales into ice cream accounts popped higher this week for some sellers, as prices moderated in some areas. The full multiples range widened, covering 1.10 to 1.25. At the CME Group, Grade AA butter closed Wednesday at \$1.8500, up \$.2125 compared to a week earlier. PACIFIC NORTHWEST: Milk output is trending slightly higher across most of Washington and Oregon. Intake levels at processing plants are increasing with some plants being kept full to make products of greatest needs. Processors are managing the incoming milk supplies. Current weather conditions remain good for milk cows. Feed pricing and availability are generally favorable. Declines in milk prices are noted to be worked into the planning process, but farmers are slow to cull cows. Milk production in Utah and Idaho continues to build at levels above a year ago. Many farmers have feed on hand at favorable prices and have locked in many input costs. Processing plants are finding milk intakes are increasing and above projections. Milk is being moved around to find homes, and there are buyers for offered milk. There are concerns about handling the milk volumes during the flush. Several handlers were expressing the impact of the growing milk volumes and the ability to process the upcoming supplies. Water conditions are noted to be in fair to good shape for the upcoming cropping season.



## NONFAT DRY MILK, BUTTERMILK &amp; 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 are advancing. The market tone is unsettled. The trade indicates world SMP pricing is lending support to the market increases. Some contacts believe that the bottom of the market is still to come. Buying has been quiet this week. NDM supplies are tight to available. HIGH HEAT sales are slow. Some producers are not producing right now, but are taking orders for when production resumes. Wednesday at the CME Group, Grade A NDM closed at \$1.0550, up \$0.0200 from last Wednesday.

**EAST:** Eastern prices for low/medium nonfat dry milk are higher. The market undertone is unsettled as prices continue to fluctuate. The region's low/medium heat nonfat dry milk production is heavy, due to milk supply volumes. Demand is sporadic. Sales are expected to be somewhat sluggish until spring. Nonfat dry milk is being used as a substitute for other dairy ingredients. Prices for high heat nonfat dry milk are mixed this week. Supplies are light, as some producers wait to see what the market does. The January 2015 Dairy Market News monthly average for the Central/East low/medium heat nonfat dry milk mostly series is \$1.0358 compared to \$2.0795 a year ago.

**DAIRY PRODUCTS:** According to NASS, U.S. production of human food nonfat dry milk during December 2014 totaled 163.1 million pounds, 29.9% higher than a year ago. The Atlantic region's production of nonfat dry milk totaled 29.8 million pounds, 52.1% more than a year ago. Cumulative 2014 nonfat dry milk production totaled 1.761 billion pounds, 19.2% more than 2013. December 2014 month ending U.S. stocks, at 247.4 million pounds are 85.6% higher than a year ago. The December 2014 U.S. production of skim milk powder, totaled 43.2 million pounds, 25.7% less than a year ago.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .9000 - 1.1000 MOSTLY: .9725 - 1.0525  
 HIGH HEAT: 1.0800 - 1.1800

## NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are lower and higher on the range, but higher across the mostly price series. Buyers' interests are focused on pricing opportunities. Sellers indicate there is minimal interest in contracting for near to midterm needs by buyers. Offers from some resellers are at competitive pricing for immediate needs. Other resellers indicate they are only participating in back-to-back transactions as they do not want to take a position at this time in the NDM market. Production of low/medium heat nonfat dry milk is active throughout the Western region as manufacturing milk supplies are steady to building in most areas. Inventories vary as some manufacturers have Q1 commitments that are consuming current production from week to week. Other producers report inventories are growing steadily and are generally higher than desired. High heat nonfat dry milk prices are mixed, moving lower and higher. Interest is light, but some FOB sales have cleared at improved prices. Production is infrequent at several plants as producers are scheduling runs to coincide with seasonally diminished contract fulfillment. According to NASS, in December 2014, California produced 59.8 million pounds of NDM, about 36.7% of the national monthly production. NDM production in the West region totaled 107.1 million pounds, 24.5% more than one year ago. This is about 65.7% of total December production in the U.S. Cumulative Western region 2014 production totals 1.189

billion pounds, an 18.7% increase compared to 2013. The January 2015 Dairy Market News average of the mostly price series for Western low/medium heat nonfat dry milk was \$0.9998 compared to \$2.0693 one year ago. The average for Western high heat nonfat dry milk was \$1.1583 compared to \$2.0874 one year ago.

**DAIRY PRODUCTS:** NASS reports U.S. production of human food NONFAT DRY MILK during December 2014 totaled 163.1 million pounds, a 29.9% increase from one year ago. Cumulative nonfat dry milk production for 2014 totals 1.761 billion pounds, 19.2% higher than 2013. Month ending stocks, at 247.4 million pounds, are 85.6% higher than one year ago. December 2014 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 43.2 million pounds, 25.7% lower than one year ago. Cumulative 2014 skim milk powder production totals 535.1 million pounds, a 15.2% decrease compared to 2013.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .9250 - 1.0800 MOSTLY: .9500 - 1.0250  
 HIGH HEAT: .9750 - 1.2325

## DRY BUTTERMILK - CENTRAL AND EAST

**CENTRAL:** Prices are up. Sales are slow for dry buttermilk, but seem to be picking up for condensed. At current pricing levels, some ice cream manufacturers are comfortable buying stocks for future needs. According to NASS Dairy Products, Central ice cream production increased 8.2% from November and 12.6% from December 2013.

**EAST:** Prices for dry buttermilk rose slightly due to increases in f.o.b spot pricing. There is no clear answer as market traders consider where prices will begin to level. Dry buttermilk production is active as heavy butter churning increases condensed buttermilk supplies. A concern for processors is dryer scheduling, as other milk solids compete for dryer time. Producers are fulfilling order commitments as current output adds to growing stocks. Dry buttermilk demand is fair to good. Market participants note increased demand as ice cream production emerges. Some buyers are comfortable with making spot purchases aside from having contracts in place. The market tone is unsettled. The January 2015 Dairy Market News monthly average for the Central/East dry buttermilk series is \$0.8606 compared to \$1.9113 a year ago.

**DAIRY PRODUCTS:** According to NASS, U.S. production of dry buttermilk during December 2014 totaled 10.2 million pounds, 7.5% less than a year ago but 14.9% more than the previous month. Month ending stocks were 25.9 million pounds, 96.1% more than a year ago and 11.0% more than the previous month.

F.O.B. CENTRAL/EAST: .7200 - 1.0000

## DRY BUTTERMILK - WEST

Prices for Western dry buttermilk are mostly lower on a weak market. Supplies are mixed, with some manufacturers indicating holdings are above what is needed for near term contract fulfillment. Pricing is dependent on the number of loads in an order, and buyers indicate their interest is price dependent. Production is active as producers note manufacturing milk supplies are increasing seasonally. The January 2015 Dairy Market News average of the mostly price series for West dry buttermilk was \$0.9840 compared to \$1.8919 one year ago.

CONTINUED ON PAGE -5A-

## NONFAT DRY MILK, BUTTERMILK &amp; WHOLE MILK

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

## CONTINUED FROM PAGE 5

DAIRY PRODUCTS: NASS reports dry buttermilk production in the U.S. for December 2014 totals 10.2 million pounds, down 7.5% from one year ago. Cumulative 2014 dry buttermilk production totals 111.4 million pounds, a 6.6% decrease compared to 2013. Stocks at the end of December were 25.9 million pounds, a 96.1% increase from one year ago.

F.O.B. WEST: .7500 - 1.0200 MOSTLY: .9000 - .9525

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**DRY WHOLE MILK - NATIONAL**

Prices for dry whole milk are unchanged to lower on a weak market. Buyer interest is light and often for single loads. Production is limited as producers work toward balancing inventories. The January 2015 Dairy Market News average of the price series for dry whole milk was \$1.4515, compared to \$2.1132 one year ago.

DAIRY PRODUCTS: NASS reports U.S. dry whole milk production during December 2014 totaled 7.1 million pounds, 40.3% higher than one year ago. Cumulative 2014 production totals 101.5 million pounds, a 40.9% increase compared to 2013. Month ending stocks, at 23.2 million pounds, are 206.2% higher than stocks of one year ago.

F.O.B. PRODUCING PLANT: 1.2700 - 1.4300

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES
January 30	\$ .9676	19,829,109
January 23	\$1.0120	12,530,493

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**

Central dry whey prices are steady to weaker. Manufacturers are filling supply contracts but spot demand is light. Most buyers are only buying for current needs as they take a wait-and-see approach on pricing. Manufacturers indicated they are running into pricing pressure from the resale market. Some end users are reluctant to finalize purchases at current pricing. According to NASS Dairy Products, in December the Central region produced 36.1 million pounds of human dry whey, up 2.6% from a year ago. ANIMAL FEED WHEY prices are steady. The market tone is weaker with manufacturers meeting contract obligations. Production is steady to lower.

F.O.B. CENTRAL: .4000 - .6275 MOSTLY: .4800 - .5400  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3000 - .5050

**DRY WHEY - NORTHEAST**

Northeast dry whey prices moved marginally lower. Production remains seasonally heavy, proportional to cheese processing rates for the region. Manufacturing inventories are heavy. Demand is moderate. The market is weak. The January 2015 Dairy Market News monthly average for the Northeast dry whey range series is \$0.5584 compared to \$0.6145 one year ago. DAIRY PRODUCTS: According to NASS, U.S. production of human food dry whey in December 2014 totaled 75.2 million pounds, 10% less than a year ago. Month ending stocks of human food dry whey totaled 58.9 million pounds, 4.7% less than a year ago. In the Atlantic region, December production of human food dry whey totaled 23.1 million pounds, 2.6% more than a year ago. Cumulative 2014 total dry whey production totaled 871.1 million pounds, 9.4% less than 2013.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4300 - .6150

**DRY WHEY - WEST**

Western dry whey prices are steady to slightly lower. The market undertone remains weak with some segments slow to reactivate buying. Demand is uneven. Some buyers are taking needs under supply contracts, but are not willing to take extra whey at the present time. The spot market is showing limited interest with buyers also poking the resale market to find the best bargain. The extent of exports is generally based on regular business. There is caution about when is the best time to make purchases in the current unsettled environment. Whey drying schedules are active and slightly higher where milk and cheese output increased. Condensed whey is often being moved to WPC plants. According to NASS, U.S. total dry whey production during December totaled 76.0 million pounds, down 9.9% from a year earlier. Western (human) output totaled 16.0 million pounds, 38.0% less than a year ago. U.S. total whey stocks were 59.7 million pounds at the end of December, 4.2% less than a year earlier.

NONHYGROSCOPIC: .3800 - .6025 MOSTLY: .4200 - .4900

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Central and West whey protein concentrate 34% prices are unchanged to lower. The market tone is weak. Buyer interest is light to moderate. Some producers have few contracts in place for Q1 as buyers shop on an as needed basis. Demand from some

sectors of the human nutrition market has slowed for the near term, but interest is expected to resume in Q2. Manufacturers' inventories vary from location to location, with FOB spot load offers surfacing regularly from some producers, but only intermittently from others. Production is steady to higher, in step with the cheese production trend. The January 2015 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$1.1727 compared to \$1.7663 one year ago. DAIRY PRODUCTS: NASS reports US production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during December 2014 totaled 24.3 million pounds, 10.1% lower than one year ago. Cumulative production for 2014 totals 286.4 million pounds, 10.4% higher than 2013. Manufacturers' end-of-month stocks totaled 31.9 million pounds, 46.8% higher than one year ago.

F.O.B. EXTRA GRADE 34% PROTEIN: .8950 - 1.2800 MOSTLY: 1.0200 - 1.2250

**LACTOSE - CENTRAL AND WEST**

The lactose range is unchanged to lower, and the mostly series is unchanged on a weak market. Inventories vary from plant to plant, but manufacturers at several locations indicate they have uncommitted lactose loads available. Progress in finalizing Q1 - Q2 contracts is mixed. Some end users are shopping the FOB spot and reseller markets to fulfill immediate needs and finding adequate supplies through those sources. Conversely, some international buyers continue to add volumes to Q1 contracts already in place with manufacturers. Shipping delays off the west coast have added a week or more of travel time onto loads destined for the Far East. Lactose production is active, following the cheese production trend. The January 2015 Dairy Market News average of the mostly price series for Central and West lactose was \$0.3210, compared to \$0.5952 one year ago. DAIRY PRODUCTS: NASS's Dairy Products report shows US HUMAN and ANIMAL LACTOSE production during December 2014 totaled 91.6 million pounds, a 1.1% decrease from one year ago. Cumulative 2014 lactose production totals 1.161 billion pounds, an 11.7% increase from 2013. Month ending stocks, at 131.6 million pounds, are 18.7% higher than one year ago.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1900 - .4400 MOSTLY: .2500 - .3700

**CASEIN - NATIONAL**

Casein prices for both rennet and acid held steady in light trading. The market is unsettled as casein production is likely to decline in Oceania and Europe, due to declines in milk production. Supplies are more than adequate globally with buyers more inclined to cover their immediate needs on the spot market, rather than build inventories. U.S. buyers are finding lower priced offerings coming from Europe. Negotiations for Q2 supplies are ongoing with potential buyers seeking price concessions, compared to current contract levels. At the February 3 GDT event 133, the average price for rennet casein for all contract periods increased 7.7% to \$8,776/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: 3.7000 - 4.4000

U.S. Dairy Cow Slaughter (1000 head) under Federal Inspection & Comparable Week 2013

	2015 WEEKLY	2015	2014 WEEKLY	2014
<u>WEEK ENDING</u>	<u>DAIRY COWS</u>	<u>CUMULATIVE DAIRY COWS</u>	<u>DAIRY COWS</u>	<u>CUMULATIVE DAIRY COWS</u>
01/17/2015	65.2	178.2	69.4	179.9

WEBSITE: [http://www.ams.usda.gov/mnreports/sj\\_ls714.txt](http://www.ams.usda.gov/mnreports/sj_ls714.txt)

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

### CLASS III MILK PRICES (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
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

