

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (3/20)**

BUTTER: Grade AA closed at \$1.6800. The weekly average for Grade AA is \$1.6800 (-.0300).

CHEESE: Barrels closed at \$1.5200 and 40# blocks at \$1.5400. The weekly average for barrels is \$1.5410 (-.0040) and blocks, \$1.5600 (-.0080).

BUTTER HIGHLIGHTS: Demand is decreasing in the Western and Central regions as retail orders for Easter/Passover are being shipped. Churns in the Northeast are still active although orders have started to taper and stocks are starting to build. Cream availability is tight throughout the regions as needs for other cream products increase. Bulk butter is available. Export demand is light. Bulk butter demand has increased as supplies have tightened. Bulk butter prices range from 6 cents over to market in the Central, from 5 to 6 over in the Northeast region and 5 cents under to market in the West. Friday at the CME Group, Grade AA butter closed at \$1.6800, down \$.0150 from a week ago.

CHEESE HIGHLIGHTS: There is widespread comfort with current conditions in the cheese industry. Prices have been moving within a narrow trading range, milk production is strong and increasing, cheese manufacturers are happy to take additional volumes of milk, buyers are actively acquiring cheese and some manufacturers are working to bolster inventories. All parties involved seem to be at ease with current conditions. Concerns expressed tend to be related to how long can these relatively good times continue? Indeed, some manufacturers are acquiring surplus milk priced below class prices as well as fortifying vats with condensed skim and nonfat dry milk, all to increase volumes. No reports of burdensome inventories are heard. The overall current situation is widely expected to continue at least into the near term future. Friday in CME Group trading, barrels closed at \$1.5200, down \$.0250 from last Friday and 40# blocks closed at \$1.5400, down \$.0300 from last Friday.

FLUID MILK: In much of the U.S., milk production is increasing, with the exception of the Northeast due to recent record cold and Florida where production remained steady. Surplus milk is available at below Class prices in some of the Midwest and West. Spring breaks at educational institutions have resulted in reduced bottling demand in affected areas, a situation that will continue for several weeks as varied schools rotate through break calendars.

Cream supplies tightened especially in the West and Midwest due to increased seasonal demand from various products including ice cream, sour cream and cream cheese.

DRY PRODUCTS: Nonfat dry milk prices are lower in all regions on a weak to flat market. Many buyers are maintaining a cautious buying approach due to perceived market uncertainty as much of the country moves toward the flush of milk production. The dry buttermilk market is unsettled in the East and Central regions with higher prices, but weak in the West with unchanged to lower prices and building stocks. Dry whole milk prices are unchanged to higher with improving near and midterm interest. Dry whey prices are mixed to lower in the regions. The market tone is weak, with reports of availability in the Central region, but growing inventories in the West. Whey protein concentrate 34% markets are weak with lower prices. Production is active, following the trend of cheese production. Lactose prices are mostly lower on a weak market. Acid and rennet casein price series are unchanged.

INTERNATIONAL DAIRY MARKET NEWS (DMN):
WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: Milk production remains above year ago levels, but the rate of increase has slowed significantly, compared to last year. Export prices for most dairy commodities moved lower as a majority of buyers are unwilling to purchase products in a downward trending market. Uncertainty persists regarding milk production volumes going into the non-quota era beginning in April. Many members of the industry had previously expected a strong start to the new season, as many producers expanded herds and have heifers ready to come online. But the recent pullback in production, due to levee payments and lower farmgate prices, have lowered some of those expectations. The European Commission has extended the payment period for those states exceeding their quota volumes, allowing payments to be spread out over a three year period, interest free. The Commission also extended the PSA program for butter and SMP to at least the end of September. **EASTERN OVERVIEW:** Eastern European milk production expansion has been restricted compared to last year. Producers in Poland and some of the Baltic States have pulled back on production due to levee payment concerns.

