

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (3/13)

BUTTER: Grade AA closed at \$1.6950. The weekly average for Grade AA is \$1.7100 (-.0460).

CHEESE: Barrels closed at \$1.5450 and 40# blocks at \$1.5700. The weekly average for barrels is \$1.5450 (+.0515) and blocks, \$1.5680 (+.0160).

BUTTER HIGHLIGHTS: Production is strong in the West and Central regions, but declining slightly in the Northeast. Inventories for print butter are mixed as print demand has increased due to the spring holidays approaching. The strength of the dollar has made export interest light. Cream availability is tight throughout the regions as needs for other cream products increase. Bulk butter is available. Bulk butter demand has increased as supplies have tightened. This week a cooperative export assistance program accepted requests for 176,370 pounds of butter. Friday at the CME Group, Grade AA butter closed at \$1.6950, down \$.0550 from a week ago.

CHEESE HIGHLIGHTS: Cheese production nationally remains strong and customer interest is maintaining sales levels. Milk supplies in all regions are conducive to needs of cheese plants, with some plants purchasing surplus milk at below Class prices to further increase schedules and output. Manufacturer inventories of cheese are sometimes too thin to fill orders requesting sudden delivery, which is what often generates acquiring surplus milk to fill orders. Some customers are building their own cheese inventories as a hedge against possible future price increases, with memories of prices last year reaching the \$2.40s still fresh. Importers have taken advantage of the strong dollar and some excess supplies in Europe, due to the Russian ban, to rebuild stocks. According to FAS, imports of high tier and quota Italian-type cheese from January through February 2015 totaled 4.7 million pounds, up 64% compared to last year. Imports of quota Italian-type cheese for February totaled 1.4 million pounds, 173% higher than last year. Imports of high tier and quota Swiss/Emmenthaler varieties from January through February 2015 totaled 8.3 million pounds, 41% more than last year. Imports of quota Swiss/Emmenthaler for February totaled 4.3 million pounds, 57% higher than last year. Friday in CME Group trading, barrels closed at \$1.5450, up \$.0500 from last Friday and 40# blocks closed at \$1.5700, up \$.0100 from last Friday.

FLUID MILK: Milk production is steady to increasing across the nation. Warmer weather across the northern tier of states has

improved cow comfort levels. Arizona milk production is near its seasonal peak. New Mexico processors are working additional loads caused by last week's inclement weather and operational issues. Class I demand is mixed as some educational institutions are on spring break. Increased ice cream production schedules are pulling additional loads of condensed skim and cream. Cream is actively clearing to butter churns ahead of the upcoming holiday.

DRY PRODUCTS: Prices for nonfat dry milk were mixed on an unsettled market. Production is increasing as milk production expands along the seasonal trend. Inventories are building. Most buyers are reluctant to get too far ahead of the foreseeable near term demand. Dry buttermilk prices were unchanged to lower on a weaker trending market. Production is increasing and supplies are building. Dry whole milk prices narrowed. Market activity is light outside of contracts. Dry whey prices are unchanged to lower. Buyers are resistant to current price levels and taking a wait and see attitude, sensing prices will move lower in the future. Production is increasing as cheese orders have picked up. Some expansion in export volumes has been noted in the west. Prices for whey protein concentrate 34% moved mostly lower on a weak market. A few manufacturers are restricting production of whey protein concentrate, in the near term, to lend support to the market. Lactose prices moved lower as the market continues to show signs of oversupply.

ORGANIC DAIRY MARKET NEWS (DMN): The U.S. weighted average advertised price of organic milk half gallons is \$3.44, down 24 cents from one week ago. One year ago the price was \$3.52. The U.S. weighted average advertised price of organic milk gallons is \$5.86, up 11 cents. One year ago the price was \$5.85. The U.S. average price for 8 ounce block organic cheese is \$3.99, the same price as last week. The average price for 8 ounce shredded cheese is \$3.99, also the same as last week. Organic nonfat dry milk is reported to currently bring in the area of \$4.61, while organic sweet whey powder brings \$2.13. The easing of winter's grip has many organic dairy producers assessing their organic feed situation. Organic feed in the Northeast remains tight and expensive. Organic grain is reported to sell for \$667 a ton in some areas, with organic baleage selling around \$60 for 4x5 bale second cut clover in Northern Vermont. A number of sellers of organic hay in New York are sold out, and have

CONTINUED ON PAGE 1A

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

ORGANIC DAIRY MARKET NEWS (PAGES 8-8A)
CORRECTED MARCH FEDERAL ORDER ADVANCE PRICES (PAGE 9)
MARCH MILK SUPPLY AND DEMAND ESTIMATES (PAGES 10-11)
RELEASE DATES FEDERAL MILK ORDER PRICE DATA, 2017-2018 (PAGE 12)

DECEMBER MAILBOX PRICES (PAGE 13)
DAIRY GRAPHS (G1-G4)
NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY MAR 09	TUESDAY MAR 10	WEDNESDAY MAR 11	THURSDAY MAR 12	FRIDAY MAR 13	:: ::	WEEKLY CHANGE*	:: ::	WEEKLY AVERAGE#
CHEESE									
BARRELS	\$1.5250 (+.0300)	\$1.5450 (+.0200)	\$1.5650 (+.0200)	\$1.5450 (-.0200)	\$1.5450 (N.C.)	:: ::	(+.0500)	:: ::	\$1.5450 (+.0515)
40# BLOCKS	\$1.5650 (+.0050)	\$1.5650 (N.C.)	\$1.5700 (+.0050)	\$1.5700 (N.C.)	\$1.5700 (N.C.)	:: ::	(+.0100)	:: ::	\$1.5680 (+.0160)
NONFAT DRY MILK									
GRADE A	\$1.0250 (N.C.)	\$1.0250 (N.C.)	\$1.0000 (-.0250)	\$.9950 (-.0050)	\$.9925 (-.0025)	:: ::	(-.0325)	:: ::	\$1.0075 (-.0835)
BUTTER									
GRADE AA	\$1.7300 (-.0200)	\$1.7150 (-.0150)	\$1.7050 (-.0100)	\$1.7050 (N.C.)	\$1.6950 (-.0100)	:: ::	(-.0550)	:: ::	\$1.7100 (-.0460)

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CONTINUED FROM PAGE 1

been for some time. An organization representing organic dairy producers has found “no evidence” of producers transitioning from conventional to organic dairy under present conditions. This has led to increased U.S. consumer demand for organic dairy products being addressed with increased volumes of imported organic cheese and powders from Oceania.

CORRECTED MARCH FEDERAL ORDER ADVANCE PRICES (FMMO): Under the Federal milk order pricing system, the base Class I price for March 2015 is \$15.56 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$9.59 and the advanced butterfat pricing factor of \$1.8008. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price. The base Class I price decreased \$0.68 per cwt when compared to the previous month of February 2015. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$0.71 per cwt, -\$0.061 per gallon; reduced fat milk (2%), -\$0.89 per cwt, -\$0.077 per gallon; fat-free (skim milk), -\$1.10 per cwt, -\$0.095 per gallon. The advanced Class IV skim milk pricing factor is \$7.61. Thus, the Class II skim milk price for March 2015 is \$8.31 per cwt, and the Class II nonfat solids price is \$0.9233. The two-week product price averages for March 2015 are: butter \$1.6585, nonfat dry milk \$1.0213, cheese \$1.5408 and dry whey \$0.5415.

MARCH MILK SUPPLY AND DEMAND ESTIMATES (WAOB): The milk production forecast for 2015 is lowered from last month as slower growth in output per cow more than offsets faster herd expansion. Both fat and skim-solids exports for 2015 are reduced as export demand is hampered by a strong dollar and increased competition from other exporters. Fat basis imports are higher on expectations of greater butterfat imports. However, robust domestic demand is expected to support increased product use. Product price forecasts for butter and nonfat dry milk (NDM) are higher, supported by demand and price strength to date. Cheese prices are unchanged at the midpoint but the range is narrowed. Whey is lower on weaker demand. The Class III price is lowered on reduced whey prices. The Class IV price is higher due to higher NDM prices and butter prices. The all milk price is forecast at \$17.05 to \$17.65 per cwt.

DECEMBER MAILBOX PRICES (AMS & CDFA): In December 2014, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$20.83 per cwt, down \$2.19 from the November 2014 revised average, and down \$1.21 per cwt from the December 2013 average. The component tests of producer milk in December 2014 were: butterfat, 3.86%; protein, 3.19%; and other solids, 5.74%. When compared to the previous month, the December Mailbox prices decreased in all Federal milk order reporting areas with a simple average decrease of \$1.98/cwt. Minnesota experienced the greatest decrease of \$3.61/cwt. Mailbox prices in December 2014 ranged from \$25.98 in Florida to \$18.09 in New Mexico.

NATIONAL RETAIL REPORT-DAIRY (DMN): National ad volumes for conventional dairy products declined 12%, while organic dairy products saw a significant 77% drop in ads. The U.S. average advertised price for 8 ounce cheese blocks, \$2.30, is 3 cents lower than one week ago, and 14 cents lower than a year ago, while 8 ounce shredded cheese at \$2.35, down 32 cents from one week ago, but 1 cent higher from one year ago. Store ads for Greek 4-6 ounce totaled 48% of all other categories and sizes of yogurt, a 36% decline from the previous week. The average price of 4-6 ounce Greek yogurt, \$0.96, is down 2 cents from last week and 3 cent lower than one year ago. Ads for 4-6 ounce yogurt have an average price of 47 cents, unchanged from last week and 3 cents lower from one year ago. National average prices for butter and cream cheese are trending higher but ice cream, cottage cheese and sour cream prices all declined. The national average prices and changes compared to last week are: 1# butter \$3.26, +24 cents; cream cheese \$2.16, + 33 cents; ice cream \$2.96, -10 cents; 16 oz. cottage cheese \$2.19, -7 cents; and 48-64 oz. sour cream \$1.75, - 10 cents. The organic - conventional half gallon milk price spread is \$1.68, down \$0.01 from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$1.76, down 23 cents from one week ago, and the average for organic half gallon milk, \$3.44, down 24 cents from last week.

CME GROUP**MONDAY, MARCH 9, 2015**

CHEESE -- SALES: 3 CARS 40# BLOCKS: 2 @ \$1.5600, 1 @ \$1.5650; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5250; 1 CAR 40# BLOCKS @ \$1.5600; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.5700
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 8 CARS GRADE AA: 1 @ \$1.7400, 1 @ \$1.7350, 1 @ \$1.7400, 1 @ \$1.7350, 1 @ \$1.7300, 1 @ \$1.7400, 1 @ \$1.7500, 1 @ \$1.7325; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7300

TUESDAY, MARCH 10, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5450; 2 CARS 40# BLOCKS @ \$1.5600; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9900; LAST OFFER UNCOVERED: 4 CARS GRADE A @ \$1.0325
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7050; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7150

WEDNESDAY, MARCH 11, 2015

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.5700; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.5650; 2 CARS 40# BLOCKS @ \$1.5650; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 8 CARS GRADE A: 4 @ \$1.0200, 1 @ \$1.0000, 2 @ \$1.0100, 1 @ \$1.0000; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.0000; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.7050; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7050; LAST OFFER UNCOVERED: NONE

THURSDAY, MARCH 12, 2015

CHEESE -- SALES: 5 CARS BARRELS: 3 @ \$1.5650, 1 @ \$1.5500, 1 @ \$1.5450; 3 CARS 40# BLOCKS @ \$1.5700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5450; 2 CARS 40# BLOCKS @ \$1.5700
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.9950; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9700; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.0050
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.6850; LAST OFFER UNCOVERED: NONE

FRIDAY, MARCH 13, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS 40# BLOCKS @ \$1.5750
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.9925; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9500; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.6950; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.6800; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS**NORTHEAST**

Butter production is slightly down from the pace of previous weeks. Reports indicate declines in churning rates at some facilities with upticks in cream demand from other Classes. In anticipation of Easter and Passover holidays, interest is good for available butter holdings, with increases in sales of specialty butter. However, buyers are expressing difficulty in locating and procuring unsalted spot butter. Manufacturing inventories are mixed. Contractual orders are being met, as domestic butter accounts pull from current butter supplies. Export interest remains sluggish. The current bulk butter prices for domestic sales are reported 5 cents over the market of the CME Group, with various time frames and averages used. According to the *DMN National Retail Report-Dairy*, for March 6-12, the national weighted average advertised price for 1-pound butter is \$3.02, up \$0.25 from a week ago. The price in the Northeast is \$3.43, a \$0.01 drop from the previous week. The Southeast butter price is \$2.74, an increase of \$.29 compared to a week ago. Tuesday's CME Group cash trading saw Grade AA butter close at \$1.7150, down \$0.0350 from a week ago. The Foreign Agricultural Service (FAS) reports January 2015 U.S. exports of butter and milkfat totaled 5.7 million pounds, a 75% reduction from a year ago.