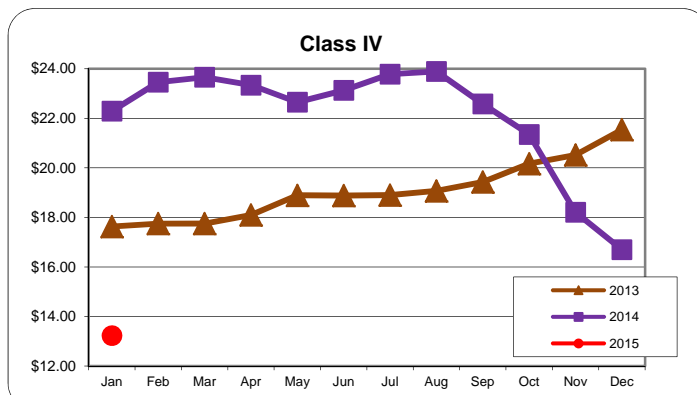
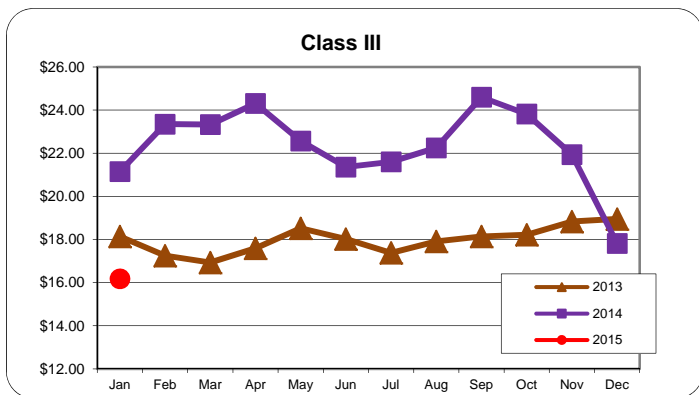
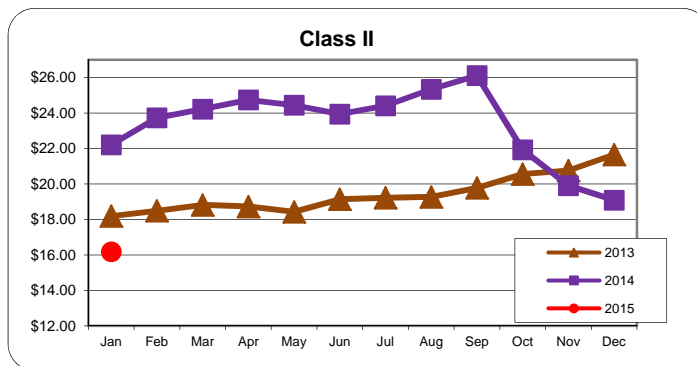
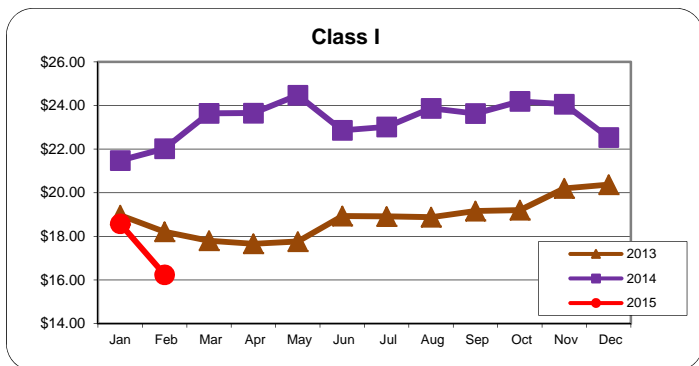
### CLASS IV MILK PRICES (3.5%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	19.98	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

## FEDERAL MILK ORDER CLASS PRICES FOR 2015 (3.5%)

[illegible]

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





## INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered January 26 - February 6, 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 increases have slowed compared to year ago levels, primarily due to over quota producers reducing milk flows to reduce levee payments. Available supplies of butter, SMP and WMP are relatively tight. Winter weather conditions have been typical and have not influenced milk production, positively or negatively. The Euro exchange rate continues to weaken, making European dairy products more competitively priced on the world market. Estat - Newcronos reported EU-28 January to November milk deliveries are 5.1% higher than the same period in 2013. Various member states showed the following January to November increases compared to last year: Germany, 3.9%; France, 6.2%; UK, 8.8%; Belgium, 7.2%; Italy, 4.7%; and Ireland, 5.0%. January-November milk delivery data showed increases for all countries in Western Europe with the exception of Greece - 4.8%.

**BUTTER/BUTTEROIL:** The bulk butter market has shown surprising strength over the past couple of weeks. Continued weakness in the Euro, compared to the U.S. dollar, has sparked increased export interest. Most available supplies are committed. The good export demand and expanded domestic purchases of winter butter for technical storage have contributed to butter's reduced availability. PSA stock levels through January 18 amounted to 26,753 MT. The Netherlands and Ireland make up a majority of the supplies held in PSA. Butter exports for the EU-28 January-November period, as reported by GTIS, increased 18% over year ago levels. EU butter exports for November increased, compared to October with Turkey being the top destination. According to Eurostat, EU butter production for January-November was estimated to be 2.6% over the previous year with France, Ireland and the Netherlands recording production increases of 6.5%, 9.4% and 8.1% respectively. The price gap in butteroil prices between Europe and Oceania widened this week as prices moved lower in Oceania. Production in Europe is focused on filling current contracts. Trading is light and new prospective buyers are limited.

82% BUTTERFAT: 3,300 - 3,675  
99% BUTTERFAT: 3,975 - 4,450

**SKIM MILK POWDER (SMP):** The skim milk powder prices advanced, supported by restrictions in milk supplies as producers decrease milk production to avoid levee payments and increased export interests, sparked by the lower Euro exchange rates. Most supplies for Q1 are committed. Some buyers are showing increased interest in securing long term deals beyond Q2, but manufacturers are hesitant to enter into those agreements, because there's possibly more upside to the market than previously perceived. The market has a cautiously firm undertone. PSA stock levels through January 18 amounted to 17,970 MT with Germany accounting for over 50% of the volume in storage. Exports of SMP for January to November 2014, as reported by GTIS, showed an increase of 58%, compared to the same period last year. November exports increased significantly compared to the previous month. Algeria received nearly 25% of Europe's November exports. China purchases remain below year ago levels. According to Eurostat, European SMP production increased in the January-November 2014 period. Selected countries showing SMP production increases were: France, +26.1%; Germany, +13.2%; Belgium, +25.6% and Ireland, +58.9%.

1.25% BUTTERFAT: 2,100 - 2,400

**WHOLE MILK POWDER (WMP):** The whole milk powder market has firmed as other global WMP markets strengthened. New domestic contracts have been completed and export interest has improved. The firmer butter and skim milk powder markets have also contributed to the firm market undertone for WMP. European WMP remains above New Zealand price levels, but are close enough to draw interest from those countries relatively close to Europe to overlook the price differential in lieu of timely delivery. GTIS reported EU-28 whole milk powder exports for January-November 2014 up 4% compared to last year. November exports decreased compared to October. Top destinations for EU whole milk powder in November were Oman and Nigeria. Export volumes to Belarus increase compared to the previous month to 934 MT. According to Eurostat, European WMP production increased in the January-November 2014 period. Selected countries WMP production increases were: France, +33.3%; Germany, +4.8%; Belgium, +28.5% and the Netherlands, +10.9%.

26% BUTTERFAT: 2,625 - 2,950

**SWEET WHEY POWDER:** Whey prices moved higher on the low end of the range this reporting period. Supplies have been tight due to the reduced production of cheese, caused by the Russian ban. Export and domestic demand have improved. Some whey production increases are anticipated in the near term as some cheese varieties have experienced good sales and supplies will need to be rebuilt. Exports of sweet dry whey for January to November 2014, as reported by GTIS, showed a decrease of 2.1%, compared to the same period last year. November exports decreased compared to the previous month. Year to date totals showed China as the top destination, receiving nearly 30% of European whey exports.

NONHYGROSCOPIC: 1,025 - 1,275

**EASTERN OVERVIEW:** Eastern Europe milk production continues to build with production increases especially noteworthy in Poland and the Baltic States. European milk deliveries for January-November reported by Estat - Newcronos, showed the following year over year changes for selected countries: Poland, +7.1%; Lithuania, +7.4%; Latvia, +10.0%; Estonia, +6.8%; and the Czech Republic, +1.1%. According to Eurostat, Poland's milk production increases resulted in the following dairy product production increases: butter, 3.8%; SMP, 51.8%; and WMP, 17.3%.

**Exchange rates for selected foreign currencies:  
February 3, 2015**

.1156 Argentina Peso	.0085 Japan Yen
.7803 Australian Dollar	.0673 Mexican Peso
.7958 Canadian Dollar	.7303 New Zealand Dollar
1.1341 Euro	.2709 Poland Zloty
.0162 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0673) = 14.8588 Mexican Pesos. Source: "Wall Street Journal"

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered January 26 - February 6, 2015

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**AUSTRALIAN** milk production moved marginally lower, compared to the previous report. Australia experienced its third warmest year on record in 2014 with seasonally average rainfall. Many parts of the country are already experiencing dry conditions which will impact livestock and crops in 2015. Prices for most dairy commodities have seen some recovery as uncommitted supplies are running tighter than anticipated. Hay demand has slowed as dairy producers are utilizing summer forage crops and available paddocks. Corporate activity across Australia in 2014 was active with various acquisitions, mergers and building projects. Many in the industry anticipate a continuation of this trend in 2015. Dairy Australia reports dairy product exports for the July-November period totaling 291.8 thousand MT, up 1.1% from the year ago period. Various dairy product export changes compared to the same period last year are: butter, -20.9%; butter oil, -12.5%; cheddar, -11.2%; SMP, +27.2%; WMP, -33.8% and whey products -0.7%. The total value of exports for the July-November period was down 10.9%. According to Dairy Australia, December 2014 milk production in Australia was 1.6% below December 2013. The state changes from a year earlier are: New South Wales, unchanged; Victoria, -3.2%; Queensland, -6.1%; South Australia, -1.3%; Western Australia, +6.0% and Tasmania +7.2%. Australia's milk production season to date (July-December) is +2.6%, compared to last season. Dairy Australia also reported, production of various dairy commodities for November 2014 showing the following percentage changes compared to 2013: butter, +1.5%; butteroil, +15.6%; skim milk powder, +18.3%; whole milk powder, -28.2%; buttermilk powder, +10.4%; cheese, +20.0%; and whey powder, unchanged. The big news out of New Zealand has been the downgrade in this season's milk production forecast by various cooperatives. The combination of dry weather and low farmgate prices are bringing a quick end to milk production on both islands. The accelerated declines have prompted cooperatives to lower their seasonal forecasts with some cooperatives estimating this year's production falling 3% or more, compared to last year. Dairy product supplies are adequate to cover current commitments, but the declines in production will likely decrease volumes offered on future GDT auctions. The announcement of forecasts below year ago levels and the likelihood of reduced GDT volumes has sparked buyer interest for various dairy products, especially whole milk powder. November milk production as reported by DCANZ was 3.045 million MT, up 2.8% from November 2013 and 6.9% higher than the level two years ago. November milksolids reflected a 5.0% increase compared November 2013. At the February 3 GDT event #133, average prices ranged from 11.1% lower to 19.2% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,067 -5.4%; butter, \$3,783 +6.1%; buttermilk powder, \$2,436 -0.4%; cheddar cheese, \$2,636 -11.1%; lactose, n.a.; rennet casein, \$8,776 +7.7%; skim milk powder, \$2,598 +6.7%; sweet whey powder, n.a.; and whole milk powder, \$2,874 +19.2%.

**BUTTER:** Butter demand continues to be very active with a number of manufacturers finalizing Q2 sales. A majority of supplies are committed. New Zealand's butter is again bringing a premium, due to the fact that it is a "harder" butter and holds up better in warm climates. Best demand is coming from Southeast Asia and the Middle East. Butteroil production continues to be restricted by the increase in butterfat demand from other dairy commodity manufacturers. Available supplies have tightened, but prices have not responded as anticipated and may reflect that potential buyers have adequate supplies for the near term. According to GTIS, China's January to December 2014 butter imports show a 54% increase, compared to last year with AMF imports up 53% for the same period. New Zealand's December butter exports going to China made up the bulk of China's total imported volume. China's butteroil imports decreased compared to the previous month. New Zealand covered 93% of China's imported butteroil volume for 2014. At the February 3 GDT event #133, NZ butter averaged \$3,856/MT for April contracts, +7.0% from the prior event. Butter for all

regions and contracting periods averaged \$3,783/MT, +6.1%. New Zealand AMF prices averaged \$4,038/MT for April contracts, -6.0% from the prior event. For all contracting periods, the AMF price average was \$4,067/MT, -5.4%.

82% BUTTERFAT:

3,400 - 3,875

**SKIM MILK POWDER (SMP):** The SMP market has experienced some renewed export interest with some marginal price increases. Market participants are very cautious noting the increase in competition and supplies from the Northern Hemisphere. Oceania production may be restricted for the remainder of the season, due to declines in milk production, especially in New Zealand. According to GTIS, China's imports of skim milk powder increased for the first time since July in December. December's volumes were 57% below year ago levels with New Zealand the top supplier. The January to December 2014 totals show China's SMP imports 8% over year ago levels. At the February 3 GDT event 133, SMP for all regions and contracting periods averaged \$2,598 per MT, +6.7%. For trading in contract period 2, April, prices averaged \$2,455 for NZ sourced medium heat product, up \$15 from the prior event.

1.25% BUTTERFAT:

2,300 - 2,700

**CHEDDAR CHEESE:** The cheddar market is unsettled with a developing weak undertone, due to increased global supplies and competition from the Northern Hemisphere. Demand is steady, but the supply situation has changed with buyers shopping for the best product and price that fits their needs. Australian supplies are fairly tight with some cheese makers holding firm on price for the domestic market. Cheddar returns are beginning to converge with other production streams, so there may be some decreases in production in the near term. A major cheese exporter in New Zealand missed the U.S. import licensing deadline and is actively seeking agreements with other cooperatives to fill its commitments in the U.S. According to GTIS, December cheese imports into China increased, compared to the previous month. New Zealand and Australia remained the top 2 suppliers of cheese into China. January to December 2014 cheese imports into China are 40% above year ago levels.

39% MAXIMUM MOISTURE

3,400 - 4,000

**WHOLE MILK POWDER (WMP):** Good export sales in December and accelerated declines in milk production have sparked WMP demand. Various published reports state New Zealand's December 2014 exports at 22% above the previous month and 10% above year ago levels. A majority of current stocks are committed. New Zealand supplies continue to be available, but some manufacturers are being more cautious about becoming over-committed. Australian production and exports have been restricted, due to diversions of milk flows to more profitable dairy products for a number of weeks. Some Australian manufacturers have noticed significant demand increases for instantized WMP from China in recent weeks and may be a prelude to increased interest for regular WMP. According to GTIS, China's whole milk powder imports for December declined marginally compared to the previous month. New Zealand remains the largest supplier of WMP into China and for 2014 covered over 90% of imports. January to December 2014 whole milk powder imports into China were 8% above year ago levels. At the February 3 GDT event 133, the WMP pricing index, across all contracting periods, averaged \$2,874 per MT, up 19.2% compared to the prior event. For contract periods 1 and 2, March and April, NZ regular WMP averaged \$2,830 and \$2,840 per MT.