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CME GROUP CASH TRADING

COMMODITY	MONDAY MAR 16	TUESDAY MAR 17	WEDNESDAY MAR 18	THURSDAY MAR 19	FRIDAY MAR 20	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.5450 (N.C.)	\$1.5600 (+.0150)	\$1.5600 (N.C.)	\$1.5200 (-.0400)	\$1.5200 (N.C.)	:: (-.0250)	:: \$1.5410 (-.0040)
40# BLOCKS	\$1.5700 (N.C.)	\$1.5700 (N.C.)	\$1.5700 (N.C.)	\$1.5500 (-.0200)	\$1.5400 (-.0100)	:: (-.0300)	:: \$1.5600 (-.0080)
NONFAT DRY MILK							
GRADE A	\$.9900 (-.0025)	\$.9850 (-.0050)	\$.9850 (N.C.)	\$.9850 (N.C.)	\$.9750 (-.0100)	:: (-.0175)	:: \$.9840 (-.0235)
BUTTER							
GRADE AA	\$1.6800 (-.0150)	\$1.6800 (N.C.)	\$1.6800 (N.C.)	\$1.6800 (N.C.)	\$1.6800 (N.C.)	:: (-.0150)	:: \$1.6800 (-.0300)

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

Other Eastern European states are below year ago production trends due to lower farmgate prices and margins. Finland's production trend is below year ago levels and is a response to the Russian ban.

OCEANIA OVERVIEW: Australian milk production has been supported by favorable weather conditions over most of the key dairying regions. Producer margins have also been fairly good and have supported milk production. Recent rains across southern Australia, especially Victoria, have improved paddocks to the point where producers are delaying their hay purchases. This situation of reduced demand has caused some hay prices to edge slightly lower. Dairy cow culling rates have increased due to high beef prices. The number of heifers available for export has declined as producers are keeping more heifers for their own herds. The Australian Bureau of Agriculture and Resource Economics projects an 8% increase in dairy export earnings for the 2015/16 season. Estimates presented at the recently concluded ABAREs conference were based on average seasonal conditions and global economic activity growing nearly 3.3%. According to Dairy Australia, production of various dairy commodities for December 2014 showed the following percentage changes compared to 2013: butter, -19.2%; butteroil, +10.5%; skim milk powder, +12.4%; whole milk powder, -26.3%; buttermilk powder, -8.2%; cheese, +19.2%; and whey powder, -26.3. Dairy Australia reports dairy product exports for the July-January period totaling 427.4 thousand MT, up 0.7% from the year ago period. Various dairy product export changes compared to the same period last year are: butter, -20.1%; butter oil, +10.2%; cheddar, -13.1%; SMP, +28.4%; WMP, -38.9% and whey products +0.7%. **New Zealand's** milk production is declining at an increasing rate. Some forecast estimates show full-season milk production down 1.5%-2.0% compared to the previous season. Dairy cow culling rates have increased over the past number of weeks. The pace is significantly above the previous season with some reports indicating the pace may be the highest in ten years. The North Island has received substantial rains over the past week with forecasts for more. The South Island has had some rain, but the Canterbury region has seen little and remains very dry. At the March 17 GDT event #136, average prices ranged from 15.2% to 5.5% lower 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, \$3,877 -8.4%; butter, \$3,555 -9.4%; buttermilk powder, \$2,635 -11.6%; cheddar cheese, \$3,130 -7.4%; lactose, n.a.; rennet casein, \$7,507 -15.2%; skim milk powder, \$2,731 -5.5%; sweet whey powder, n.a.; and whole milk powder, \$2,928 -9.6%.