DAIRY PRODUCTS: According to NASS, U.S. butter production for January 2015 totals 179.5 million pounds, down 1.6% from last year, but up 7.1% from a month ago. Butter output in the Atlantic region totals 21.3 million pounds, up 4.0% from last year and 9.0% from a month ago.

CENTRAL

Central butter prices are moving lower this week. Many butter churns are full as operators get ready for spring holiday retail and food service orders. The market tone is firm as demand is strengthening. Some butter manufacturers are busy focusing on print

butter contract commitments. Inventories of butter are light to moderate as some manufacturers are unable to grow stocks with current interest. Bulk butter prices increased on improved demand and limited supplies, ranging from market to 6 cents over the market, based on the CME Group and various time frames. The Grade AA butter price at the CME Group closed Wednesday at \$1.7050, a 4.5 cent decrease from last Wednesday's close. This week, a cooperative assistance program assisted on 176,370 pounds of butter for export. According to the Foreign Agricultural Service, exports of butter during January 2015 totaled 5.7 million pounds, a 75% decrease from a year ago.

WEST

Butter production to meet Easter season demand is said to be keeping print butter churning volumes strong. Bulk butter manufacturing is also strong. Both factors are seasonally expected. The demand for cream is causing supplies to tighten, with cream moving into California from Idaho and Arizona to keep churns supplied. So far, increasing volumes of cream from standardization of increasing milk supplies is helping sustain cream available for churns and reduce the factor of cream needs for other uses of cream such as ice cream, cream cheese, and sour cream. Butter inventories are generally balanced. The *DMN National Retail Report-Dairy* ads for the week of March 6 -12, shows the U.S. weighted average advertised retail price for a one pound pack of butter at \$3.02, up \$.25 from last week and \$.11 higher than one year ago. Butter ad prices averaged \$3.88 in the Southwest, with a price range \$2.50-\$5.49, and \$3.11 in the Northwest, with a price range \$2.99-\$3.29. This week a cooperative export assistance program accepted requests for 176,370 pounds of butter. The Grade AA butter price at the CME Group on Wednesday closed at \$1.7050, down \$.0450 from a week ago.

CONTINUED ON PAGE 2A

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

<u>WEEK ENDING</u>	<u>BUTTER</u>	<u>CHEESE 40# BLOCKS</u>	<u>CHEESE BARRELS 38% MOISTURE</u>	<u>DRY WHEY</u>	<u>NDM</u>
March 7, 2015	1.6832 4,540,219	1.5589 11,124,982	1.5296 10,397,994	.5058 5,916,618	1.0463 16,964,521

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

CONTINUED FROM PAGE 2

2015 U.S. Butter and Milkfat Exports, (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
January Total	5.7	- 75
Total, Jan - Jan	5.7	- 75
1 Mexico	2.4	+ 742
2 Iran	1.0	- 57
3 Saudi Arabia	0.5	- 88
4 Canada	0.5	+ 20
5 Nigeria	0.3	- 17

CHEESE MARKETS

NORTHEAST

Milk supplies are enabling heavy seasonal production for most cheese operations in the region. Orders from contracted customers remain good, as an early Easter holiday stimulates current interest. Export demand is discouraged by competitive global prices and the strength of the dollar. In general, most buyers are exercising caution with purchases, while not altogether sure when the market will reach its bottom. This week, the Northeast wholesale cheese prices for cheddar, muenster and process 5# sliced rose \$0.0075. Prices for Grade A Swiss Cuts 10-14# declined \$0.4575, the result of lagging adjustments based on Class III component prices. Tuesday's CME Group daily cash prices saw barrels close at \$1.5450, up \$0.0525 from a week ago; blocks closed at \$1.5650, up \$0.0200 from a week ago. According to the DMN *National Retail Report-Dairy*, for March 6-12, the national weighted average advertised price for 8 oz. cheese blocks in the Northeast is \$2.50; 17 cents more than the national average and 27 cents more than a week ago. The Southeast 8 oz. block cheese price was \$2.07, 10 cents more than the previous week. The Foreign Agricultural Service (FAS) reports that January 2015 U.S. cheese and curd exports totaled 52.4 million pounds, a 26% drop from a year ago. DAIRY PRODUCTS: According to NASS, U.S. total cheese production in January 2015 was 980.1 million pounds, 2.8% more than a year ago. In the Atlantic region, total cheese production was 123.0 million pounds, 6.3% more than a year ago but 0.8% less than the previous month. Total cheese production and percentage change from one year ago for Eastern states are: New York 66.9 million pounds, +9.4%; Pennsylvania 38.6 million pounds, +6.4%; and Vermont 10.7 million pounds, +1.9%.

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

Cheddar 40# Block	:	1.9500-2.2350
Process 5# Sliced	:	1.7175-2.1975
Muenster	:	1.9700-2.3200
Grade A Swiss Cuts 10 - 14#	:	3.4350-3.7575

MIDWEST

Buying interest for cheese in the upper Midwest is strong, even stronger than recent weeks for some plants. This is leading to increased cheese production following weeks of already strong production schedules. Some cheese buyers calling this week are surprising sales managers with unsolicited and unexpected requests for cheese to be delivered as early as next week and through the end of April. This has led to purchasing spot milk to be able to increase production schedules. With spot milk available ranging to \$2.00 to \$3.00 under class, manufacturing more cheese for orders in hand is welcome. Some plants have thin cheese inventory levels because they have been selling almost all of what they have made, which is why buying more milk is necessary to meet last minute new orders for cheese. For the immediate future, continuing active cheese production is planned to keep up with buying demand. Some manufacturers would like to transition to holding somewhat more inventories to have a greater ability to respond to buyers aside from scrambling to produce more cheese in a short time frame. The *National Retail Report-Dairy* (DMN) found that March 6 to March 12 Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.36, 31 cents lower than the national average, \$2.67. One year ago the national average price was \$2.34. The Midwest price range is \$1.88 to \$3.49. For 8 ounce blocks, the Midwest average price is \$2.12, 21 cents lower than the national average price, \$2.33. One year ago the national average price was \$2.44. The Midwest price range is \$1.88 to \$2.50. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process are up

\$0.0075, Swiss is down \$.4575 following the change in the Class III price, and the remaining varieties are up \$.0075. In CME Group cheese trading, barrels closed Wednesday this week at \$1.5650, up \$.0725 from Wednesday last week and blocks closed at \$1.5700, up \$.0200.

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

Process American 5# Loaf	:	1.6000-1.9600
Brick And/Or Muenster 5#	:	1.9300-2.3550
Cheddar 40# Block	:	1.6575-2.0525
Monterey Jack 10#	:	1.9050-2.1100
Blue 5#	:	2.1975-3.1850
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7750-2.6700
Grade A Swiss Cuts 6 - 9#	:	2.9525-3.0700

WEST

In the West, demand for cheese purchased by commercial buyers is good as they seek cheese for aging as well as current needs. Steady demand from retail and food service customers is also noted. With memories of cheese prices reaching the \$2.40s a pound last year, many buyers are comfortable with increasing holdings in the \$1.50s as a physical hedge against potential higher prices or supply needs. Milk supplies available to cheesemakers are strong. Manufacturers are retaining some production to strengthen inventories, including cheddar and hard Italian varieties such as parmesan and Romano. The DMN *National Retail Report-Dairy* for the week of March 6 -12 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.67, up \$.26 from last week and \$.33 higher than a year ago. Packs averaged \$2.71 in the Southwest and \$2.75 in the Northwest. Western wholesale prices are up \$.0075 for process, Swiss is down \$.4575 following the change in the Class III price, and the remaining varieties are up \$.0075. This week a cooperative export assistance program accepted requests for 8.483 million pounds of Cheddar, Gouda, and Monterey Jack cheese during 2015. In CME Group cheese trading, barrels closed Wednesday at \$1.5650, up \$.0725 from Wednesday last week and blocks closed at \$1.5700, up \$.0200.

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

Process 5# Loaf	:	1.6150-1.8725
Cheddar 40# Block	:	1.6625-2.1075
Cheddar 10# Cuts	:	1.8425-2.0625
Monterey Jack 10#	:	1.8525-2.0125
Grade A Swiss Cuts 6 - 9#	:	3.0125-3.4425

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

	BUTTER	:	CHEESE
		:	
03/09/15	10,171	:	94,782
03/01/15	9,406	:	96,003
CHANGE	765	:	-1,221
% CHANGE	8	:	-1

CONTINUED ON PAGE 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

FOREIGN

Domestic foreign type cheese prices moved higher for the third consecutive week. Domestic Swiss cheese prices moved substantially lower following the change in the Class/Component prices. Imported cheese prices were unchanged. Inventories of imported cheeses were worked lower over the 2014 yearend holiday period. Importers have taken advantage of the strong dollar and some excess supplies in Europe, due to the Russian ban, to rebuild stocks. According to FAS, imports of high tier and quota Italian-type cheese from January through February 2015 totaled 4.7 million pounds, up 64% compared to last year. Imports of quota Italian-type cheese for February totaled 1.4 million pounds, 173% higher than last year. Imports of high tier and quota Swiss/Emmenthaler varieties from January through February 2015 totaled 8.3 million pounds, 41% more than last year. Imports of quota Swiss/Emmenthaler for February totaled 4.3 million pounds, 57% higher than last year.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	2.6400-5.3800	2.0900-3.5775*
Gorgonzola	3.6900-6.4900	2.5975-3.2950*
Parmesan (Italy)	-0-	3.4800-5.5700*
Provolone (Italy)	-0-	2.1325-2.3850*
Romano (Cows Milk)	-0-	3.2800-5.4300*
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-	3.5325-3.8550*
Swiss Cuts Finnish	2.6700-2.9300	-0-

*= Price change.

2015 U.S. Cheese Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Feb. Quota Imports	14.6	+ 39	5
Jan. - Feb. High Tier	5.0	+ 18	N.A.
Quota Imports	25.6	+ 24	9

2015 U.S. Cheese and Curd Exports, (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
January	52.4	- 26
Total Jan.-Jan.	52.4	- 26
1 South Korea	14.0	+ 37
2 Mexico	12.8	- 22
3 Japan	6.9	+ 5
4 Australia	2.0	- 52
5 Canada	1.5	- 49

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	40	0	43	0	140
SOUTHEAST STATES	0	0	0	0	0	0

In the Northeast and Mid-Atlantic regions, weather conditions are milder as milk production increases along seasonal trends. Manufacturing milk supplies are sufficient. Class I demand is steady. Milk production continues to rise in the Southeast. Contacts note that bottling distribution channels are full to capacity, as residual milk supplies clear to manufacturing plants. Class I demand is good. Milk production in Florida is mostly flat, as warmer conditions influence cow comfort. Temperatures hovering in the 80s are expected throughout the week. Class I sales are steady. Spot shipments of Grade A milk totaled 40 export loads, 3 less than last week. According to the *DMN National Retail Report-Dairy*, for March 6-12, the U.S. weighted average advertised price for a gallon of milk was \$2.76, a decrease of \$0.51 compared to one week ago. **Cream supplies** are less available causing multiples to firm, as buyer interest picks up. Pre-holiday butter orders are strong, combined with active cream cheese production and rising ice cream interest. **Cream multiples for all Classes** range 1.15-1.25. At the CME Group, Grade A butter closed Wednesday at \$1.7050, down \$0.0450 from a week ago. **Condensed skim** supplies are adequate. Manufacturers' supplies at some plants are primarily clearing to contractual customers. Loads trading in the Class II spot market are light again this week. With the Announcement of Class and Component Prices, market participants noted active Class III condensed skim trading, as current prices are considered competitive with nonfat dry milk.

DAIRY PRODUCTS: According to NASS, hard ice cream production in the Atlantic region for January 2015 totaled 12.2 million gallons, 14.2% more than a year ago.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, DOLLARS PER LB. BUTTERFAT:

F.O.B. producing plants: Northeast -	2.0194-2.1950
F.O.B. producing plants: Upper Midwest -	2.0896-2.1950

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:	
Northeast - Class II - includes monthly formula prices -	1.06-1.10
Northeast - Class III - spot prices -	1.18-1.22

MIDWEST

Warmer temperatures in the Central region improved milk production rates slightly. Additional milk supplies are becoming available with most milk spot load prices ranging from Class to \$3.00 under Class, with some reporting \$5.00 under. Bottling orders are mixed. Some educational institutions are on spring break resulting in reduced orders while a few milk processors experienced increased sales due to current retail promotions. Class II demand increased with many manufacturers preparing for the Spring holidays. **Cream multiples are mixed this week, ranging from 1.19 to 1.25.** Cream supplies firmed up as order volumes increased as many butter churn operators maintained or increased churn rates. Ice cream makers are slowly increasing production rates. Demand for ice cream is marginally improving as the temperatures increase. Class III interest is steady to

higher with Spring holiday orders coming in. The weekly *Cow Slaughter under Federal Inspection* report shows U.S. dairy cow slaughter for the week ending February 21, at 57,300 head, 1,100 head or 2% less than the comparable week a year ago. According to *DMN National Retail Report-Dairy*, the national weighted average advertised price for the week of March 6 - 12 for a gallon of milk was \$2.76 compared to \$3.26 a year ago and \$3.27 a week ago. In the Midwest, the advertised price for a gallon of milk was \$2.74, with a range of \$1.79 - \$3.50.