26% BUTTERFAT

2,400 - 2,900

## INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 133 Recap - February 3, 2015													
	Contract 1 Mar-15		Contract 2 Apr-15		Contract 3 May-15		Contract 4 Jun-15		Contract 5 Jul-15		Contract 6 Aug-15		All Contracts	
Anhydrous Milk Fat		n.a.	\$4,038	-6.0%	\$4,085	-5.2%	\$4,088	-5.2%	\$4,076	-3.8%	\$4,167	-5.7%	\$4,067	-5.4%
Butter		n.a.	\$3,856	7.0%	\$3,781	6.2%	\$3,645	5.0%	\$3,745	4.0%		n.a.	\$3,783	6.1%
Buttermilk Powder		n.a.	\$2,393	-0.7%	\$2,685	1.5%		n.a.		n.a.		n.a.	\$2,436	-0.4%
Cheddar		n.a.	\$2,587	-12.1%	\$2,664	-9.7%	\$2,663	-11.3%		n.a.		n.a.	\$2,636	-11.1%
Lactose		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.
Rennet Casein		n.a.	\$8,881	9.3%	\$8,805	7.8%	\$8,641	4.3%		n.a.		n.a.	\$8,776	7.7%
Skim Milk Powder		n.a.	\$2,568	8.1%	\$2,629	4.2%	\$2,581	6.3%	\$2,670	6.7%	\$2,681	6.9%	\$2,598	6.7%
Sweet Whey Powder		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.
Whole Milk Powder	\$2,860	26.3%	\$2,866	21.6%	\$2,865	18.5%	\$2,902	17.8%	\$2,900	15.1%	\$2,883	17.3%	\$2,874	19.2%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 133 Recap - February 3, 2015													
	Contract 1 Mar-15		Contract 2 Apr-15		Contract 3 May-15		Contract 4 Jun-15		Contract 5 Jul-15		Contract 6 Aug-15		All Contracts	
Anhydrous Milk Fat		n.a.	\$1.8316	-6.0%	\$1.8529	-5.2%	\$1.8543	-5.2%	\$1.8489	-3.8%	\$1.8901	-5.7%	\$1.8448	-5.4%
Butter		n.a.	\$1.7491	7.0%	\$1.7151	6.2%	\$1.6534	5.0%	\$1.6987	4.0%		n.a.	\$1.7160	6.1%
Buttermilk Powder		n.a.	\$1.0855	-0.7%	\$1.2179	1.5%		n.a.		n.a.		n.a.	\$1.1050	-0.4%
Cheddar		n.a.	\$1.1735	-12.1%	\$1.2084	-9.7%	\$1.2079	-11.3%		n.a.		n.a.	\$1.1957	-11.1%
Lactose		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.
Rennet Casein		n.a.	\$4.0284	9.3%	\$3.9939	7.8%	\$3.9195	4.3%		n.a.		n.a.	\$3.9808	7.7%
Skim Milk Powder		n.a.	\$1.1648	8.1%	\$1.1925	4.2%	\$1.1707	6.3%	\$1.2111	6.7%	\$1.2161	6.9%	\$1.1784	6.7%
Sweet Whey Powder		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.
Whole Milk Powder	\$1.2973	26.3%	\$1.3000	21.6%	\$1.2996	18.5%	\$1.3163	17.8%	\$1.3154	15.1%	\$1.3077	17.3%	\$1.3036	19.2%

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

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

Month	01/22	01/23	01/26	01/27	01/28	01/29	01/30	02/02	02/03	02/04
<b>CLASS III MILK FUTURES</b> (Pit-Traded) (\$/cwt)										
JAN 15	16.01 (6147)	16.08 (6007)	16.13 (5938)	16.12 (5884)	16.11 (5750)	16.16 (5506)	16.14 (5486)	16.14 (5450)	16.14 (5480)	16.18 (6030)
FEB 15	14.76 (5618)	14.98 (5806)	15.24 (5844)	15.26 (5853)	15.34 (5892)	15.99 (5873)	16.00 (5935)	15.86 (5950)	15.86 (5966)	15.74 (5966)
MAR 15	14.39 (5546)	14.64 (5533)	14.86 (5580)	14.77 (5593)	14.71 (5643)	15.46 (5678)	15.66 (5708)	15.65 (5741)	15.75 (5739)	15.60 (5745)
APR 15	14.42 (4831)	14.59 (4849)	14.80 (4823)	14.78 (4837)	14.70 (4871)	15.45 (4859)	15.50 (4964)	15.48 (5065)	15.62 (5075)	15.50 (5089)
MAY 15	14.53 (4604)	14.65 (4623)	14.82 (4650)	14.87 (4644)	14.90 (4676)	15.65 (4699)	15.62 (4709)	15.66 (4674)	15.79 (4648)	15.76 (4665)
JUN 15	14.96 (4306)	14.99 (4310)	15.25 (4332)	15.26 (4327)	15.32 (4357)	16.07 (4381)	15.93 (4390)	15.92 (4421)	15.99 (4445)	15.98 (4448)
JUL 15	15.40 (3246)	15.51 (3272)	15.60 (3259)	15.68 (3268)	15.77 (3280)	16.52 (3315)	16.40 (3342)	16.38 (3410)	16.47 (3435)	16.47 (3452)
AUG 15	15.79 (2962)	15.88 (2970)	16.00 (2961)	16.13 (2948)	16.19 (2961)	16.75 (2964)	16.70 (2984)	16.66 (3000)	16.80 (3024)	16.90 (3010)
SEP 15	16.05 (2757)	16.10 (2778)	16.23 (2773)	16.37 (2783)	16.38 (2791)	16.82 (2809)	16.80 (2832)	16.80 (2842)	16.93 (2862)	17.04 (2864)
OCT 15	16.24 (2387)	16.25 (2418)	16.37 (2429)	16.47 (2436)	16.50 (2447)	16.95 (2465)	17.00 (2478)	17.00 (2490)	17.08 (2572)	17.15 (2588)
<b>CLASS IV MILK FUTURES</b> (Pit-Traded) (\$/cwt)										
JAN 15	13.48 (347)	13.48 (347)	13.48 (347)	13.48 (347)	13.48 (347)	13.48 (347)	13.48 (347)	13.48 (347)	13.48 (347)	13.23 (505)
FEB 15	13.45 (295)	13.45 (295)	13.45 (295)	13.45 (295)	13.68 (298)	14.20 (298)	14.79 (300)	14.70 (300)	14.70 (300)	14.86 (300)
MAR 15	13.40 (340)	13.63 (340)	13.72 (342)	13.97 (342)	14.33 (343)	14.90 (352)	15.16 (352)	15.16 (352)	15.37 (352)	15.60 (358)
<b>CASH SETTLED BUTTER FUTURES</b> (Electronic-Traded) (¢/lb)										
JAN 15	156.00 (711)	156.05 (711)	157.00 (711)	157.10 (711)	155.25 (710)	156.25 (707)	156.25 (706)	156.50 (706)	156.50 (706)	156.33 (751)
FEB 15	156.05 (861)	159.10 (862)	160.08 (866)	161.15 (866)	164.33 (866)	169.33 (866)	175.25 (863)	178.15 (862)	181.00 (863)	185.50 (865)
MAR 15	160.25 (985)	163.60 (985)	165.78 (986)	169.73 (991)	172.53 (991)	177.53 (989)	181.00 (984)	184.03 (962)	186.05 (958)	191.00 (946)
<b>NONFAT DRY MILK FUTURES</b> (Pit-Traded) (¢/lb)										
JAN 15	104.50 (562)	103.53 (563)	103.10 (563)	103.38 (563)	103.38 (563)	104.23 (553)	104.23 (520)	103.78 (519)	103.78 (521)	102.02 (581)
FEB 15	101.00 (654)	101.00 (654)	101.50 (654)	101.53 (660)	103.53 (668)	107.53 (672)	109.60 (670)	108.00 (662)	108.00 (664)	106.50 (664)
MAR 15	103.98 (691)	104.00 (691)	104.00 (691)	104.75 (691)	106.75 (691)	110.75 (691)	113.00 (705)	111.75 (698)	115.00 (699)	113.75 (723)
<b>WHEY</b> (Electronic-Traded) (¢/lb)										
JAN 15	55.85 (750)	57.43 (746)	57.40 (746)	57.25 (740)	57.25 (746)	58.15 (750)	58.00 (752)	58.00 (754)	58.00 (754)	58.75 (755)
FEB 15	46.15 (872)	50.08 (869)	49.90 (868)	51.00 (864)	52.00 (862)	53.90 (862)	53.00 (845)	54.00 (840)	53.08 (825)	53.08 (822)
MAR 15	39.38 (899)	43.00 (899)	41.50 (891)	42.00 (899)	42.53 (901)	45.88 (907)	45.00 (913)	47.00 (905)	47.50 (896)	48.00 (891)
<b>CHEESE CSC</b> (Electronic-Traded) (\$/lb)										
JAN 15	1.58 (3898)	1.58 (3929)	1.58 (3930)	1.59 (3931)	1.59 (3951)	1.59 (3935)	1.58 (3945)	1.58 (3941)	1.58 (3940)	1.58 (4045)
FEB 15	1.51 (4328)	1.51 (4344)	1.53 (4348)	1.53 (4358)	1.53 (4362)	1.59 (4398)	1.59 (4404)	1.57 (4402)	1.57 (4401)	1.55 (4399)
MAR 15	1.52 (4529)	1.51 (4541)	1.54 (4556)	1.53 (4557)	1.51 (4584)	1.59 (4607)	1.59 (4578)	1.58 (4575)	1.58 (4573)	1.57 (4591)
APR 15	1.54 (4020)	1.53 (4033)	1.57 (4030)	1.56 (4034)	1.55 (4065)	1.62 (4065)	1.61 (4037)	1.60 (4036)	1.60 (4063)	1.60 (4103)
MAY 15	1.56 (3761)	1.55 (3781)	1.58 (3790)	1.59 (3795)	1.58 (3815)	1.65 (3824)	1.64 (3803)	1.64 (3814)	1.64 (3818)	1.63 (3842)
JUN 15	1.60 (3710)	1.59 (3727)	1.61 (3737)	1.62 (3737)	1.62 (3748)	1.69 (3745)	1.67 (3739)	1.67 (3751)	1.68 (3760)	1.66 (3774)

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



MONTHLY SUMMARY AND AVERAGES FOR JANUARY 2015 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 53 ::	REPORT NUMBER 1 ::	REPORT NUMBER 2 ::	REPORT NUMBER 3 ::	REPORT NUMBER 4 ::	2015 ::	2014 ::
	-----::	-----::	-----::	-----::	-----::	Monthly ::	Monthly ::
	JAN 01 - 02 ::	JAN 05 - 09 ::	JAN 12 - 16 ::	JAN 19 - 23 ::	JAN 26 - 30 ::	Average ::	Average ::
CHEESE							
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	:: 1.6050 - 1.9650 ::	1.5875 - 1.9475 ::	1.6500 - 2.0100 ::	1.6150 - 1.9750 ::	1.5550 - 1.9150 ::	1.7814 ::	2.3638
-- Brick And/Or Muenster 5#	:: 1.9375 - 2.3625 ::	1.9100 - 2.3350 ::	1.9525 - 2.3775 ::	1.8950 - 2.3200 ::	1.8525 - 2.2775 ::	2.1171 ::	2.7320
-- Cheddar 40# Block	:: 1.6425 - 2.0600 ::	1.6150 - 2.0325 ::	1.6575 - 2.0750 ::	1.6000 - 2.0175 ::	1.5575 - 1.9750 ::	1.8184 ::	2.4333
-- Monterey Jack 10#	:: 1.9125 - 2.1175 ::	1.8850 - 2.0900 ::	1.9275 - 2.1325 ::	1.8700 - 2.0750 ::	1.8275 - 2.0325 ::	1.9821 ::	2.5970
-- Blue 5#	:: 2.2050 - 3.1925 ::	2.1775 - 3.1650 ::	2.2200 - 3.2075 ::	2.1625 - 3.1500 ::	2.1200 - 3.1075 ::	2.6659 ::	3.2808
-- Mozzarella 5 - 6#	:: 1.7825 - 2.6775 ::	1.7550 - 2.6500 ::	1.7975 - 2.6925 ::	1.7400 - 2.6350 ::	1.6975 - 2.5925 ::	2.1971 ::	2.8120
-- Grade A Swiss Cuts 6 - 9#	:: 3.7100 - 3.8275 ::	3.6225 - 3.7400 ::	3.6225 - 3.7400 ::	3.6225 - 3.7400 ::	3.6225 - 3.7400 ::	3.6856 ::	3.0428
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 40# Block	:: 1.9575 - 2.2425 ::	1.9300 - 2.2150 ::	1.9725 - 2.2575 ::	1.9150 - 2.2000 ::	1.8725 - 2.1575 ::	2.0671 ::	2.6820
-- Process 5# Sliced	:: 1.7225 - 2.2025 ::	1.7050 - 2.1850 ::	1.7675 - 2.2475 ::	1.7325 - 2.2125 ::	1.6725 - 2.1525 ::	1.9589 ::	2.5463
-- Muenster	:: 1.9775 - 2.3375 ::	1.9500 - 2.3100 ::	1.9925 - 2.3525 ::	1.9350 - 2.2950 ::	1.8925 - 2.2525 ::	2.1246 ::	2.7395
-- Grade A Swiss Cuts 10 - 14#	:: 4.1925 - 4.5150 ::	4.1050 - 4.4275 ::	4.1050 - 4.4275 ::	4.1050 - 4.4275 ::	4.1050 - 4.4275 ::	4.2706 ::	3.6278
WEST COAST (WSP, Delivered, LTL)							
-- Process 5# Loaf	:: 1.6250 - 1.8825 ::	1.6075 - 1.8650 ::	1.6700 - 1.9275 ::	1.6350 - 1.8925 ::	1.5750 - 1.8325 ::	1.7501 ::	2.3426
-- Cheddar 40# Block	:: 1.6900 - 2.1350 ::	1.6625 - 2.1075 ::	1.7050 - 2.1500 ::	1.6475 - 2.0925 ::	1.6050 - 2.0500 ::	1.8796 ::	2.4383
-- Cheddar 10# Cuts	:: 1.8700 - 2.0900 ::	1.8425 - 2.0625 ::	1.8850 - 2.1050 ::	1.8275 - 2.0475 ::	1.7850 - 2.0050 ::	1.9471 ::	2.5520
-- Monterey Jack 10#	:: 1.8800 - 2.0400 ::	1.8525 - 2.0125 ::	1.8950 - 2.0550 ::	1.8375 - 1.9975 ::	1.7950 - 1.9550 ::	1.9271 ::	2.5320
-- Grade A Swiss Cuts 6 - 9#	:: 3.7700 - 4.2000 ::	3.6825 - 4.1125 ::	3.6825 - 4.1125 ::	3.6825 - 4.1125 ::	3.6825 - 4.1125 ::	3.9019 ::	3.2590
FLUID PRODUCTS							
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)							
-- Northeast - f.o.b	:: 1.5153 - 1.8502 ::	1.7882 - 1.9437 ::	1.6170 - 1.8480 ::	1.7767 - 1.9158 ::	1.8600 - 1.9685 ::	1.8316 ::	2.0487
-- Upper Midwest - f.o.b	:: 1.6747 - 1.9938 ::	1.7105 - 1.8660 ::	1.6324 - 1.9250 ::	1.8231 - 1.9467 ::	1.8290 - 1.9530 ::	1.8332 ::	2.0578
PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.							
-- Class II	:: 1.00 - 1.25 ::	0.70 - 1.35 ::	0.80 - 1.33 ::	0.80 - 1.33 ::	0.86 - 1.08 ::	1.0343 ::	1.9840
-- Class III	:: 1.05 - 1.40 ::	1.00 - 1.35 ::	1.00 - 1.35 ::	1.00 - 1.35 ::	1.10 - 1.35 ::	1.1900 ::	1.6124