NATIONAL RETAIL REPORT – DAIRY (DMN): Advertised Prices at Major Retail Supermarket Outlets 03/20 to 03/26/2015. National ad volumes for conventional dairy products increased 24%, while organic dairy products increased 175%. Ad numbers are noticeably higher but prices lower than last week for butter (70% more ads), cream cheese (+68%) and sour cream (+66%) leading into Easter/Passover. The national average prices and changes compared to last week are: 1# butter \$3.08, -18 cents; 8 oz. cream cheese \$1.69, -47 cents; and 16 oz. sour cream \$1.65, - 10 cents. The U.S. average advertised price for 8 ounce cheese blocks, \$2.44, is 14 cents higher than one week ago, but even with a year ago, while 8 ounce shredded cheese at \$2.44, is up 9 cents from one week ago, but also even with one year ago. Store ads for Greek 4-6 ounce yogurt significantly lead all other categories and sizes of yogurt, and increased 72%. The average price of 4-6 ounce Greek yogurt, \$0.99, is up 3 cents from last week but even with one year ago. Ads for 4-6 ounce yogurt, the second most advertised yogurt, have an average price of 48 cents, up 1

cent from last week but 5 cents lower than one year ago. The organic - conventional half gallon milk price spread is \$1.65, down 3 cents from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.23, up 47 cents from one week ago, and the average for organic half gallon milk, \$3.88, up 44 cents from last week.

FEBRUARY MILK PRODUCTION: Milk production in the 23 major States during February totaled 15.1 billion pounds, up 1.7% from February 2014. January revised production, at 16.5 billion pounds, was up 2.2% from January 2014. The January revision represented an increase of 17 million pounds or 0.1% from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,757 pounds for February, 8 pounds above February 2014. The number of milk cows on farms in the 23 major States was 8.62 million head, 106,000 head more than February 2014, and 2,000 head more than January 2015.

JANUARY MILK SALES (FMO & CDFA): During January 4.4 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 3.1% lower than January 2014. Estimated sales of total conventional fluid milk products decreased 3.0% from January 2014 and estimated sales of total organic fluid milk products decreased 5.3% from a year earlier.

APRIL FEDERAL ORDER ADVANCE PRICES (FMMO): Under the Federal milk order pricing system, the base Class I price for April 2015 is \$15.50. This price is derived from the advanced Class III skim milk pricing factor of \$9.37 and the advanced butterfat pricing factor of \$1.8442. 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 \$0.06 per cwt when compared to the previous month of March 2015. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$0.07 per cwt, -\$0.006 per gallon; reduced fat milk (2%), -\$0.13 per cwt, -\$0.011 per gallon; fat-free (skim milk), -\$0.19 per cwt, -\$0.016 per gallon. The advanced Class IV skim milk pricing factor is \$7.93. Thus, the Class II skim milk price for April 2015 is \$8.63 and the Class II nonfat solids price is \$0.9589. The two-week product price averages for April 2015 are: butter \$1.6944, nonfat dry milk \$1.0577, cheese \$1.5617 and dry whey \$0.4935.

FEBRUARY PRICE AND POOL HIGHLIGHTS (DY PROGRAMS): During February, more than 10.8 billion pounds of milk were received from Federally pooled producers. This volume of milk is 18.1% higher than the February 2014 volume. Regulated handlers pooled 3.282 billion pounds of producer milk as Class I products, down 1.2% when compared to the previous year. Class I utilization decreased in 6 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 30%, Class II = 13%, Class III = 43%, and Class IV = 14%. The weighted average statistical uniform price was \$16.32, down \$0.91 from last month and \$7.63 from last year.

CME GROUP

MONDAY, MARCH 16, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.5650; LAST OFFER UNCOVERED: 2 CARS 40# BLOCKS @ \$1.5750
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.9900; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$1.6850, 1 @ \$1.6825, 1 @ \$1.6800; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.6775; LAST OFFER UNCOVERED:
 1 CAR GRADE AA @ \$1.6950

TUESDAY, MARCH 17, 2015

CHEESE -- SALES: 1 CAR BARRELS @ \$1.5600; 5 CARS 40# BLOCKS @ \$1.5700; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.5700; LAST OFFER UNCOVERED:
 1 CAR 40# BLOCKS @ \$1.5750
 NONFAT DRY MILK -- SALES: 5 CARS GRADE A: 3 @ \$0.9875, 2 @ \$0.9850; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9850
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.6750; LAST OFFER UNCOVERED: NONE