WEST

Haulers and processors in CALIFORNIA report milk volumes are about level with week ago volumes. Reports of increasing mastitis problems continue as an apparent result of showers moistening dry lot pens. Components are starting to taper off. Sales into bottling facilities are unchanged. Hard ice cream and soft mix manufacturers are running production lines and taking in condensed skim and cream loads. Production on stick/cup/cone seasonal lines has started at some locations. The April 2015 Class 1 prices in CALIFORNIA range from \$16.94 in the north to \$17.21 in the south. The statewide average Class 1 price based on production is \$16.95. That production average price is \$0.27 higher than March 2015, but \$7.94 lower than April 2014. ARIZONA processors report milk production is creeping higher and nearing the expected peak for the year. Daytime temperatures are approaching the low to mid 90s in the scattered dairy regions. Class I sales to bottlers are lower as various school districts close March 12 - 20 for parent/teacher conferences and spring break. Ice cream manufacturers are taking steady volumes of condensed skim and cream. Milk production in NEW MEXICO restarted its upswing after pausing last week. Weather conditions improved in the eastern half of the state, which is helping cow comfort. Early in the week, haulers and processors were gradually working through loads staged at yards around the area. Those staged loads were the result of hazardous driving conditions the previous week. Class I and II orders shifted lower, eventually sending additional loads to Class IV. New Mexico manufacturing plants are also clearing additional loads from some out of state handlers. At midweek, a municipal water system failure delayed processing again and disrupted milk handling plans. Cream is actively clearing into butter churns to finish holiday print orders. Sales continue into ice cream/frozen dessert facilities. Some seasonal flavor production has started, especially for soft serve specialties. Cream cheese operations are also actively clearing cream ahead of the holidays. Cream multiples are slightly lower on the bottom, unchanged on the top of the range, 1.10 to 1.25. At the CME Group, Grade AA butter closed Wednesday at \$1.7050, down \$.0450 compared to a week earlier. Western Oregon temperatures warmer than normal have advanced growth of fields for hay production. Pasture productivity is advancing and allowing more use of pastures. Milk production levels continue to rise. In Washington, a warmer than normal February has led to early growth of pastures. First cutting hay is underway. Milk production is up slightly from last week. It is hoped that the snowfall in Utah last week will benefit reservoirs which remain a matter of concern. Mild temperatures this week have returned the state to early mild weather which has left alfalfa crops three weeks ahead of normal. This has benefitted dairy producers by reducing the need for supplemental feed. Utah and Idaho milk production is up on a weekly basis. No disruptions in milk transportation or processing are reported.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Central low/medium heat nonfat dry milk prices moved down. Some manufacturers are reporting stocks have increased over year ago levels. The market tone is mixed. Some NDM inventories are offered as manufacturers dry additional amounts of available milk supplies. HIGH HEAT prices are lower on the top of the range. Demand is growing slightly as right now Q2 contract negotiations are underway. Wednesday at the CME Group, Grade A NDM closed at \$1.0000, \$.1000 lower than last Wednesday.

EAST: In general, prices for nonfat dry milk are mixed. Indicative of the nonfat market's tone, prices moved lower in the mostly series. Condensed skim supplies are adequate and clearing to low/medium nonfat dry milk production, without burdening manufacturers. Buyer/seller trading is active in both the spot and resale markets. Manufacturing stocks are considered moderate to heavy. High heat nonfat prices are steady to lower. Market activity is light with supplies available for near-term customers. Dryer time for making high heat is available at some plants. The Foreign Agricultural Service (FAS), reports that January 2015 U.S. nonfat dry milk exports totaled 77.0 million pounds, a 10% decrease from a year ago.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9700 - 1.1750 MOSTLY: 1.0700 - 1.1300
HIGH HEAT: 1.1500 - 1.2250

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are mixed on an unsettled market. Various market indices provided conflicting price movement last week, and buyers were hesitant to enter the market early this week. Throughout the week, though, reported prices edged lower. Multiple load purchases generally garnered lower prices than single load purchases. Most buyers are reluctant to get too far ahead of foreseeable near term demand. Production of low/medium heat nonfat dry milk is stepping higher in many Western states as milk production increases seasonally. Inventories are building. Western high heat nonfat dry milk prices firmed on limited market activity. Inventories are light and production is intermittent, as required by contract fulfillment.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9700 - 1.1800 MOSTLY: 1.0300 - 1.1000
HIGH HEAT: 1.1450 - 1.2400

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

	2015 Exports (Million Lb.)	% Change From 1 Year Ago
January Total	77.0	- 10
TOTAL, JAN	77.0	- 10
1 Mexico	41.4	+ 40
2 Philippines	9.3	- 40
3 Peru	4.5	+ 523
4 Malaysia	4.3	- 37
5 Indonesia	3.7	- 57

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices are coming down. Market tone is weakening. Demand for dry buttermilk is moderate to light as buyers are experiencing price advantages purchasing condensed buttermilk. Some manufacturers have had requests for additional condensed buttermilk loads. Stocks are mixed with a few manufacturers low on inventories. Other manufacturers are building inventories.

EAST: Eastern dry buttermilk saw a dip in prices while adjusting to spot movements. Output is seeing a slight decline due to increasing pulls on cream supplies from rising demand of various dairy processors. Producers' stocks are marginally building. Transactions are taking place primarily through contracts, as spot and resale interest remain sluggish. Dry buttermilk prices are susceptible to downward pressure as nonfat prices trend lower. The market undertone for dry buttermilk is weaker.

F.O.B. CENTRAL/EAST: .8150 - 1.0050

DRY BUTTERMILK - WEST

Prices for Western dry buttermilk are unchanged to lower on a continuing weak market. Some market participants have been stymied trying to find economically priced dry buttermilk loads that could fulfill back to back transactions. On the producer side, inventories are building, but apparently are not at the point of forcing sales. Therefore, lower priced loads are going to those buyers able to take on multiple loads and carry out their disbursement over the coming weeks. Those buyers looking to satisfy immediate needs are less likely to find lower prices on single/double load bids. Dry buttermilk production is ongoing, following the trend of active churning ahead of the spring holidays.

F.O.B. WEST: .7500 - 1.0000 MOSTLY: .8800 - .9200

DRY WHOLE MILK - NATIONAL

The range for dry whole milk prices narrowed, moving higher on the bottom, but lower on the top of the series. Manufacturers report light interest in whole milk powder outside of contract commitments, and price is a major factor for FOB sales outside of contracts. Sellers/buyers report spot transactions were completed to satisfy back to back, near term needs. Dry whole milk production is variable, ranging from unscheduled for the week to active, especially in some areas where discount milk loads are available and manufacturers have internal use needs.

F.O.B. PRODUCING PLANT: 1.3500 - 1.5500

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
March 6	\$.9958	10,314,639
February 27	\$1.0512	8,144,002

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 moving lower. Inventories are high. Some sellers are offering discounts in order to decrease stocks. Production levels have increased as cheese orders have picked up. The strength of the dollar is bringing down export demand. The market tone is weakening as dry whey manufacturers have excess supplies to offer in the spot market. ANIMAL FEED WHEY prices moved lower. Demand is lower as some farmers are not refilling veal barns due to higher production costs.

F.O.B. CENTRAL: .4000 - .5375 MOSTLY: .4200 - .4700
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3000 - .4200

DRY WHEY - NORTHEAST

Dry whey prices in the East continue to decline, as indices trend lower in a weak market. Production is increasing somewhat with active trading of condensed skim for Class III use. Contract sales are prompting the bulk of dry whey movement, with extra offerings to customers. Buyers are taking a wait and see attitude, while looking for product at lower prices. The Foreign Agricultural Service (FAS), reports that January 2015 U.S. dry whey exports totaled 29.9 million pounds, a 27% decrease from a year ago.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4300 - .5375

DRY WHEY - WEST

Dry whey is plentiful in the West. Because many buyers either have an adequate inventory cushion, or sense lower pricing on the near horizon, they are resistant to paying above their price target maximums which in many instances, are lower prices than sellers will presently accept. Some manufacturers are slightly lowering recent asking prices in an attempt to reduce holdings, but not by enough to attract a number of potential buyers. Manufacturers are also notifying contract buyers that additional loads are available if desired. Increasing volumes of whey are also moving into export as a step to balance inventories, due to the challenge of making domestic sales. Overall the market tone is weaker in the sense that whey sellers would like to sell is not moving to buyers who have an interest in buying, due to each being a bit dug in when pricing is discussed. Thus, the current market is relatively undefined by completed spot transactions. That has led to Western dry whey prices being unchanged this week. Contract deliveries are moving on schedule.

NONHYGROSCOPIC: .3800 - .5325 MOSTLY: .4200 - .4700

U.S. Dry Whey Exports (FAS)

	2015 Exports (Million Lb.)	% Change From 1 Year Ago
January Total	29.9	- 27
TOTAL, JAN	29.9	- 27
1 China	9.9	- 10
2 Mexico	4.3	- 31
3 Canada	3.4	- 16
4 South Korea	2.1	+ 92
5 Indonesia	2.1	+ 288

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are mostly lower on a generally weak market. Although some manufacturers are short on stocks due to commitments, the market continues to have FOB offers available from several other sources. A few producers are curtailing production of whey protein concentrates, for the near term, to lend support to the higher protein markets. The market is two-tiered, with demand from the infant/nutrition segment being active. Most manufacturers indicate buyers are picking up loads with few delays. The second tier of edible WPC 34%, which clears to non-infant formula edible needs and/or animal feed, is running into competition from other protein sources and some slowing pickup rates from buyers. Sellers have an incentive to keep inventories low. To that end, prices exhibit weakness to avoid housing current assets of decreasing value. Throughout the market, inventories are mixed. Inventories of manufacturers serving the human food market are steady to tight. Stocks of WPC 34% destined for the feed market are generally steady to higher.

F.O.B. EXTRA GRADE 34% PROTEIN: .8800 - 1.2200 MOSTLY: .9000 - 1.1200

U.S. WPC ≤ 80% Exports (FAS)

	2015 Exports (Million Lb.)	% Change From 1 Year Ago
January Total	13.2	- 18
Year to Date Total	13.2	- 18
1 China	3.2	- 30
2 Canada	2.7	- 6
3 Mexico	2.0	- 49
4 Japan	1.4	+ 198
5 Indonesia	0.7	+ 31

LACTOSE - CENTRAL AND WEST

Lactose prices on the mostly series and the top of the range shifted lower as the market continues to show signs of oversupply. Lactose sellers indicate discussions with many offshore buyers regarding Q2 contracting included some backlash from the west coast shipping delays. Those buyers focusing on just in time purchasing were more vulnerable to supply problems because of those shipping delays. Buyers indicate the work slowdown and strike highlighted the vulnerability of having suppliers from one continental area. To balance out the possibility of future supply disruptions, some buyers are opting to reshuffle supplier volume allocations. To that end, some Oceania destined volumes have been awarded to EU-based sellers. The gloominess of the edible market does offer some opportunities for feed blending operations. A few lactose producers and resellers reported receiving under the market bids for lactose from feed producers. Some bids were turned away, others were not. Lactose production is ongoing. Some manufacturers report the pay prices for milk compared to the returns from whey stream products has made it a difficult first quarter financially. In addition, some cheese plant managers have had no opportunity to sell into the fluid market, thus keeping more milk flowing through cheese vats. Lactose inventories are higher. Some manufacturers noted their holdings, which may be higher than planned because of shipping

CONTINUED ON PAGE 6A

WHEY, WPC 34%, LACTOSE & CASEIN

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

CONTINUED FROM PAGE 6

issues, are largely committed to contract fulfillment. Other producers indicate they are looking for ways to lower inventories in the near term.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1800 - .3950 MOSTLY: .2000 - .3000

U.S. Lactose Exports (FAS) 2015 Exports

	(Million Lb.)	% Change From 1 Year Ago
January Total	33.2	- 19
Year to Date Total	33.2	- 19
1 Mexico	6.4	+ 18
2 China	4.9	+ 78
3 Singapore	3.4	+ 187
4 New Zealand	3.4	- 53
5 South Korea	3.2	+ 256

CASEIN - NATIONAL

Acid and rennet casein prices are steady. Little activity is occurring outside of contracted sales for either casein type. Negotiations are ongoing for Q2, with some indication from trade contacts that prices for finalized contracts have firmed in recent weeks. Some buyers are contracting lower volumes; anticipating global supplies will be more than adequate in Q2 and beyond.