MONTHLY SUMMARY AND AVERAGES FOR JANUARY 2015 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 53	::REPORT NUMBER 1	::REPORT NUMBER 2	::REPORT NUMBER 3	::REPORT NUMBER 4	::	2015	:	2014
	::-----	::-----	::-----	::-----	::-----	::	Monthly	:	Monthly
	:: JAN 01 - 02	:: JAN 05 - 09	:: JAN 12 - 16	:: JAN 19 - 23	:: JAN 26 - 30	::	Average	:	Average
DRY PRODUCTS									
NONFAT DRY MILK									
-- Central And East (f.o.b.)									
-- Low/Medium Heat	:: 0.9900 - 1.2850	:: 0.9500 - 1.2575	:: 0.9500 - 1.1900	:: 0.9000 - 1.1125	:: 0.9000 - 1.0700	::	1.0478	:	2.0867
-- Mostly	:: 1.0000 - 1.2200	:: 0.9900 - 1.1800	:: 0.9800 - 1.1050	:: 0.9500 - 1.0625	:: 0.9500 - 1.0275	::	1.0358	:	2.0795
-- High Heat	:: 1.2125 - 1.3900	:: 1.2125 - 1.3075	:: 1.0475 - 1.2800	:: 1.0125 - 1.2800	:: 1.0125 - 1.2500	::	1.1831	:	2.1492
-- West (f.o.b.)									
-- Low/Medium Heat	:: 0.9450 - 1.2725	:: 0.9500 - 1.1900	:: 0.9500 - 1.1600	:: 0.9000 - 1.0950	:: 0.9000 - 1.1150	::	1.0381	:	2.0664
-- Mostly	:: 0.9900 - 1.1800	:: 0.9900 - 1.1000	:: 0.9500 - 1.0700	:: 0.9200 - 1.0100	:: 0.9200 - 0.9900	::	0.9998	:	2.0693
-- High Heat	:: 1.3225 - 1.4450	:: 1.2300 - 1.3800	:: 1.0375 - 1.2300	:: 1.0100 - 1.1500	:: 0.9850 - 1.1225	::	1.1583	:	2.0874
WHEY POWDER (Nonhygroscopic)									
-- Central (f.o.b.)	:: 0.4000 - 0.6275	:: 0.4000 - 0.6275	:: 0.4000 - 0.6275	:: 0.4000 - 0.6275	:: 0.4000 - 0.6275	::	0.5138	:	0.5889
-- Mostly	:: 0.5200 - 0.6000	:: 0.5000 - 0.5800	:: 0.5000 - 0.5700	:: 0.5000 - 0.5500	:: 0.4800 - 0.5500	::	0.5305	:	0.5760
-- West (f.o.b.)	:: 0.4000 - 0.6250	:: 0.4000 - 0.6175	:: 0.4000 - 0.6175	:: 0.3800 - 0.6075	:: 0.3800 - 0.6025	::	0.5016	:	0.6065
-- Mostly	:: 0.4400 - 0.5400	:: 0.4400 - 0.5200	:: 0.4400 - 0.5200	:: 0.4200 - 0.5000	:: 0.4200 - 0.5000	::	0.4715	:	0.6051
-- Northeast (f.o.b.)	:: 0.5200 - 0.6300	:: 0.5200 - 0.6200	:: 0.5200 - 0.6200	:: 0.4700 - 0.6175	:: 0.4700 - 0.6175	::	0.5584	:	0.6145
WHEY PROTEIN CONCENTRATE									
-- Central And West (f.o.b.)									
-- Extra Grade 34% Protein	:: 1.0800 - 1.4000	:: 1.0000 - 1.3650	:: 1.0000 - 1.3475	:: 0.9000 - 1.3400	:: 0.8950 - 1.3175	::	1.1516	:	1.7622
-- Mostly	:: 1.1000 - 1.3300	:: 1.0800 - 1.3150	:: 1.0800 - 1.2975	:: 1.0200 - 1.2900	:: 1.0200 - 1.2550	::	1.1727	:	1.7663
ANIMAL FEED - WHEY									
-- Central (f.o.b.)									
-- Milk Replacer	:: 0.3500 - 0.5425	:: 0.3500 - 0.5400	:: 0.3500 - 0.5200	:: 0.3500 - 0.5150	:: 0.3000 - 0.5050	::	0.4294	:	0.4905
BUTTERMILK (Min. 30% protein)									
-- Central And East (f.o.b.)	:: 0.9100 - 1.0650	:: 0.6800 - 1.0575	:: 0.6500 - 1.0575	:: 0.7000 - 1.0500	:: 0.7000 - 0.9450	::	0.8606	:	1.9113
-- West (f.o.b.)	:: 0.9000 - 1.1300	:: 0.9000 - 1.1000	:: 0.8900 - 1.0900	:: 0.8500 - 1.0300	:: 0.8475 - 1.0600	::	0.9747	:	1.9018
-- Mostly	:: 0.9600 - 1.1000	:: 0.9600 - 1.0800	:: 0.9500 - 1.0500	:: 0.9000 - 1.0000	:: 0.9000 - 1.0000	::	0.9840	:	1.8919
DRY WHOLE MILK									
-- National (f.o.b.)	:: 1.4000 - 1.5800	:: 1.4000 - 1.5800	:: 1.2700 - 1.6000	:: 1.2700 - 1.6000	:: 1.2700 - 1.6000	::	1.4515	:	2.1132
LACTOSE									
-- Central And West (f.o.b.)	:: 0.1700 - 0.5200	:: 0.1700 - 0.4800	:: 0.1900 - 0.4750	:: 0.1900 - 0.4600	:: 0.1900 - 0.4600	::	0.3279	:	0.5650
-- Mostly	:: 0.2800 - 0.4800	:: 0.2700 - 0.3900	:: 0.2700 - 0.3700	:: 0.2500 - 0.3700	:: 0.2500 - 0.3700	::	0.3210	:	0.5952
CASEIN - Edible - National (f.o.b.)									
-- Nonrestricted - Rennet	:: 4.2000 - 4.8000	:: 3.6500 - 4.0000	:: 3.6500 - 4.0000	:: 3.6500 - 4.0000	:: 3.6500 - 4.0000	::	3.8588	:	5.0357
-- Nonrestricted - Acid	:: 4.4000 - 5.0000	:: 3.8000 - 4.4000	:: 3.8000 - 4.4000	:: 3.8000 - 4.4000	:: 3.7000 - 4.4000	::	4.1175	:	5.1952

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.

## CME GROUP AVERAGES FOR JANUARY 2015

COMMODITY	::REPORT NUMBER 53::		REPORT NUMBER 1		REPORT NUMBER 2		REPORT NUMBER 3		REPORT NUMBER 4		2015 *	2014 *
	::-----::		-----::		-----::		-----::		-----::		Monthly	Monthly
	:: JAN 1 - 2		JAN 5 - 9		JAN 12 - 16		JAN 20 - 23		JAN 26 - 30		Average	Average
BUTTER*												
-- GRADE AA												
--Monday	::	::	1.5400	::	1.5400	::	1/	::	1.5525	::	:	:
--Tuesday	::	::	1.5400	::	1.5425	::	1.5500	::	1.6025	::	:	:
--Wednesday	::	::	1.5400	::	1.5425	::	1.5500	::	1.6375	::	:	:
--Thursday	::	1/	1.5400	::	1.5500	::	1.5500	::	1.7050	::	:	:
--Friday	::	1.5550	1.5400	::	1.5500	::	1.5500	::	1.7500	::	1.5714	1.7756
--Weekly Average**	::	1.5550	1.5400	::	1.5450	::	1.5500	::	1.6495	::	:	:
CHEESE*												
-- BARRELS												
--Monday	::	::	1.5400	::	1.5950	::	1/	::	1.4500	::	:	:
--Tuesday	::	::	1.5400	::	1.5950	::	1.4450	::	1.4700	::	:	:
--Wednesday	::	::	1.5450	::	1.4425	::	1.4500	::	1.4750	::	:	:
--Thursday	::	1/	1.5450	::	1.4600	::	1.4500	::	1.5025	::	:	:
--Friday	::	1.5400	1.5450	::	1.4500	::	1.4450	::	1.5050	::	1.4995	2.1727
--Weekly Average**	::	1.4794	1.5430	::	1.5085	::	1.4475	::	1.4805	::	:	:
-- 40# BLOCKS												
--Monday	::	::	1.5700	::	1.5900	::	1/	::	1.4800	::	:	:
--Tuesday	::	::	1.5700	::	1.5900	::	1.4750	::	1.4850	::	:	:
--Wednesday	::	::	1.5700	::	1.4700	::	1.4750	::	1.4850	::	:	:
--Thursday	::	1/	1.5800	::	1.4700	::	1.4700	::	1.5125	::	:	:
--Friday	::	1.5700	1.5900	::	1.4700	::	1.4800	::	1.5325	::	1.5218	2.2227
--Weekly Average**	::	1.5344	1.5760	::	1.5180	::	1.4750	::	1.4990	::	:	:
NONFAT DRY MILK*												
-- GRADE A												
--Monday	::	::	1.0000	::	0.9875	::	1/	::	0.9875	::	:	:
--Tuesday	::	::	1.0000	::	0.9650	::	0.9525	::	0.9975	::	:	:
--Wednesday	::	::	1.0000	::	0.9550	::	0.9500	::	1.0350	::	:	:
--Thursday	::	1/	1.0000	::	0.9500	::	0.9600	::	1.0650	::	:	:
--Friday	::	1.0000	0.9875	::	0.9500	::	0.9825	::	1.0700	::	0.9898	2.0705
--Weekly Average**	::	1.0000	0.9975	::	0.9615	::	0.9613	::	1.0310	::	:	:

1/ HOLIDAY - NO TRADING

\* 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.

## December Agricultural Prices Highlights

The All Milk price received by farmers was \$20.40 in December, down \$1.60 from December 2013. The alfalfa hay price was \$183.00 in December, down \$3.00 from December 2013. The corn price was \$3.78 in December, down \$0.63 from December 2013. The soybean price was \$10.30 in December, down \$2.70 from December 2013. The milk-feed price ratio was 2.38 in December, down 0.08 from December 2013.

The index of prices received by farmers for dairy products during the month of December 2014 was down 13 points to 101. Compared to December 2013, the index was down 8 points (7.3 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in December 2014 was unchanged at 111. Compared with December 2013, the index was up 5 points (4.7 percent).

**Note: Beginning January 2015, NASS will publish full-month data only.**

Selected Milk Prices, Milk Cows, and Feed Prices, Selected States and U.S., December 2014 with Comparisons								
State	All-Milk price <sup>1/2/</sup>		Alfalfa hay, baled		Corn for Grain		Soybeans	
	Dec		Dec		Dec		Dec	
	2013	2014	2013	2014	2013	2014	2013	2014
	<i>(dollars per cwt)</i>		<i>(dollars per ton)</i>		<i>(dollars per bushel)</i>		<i>(dollars per bushel)</i>	
AZ	21.50	19.60	190.00	200.00	---	---	---	---
CA	20.81	17.71	198.00	220.00	---	---	---	---
CO	21.90	21.60	230.00	200.00	4.58	4.13	---	---
ID	21.00	19.30	170.00	200.00	---	---	---	---
IN	22.60	21.20	---	---	4.37	3.80	13.10	10.50
IA	22.30	20.90	195.00	153.00	4.32	3.79	13.00	10.00
MI	22.10	20.50	180.00	180.00	4.03	3.63	13.00	10.10
MN	22.00	20.60	205.00	160.00	4.51	3.73	12.70	10.10
NM	20.90	19.40	245.00	235.00	---	---	---	---
NY	23.20	22.30	200.00	222.00	---	---	---	---
OH	22.80	21.80	200.00	175.00	4.31	3.85	13.10	10.60
PA	23.70	22.60	200.00	240.00	4.16	3.95	---	---
TX	22.80	20.70	234.00	233.00	5.08	4.50	---	---
WA	22.90	21.30	195.00	210.00	---	---	---	---
WI	22.00	20.80	205.00	165.00	4.31	3.67	13.10	10.00
U.S.	22.00	20.40	186.00	183.00	4.41	3.78	13.00	10.30

<sup>1/</sup> Prices are shown at reported butterfat test. <sup>2/</sup> Before deduction for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies.

Milk-Feed Price Ratio, Selected States and U.S., December 2014 with Comparisons			
Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk <sup>1/</sup>			
State <sup>2/</sup>	Dec 2013	Nov 2014	Dec 2014
IA	2.31	3.06	2.64
MI	2.43	2.74	2.46
MN	2.20	3.13	2.57
OH	2.37	2.95	2.46
WI	2.23	2.98	2.58
U.S.	2.30	2.74	2.38

<sup>1/</sup> The price of commercial prepared dairy feed is based on current United States prices received for corn, soybeans, and alfalfa. The modeled feed uses 51 percent corn, 8 percent soybeans, and 41 percent alfalfa hay. <sup>2/</sup> Available states that provided all necessary data to compute milk feed price ratios.

General Price Measures, U.S., December 2014 with Comparisons			
Item	Dec 2013	Nov 2014	Dec 2014
<b>Index Numbers</b> (1990-92=100):			
Prices received by farmers for dairy products	109	114	101
Prices paid by farmers for commodities and services, interest taxes, and wage rates	106	111	111

**Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Agricultural Prices, January 2015*.



## December 2014 Dairy Products Highlights

**Butter** production was 167.0 million pounds, 3.3 percent above December 2013 and 17.4 percent above November 2014. **American type cheese** production totaled 387.1 million pounds, 1.5 percent above December 2013 and 3.8 percent above November 2014. **Total cheese** output (excluding cottage cheese) was 1.00 billion pounds, 2.5 percent above December 2013 and 5.5 percent above November 2014. **Nonfat dry milk** production, for human food, totaled 163.1 million pounds, 29.9 percent above December 2013 and 7.8 percent above November 2014. **Dry whey** production, for human food, was 75.2 million pounds, 10.0 percent below December 2013 but 9.0 percent above November 2014. **Ice cream, regular hard** production totaled 51.3 million gallons, 18.1 percent above December 2013 but 2.5 percent below November 2014.