WEDNESDAY, MARCH 18, 2015

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

THURSDAY, MARCH 19, 2015

CHEESE -- SALES: 7 CARS 40# BLOCKS: 2 @ \$1.5700, 2 @ \$1.5625, 3 @ \$1.5500; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.5500; LAST OFFER UNCOVERED:
 1 CAR BARRELS @ \$1.5200
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9700; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.6800; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7100

FRIDAY, MARCH 20, 2015

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.5500, 1 @ \$1.5400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5200; 1 CAR 40#
 BLOCKS @ \$1.5400
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.9750; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9700; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS**NORTHEAST**

Most churns in the Northeast are active, prompting increases in butter production rates. Manufacturers are advantageously churning rather than clearing available cream supplies. Easter/Passover holiday production is winding up as orders start to taper. Butter stocks are building, with minimal surplus product clearing through the cash market. The current bulk butter prices for domestic sales are reported 5-6 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 13-19, the national weighted average advertised price for 1-pound butter is \$3.26, up \$0.35 from a year ago. The price in the Northeast is \$3.17, a \$0.26 decline from the previous week. The Southeast butter price is \$3.50, an increase of \$.76 compared to a week ago. Tuesday's CME Group cash trading saw Grade AA butter close at \$1.6800, down \$0.0350 from a week ago.

CENTRAL

Central butter prices moved lower this week. Many butter churns are full as operators get ready for spring holiday retail orders. Contacts report food service demand has flattened as orders dwindled. Inventories of butter are light to moderate as some manufacturers are unable to grow stocks with current interest. Some butter churn operators' production rates were slightly reduced as a result of cream supplies firming up from Easter demand for Class II dairy products. Bulk butter prices are unchanged on steady demand and increased supplies, ranging from market to 6 cents over the market, based on the CME Group and

various time frames. According to the DMN *National Retail Report- Dairy*, for March 13-19, the weighted average advertised price for a 1 lb. package of butter in the Midwest was \$2.50. The national weighted average price is \$3.26, a 24 cent increase from last week and 35 cents higher than a year ago. The Grade AA butter price at the CME Group closed Wednesday at \$1.6800, a 2.5 cent decrease from last Wednesday's close.

WEST

With fewer retail butter orders for Easter/Passover left to be filled and shipped, that demand spike is fading. Some plants are focusing on making butter for refill orders to be delivered after the holidays. Cream supplies are described as "snug" and "tight" in the West, as cream is also in demand for cream cheese, sour cream and ice cream manufacturing. Cream is moving into California to maintain churning, which is focused on prints. Some churns are now limited to producing for contract orders and tolling, not to accumulate manufacturer inventories. Bulk butter pricing in the West this week is 5 cents under to even based on the CME Group with various time frames and averages used, similar to last week. The DMN National Retail Report-Dairy ads for the week of March 13 – 19, shows the U.S. weighted average advertised retail price for a one pound pack of butter at \$3.26, up \$.24 from last week and \$.35 higher than one year ago. Butter ad prices averaged \$3.42 in the Southwest, with a price range \$2.99-\$3.50, and \$2.54 in the Northwest, with a price range \$1.99-\$3.50. The Grade AA butter price at the CME Group on Wednesday closed at \$1.6800, down \$.0250 from a week

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
March 14, 2015	1.7190 2,495,574	1.5640 13,740,374	1.5345 9,530,808	0.4835 6,479,236	1.0724 15,699,807