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

2015 U.S. Casein Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
January	10.6	- 36
Total Jan. - Jan.	10.6	- 36
New Zealand	4.7	- 30
Netherlands	2.1	- 58
Ireland	0.8	+ 67
India	0.6	- 64
Argentina	0.6	+ 67

U.S. Dairy Cow Slaughter (1000 head) under Federal Inspection

	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>
02/21/2015	57.3	492.2	58.4	470.4

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

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

CLASS III MILK PRICES (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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

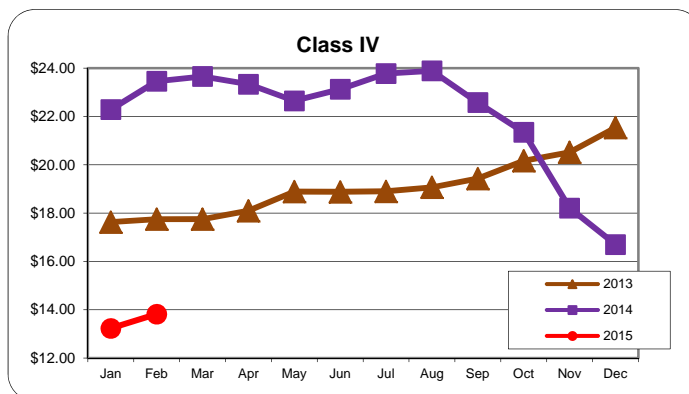
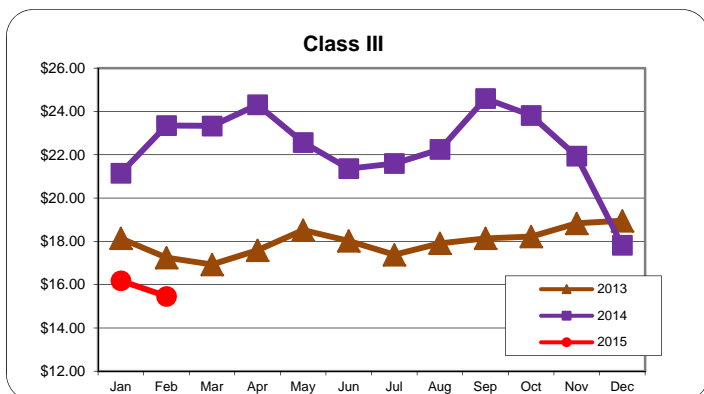
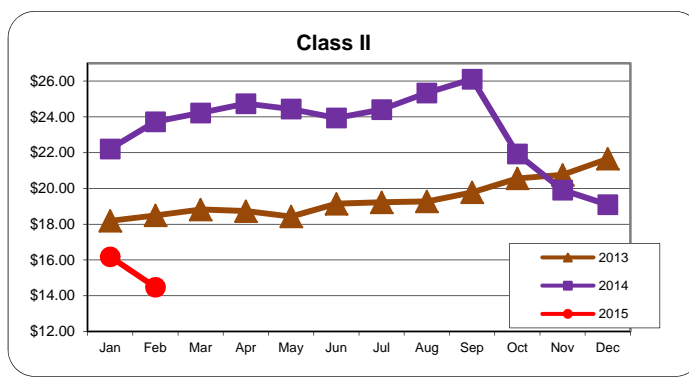
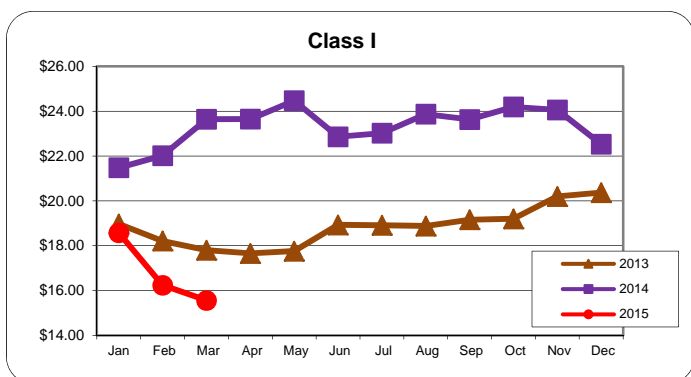
CLASS IV MILK PRICES (3.5%)

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	19.78	20.29	21.05	20.33	20.14	19.53	18.41	17.87	16.87
2012	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76	17.41	18.54	18.66	17.83
2013	17.63	17.75	17.75	18.10	18.89	18.88	18.90	19.07	19.43	20.17	20.52	21.54
2014	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58	21.35	18.21	16.70

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; then select "Prices"; and then select "Principal Pricing Points."



ORGANIC DAIRY MARKET NEWS

Information gathered March 2 - 13, 2015

ORGANIC DAIRY FLUID OVERVIEW

Spring and Organic Feed. The easing of winter's grip has many organic dairy producers assessing their organic feed situation. Organic feed in the Northeast remains tight and expensive. Organic grain is reported to sell for \$667 a ton in some areas, with organic baleage selling around \$60 for 4x5 bale second cut clover in Northern Vermont.

A number of sellers of organic hay in New York are sold out, and have been for some time.

An organization representing organic dairy producers has found "no evidence" of producers transitioning from conventional to organic dairy under present conditions. This has led to increased U. S. consumer demand for organic dairy products being addressed with increased volumes of imported organic cheese and powders from Oceania.

Contracting With Organic Producers. Competition among processors to contract with organic producers for milk, especially grassfed producers, escalates in the Northeast in particular, but also increasingly in the Midwest. A focus on processor margins continues to result in realignment of producers and processors to increase efficiencies in routes and organic milk volumes available to processing plants. This becomes more challenging in sourcing grassfed organic milk, which is a separate category of organic dairy producers, in terms of configuring routes and volumes for efficient processing in plants.

Paradoxically the increasing consumer willingness to pay higher retail prices for organic grassmilk is contributing to the tightness of organic milk overall. This occurs because procurement standards for organic grassmilk by definition require more grass grazing than is required for organic milk not classified as grassmilk. This typically results in fewer organic cows on a grassmilk organic dairy than an organic dairy of the same acreage not producing grassmilk. The grazing and non-grain feed requirements effectively limit organic herd expansion beyond a point for many organic producers based on available acreage. Increasing production is more tied to increasing acreage than with producers who can increase production using feed.

Dry Organic Dairy Products. Manufacturers and customers for organic powders are keenly monitoring the magnitude of both a spring flush and levels of pasture forage available to better determine what direction the current challenging situation for organic milk supplies versus demand present.

Future pricing for organic powders will turn on these factors and improvement is said to be needed to prevent further increases. Organic nonfat dry milk is reported to currently bring in the area of \$4.61, while organic sweet whey powder brings \$2.13.

Organic Cow Sales. At an auction in Oregon earlier this month, organic cows sold for slaughter continued to bring a premium over conventional cows. The top ten organic cows auctioned brought an average price of \$1.6900 a pound, compared with a \$1.2157 average for the top ten conventional cows. The top 50 organic cows brought \$1.5450 versus \$1.1547 for the top 50 conventional cows.

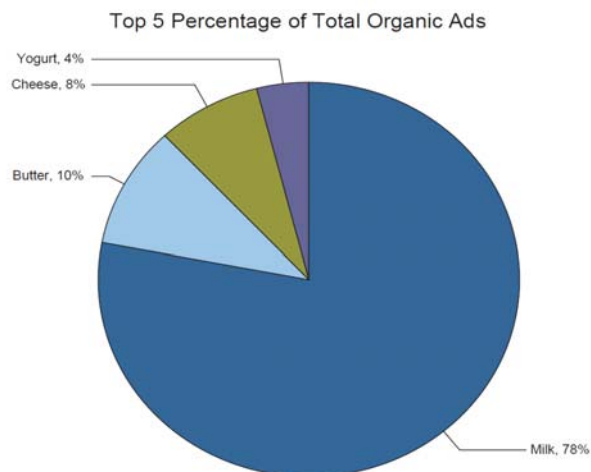
ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Ad numbers for organic dairy ads and ads for organic milk are each lower than one half the number one year ago. Organic yogurt ads are slightly more than 7% the level one year ago. Compared with the last Organic Report, a ad numbers

are lower for organic milk, organic yogurt, as well as total organic ads.

Organic milk accounted for 78% of organic dairy ads, organic butter for 10%, organic cheese for 8% and organic yogurt for 4%.

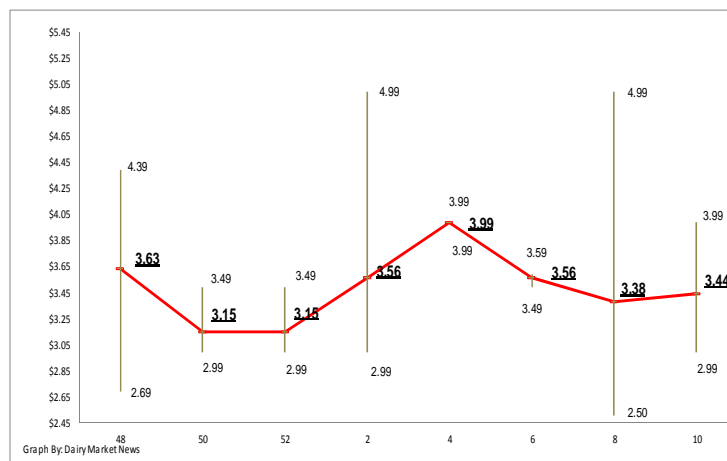


Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from March 13 to March 19, 2015, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

Complete results of this weekly survey providing additional graphs, tables, and regional delineation, follow at the end of Dairy Market News, or can be accessed at: <http://www.ams.usda.gov/AMSV1.0/DairyRetailReport>

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is \$3.44, down 24 cents from one week ago. One year ago the price was \$3.52. Prices range from \$2.99 in the Midwest to \$3.99 in the Northeast.

U.S. Advertised Organic Milk Half Gallon Price Range and Weighted Average Advertised Price by 2014-15 Week



CONTINUED ON PAGE -1A-

ORGANIC DAIRY MARKET NEWS

Information gathered March 2 - 13, 2015

CONTINUED FROM PAGE -1-

Organic Milk Gallons. The U.S. weighted average advertised price of organic milk gallons is \$5.86, up 11 cents. One year ago the price was \$5.85.

Prices range from \$5.39 in the Northwest to \$6.39 in the Southwest.

Organic Cheese. The U.S. average price for 8 ounce block organic cheese is \$3.99, the same price as last week. No ads appeared last year. The average price for 8 ounce shredded cheese is \$3.99, also the same as last week. There were no ads last year.

Organic Butter 1#. With a national average price of \$5.41, 1 pound organic butter has a price down \$.69 from last week but up \$.92 from last year.

Organic Yogurt. The U.S. weighted average price of organic Greek 4-6 ounce yogurt, \$1.20, is down 5 cents from last week but up 18 cents from one year ago. This is the only type/size of organic yogurt advertised.

Organic Grain and Feedstuff Markets. Prices are trending firm to higher for organic corn, slightly higher for organic oats, and mostly steady for the balance of organic grains. Spot market activity has been moderate to active for organic corn, soybeans, and small grains but very light for wheat. Demand is moderate to good for organic corn, soybeans, soybean meal, soybean oil, oats, and barley but light to moderate for the balance of organic small grains and wheat. There is concern with competition involving imported organic grains as well as domestic issues involving quality and transportation involving truck and rail car availability, cost, port delays, and delivery delays as a result of adverse winter weather.

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

CORRECTED FEDERAL MILK ORDER ADVANCE PRICES, MARCH

Base Class I Price: Under the Federal milk order pricing system, the base Class I price for March 2015 is \$15.56 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$9.59 and the advanced butterfat pricing factor of \$1.8008. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I Price

Comparison to Previous Month: The base Class I price decreased \$0.68 per cwt when compared to the previous month of February 2015. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$0.71 per cwt, -\$0.061 per gallon; reduced fat milk (2%), -\$0.89 per cwt, -\$0.077 per gallon; fat-free (skim milk), -\$1.10 per cwt, -\$0.095 per gallon.

Class II Price Information: The advanced Class IV skim milk pricing factor is \$7.61. Thus, the Class II skim milk price for March 2015 is \$8.31 per cwt, and the Class II nonfat solids price is \$0.9233.