Production of Dairy Products									
Product	Dec 2014	Change from			Product	Dec 2014	Change from		
		Dec 2013	Nov 2014	Year to Date <sup>1/</sup>			Dec 2013	Nov 2014	Year to Date <sup>1/</sup>
	(1,000 lbs)		(percent)			(1,000 lbs)		(percent)	
Butter	167,016	3.3	17.4	-1.7	Yogurt (plain and flavored)	388,548	1.0	20.2	0.5
Cheese					Dry whey, human food	75,157	-10.0	9.0	---
American types <sup>2/</sup>	387,064	1.5	3.8	1.9	Dry whey, animal feed	830	-3.0	-20.3	---
Cheddar	281,148	2.7	8.7	1.9	Dry whey, total <sup>8/</sup>	75,987	-9.9	8.6	-9.4
Other American	105,916	-1.7	-7.2	---	Reduced lactose & minerals				
Brick & Muenster	13,952	-9.3	-1.0	---	Human food	1,808	-29.0	87.2	---
Cream & Neufchatel	76,991	-1.2	-0.1	---	Animal feed	4,985	-12.8	-2.1	---
Hispanic	21,565	8.3	8.0	---	Lactose, human food & animal feed	91,594	-1.1	-2.8	11.7
Total Italian types	444,144	4.2	7.2	4.9	Whey protein concentrate				
Mozzarella	349,263	4.0	6.8	6.5	Human food <sup>9/</sup>	46,894	2.0	4.1	---
Other Italian	94,881	4.8	9.0	---	Animal feed <sup>9/</sup>	420	-29.4	-40.8	---
Swiss	26,866	7.1	13.6	---	Total <sup>9/</sup>	47,314	1.6	3.4	8.6
All other types	33,352	0.5	10.6	---	25.0-49.9 percent <sup>10/</sup>	24,277	-10.1	-0.3	---
Total	1,003,934	2.5	5.5	2.8	50.0-89.9 percent <sup>10/</sup>	23,037	17.7	7.6	---
Cottage cheese, curd <sup>3/</sup>	27,113	1.7	9.8	---	Whey protein isolates <sup>11/</sup>	5,904	-24.7	-12.7	---
Cottage cheese, cream <sup>4/</sup>	22,723	3.0	10.2	-1.8					
Cottage cheese, lowfat <sup>5/</sup>	25,820	-1.5	9.7	-2.8					
Dry buttermilk	10,171	-7.5	14.9	---	Frozen products				
Dry whole milk	7,117	40.3	18.0	---	Ice cream, regular hard	51,285	18.1	-2.5	-4.2
Milk protein conc. (MPC), total <sup>6/</sup>	10,866	-4.0	109.8	---	Ice cream, lowfat, hard	14,323	30.2	3.8	---
Nonfat dry milk (NDM), human	163,112	29.9	7.8	19.2	Ice cream, lowfat, soft	11,689	1.2	0.9	---
Skim milk powders (SMP) <sup>7/</sup>	43,186	-25.7	41.0	-15.2	Ice cream, lowfat, total	26,012	15.3	2.5	-2.0
Sour cream	99,133	2.0	2.4	-0.8	Sherbet, hard	2,513	22.1	-7.9	-5.3
					Frozen yogurt, total	3,808	-20.4	-2.1	-20.8

Manufacturers' Stocks, End of Month 12/							
Product	Dec 2014	Dec 2013	Nov 2014	Product	Dec 2014	Dec 2013	Nov 2014
	(1,000 lbs)		(percent)		(1,000 lbs)		(percent)
Dry whey, human food	58,942	-4.7	-5.3	Whey protein concentrate			
Dry whey, animal feed	760	78.4	-8.9	Human food <sup>9/</sup>	63,646	29.9	4.5
Reduced lactose & minerals—human & animal <sup>13/</sup>	9,117	15.1	3.0	Animal feed <sup>9/</sup>	1,024	6.1	-30.9
Lactose, human food & animal feed	131,629	18.7	8.9	Total <sup>9/</sup>	64,670	29.5	3.6
Dry buttermilk	25,897	96.1	11.0	25.0-49.9 percent <sup>10/</sup>	31,942	46.8	11.1
Nonfat dry milk, human food	247,388	85.6	11.6	50.0-89.9 percent <sup>10/</sup>	32,728	16.1	-2.8
				Whey protein isolates <sup>11/</sup>	11,534	13.4	1.0

<sup>1/</sup> 2014 cumulative as percent change of 2013 cumulative. <sup>2/</sup> Includes Cheddar, Colby, Monterey and Jack. <sup>3/</sup> Mostly used for processing into cream or lowfat cottage cheese. <sup>4/</sup> Fat content 4 percent or more. <sup>5/</sup> Fat content less than 4 percent. <sup>6/</sup> Dry milk protein concentrate, 40-89.9 percent. <sup>7/</sup> Includes protein standardized and blends. <sup>8/</sup> Excludes all modified dry whey products. <sup>9/</sup> Whey protein concentrate, 25.0 to 89.9 percent. <sup>10/</sup> Whey protein concentrate, human and animal. <sup>11/</sup> Whey protein isolates, 90.0 percent or greater. <sup>12/</sup> Stocks held by manufacturers at all points and in transit. <sup>13/</sup> 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, February 2015.*

## January 1 Milk Cow Inventory Summary

The number of milk cows in the United States as of January 1, 2015, totaled 9.3 million head, up 1 percent from January 1, 2014. Milk cow replacement heifers totaled 4.6 million head, up 1 percent from January 1, 2014. The percentage of milk cow replacement heifers per 1,000 milk cows on January 1, 2015 was 49.6, up 0.2 percent from January 1, 2014. Milk cow replacement heifers expected to calve during the year totaled nearly 3 million head, up 1 percent from January 1, 2014.

State	Milk Cows that Have Calved		Heifers for Milk Cow Replacement		State	Milk Cows that Have Calved		Heifers for Milk Cow Replacement	
	2014	2015	2014	2015		2014	2015	2014	2015
	<i>(1,000 head)</i>					<i>(1,000 head)</i>			
AL	9.0	8.0	4.0	3.0	NE	53.0	54.0	20.0	20.0
AK	0.3	0.3	0.1	0.1	NV	29.0	28.0	9.0	9.0
AZ	192.0	195.0	74.0	65.0	NH	13.5	14.0	7.0	5.5
AR	8.0	7.0	5.0	4.0	NJ	7.0	7.0	3.0	3.8
CA	1,780.0	1,780.0	750.0	750.0	NM	323.0	323.0	120.0	105.0
CO	140.0	145.0	100.0	100.0	NY	615.0	615.0	355.0	350.0
CT	19.0	19.0	9.0	8.0	NC	45.0	47.0	20.0	18.0
DE	4.7	5.0	2.6	2.5	ND	17.0	16.0	10.0	6.0
FL	123.0	124.0	35.0	35.0	OH	267.0	268.0	130.0	125.0
GA	80.0	81.0	25.0	25.0	OK	45.0	40.0	20.0	25.0
HI	2.2	2.2	1.0	1.0	OR	124.0	125.0	60.0	60.0
ID	565.0	579.0	270.0	300.0	PA	530.0	530.0	315.0	305.0
IL	95.0	94.0	45.0	50.0	RI	0.9	0.9	0.5	0.5
IN	178.0	181.0	68.0	78.0	SC	16.0	15.0	6.0	5.0
IA	205.0	210.0	120.0	130.0	SD	95.0	98.0	50.0	65.0
KS	136.0	143.0	100.0	80.0	TN	46.0	47.0	30.0	25.0
KY	68.0	63.0	45.0	45.0	TX	440.0	470.0	220.0	240.0
LA	15.0	14.0	5.0	5.0	UT	95.0	96.0	46.0	48.0
ME	30.0	30.0	17.0	16.0	VT	132.0	132.0	56.0	56.0
MD	50.0	50.0	25.0	24.0	VA	93.0	93.0	40.0	43.0
MA	12.0	12.5	7.5	7.0	WA	266.0	277.0	125.0	133.0
MI	381.0	403.0	164.0	167.0	WV	9.0	9.0	5.0	4.0
MN	460.0	460.0	280.0	280.0	WI	1,270.0	1,275.0	680.0	710.0
MS	13.0	12.0	6.0	6.0	WY	6.0	6.0	4.0	5.0
MO	90.0	89.0	50.0	60.0					
MT	14.0	14.0	9.0	7.0	U.S.	9,207.6	9,306.9	4,548.7	4,615.4

**Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Cattle, January 2015.*

## FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, JANUARY

**Class Prices:** The following are the January 2015 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$16.18 (-\$2.91), Class III: \$16.18 (-\$1.64), and Class IV: \$13.23 (-\$3.47).

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for January 2015 is \$1.6855 per pound. Thus, the Class II butterfat price is \$1.6925 per pound. The protein and other solids prices for January 2015 are \$2.6731 and \$0.4001 per pound, respectively. These component prices set the Class III skim milk price at \$10.65 per cwt. The January 2015 Class IV skim milk price is \$7.60, which is derived from the nonfat solids price of \$0.8439 per pound.

**Product Price Averages:** The product price averages for January 2015 are: butter: \$1.5633, nonfat dry milk: \$1.0202, cheese: \$1.5807, and dry whey: \$0.5875.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT <sup>1/2/</sup>						
Federal Milk Order Marketing Areas <sup>3/</sup>	Order Number	January 2015				February 2015
		Class I	Class II	Class III	Class IV	Class I
		Dollars Per 100 Pounds				
Northeast (Boston) <sup>4/</sup>	001	21.83	16.18	16.18	13.23	19.49
Appalachian (Charlotte) <sup>5/ 6/</sup>	005	21.98	16.18	16.18	13.23	19.64
Florida (Tampa) <sup>6/ 7/</sup>	006	23.98	16.18	16.18	13.23	21.64
Southeast (Atlanta) <sup>6/ 8/</sup>	007	22.38	16.18	16.18	13.23	20.04
Upper Midwest (Chicago) <sup>9/</sup>	030	20.38	16.18	16.18	13.23	18.04
Central (Kansas City) <sup>10/</sup>	032	20.58	16.18	16.18	13.23	18.24
Mideast (Cleveland) <sup>11/</sup>	033	20.58	16.18	16.18	13.23	18.24
Pacific Northwest (Seattle) <sup>12/</sup>	124	20.48	16.18	16.18	13.23	18.14
Southwest (Dallas) <sup>13/</sup>	126	21.58	16.18	16.18	13.23	19.24
Arizona (Phoenix)	131	20.93	16.18	16.18	13.23	18.59
All-Market Average	---	21.47	16.18	16.18	13.23	19.13

<sup>1/</sup> 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.

<sup>2/</sup> 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.

<sup>3/</sup> Names in parentheses are the major city in the principal pricing point of the markets.

<sup>4/</sup> 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.

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

<sup>6/</sup> Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted.

<sup>7/</sup> Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40.

<sup>8/</sup> Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40.

<sup>9/</sup> Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

<sup>10/</sup> 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.

<sup>11/</sup> Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

<sup>12/</sup> Class I prices at other cities are: Portland, same; and Spokane, same.

<sup>13/</sup> 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.

## FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, DECEMBER 2014

**HIGHLIGHTS.** Handler reports of receipts and utilization under the Federal milk order system for December 2014 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During December, more than 11.6 billion pounds of milk were received from Federally pooled producers. This volume of milk is 6.7 percent higher than the December 2013 volume. In December 2014 and December 2013, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. Regulated handlers pooled 3.613 billion pounds of producer milk as Class I products, down 0.8 percent when compared to the previous year. Class I utilization decreased in 8 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 31%, Class II = 10%, Class III = 45%, and Class IV = 14%. The weighted average statistical uniform price was \$20.10 per cwt, \$1.95 lower than last month and \$0.72 lower than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF DECEMBER 2014										
FEDERAL MILK ORDER MARKETING AREA 1/	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I		UTILIZATION OF PRODUCER MILK IN ALL CLASSES				UNIFORM PRICE 2/
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	CLASS I	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT	PERCENT 4/				\$ PER CWT.
Northeast (Boston)	001	2,182.4	2.2	808.4	-0.7	37	21	24	17	21.02
Appalachian (Charlotte)	005	484.4	3.2	331.3	3.4	68	13	5	14	23.52
Florida (Tampa)	006	237.4	-2.6	201.0	-1.7	85	9	2	4	26.45
Southeast (Atlanta)	007	436.2	-10.5	339.3	-3.9	78	11	4	7	24.66
Upper Midwest (Chicago)	030 3/	2,866.0	0.0	311.9	-1.5	11	2	82	4	18.47
Central (Kansas City)	032 3/	1,347.9	3.8	425.9	1.7	32	8	47	13	19.51
Mideast (Cleveland)	033 3/	1,669.3	30.0	545.3	-0.3	33	15	35	17	19.74
Pacific Northwest (Seattle)	124 3/	725.2	3.9	176.2	-1.4	24	6	41	29	18.87
Southwest (Dallas)	126 3/	1,251.5	24.8	363.5	-2.1	29	6	52	13	20.14
Arizona (Phoenix)	131	408.8	3.7	109.9	-7.5	27	10	25	38	19.42
<b>ALL MARKET AVERAGE OR TOTAL</b>	<b>3/</b>	<b>11,608.9</b>	<b>6.7</b>	<b>3,612.9</b>	<b>-0.8</b>	<b>31</b>	<b>10</b>	<b>45</b>	<b>14</b>	<b>20.10</b>

1/ Names in parentheses are the major city in the principal pricing point of the market.

2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

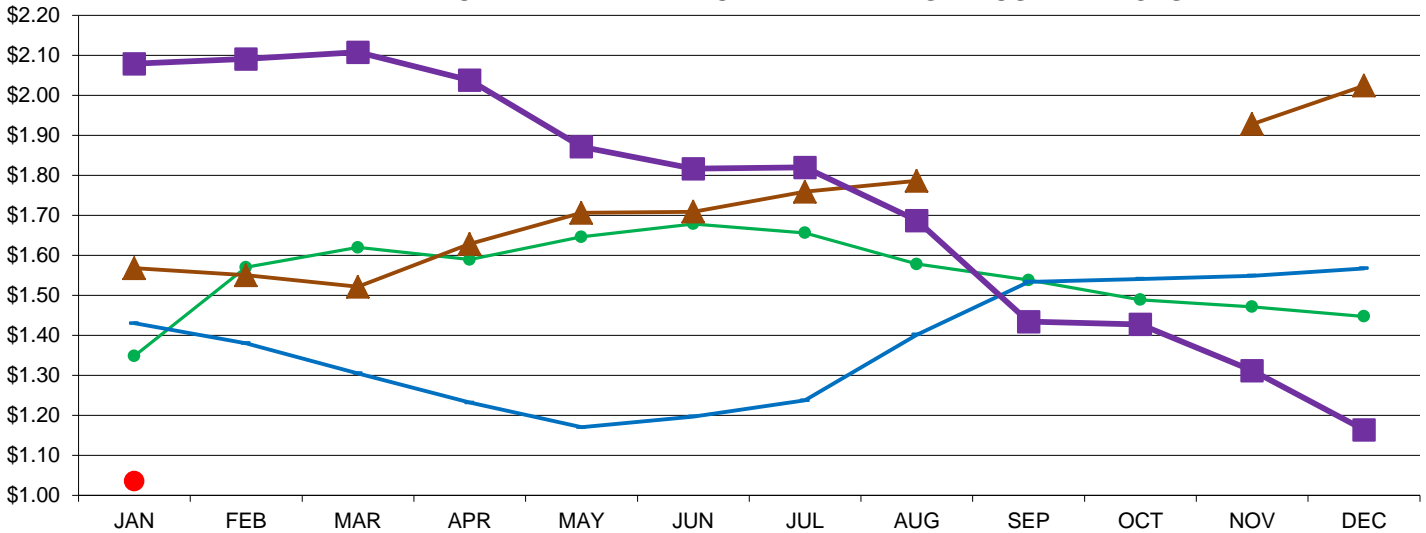
3/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform price in these markets, handlers elected not to pool an estimated 381.6 million pounds of milk that normally would have been associated with these markets. In December 2013, the estimated not pooled volume of milk was 587.6 million pounds, occurring in order numbers 030, 032, and 033. After adjusting for non pooled milk, the year-to-year percent change is -4.4%

4/ Totals may not add to 100 percent due to rounding.

Report Contact: Lorie Warren, [lorie.warren@ams.usda.gov](mailto:lorie.warren@ams.usda.gov) or 202-720-4405.