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

CHEESE MARKETS

NORTHEAST

Milk intakes are more than adequate for production levels to meet both typical and holiday demand. Cheddar stocks are accumulating with output adding to aging programs, as processors indicate interest in building inventories at current price levels. A few market participants have noted the Easter/Passover holidays as being the only things holding the cheddar market at its current price, otherwise those processors view the market as weak. Mozzarella interest is at seasonal levels and remains good, as some area manufacturers run full production schedules to meet the current domestic demand. Some manufacturers are delaying export orders. A slight uptick in demand is noted with the start of the March Madness college basketball playoffs. Cream cheese sales are active as processors work through Passover supplies. The market undertone is mixed. The Northeast wholesale cheese prices for cheddar and muenster increased \$0.0150, and process 5# sliced moved up \$0.0525. Prices for Grade A Swiss Cuts 10-14# are unchanged. Tuesday's CME Group daily cash prices saw barrels close at \$1.5600, up \$0.0150 from a week ago; blocks closed at \$1.5700, up \$0.0050 from a week ago. According to the DMN *National Retail Report-Dairy*, for March 13-19, the national weighted average advertised price for 8 oz. cheese blocks in the Northeast is \$2.34, 4 cents more than the national average and 16 cents less than a week ago. The Southeast 8 oz. block cheese price was \$2.32, 25 cents more than the previous week.

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

Cheddar 40# Block	:	1.9650-2.2500
Process 5# Sliced	:	1.7700-2.2500
Muenster	:	1.9850-2.3350
Grade A Swiss Cuts 10 - 14#	:	3.4350-3.7575

MIDWEST

For several weeks little seems to have changed in cheese markets one week to the next. Prices remain within a fairly narrow trading range, even with continuing strong volumes of milk being made into cheese, reflecting a generally balanced market. Surplus spot milk is available in the Midwest at \$1.00 under class and it is being purchased to increase cheese volumes. With most plants already maintaining heavy production schedules and the traditional spring flush period still ahead, manufacturers are not reporting that inventories are burdensome nor are concerns heard about the next few weeks as anticipated milk volumes increase. Some cheese manufacturers are keeping production volumes high to be able to meet current sales demand while others are scheduling production sufficient to also intentionally build inventories. Some spot loads of cheese are available and being purchased from manufacturers. The *National Retail Report - Dairy* (DMN) found that March 13 to 19 Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$1.99, 36 cents lower than the national average, \$2.35. The Midwest price range is \$1.25 to \$2.50. One year ago the national average price was \$2.34. For 8 ounce blocks, the Midwest average price is \$1.95, 35 cents lower than the national average price, \$2.30. Midwest ads are priced from \$1.25 to \$2.50. One year ago the national average price was \$2.44. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process are up \$.0525, Swiss is unchanged, and the remaining varieties are up \$.0150. In CME Group cheese trading, barrels closed Wednesday this week at \$1.5600, down \$.0050 from Wednesday last week and blocks closed at \$1.5700, even with last Wednesday.

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

Process American 5# Loaf	:	1.6525-2.0125
Brick And/Or Muenster 5#	:	1.9450-2.3700
Cheddar 40# Block	:	1.6725-2.0675
Monterey Jack 10#	:	1.9200-2.1250
Blue 5#	:	2.2125-3.2000
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7900-2.6850
Grade A Swiss Cuts 6 - 9#	:	2.9525-3.0700

WEST

Western cheese manufacturers have strong and steady cheese sales attributed to buyers filling cold storage facilities. Milk supplies are strong enough to maintain full cheese production and in a number of Western states, some discounted milk is also being acquired to bolster cheese output. Vats are also being fortified with condensed skim and nonfat dry milk. The factor of cheese prices remaining within a trading range for several weeks is mentioned as evidence of the balanced nature of cheese markets. Manufacturers are maintaining active production schedules with some confidence. The DMN *National Retail Report-Dairy* for the week of March 13 - 19 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.35, down \$.32 from last week but \$.01 higher than a year ago. Packs averaged \$2.40 in the Southwest and \$2.81 in the Northwest. Western wholesale prices are up \$.0525 for process, Swiss is unchanged, and the remaining varieties are up \$.0150. In CME Group cheese trading, barrels closed Wednesday this week at \$1.5600, down \$.0050 from Wednesday last week and blocks closed at \$1.5700, even with last Wednesday.