Product Price Averages: The two-week product price averages for March 2015 are: butter \$1.6585, nonfat dry milk \$1.0213, cheese \$1.5408 and dry whey \$0.5415.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION ^{1/ 2/}				
Federal Milk Order Marketing Area ^{3/}	Order Number	March 2015		
		Class I Price (3.5%)	Class I Skim Milk Price	Class I Butterfat Price
		<u>\$ per cwt.</u>	<u>\$ per cwt.</u>	<u>\$ per pound</u>
Northeast (Boston) ^{4/}	001	18.81	12.84	1.8333
Appalachian (Charlotte) ^{5/}	005	18.96	12.99	1.8348
Florida (Tampa) ^{6/}	006	20.96	14.99	1.8548
Southeast (Atlanta) ^{7/}	007	19.36	13.39	1.8388
Upper Midwest (Chicago) ^{8/}	030	17.36	11.39	1.8188
Central (Kansas City) ^{9/}	032	17.56	11.59	1.8208
Mideast (Cleveland) ^{10/}	033	17.56	11.59	1.8208
Pacific Northwest (Seattle) ^{11/}	124	17.46	11.49	1.8198
Southwest (Dallas) ^{12/}	126	18.56	12.59	1.8308
Arizona (Phoenix)	131	17.91	11.94	1.8243
All-Market Average		18.45	12.48	1.8297

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

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

^{3/} Names in parentheses are the major city in the principal pricing point of the markets.

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

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

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

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

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

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

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

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

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

March Milk Supply and Demand Estimates

The milk production forecast for 2015 is lowered from last month as slower growth in output per cow more than offsets faster herd expansion. Both fat and skim-solids exports for 2015 are reduced as export demand is hampered by a strong dollar and increased competition from other exporters. Fat basis imports are higher on expectations of greater butterfat imports. However, robust domestic demand is expected to support increased product use. Product price forecasts for butter and nonfat dry milk (NDM) are higher, supported by demand and price strength to date. Cheese prices are unchanged at the midpoint but the range is narrowed. Whey is lower on weaker demand. The Class III price is lowered on reduced whey prices. The Class IV price is higher due to higher NDM prices and butter prices. The all milk price is forecast at \$17.05 to \$17.65 per cwt.

U.S. Milk Supply and Use					
Commodity	2013	2014 Estimated		2015 Projected	
		Feb	Mar	Feb	Mar
	(billion pounds)				
Milk					
Production	201.2	206.0	206.0	211.5	211.1
Farm Use	1.0	1.0	1.0	1.0	1.0
Fat Basis Supply					
Beginning Commercial Stocks	12.2	11.2	11.2	11.0	11.2
Marketings	200.3	205	205.1	210.5	210.1
Imports	3.7	4.3	4.3	4.0	4.1
Total Commercial Supply	216.2	220.5	220.5	225.5	225.5
Fat Basis Use					
Commercial Exports	12.4	12.5	12.5	11.1	10.8
Ending Commercial Stocks	11.2	11.0	11.2	11.7	11.5
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	192.6	197.0	196.9	202.7	203.1
Skim-Solid Basis Supply					
Beginning Commercial Stocks	12.4	11.6	11.6	13.1	13.1
Marketings	200.3	205.0	205.1	210.5	210.1
Imports	5.3	5.6	5.6	5.5	5.5
Total Commercial Supply	217.9	222.2	222.3	229.1	228.7
Skim-Solids Basis Use					
Commercial Exports	38.5	39.2	39.2	38.0	37.3
Ending Commercial Stocks	11.6	13.1	13.1	13.2	13.0
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	167.7	169.9	170.0	177.9	178.4

NOTE: Totals may not add due to rounding.

Continued on page 11

March Milk Supply and Demand Estimates-cont'd

U.S. Dairy Prices						
Commodity	2013	2014 Estimated		2015 Projected		
		Feb	Mar	Feb	Mar	
Product Prices ^{1/}	(dollars per pound)					
	Cheese	1.7683	2.1551	2.1551	1.595-1.665	1.600-1.660
	Butter	1.5451	2.1361	2.1361	1.655-1.755	1.670-1.760
	Nonfat Dry Milk	1.7066	1.7682	1.7682	1.185-1.245	1.205-1.255
	Dry Whey	0.5902	0.6538	0.6538	0.560-0.590	0.490-0.520
Milk Prices ^{2/}	(dollars per cwt)					
	Class III	17.99	22.34	22.34	16.30-17.00	15.95-16.55
	Class IV	19.05	22.09	22.09	15.10-15.90	15.30-16.00
	All Milk ^{3/}	20.05	23.98	23.98	17.40-18.10	17.05-17.65
	Quarterly					
	2014 IV	2015 I ^{4/}	2015 II ^{4/}	2015 III ^{4/}	2015 IV ^{4/}	
Milk Production	(billion pounds)					
	51.0	52.4	54.2	52.3	52.2	
	(dollars per cwt)					
	All Milk Price ^{2/ 3/}	22.77	16.80-17.00	16.00-16.50	17.05-17.85	18.30-19.30
	Class III Price ^{2/}	21.19	15.55-15.75	15.30-15.80	16.10-16.90	16.78-17.78
Class IV Price ^{2/}	18.75	13.60-13.90	14.50-15.10	16.00-16.90	17.05-18.15	

^{1/} Simple average of monthly prices calculated from AMS weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/DairyMarketStatistics>; then select "Prices;" then select "Description." ^{2/} Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test. ^{3/} Does not reflect any deductions from producers as authorized by legislation. ^{4/} Projection.

Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-539, March 10, 2015*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Uthra Raghunathan, AMS; Paul Kiendl, FAS; Jerry Cessna, ERS; and Milton Madison, FSA].

Release Dates Federal Milk Order Price Data, 2017-2018

Listed below are the release dates for price announcements used in the Federal milk order program applicable to January 2017 through December 2018. The advanced prices and pricing factors will be released at 3:00 p.m. ET no later than the 23rd of the preceding month. If the release date does not fall on the 23rd, the most current release preceding the 23rd will be used in the price calculation. Likewise, the class and component prices will be released at 3:00 p.m. ET no later than the 5th of the following month. If the release date does not fall on the 5th, the most current release preceding the 5th will be used in the price calculation.

Year and Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of AMS Prices ¹	Release Date	Time Period of AMS Prices ¹
2017				
January	Dec. 21, 2016	12/10, 17	Feb. 1	1/7, 14, 21, 28
February	Jan. 19	1/7, 14	Mar. 1	2/4, 11, 18, 25
March	Feb. 23	2/11, 18	Apr. 5	3/4, 11, 18, 25, 4/1
April	Mar. 22	3/11, 18	May 3	4/8, 15, 22, 29
May	Apr. 19	4/8, 15	Jun. 1	5/6, 13, 20, 27
June	May 17	5/6, 13	Jun. 28	6/3, 10, 17, 24
July	Jun. 21	6/10, 17	Aug. 2	7/1, 8, 15, 22, 29
August	Jul. 19	7/8, 15	Aug. 30	8/5, 12, 19, 26
September	Aug. 23	8/12, 19	Oct. 4	9/2, 9, 16, 23 30
October	Sep. 20	9/9, 16	Nov. 1	10/7, 14, 21, 28
November	Oct. 18	10/7, 14	Nov. 29	11/4, 11, 18, 25
December	Nov. 22	11/11, 18	Jan. 4, 2018	12/2, 9, 16, 23, 30
2018				
January	Dec. 20, 2017	12/9, 16	Jan. 31	1/6, 13, 20, 27
February	Jan. 18	1/6, 13	Feb. 28	2/3, 10, 17, 24
March	Feb. 22	2/10, 17	Apr. 4	3/3, 10, 17, 24, 31
April	Mar. 21	3/10, 17	May 2	4/7, 14, 21, 28
May	Apr. 18	4/7, 14	May 31	5/5, 12, 19, 26
June	May 23	5/12, 19	Jul. 5	6/2, 9, 16, 23, 30
July	Jun. 20	6/9, 16	Aug. 1	7/7, 14, 21, 28
August	Jul. 18	7/7, 14	Aug. 29	8/4, 11, 18, 25
September	Aug. 22	8/11, 18	Oct. 3	9/1, 8, 15, 22, 29
October	Sep. 19	9/8, 15	Oct. 31	10/6, 13, 20, 27
November	Oct. 17	10/6, 13	Dec. 5	11/3, 10, 17, 24, 12/1
December	Nov. 21	11/10, 17	Jan. 3, 2019	12/8, 15, 22, 29

¹ Weekly sales periods end on the indicated date and include applicable averages. The National Dairy Products Sales report is normally released on Wednesday of the following week.

<http://www.ams.usda.gov/AMSV1.0/DairyProductMandatoryReporting>

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, DECEMBER 2014, WITH COMPARISONS

In December 2014, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$20.83 per cwt, down \$2.19 from the November 2014 *revised* average, and down \$1.21 per cwt from the December 2013 average. The component tests of producer milk in December 2014 were: butterfat, 3.86%; protein, 3.19%; and other solids, 5.74%. When compared to the previous month, the December Mailbox prices decreased in all Federal milk order reporting areas with a simple average decrease of \$1.98/cwt. Minnesota experienced the greatest decrease of \$3.61/cwt. Mailbox prices in December 2014 ranged from \$25.98 in Florida to \$18.09 in New Mexico.

Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	December 2013	November 2014	December 2014
	Dollars per hundredweight		
New England States <u>3/</u>	23.72	24.06	22.84
New York	22.58	23.00	21.53
Eastern Pennsylvania <u>4/</u>	22.73	22.99	21.60
Appalachian States <u>5/</u>	23.52	24.58	23.68
Southeast States <u>6/</u>	23.69	25.11	24.48
Southern Missouri <u>7/</u>	22.80	24.69	22.84
Florida	24.68	26.43	25.98
Western Pennsylvania <u>8/</u>	22.37	22.99	21.36
Ohio	22.53	23.00	21.36
Indiana	21.91	22.42	20.51
Michigan	21.72	22.04	19.98
Wisconsin	21.76	23.76 *	20.92
Minnesota	21.61	23.85 *	20.24
Iowa	22.25	23.61 *	21.20
Illinois	22.27	23.87 *	20.97
Corn Belt States <u>9/</u>	21.13	22.21	19.50
Western Texas <u>10/</u>	21.12	21.87	18.80
New Mexico	19.99	20.80	18.09
Northwest States <u>11/</u>	22.09	21.81	19.53
All Federal Order Areas <u>12/</u>	22.04	23.02 *	20.83
California <u>13/</u>	20.60	20.26	17.64

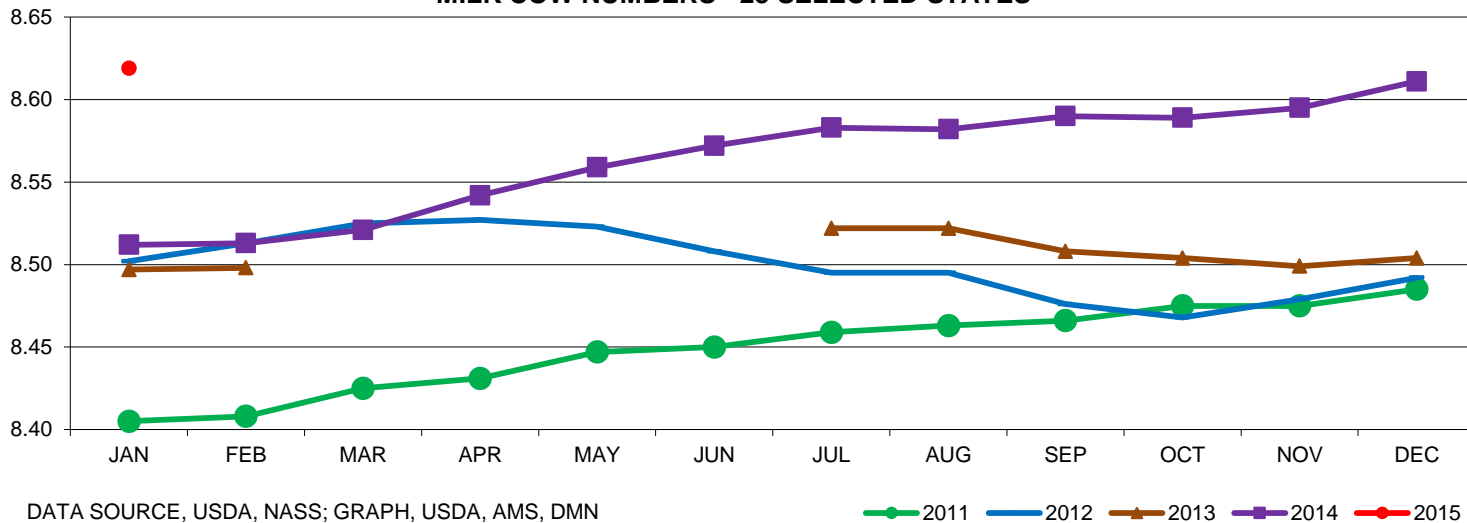
* Revised.