### CENTRAL & EAST LOW/MEDIUM HEAT NONFAT DRY MILK MONTHLY AVERAGE MOSTLY PRICES

PER POUND

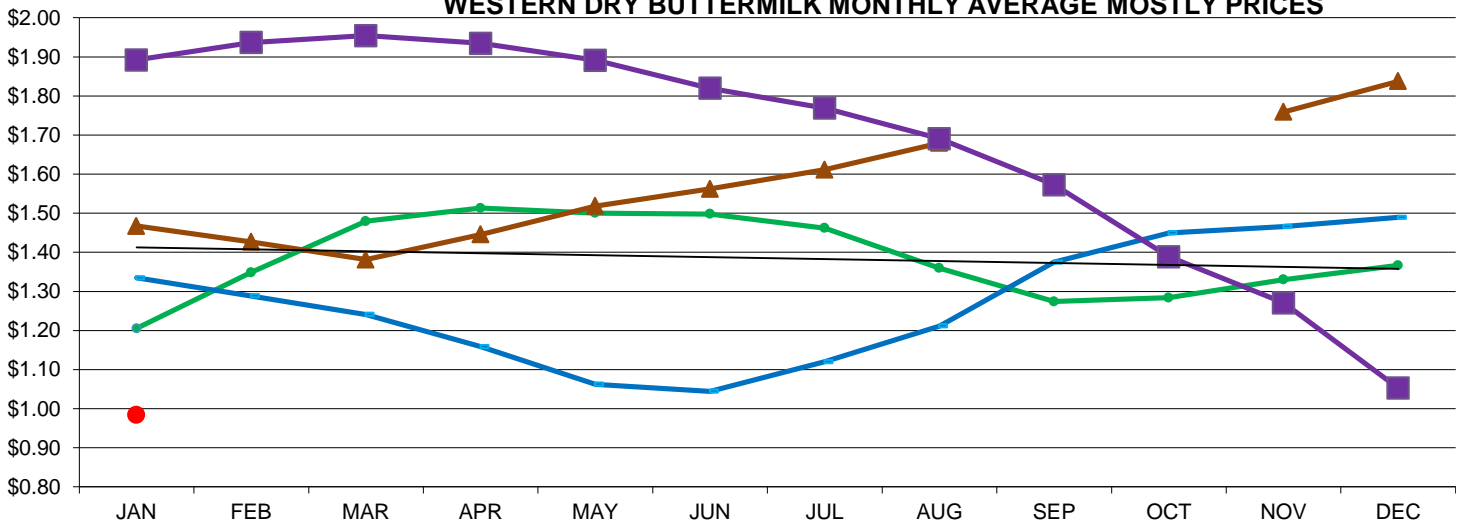


GRAPH/SOURCE USDA, AMS, DMN

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

### WESTERN DRY BUTTERMILK MONTHLY AVERAGE MOSTLY PRICES

PER POUND

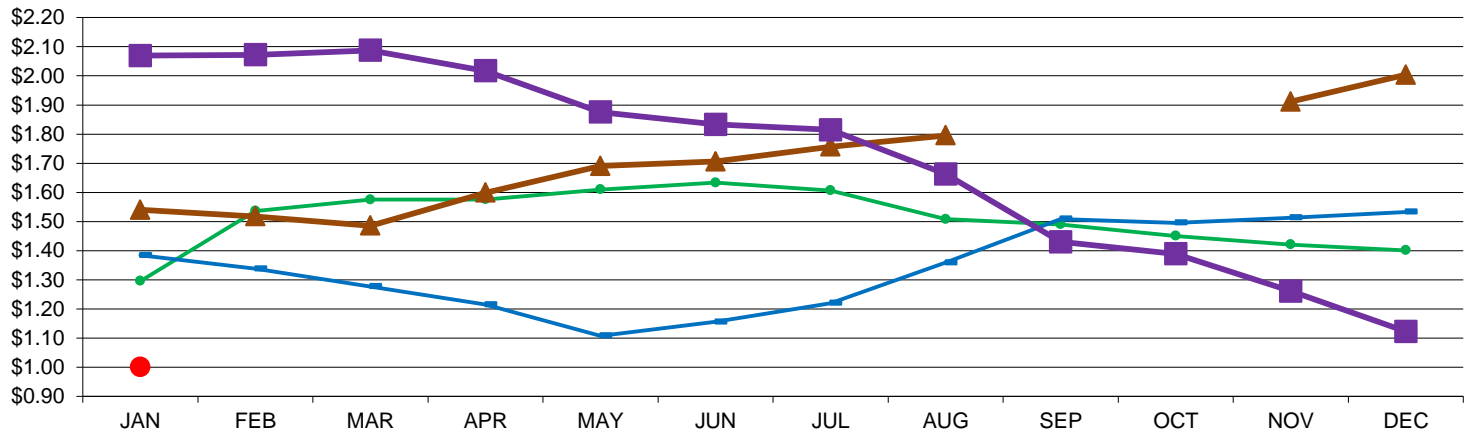


GRAPH/SOURCE USDA, AMS, DMN

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

### WESTERN LOW/MEDIUM HEAT NONFAT DRY MILK MONTHLY AVERAGE MOSTLY PRICES

PER POUND

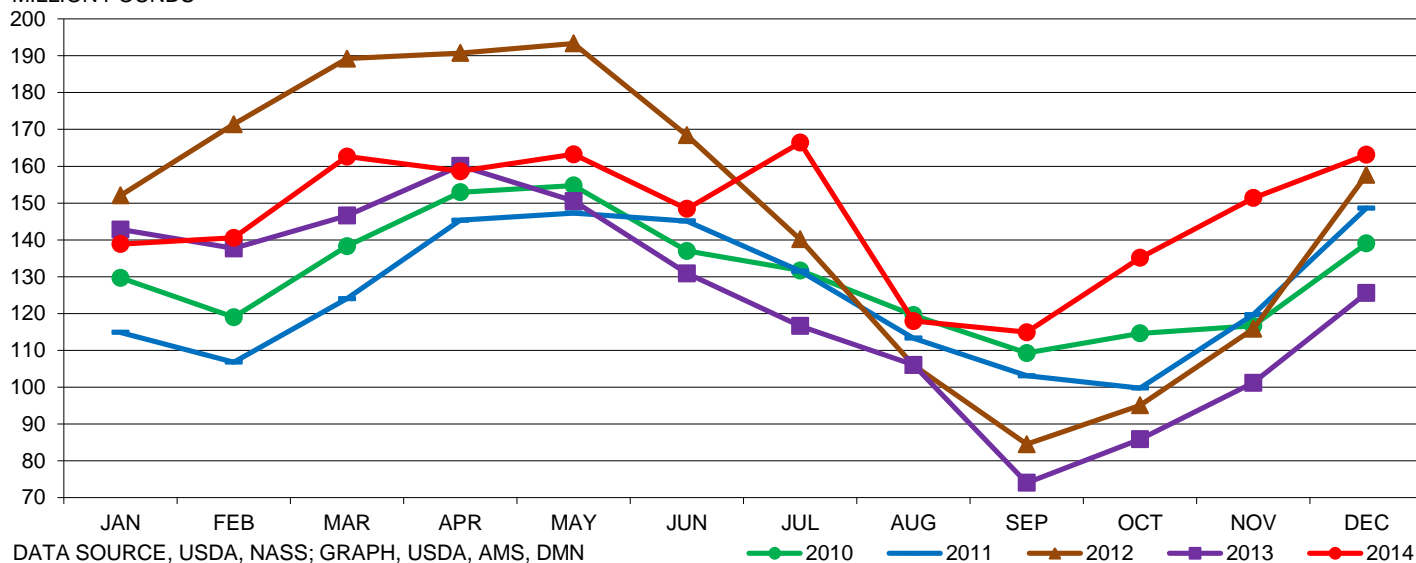


GRAPH/SOURCE USDA, AMS, DMN

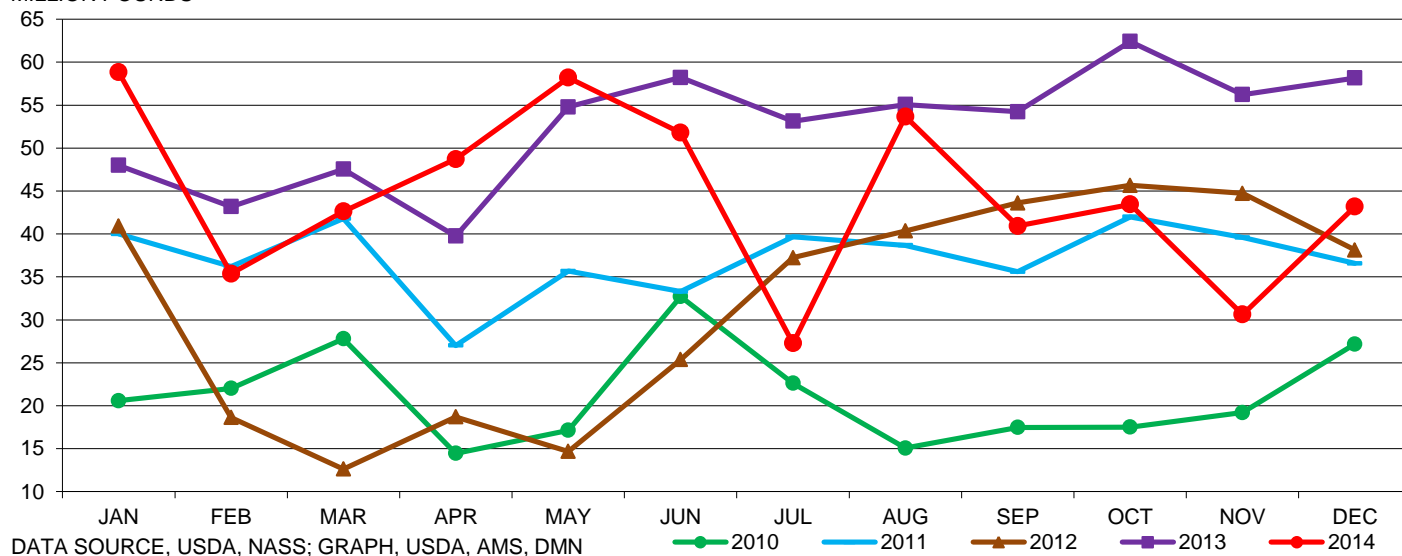
—●— 2011    — 2012    —▲— 2013    —■— 2014    —●— 2015