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

Process 5# Loaf	:	1.6675-1.9250
Cheddar 40# Block	:	1.6775-2.1225
Cheddar 10# Cuts	:	1.8575-2.0775
Monterey Jack 10#	:	1.8675-2.0275
Grade A Swiss Cuts 6 - 9#	:	3.0125-3.4425

FOREIGN

Prices for domestic foreign type cheeses moved higher this week, while imported and Swiss cheese prices were unchanged. Demand for imported and domestic foreign type cheese varieties has been good ahead of the upcoming holiday. European stocks of aged cheeses are low, having seen good domestic and export demand over the past number of weeks. Maturation warehouse stocks are very low in Europe and additional orders are not being accepted.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.1050-3.5925*
Gorgonzola	: 3.6900-6.4900	: 2.6125-3.3100*
Parmesan (Italy)	: -0-	: 3.4950-5.5850*
Provolone (Italy)	: -0-	: 2.1475-2.4000*
Romano (Cows Milk)	: -0-	: 3.2950-5.4450*
Sardo Romano (Argentina)	: 2.8500-4.4900	: -0-
Reggianito (Argentina)	: 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.

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CHEESE MARKETS

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

	<u>BUTTER</u>	:	<u>CHEESE</u>
		:	
03/16/15	9,955	:	94,382
03/01/15	9,406	:	96,003
CHANGE	549	:	-1,621
% CHANGE	6	:	-2

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	80	0	40	0	70
SOUTHEAST STATES	0	0	0	0	0	0

Eastern balancing plants are already considering the potential impact of the approaching spring flush, with regard to estimated milk production levels and global dairy market projections. Milk production in the Northeast is steady to lighter this week. Contacts attribute a slight drop in milk volumes to record cold that subdued parts of the region a few weeks ago. Processors' milk supplies are adequate and facilitate most production needs. Bottling orders are at expected levels, while Class I sales are posting declines as some schools closed for spring break. Milk production in the Mid-Atlantic region is increasing. Fluid milk volumes clearing to manufacturing are heavier than last week. Class I sales declined with cuts on bottling orders in lieu of school closings. Farm-level milk production in the Southeast is climbing. As Class I sales decline, prompted by spring vacation for area students, more loads are being re-directed to various manufacturing channels. Florida's milk production is steady. Bottling sales are at expected levels. Class I sales declined as spring break closings continue at various state schools. Export shipments totaled 80 spot loads this week, 40 more compared to last week. According to the *DMN National Retail Report-Dairy*, for March 13-19, the U.S. weighted average advertised price for a gallon of milk was \$3.24, a \$.02 decrease compared to a year ago. Eastern cream continues to strengthen. **Cream multiples for all Classes range 1.23-1.28.** The current weakness in butter is being passed to cream prices. Cream supplies are exchanging primarily through contracts with limited spot offerings. Easter/Passover holiday interest is pivotal to current sale volumes. At the CME Group, Grade A butter closed Wednesday at \$1.6800, down \$0.0250 from a week ago. **Condensed skim** is not as available, with supplies moving through contracts and very few spot sales reported. Some market participants note that condensed skim is more manageable than one 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 - 2.0691-2.1888

F.O.B. producing plants: Upper Midwest - 2.0349-2.1546

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 - 1.19-1.22

MIDWEST

Warmer temperatures in the Central region improved milk production rates slightly. Additional milk supplies are available with most milk spot load prices ranging from Class to \$1.00 under Class, with some spot loads at \$2.00 to \$4.00 under. Bottling orders are down. Spring breaks at educational institutions have resulted in reduced orders. There are current retail promotions aiding in demand. Class II demand increased with many manufacturers preparing dips and sour cream products. **Cream multiples are uneven this week, ranging from 1.19 to 1.26.** Cream supplies tightened up as order volumes increased as many ice cream makers are increasing production. Class III interest is also higher with spring holiday orders coming in. The

Southern part of the region is finding wetter weather and therefore a delay in planting, while the Northern part is dry and looking to start fieldwork earlier than usual. The weekly *Cow Slaughter under Federal Inspection* report shows U.S. dairy cow slaughter for the week ending February 28, at 58,400 head, compared to 61,200 for the same week a year ago. According to *DMN National Retail Report-Dairy*, the national weighted average advertised price for the week of March 13-19 for a gallon of milk was \$3.24 compared to \$3.26 a year ago and \$2.76 a week ago. In the Midwest, the advertised price for a gallon of milk was \$2.64, with a range of \$2.50-2.99.