1/ Areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay prices received by dairy farmers for milk. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are weighted averages of the prices reported for all orders receiving milk from the reporting area and are reported at the average butterfat tests. Prices include, for the most part, the assessment under the Cooperatives Working Together (CWT) program. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. 4/ Includes all counties to the east of those listed in 8/. 5/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 6/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 7/ Includes the counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 8/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. 9/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 7/. 10/ Includes all counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. 11/ Includes Oregon and Washington. 12/ Weighted average of prices for all selected reporting areas. 13/ Calculated by California Department of Food and Agriculture, and published at <http://cdfa.ca.gov/dairy/uploader/docs/MailBox%20Data%202014.pdf>

Report Contact: Lorie Warren, lorie.warren@ams.usda.gov or 202-720-4405

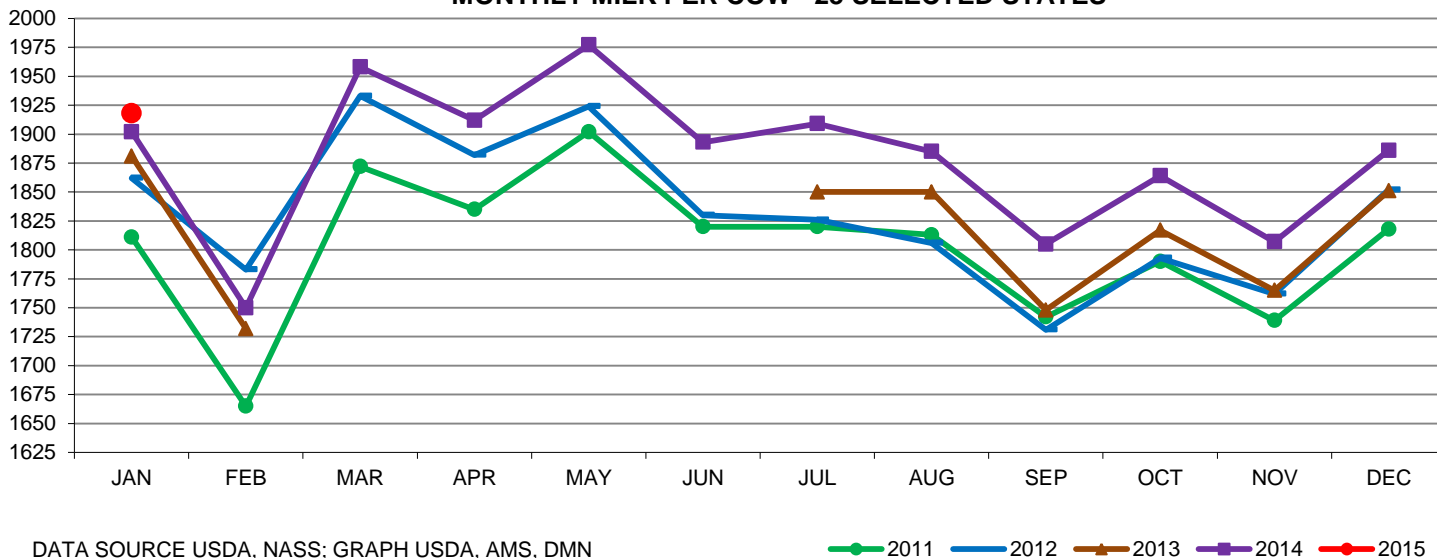
MILLION HEAD

MILK COW NUMBERS - 23 SELECTED STATES



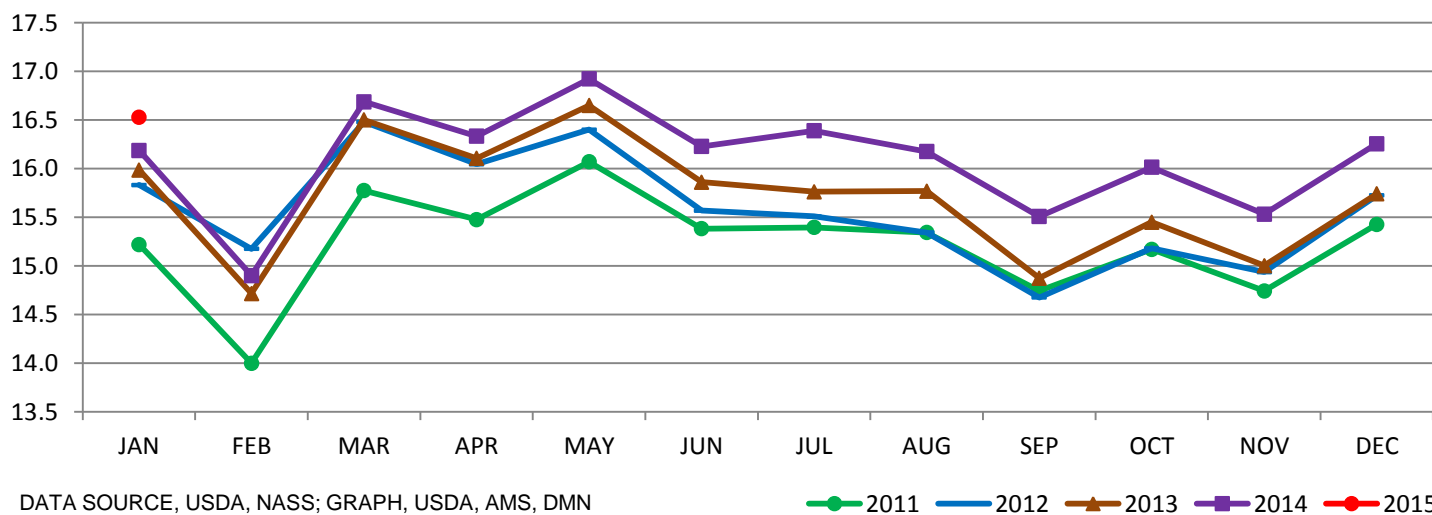
POUNDS

MONTHLY MILK PER COW - 23 SELECTED STATES

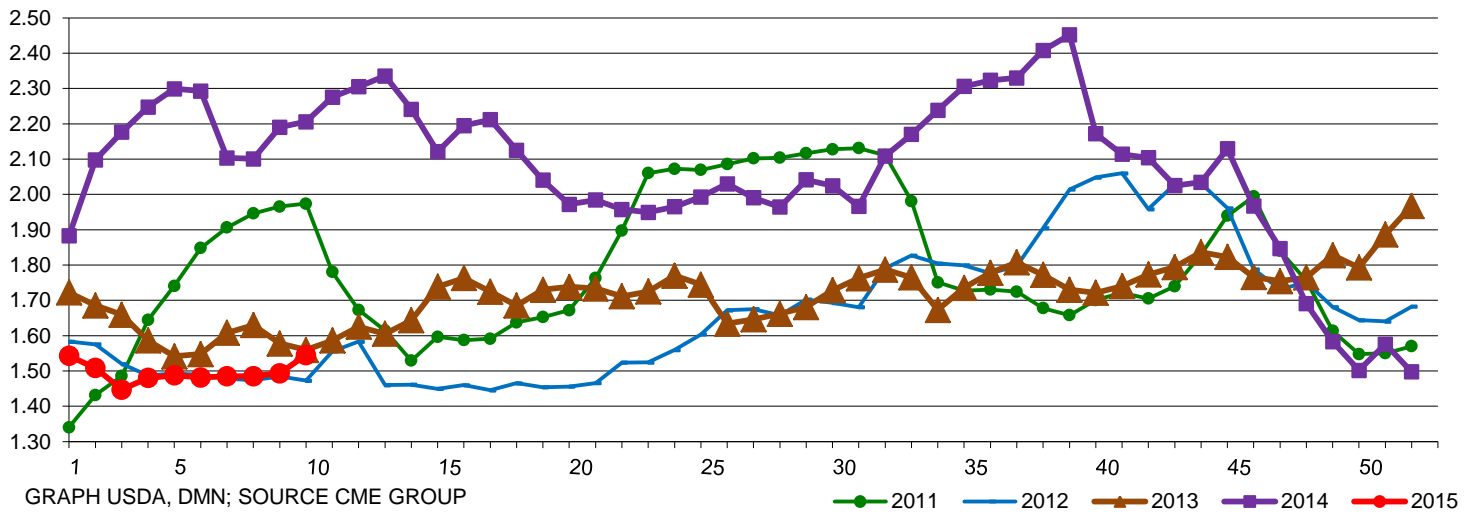


BILLION POUNDS

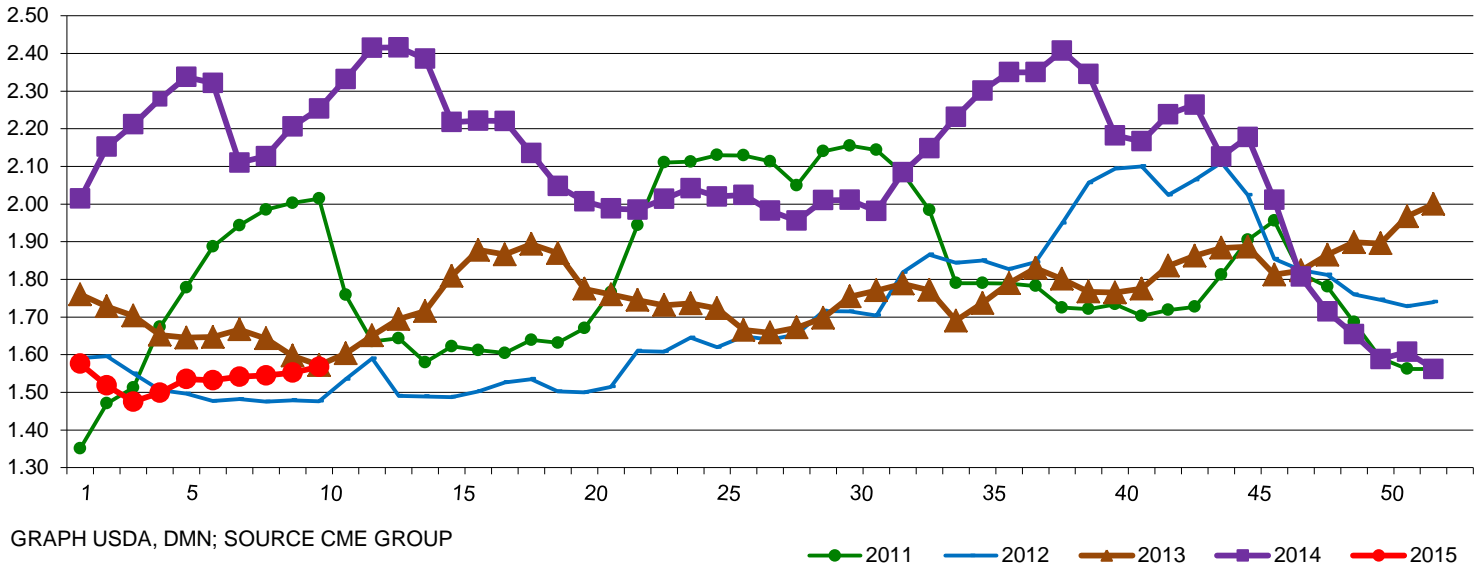
MILK PRODUCTION - 23 SELECTED STATES



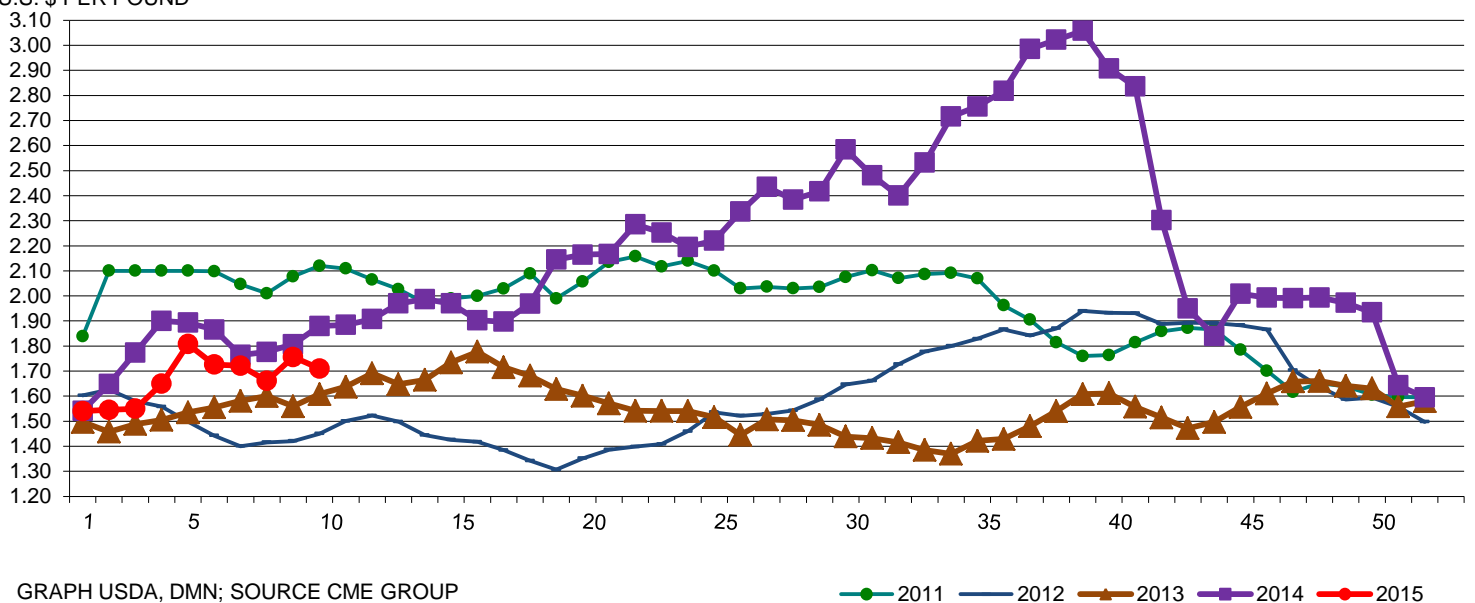
U.S. \$ PER POUND CME WEEKLY AVERAGE CASH BARREL PRICES