**U.S. NONFAT DRY MILK (NDM) PRODUCTION, HUMAN**

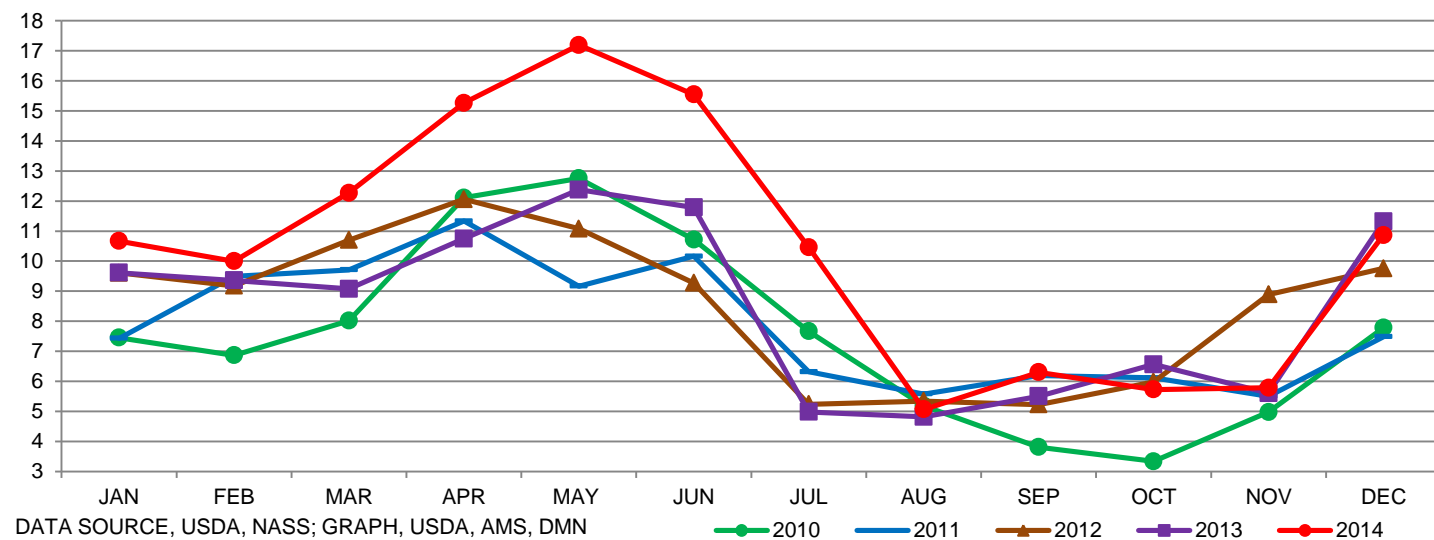
MILLION POUNDS

**U.S. SKIM MILK POWDER PRODUCTION**

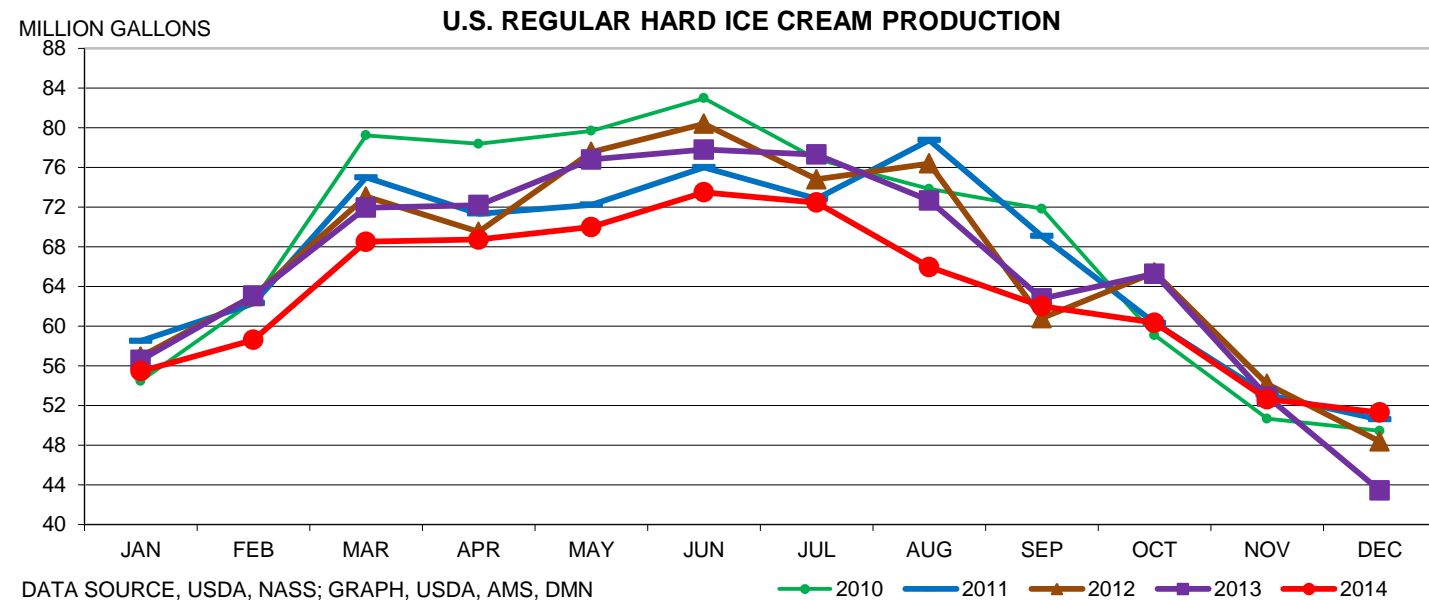
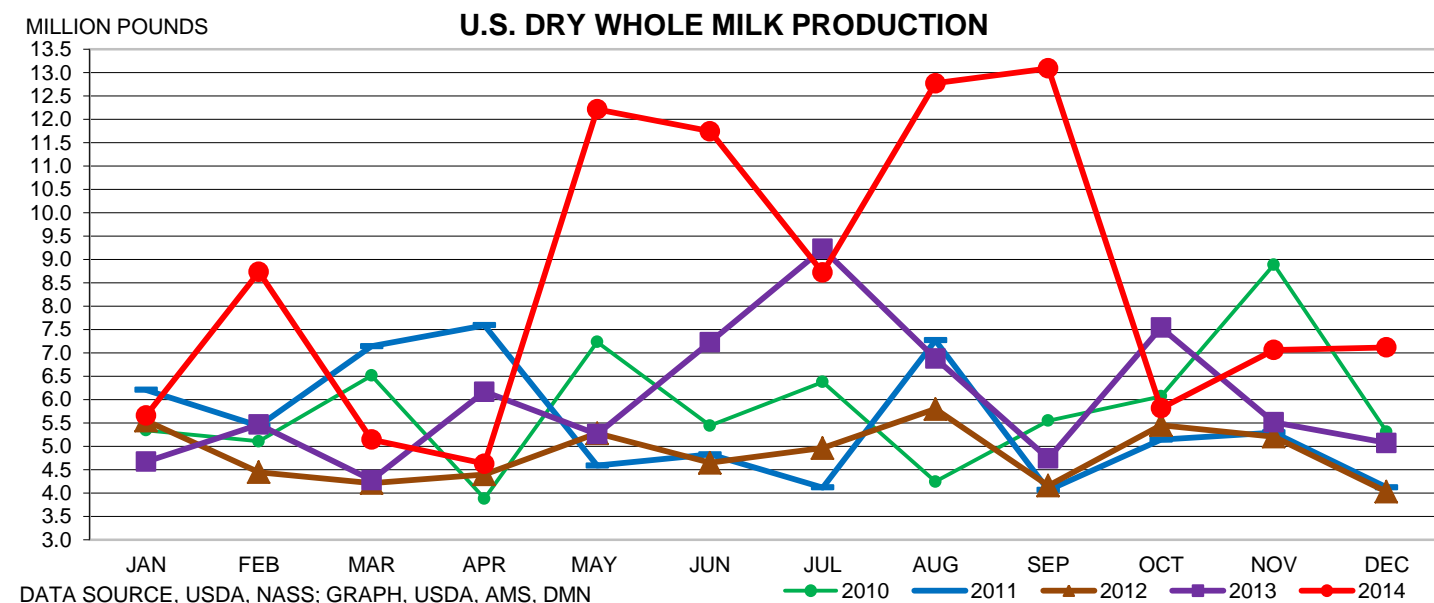
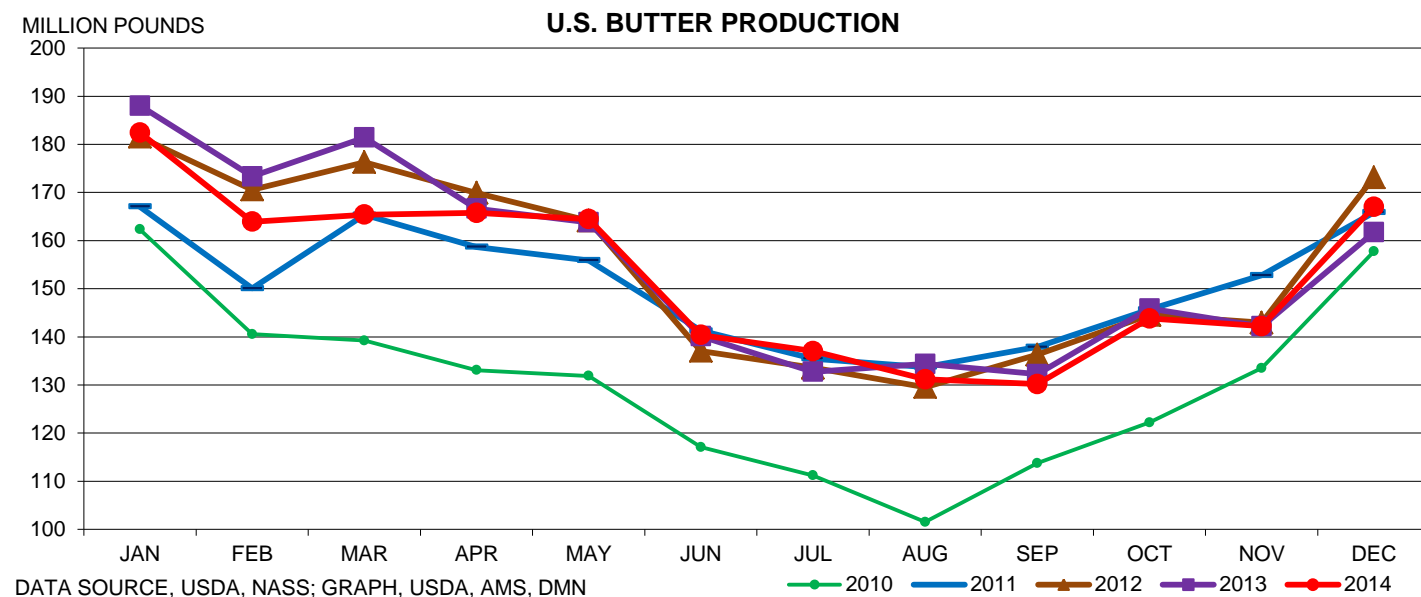
MILLION POUNDS

**U.S. MILK PROTEIN CONCENTRATE PRODUCTION,  
40.0 - 89.9% PROTEIN**

MILLION POUNDS

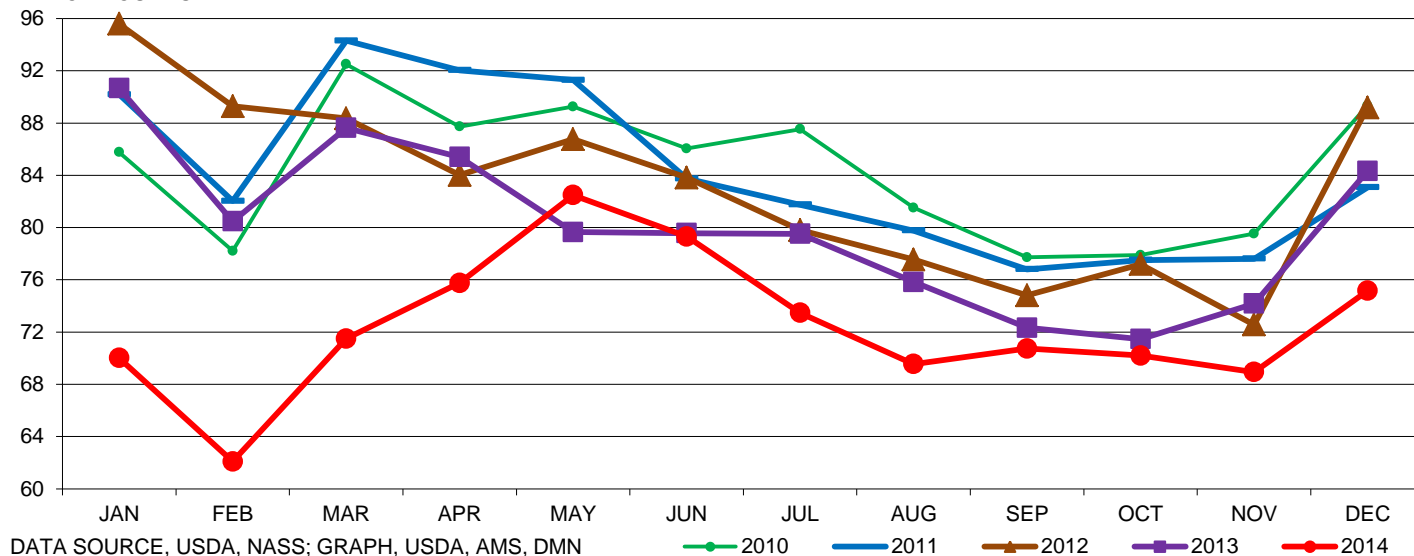






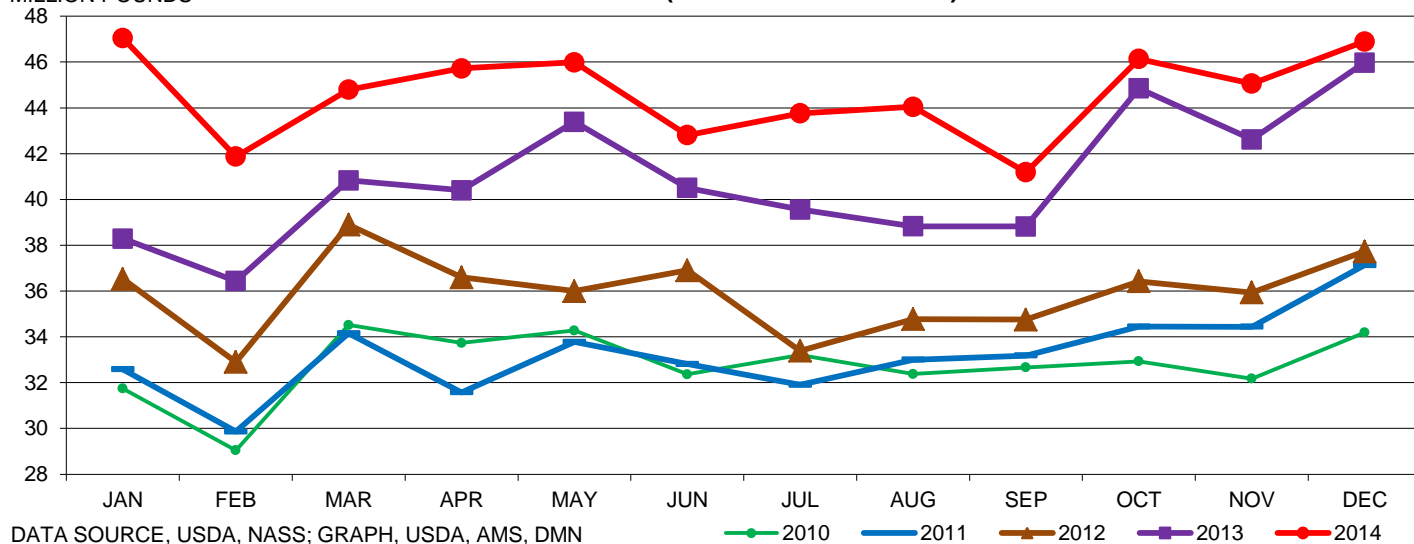
## U.S. TOTAL DRY WHEY PRODUCTION

MILLION POUNDS



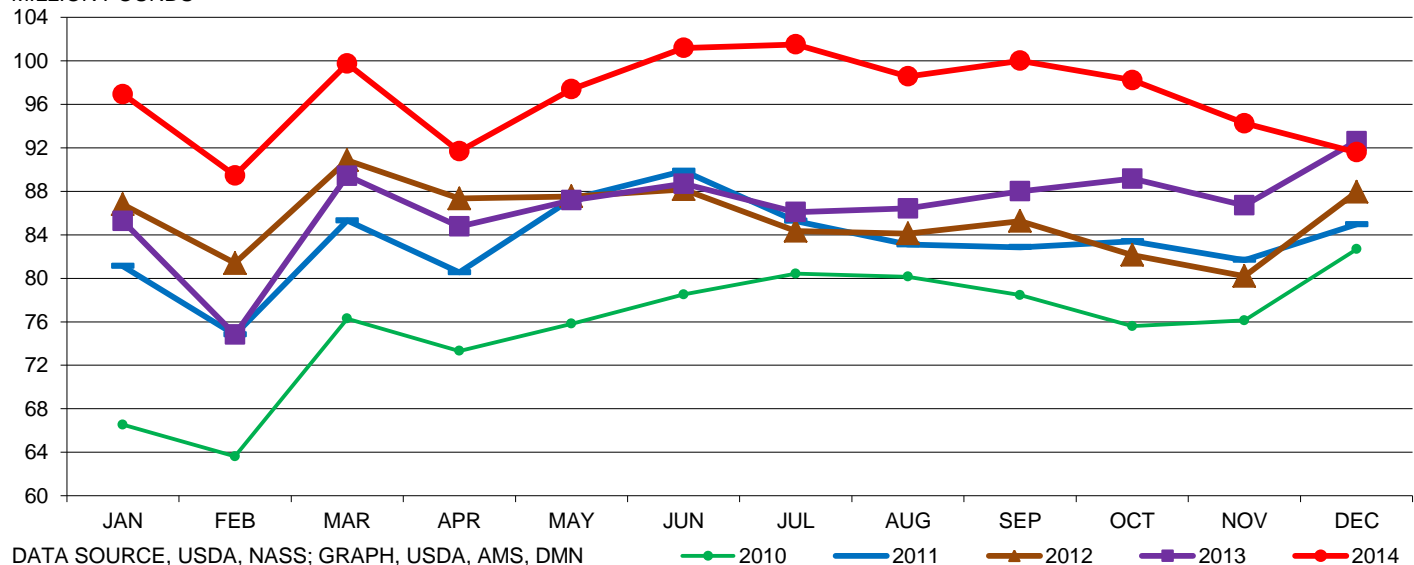
## U.S. DRY WHEY PROTEIN CONCENTRATE PRODUCTION, HUMAN (25.0 - 89.9% PROTEIN)

MILLION POUNDS



## U.S. DRY LACTOSE PRODUCTION, HUMAN &amp; ANIMAL

MILLION POUNDS





United States Department of Agriculture

# AGRICULTURAL OUTLOOK FORUM

## Smart Agriculture in the 21st Century

A Discussion on Innovation, Biotechnology, and Big Data

February 19-20, 2015 — Crystal Gateway Marriott Hotel, Arlington, Virginia



### Welcome



Krysta Harden  
Deputy Secretary  
of Agriculture

### 2015 Agricultural Outlook



Robert Johansson  
USDA Acting Chief  
Economist

### Roundtable Discussion on Agriculture



Tom Vilsack  
Secretary of  
Agriculture



Phil Hogan  
European Commissioner of  
Agriculture & Rural Development

### Food, Foreign Policy & International Order



Dr. Richard N. Haass  
President, Council on  
Foreign Relations

### Dinner Speaker



Ambassador Darcie Vetter  
Chief Agricultural Negotiator  
Office of the United States  
Trade Representative

### Plenary Panel A Discussion on Innovation, Biotechnology, and Big Data



Cory J. Reed  
John Deere & Company



Dr. Robert T. Fraley  
Monsanto



Mary Kay Thatcher  
American Farm Bureau  
Federation



Dr. Robert Sutor  
IBM Corporation

Deputy Secretary Harden Moderates Session: Tomorrow's Opportunities & Hosts Women's Networking Event

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## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Retail Report - Dairy

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

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Issued Weekly

Friday, February 6, 2015

### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 02/06/2015 to 02/12/2015

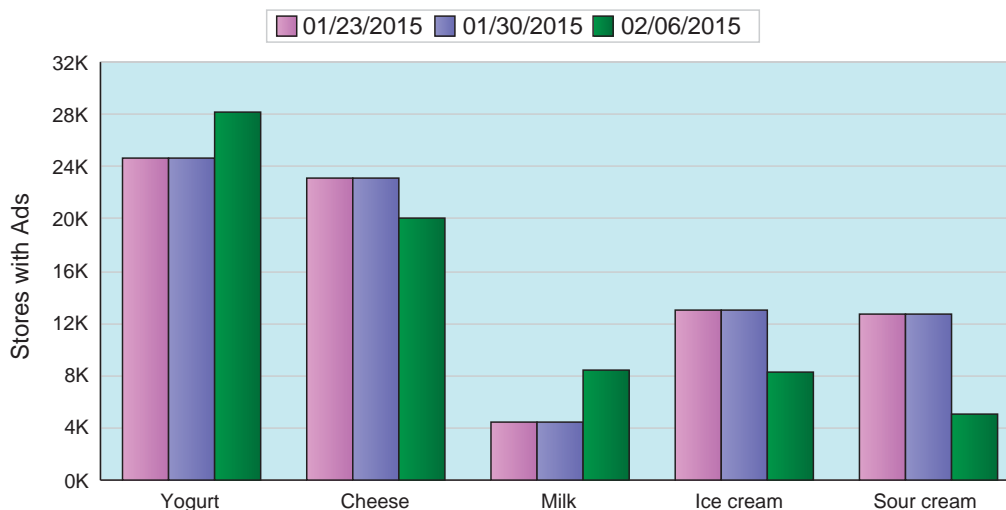
Ad volume for butter, cottage cheese, cream cheese and ice cream each declined this week. The national average advertised price for 1# butter, \$3.03, is down 29 cents from the prior week but up 6 cents from one year ago. Cottage cheese in 16 ounce containers has an average price of \$2.32, up 36 cents from one week ago and up 34 cents from one year ago. Cream cheese 8 oz. has an average price of \$1.83, up 7 cents from one week ago and up 39 cents from one year ago. Ice cream in 48-64 oz. containers has an average price of \$3.01, down 23 cents from one week ago and down 8 cents from one year ago.

Greek 4-6 ounce yogurt ad volume is greater than the combined ad volume for all other categories and sizes of yogurt. The average price of 4-6 ounce Greek yogurt, 98 cents, is down 1 cent from last week and even with one year ago. Ads for 4-6 ounce yogurt have an average price of 50 cents, down 2 cents from last week and one year ago.

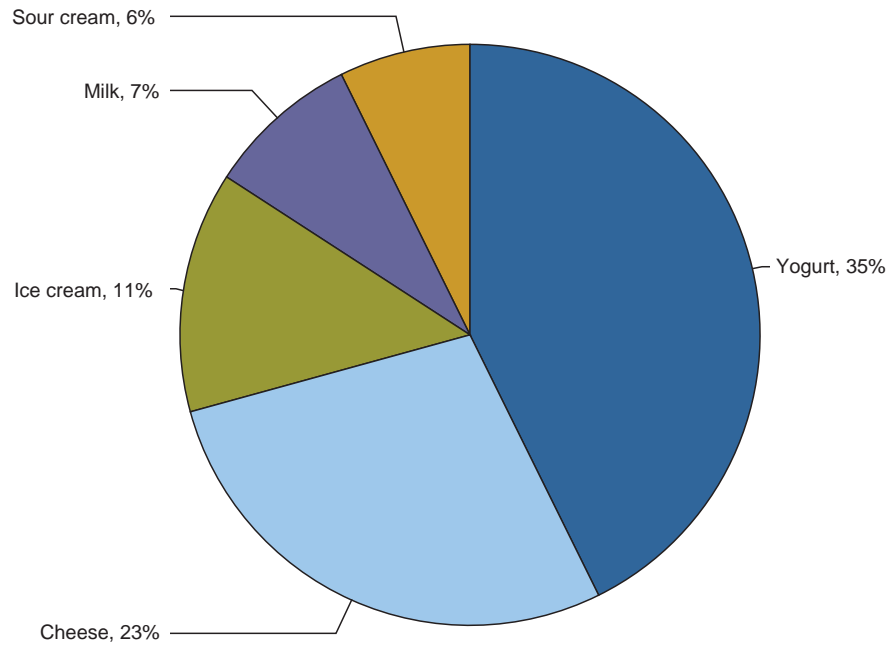
The U.S. average price for 8 ounce cheese blocks, \$2.47, is 3 cents lower than one week ago but 17 cents higher than a year ago, while 8 ounce shredded cheese at \$2.52 is down 4 cents from one week ago but up 34 cents one year ago. Ad volumes for 8 oz. blocks declined 13%, while 8 oz. shredded cheese volume declined 32% from last week.

The organic versus conventional half gallon milk price spread is \$1.97, up \$0.16 from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$1.92, down from \$2.18, and the average for organic half gallon milk, \$3.89, down from \$3.99.

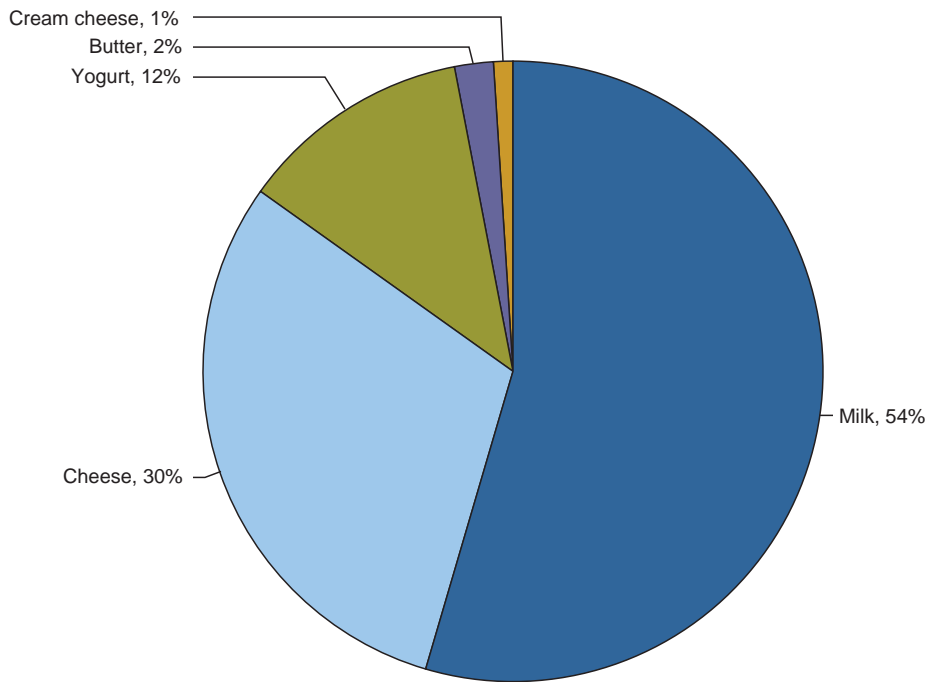
Top 5 Commodities Featured



### 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 #	1261	3.03	3673	3.32	5330	2.97
Cheese	Natural Varieties	8 oz block	5989	2.47	6858	2.50	9782	2.30
Cheese	Natural Varieties	1 # block	1923	4.52	1020	3.89	1044	3.64
Cheese	Natural Varieties	2 # block	384	7.26	861	6.40	2302	6.30
Cheese	Natural Varieties	8 oz shred	8453	2.52	12435	2.56	11153	2.18
Cheese	Natural Varieties	1 # shred	1506	3.50	1874	4.08	1296	4.60
Cottage cheese		16 oz	3096	2.32	3212	1.96	2599	1.98
Cream cheese		8 oz	4635	1.83	8220	1.76	8584	1.44
Flavored milk	All fat tests	half gallon	383	2.14	544	2.56	123	2.99
Flavored milk	All fat tests	gallon	810	4.28	238	3.25	548	3.90
Ice cream		48-64oz	8333	3.01	13050	3.24	12009	3.09
Milk	All fat tests	half gallon	1185	1.92	824	2.18	579	1.69
Milk	All fat tests	gallon	3940	2.99	1484	3.40	793	2.87
Sour cream		16 oz	5061	1.63	12577	1.78	9065	1.59
Yogurt	Greek	4-6 oz	16299	.98	16418	.99	10003	.99
Yogurt	Greek	32 oz	1858	4.31	1450	3.79	112	4.99
Yogurt	Yogurt	4-6 oz	7574	.50	3956	.52	6021	.52
Yogurt	Yogurt	32 oz	1745	2.02	582	2.35	1221	2.32

## 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 #	2.50-3.99	677	3.16	2.50	64	2.50	2.00	69	2.00
Cheese	Natural Varieties	8 oz block	1.50-2.99	2452	2.35	1.99-2.98	836	2.38	1.66-2.50	470	2.17
Cheese	Natural Varieties	1 # block	3.49-3.99	647	3.91				4.69	213	4.69
Cheese	Natural Varieties	8 oz shred	1.88-3.00	2694	2.47	1.99-2.79	1026	2.43	1.99-2.50	795	2.34
Cheese	Natural Varieties	1 # shred	3.29-3.99	317	3.43	2.99-3.29	437	3.15	2.99-3.99	401	3.35
Cottage cheese		16 oz	1.99-2.69	670	2.25	2.00-2.69	1529	2.49	1.49-1.99	285	1.64
Cream cheese		8 oz	1.20-2.50	2298	1.92	0.79-2.50	1015	1.83	1.00-1.99	594	1.58
Flavored milk	All fat tests	half gallon	2.50	100	2.50				1.25-2.50	283	2.01
Flavored milk	All fat tests	gallon							2.47-2.50	172	2.49
Ice cream		48-64oz	2.50-3.50	3047	2.79	2.50-4.99	1160	3.61	1.48-3.99	1981	3.04
Milk	All fat tests	half gallon							1.00-1.49	451	1.23
Milk	All fat tests	gallon	2.88	162	2.88	2.50-2.99	488	2.73	2.50-2.99	616	2.87
Sour cream		16 oz	1.29-2.00	2073	1.60	1.00-2.28	1337	1.81	1.00-1.50	966	1.37
Yogurt	Greek	4-6 oz	0.60-1.25	4516	.97	0.89-1.00	3419	.96	0.88-1.00	1910	.99
Yogurt	Greek	32 oz	3.99	282	3.99	4.49	84	4.49	4.29	119	4.29
Yogurt	Yogurt	4-6 oz	0.40-0.60	2201	.52	0.33-0.60	1388	.48	0.33-0.57	1031	.47

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	1.97-2.50	375	2.34	1.97	1002	1.97			

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				3.98	137	3.98	2.49-3.33	314	2.66
Cheese	Natural Varieties	8 oz block	1.99-2.99	808	2.39	1.99-2.99	938	2.89	1.99-2.99	485	2.85
Cheese	Natural Varieties	1 # block	4.99	235	4.99	3.99-4.99	539	4.72	4.99	289	4.99
Cheese	Natural Varieties	2 # block	7.49	82	7.49	6.99	241	6.99	7.99	61	7.99
Cheese	Natural Varieties	8 oz shred	1.99-3.00	1678	2.43	1.99-2.99	1610	2.73	1.99-2.99	650	2.76
Cheese	Natural Varieties	1 # shred	3.29	151	3.29	4.49-4.99	200	4.83			
Cottage cheese		16 oz	2.00	210	2.00	2.49	167	2.49	1.99-2.79	235	2.36
Cream cheese		8 oz	1.25-2.50	352	1.57	1.79	117	1.79	1.25-2.50	259	1.91
Flavored milk	All fat tests	gallon	3.69-4.99	235	4.36	4.99	114	4.99	4.99	289	4.99
Ice cream		48-64oz	1.48-3.99	678	3.05	2.50-2.99	641	2.71	2.50-3.99	826	3.12
Milk	All fat tests	half gallon	1.00	78	1.00	2.50-2.99	424	2.78	1.25-2.49	232	2.01
Milk	All fat tests	gallon	1.99-2.99	805	2.43	1.99-4.99	1475	3.47	2.50-2.99	394	2.86
Sour cream		16 oz	1.48-2.00	506	1.74	1.79-1.89	179	1.82			
Yogurt	Greek	4-6 oz	0.69-1.00	2627	.97	1.00	1983	1.00	0.99-1.25	1844	1.03
Yogurt	Greek	32 oz	3.89-4.49	507	4.31	4.49	472	4.49	3.69-4.49	394	4.28
Yogurt	Yogurt	4-6 oz	0.40-0.60	1194	.50	0.50	1218	.50	0.50	542	.50
Yogurt	Yogurt	32 oz				0.39	120	.39	2.50	248	2.50

## NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	137	5.49	274	3.99	165	4.49
Cheese	Natural Varieties	8 oz block	900	3.99				
Cheese	Natural Varieties	8 oz shred	935	3.96				
Cream cheese		8 oz	59	3.19				
Milk	All fat tests	half gallon	2134	3.89	137	3.99	2681	3.59
Milk	All fat tests	gallon	563	5.01			508	5.09
Milk	All fat tests	8 oz UHT	604	1.00	1946	1.00	342	.97
Sour cream		16 oz	59	4.49			703	1.99
Yogurt	Greek	4-6 oz	194	1.09	1279	1.21	990	1.03

Wtd Avg - Simple weighted average



Yogurt	Greek	32 oz	538	4.22	153	6.17		
Yogurt	Yogurt	32 oz			884	3.92		

## 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
Cream cheese		8 oz	3.19	59	3.19						
Milk	All fat tests	half gallon	3.89	110	3.89	3.89	1002	3.89			
Milk	All fat tests	8 oz UHT	1.00	543	1.00	1.00	61	1.00			
Sour cream		16 oz	4.49	59	4.49						
Yogurt	Greek	4-6 oz	0.99-1.25	131	1.13						
Yogurt	Greek	32 oz							3.49	180	3.49

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 #				5.49	137	5.49			
Cheese	Natural Varieties	8 oz block	3.99	121	3.99	3.99	490	3.99	3.99	289	3.99
Cheese	Natural Varieties	8 oz shred	3.50-3.99	172	3.84	3.99	474	3.99	3.99	289	3.99
Milk	All fat tests	half gallon	3.99	235	3.99	3.99-4.99	495	4.27	2.99-3.49	292	3.17
Milk	All fat tests	gallon				5.98-6.19	274	6.09	3.99	289	3.99
Yogurt	Greek	4-6 oz	0.99	63	.99						
Yogurt	Greek	32 oz							4.49-4.99	358	4.59

## 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

# DAIRY MARKET NEWS

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