U.S. \$ PER POUND CME WEEKLY AVERAGE CASH CHEDDAR BLOCK PRICES



U.S. \$ PER POUND CME WEEKLY AVERAGE CASH GRADE AA BUTTER PRICES



MILLION POUNDS

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

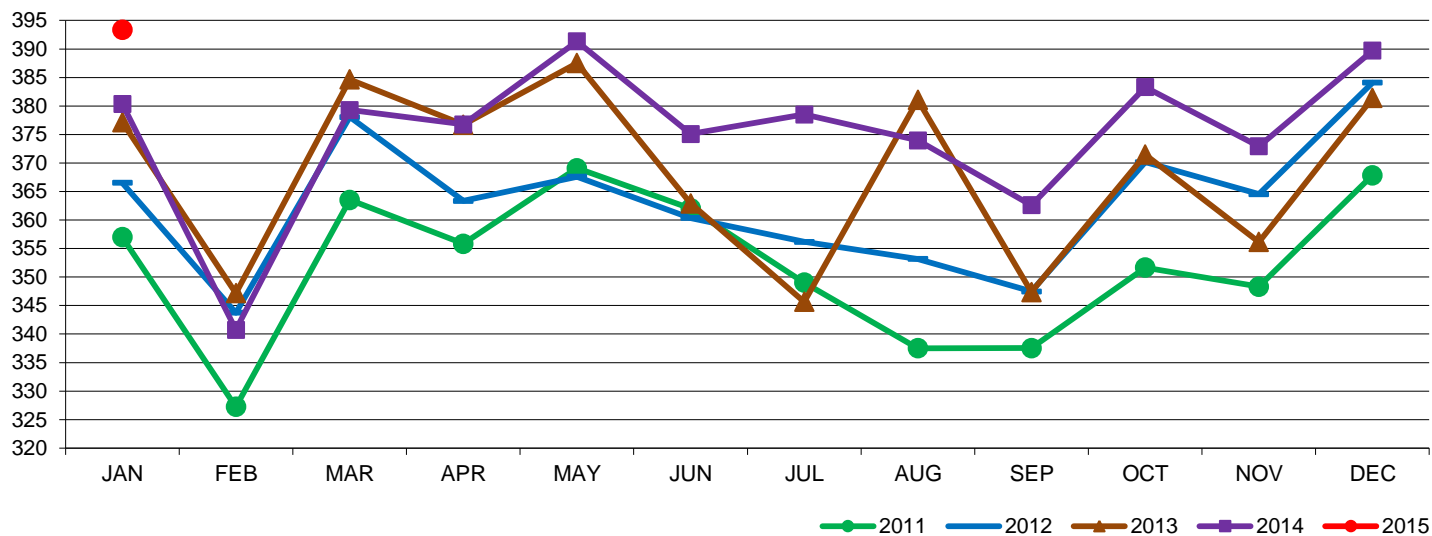
2011 2012 2013 2014 2015

MILLION POUNDS

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

U.S. TOTAL AMERICAN CHEESE PRODUCTION

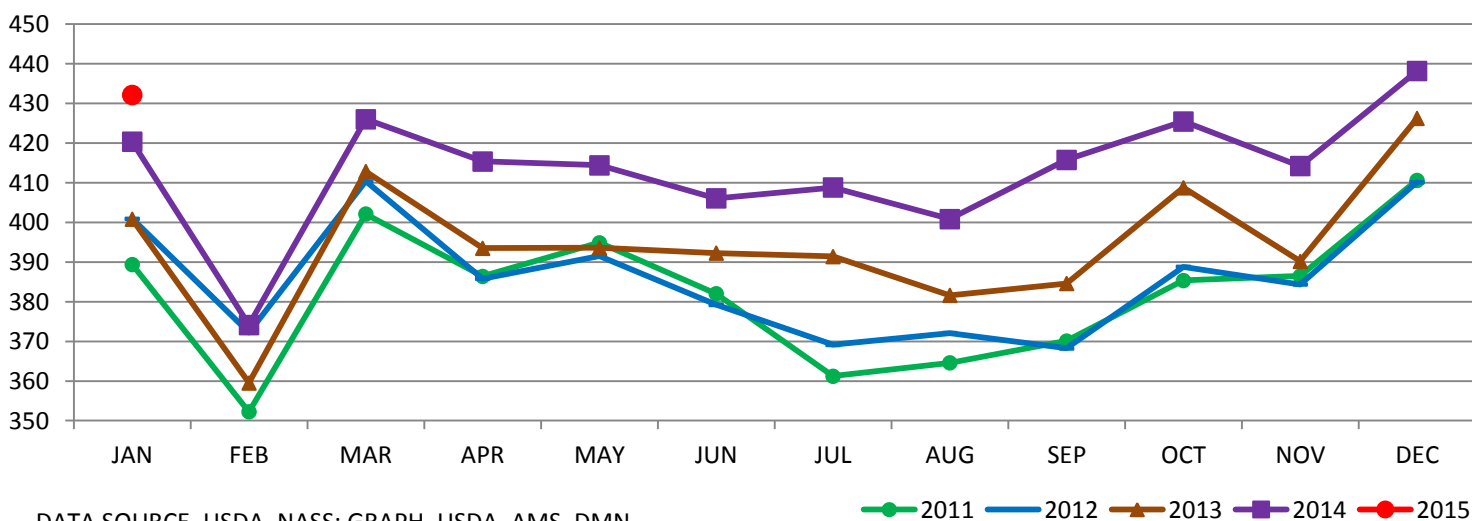
MILLION POUNDS



DATA SOURCE USDA, NASS; GRAPH, USDA, DMN

U.S. TOTAL ITALIAN-TYPE CHEESE PRODUCTION

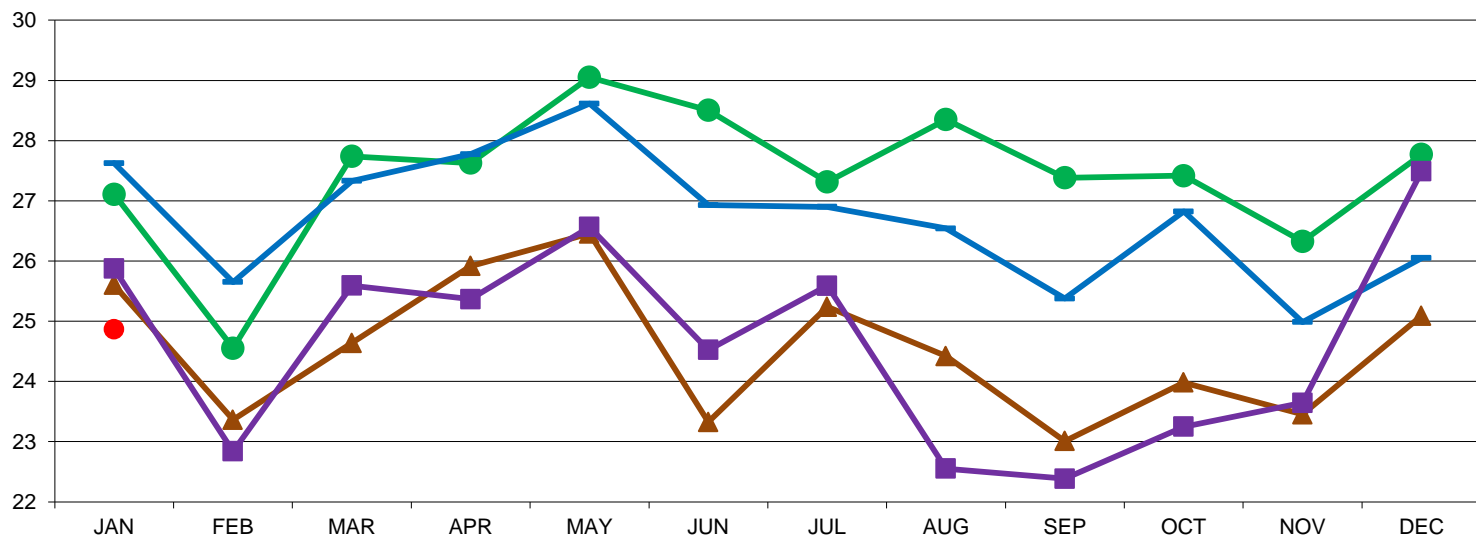
MILLION POUNDS



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

U.S. SWISS CHEESE PRODUCTION

MILLION POUNDS



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

2011 2012 2013 2014 2015



Dairy Market News Branch

Agricultural
Marketing
Service

National Retail Report - Dairy

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

Volume 82- Number 10

Issued Weekly

Friday, March 13, 2015

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 03/13/2015 to 03/19/2015

National ad volumes for conventional dairy products declined 12%, while organic dairy products saw a significant 77% drop in ads.

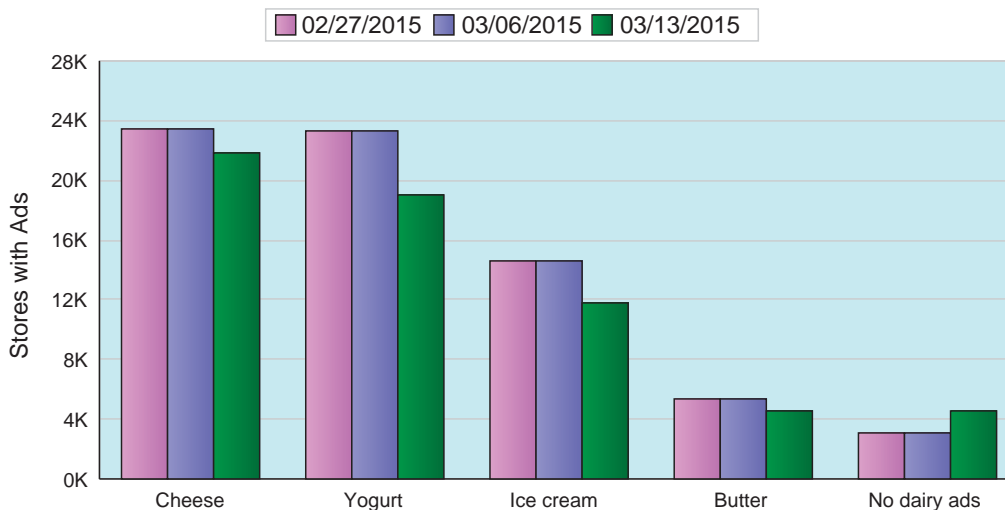
The U.S. average advertised price for 8 ounce cheese blocks, \$2.30, is 3 cents lower than one week ago, and 14 cents lower than a year ago, while 8 ounce shredded cheese at \$2.35, down 32 cents from one week ago, but 1 cents higher from one year ago.

Store ads for Greek 4-6 ounce totaled 48% of all other categories and sizes of yogurt, a 36% decline from the previous week. The average price of 4-6 ounce Greek yogurt, \$0.96, is down 2 cents from last week and 3 cent lower than one year ago. Ads for 4-6 ounce yogurt have an average price of 47 cents, unchanged from last week and 3 cents lower from one year ago.

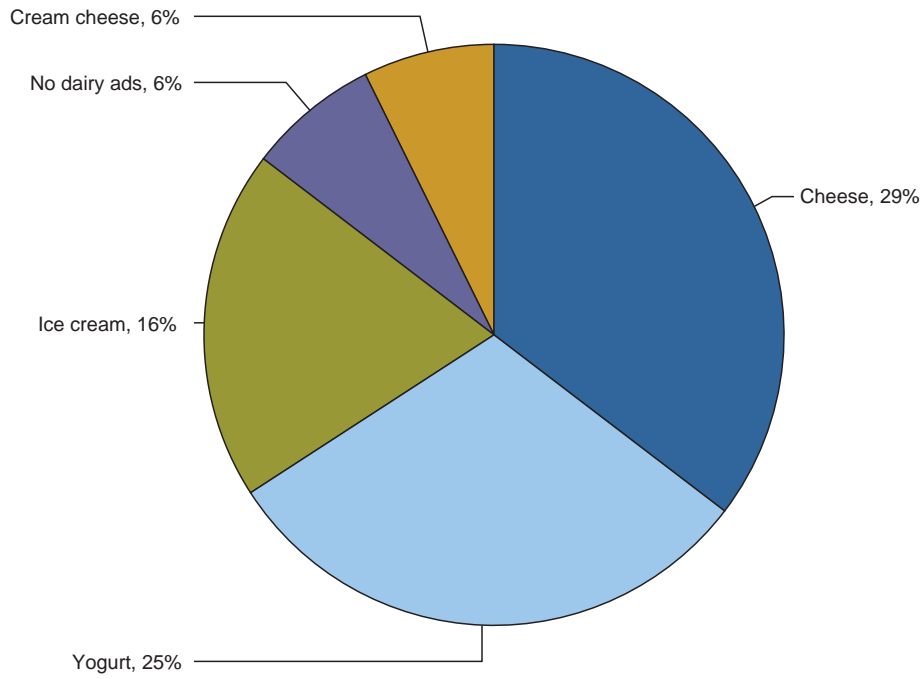
National average prices for butter and cream cheese are trending higher but ice cream, cottage cheese and sour cream prices all declined. The national average prices and changes compared to last week are: 1# butter \$3.26, +24 cents; cream cheese \$2.16, + 33 cents; ice cream \$2.96, -10 cents; 16 oz. cottage cheese \$2.19, -7 cents; and 48-64 oz. sour cream \$1.75, - 10 cents.

The organic - conventional half gallon milk price spread is \$1.68, down \$0.01 from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$1.76, down 23 cents from one week ago, and the average for organic half gallon milk, \$3.44, down 24 cents from last week.

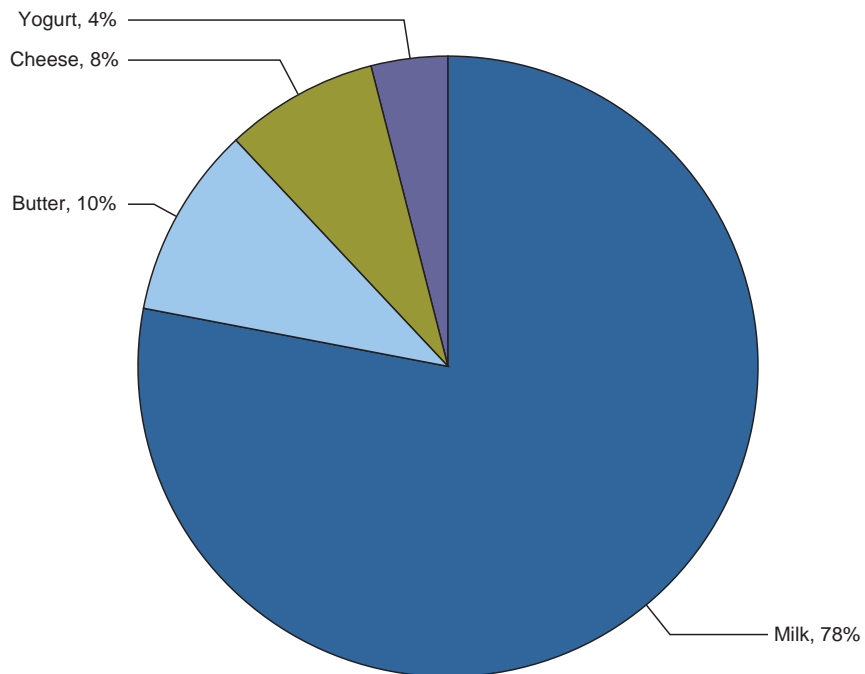
Top 5 Commodities Featured



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 #	4349	3.26	4249	3.02	3460	2.91
Cheese	Natural Varieties	8 oz block	7287	2.30	6285	2.33	7013	2.44
Cheese	Natural Varieties	1 # block	2710	3.93	2060	4.99	991	4.03
Cheese	Natural Varieties	2 # block	1059	7.28	1496	7.32	118	5.99
Cheese	Natural Varieties	8 oz shred	8940	2.35	9615	2.67	8684	2.34
Cheese	Natural Varieties	1 # shred	1689	3.50	1724	4.33	607	4.44
Cottage cheese		16 oz	3593	2.19	2121	2.26	2851	2.02
Cream cheese		8 oz	4381	2.16	4543	1.83	4287	1.64
Flavored milk	All fat tests	half gallon	249	2.91	310	3.21	1475	2.52
Flavored milk	All fat tests	gallon			344	3.54	723	4.15
Ice cream		48-64oz	11787	2.96	14623	3.06	13893	3.04
Milk	All fat tests	half gallon	427	1.76	1300	1.99		
Milk	All fat tests	gallon	1422	3.24	3369	2.76	1194	3.26
Sour cream		16 oz	3617	1.75	6819	1.85	5928	1.65
Yogurt	Greek	4-6 oz	9039	.96	14042	.98	12195	.99
Yogurt	Greek	32 oz	3010	4.72	1047	4.04	1465	2.71
Yogurt	Yogurt	4-6 oz	5847	.47	5739	.47	6440	.50
Yogurt	Yogurt	32 oz	960	2.48	622	2.46	737	2.17

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.97-4.99	1347	3.17	3.50	1374	3.50	2.50	282	2.50
Cheese	Natural Varieties	8 oz block	1.67-3.00	2170	2.34	1.67-2.50	2347	2.32	1.25-2.50	987	1.95
Cheese	Natural Varieties	1 # block	3.49-3.99	395	3.66	3.33-3.99	332	3.53	2.50-3.33	304	2.97
Cheese	Natural Varieties	2 # block	4.49	167	4.49				6.99	53	6.99
Cheese	Natural Varieties	8 oz shred	1.88-3.00	2277	2.43	1.67-2.99	2916	2.31	1.25-2.50	1414	1.99
Cheese	Natural Varieties	1 # shred	1.99	202	1.99	3.33	184	3.33	2.50-3.33	366	3.03
Cottage cheese		16 oz	1.66-2.99	2443	2.26	2.00	214	2.00	1.25-2.29	348	1.82
Cream cheese		8 oz	1.25-2.69	1662	2.13	1.25-2.50	1362	2.25	1.88-2.29	406	2.18
Flavored milk	All fat tests	half gallon	2.50	180	2.50						
Ice cream		48-64oz	1.99-3.99	3419	2.98	2.39-3.99	3267	2.74	2.00-3.99	1320	2.91
Milk	All fat tests	half gallon	2.50	72	2.50				1.25	123	1.25
Milk	All fat tests	gallon	2.99-3.97	493	3.55	2.99	214	2.99	2.50-2.99	426	2.64
Sour cream		16 oz	1.29-2.49	2065	1.82	1.50-1.69	359	1.60	1.25-1.69	360	1.51
Yogurt	Greek	4-6 oz	0.99-1.00	1921	1.00	0.80-1.00	2359	.91	0.79-1.00	1878	.95
Yogurt	Greek	32 oz	3.99-5.99	863	5.30	4.89-5.00	1216	4.91	3.89-3.99	931	3.93
Yogurt	Yogurt	4-6 oz	0.39-0.60	1317	.49	0.39-0.60	2446	.44	0.50-0.60	310	.52

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	2.48-2.69	379	2.52				2.00	119	2.00

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-3.50	478	3.25	2.99-3.50	703	3.42	1.99-3.50	165	2.54
Cheese	Natural Varieties	8 oz block	2.00-2.55	708	2.43	1.69-2.50	720	2.37	2.50-2.88	355	2.57
Cheese	Natural Varieties	1 # block	3.33-4.79	741	3.94	3.33-4.99	514	4.30	3.50-4.99	424	4.76
Cheese	Natural Varieties	2 # block	7.99	235	7.99	6.99-7.99	604	7.80			
Cheese	Natural Varieties	8 oz shred	1.79-2.99	830	2.45	1.69-3.50	811	2.40	2.50-3.29	692	2.81
Cheese	Natural Varieties	1 # shred	3.33-3.99	351	3.60	3.33-4.99	451	4.34	3.50-4.99	135	4.26
Cottage cheese		16 oz	2.29	74	2.29				1.99-2.50	514	2.17
Cream cheese		8 oz	1.99-2.50	356	2.13	1.99	490	1.99	2.50	105	2.50
Flavored milk	All fat tests	half gallon							3.99	69	3.99
Ice cream		48-64oz	2.39-5.99	1633	3.65	2.49-3.50	1443	2.71	2.50-3.99	705	2.92
Milk	All fat tests	half gallon	1.67-1.89	232	1.80						
Milk	All fat tests	gallon							3.79	289	3.79
Sour cream		16 oz	1.39-1.99	424	1.57				1.50-2.00	409	1.92
Yogurt	Greek	4-6 oz	0.88-1.00	839	.97	0.99-1.00	1360	1.00	1.00	682	1.00
Yogurt	Yogurt	4-6 oz	0.39-0.55	467	.46	0.40-0.50	1202	.49	0.50	105	.50
Yogurt	Yogurt	32 oz	2.50-2.79	357	2.60				2.50	105	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 #	202	5.41	1128	6.10	237	4.49
Cheese	Natural Varieties	8 oz block	84	3.99	1212	3.99		
Cheese	Natural Varieties	8 oz shred	84	3.99	966	3.99		
Milk	All fat tests	half gallon	445	3.44	2165	3.68	2648	3.52
Milk	All fat tests	gallon	1128	5.86	1304	5.75	357	5.85
Milk	All fat tests	8 oz UHT			147	1.67	202	.88
Yogurt	Greek	4-6 oz	84	1.20	1438	1.25	853	1.02
Yogurt	Yogurt	4-6 oz					306	.50
Yogurt	Yogurt	32 oz			355	2.38		



REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	5.99	84	5.99						
Cheese	Natural Varieties	8 oz block	3.99	84	3.99						
Cheese	Natural Varieties	8 oz shred	3.99	84	3.99						
Milk	All fat tests	half gallon	3.99	84	3.99	3.49	234	3.49	2.99	127	2.99
Yogurt	Greek	4-6 oz	1.20	84	1.20						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	118	4.99						
Milk	All fat tests	gallon	5.79-5.99	235	5.89	5.99-6.39	604	6.07	5.39	289	5.39

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

GENERAL NUMBER

(608) 278-4200

Elizabeth Frederick
(608) 278-4150
Elizabeth.Frederick@AMS.USDA.GOV

EAST

Daniel Johnson
(608) 278-4156
Daniel.Johnson@AMS.USDA.GOV

CENTRAL

Tara Herbst
(608) 278-4154
Tara.Herbst@AMS.USDA.GOV

SOUTHWEST

Janet Linder
(608) 278-4157
Janet.Linder@AMS.USDA.GOV

NORTHWEST/MOUNTAIN

Eric Graf
(608) 278-4153
Eric.Graf@AMS.USDA.GOV

NATIONAL SUPERVISOR

Butch Speth
(608) 278-4152
Butch.Speth@AMS.USDA.GOV

VOLUME: 82

REPORT: 10

DATE: 03/13/2015

INTERNATIONAL

Rick Whipp
(608) 278-4151
Rick.Whipp@AMS.USDA.GOV

ORGANIC

Eric Graf
(608) 278-4153
Eric.Graf@AMS.USDA.GOV

INTERNET ADDRESS

www.ams.usda.gov/DairyMarketNews

MARKET NEWS PORTAL

www.marketnews.usda.gov/mnp/da-home

RECORDED INFORMATION SYSTEM

(608) 278-4142

FAX

(608) 278-4141

USDA, Dairy Market News
2920 Marketplace Drive, STE 202
Fitchburg, WI 53719-5337