WEST

CALIFORNIA farm milk production managed to post some week over week gains at many receiving locations. Processors note components are stepping gradually lower as daytime temperatures increase. Sales into Class 3 (ice cream, frozen dairy dessert mix) are steady to higher as those manufacturers ramp up production ahead of spring holidays. Bottler sales are steady to lower as various school districts revamp orders to coordinate with fewer meals served during the spring break. Milk production in ARIZONA is still trending higher. Processors are scrambling a little because of equipment problems and scheduled maintenance. Bottler sales are mostly lower as school district orders trend lower for spring break. Milk pooled on the Arizona Order 131 totaled 383.1 million pounds in February 2015. Class I utilization accounted for about 26.4% of producer milk. The uniform price was \$15.56, \$.48 below last month, and \$8.28 below one year ago. NEW MEXICO milk production is higher for the week, aided by comfortable daytime temperatures and cool nights. The overall milk supply into the state increased as outlying handlers look for processing room. On the other side of the processing equation, problems at an out-of-state facility curtailed receiving into that plant for several days. The remaining plant operators are doing what they can to get milk processed. While Class I orders are down, Class II orders took up some of those loads. Class II manufacturers have increased production at regular intervals to stay one step ahead of near term consumer demand, which is increasing seasonally. Bottler demand is lower. Cream availability tightened across the Western region, with active draws from cheese, butter, sour cream, and eggnog. Some out-of-state cream is clearing into California to make up for shortfalls in internal cream supplies. Unseasonably warm temperatures in the southern part of California are prompting an early interest in ice cream, soft serve, and frozen desserts. Throughout the region, print butter production is also continuing ahead of the spring holidays. Some contacts indicate this week is the last push to satisfy pre-holiday consumer outlet orders. Cream multiples are shifted higher on the bottom of the range, but the top is steady, 1.14 to 1.25. At the CME Group, Grade AA butter closed Wednesday at \$1.6800, down \$.0250 compared to a week earlier. Conditions in Western Washington are resulting in increased milk volumes, characterized as lots of milk by varied sources. This is expected to increase in coming weeks. A cautionary factor is that this spring is one of the driest in recent years. While the snowpack is still good and water in reservoirs seems adequate for now, the lack of much spring rain for over a month is drawing increasing concern looking ahead. The flush in Oregon seems to be here. Discounted spot milk was available this week. Utah is expecting an early flush. Milk supplies have been increasing with more expected in the next few weeks. Milk supplies now are very good. Utah and Idaho milk production is moving up week over week.

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. The market tone is flat as there is not much interest. Some end users are not afraid to buy and hold product at current pricing levels. Spot inquiries are being made as buyers are searching for desired pricing levels and will take a wait-and-see approach to buying as they use stocks on hand. HIGH HEAT prices are lower this week. Currently, producers are meeting contract needs. Wednesday at the CME Group, Grade A NDM closed at \$.9850, \$.0150 lower than last Wednesday.

EAST: Prices for nonfat dry milk are steady to lower in the range, while lower throughout the mostly series. Low/medium nonfat dry milk output is mixed but mostly increasing with the rise in regional farm-level milk output and recent reductions in sourcing to bottling as schools close for spring break. Manufacturers note that contract shipments are facilitating dependable demand. Contrastingly, some manufacturers have inventory on hand for cash transactions, however, prices are not as appealing to some buyers as prices reflect the high end of the market. Resale channels are fairly quiet. In general, interest is lethargic with limited trading occurring due to the unpredictability of the market and buyers in a holding pattern as the spring flush approaches. The market undertone remains weak. The high heat variety of nonfat dry milk is being produced on a small scale at a few processing facilities. Prices are lower, pressured by low/medium heat movement.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9700 - 1.1300 MOSTLY: 1.0300 - 1.0975
HIGH HEAT: 1.1000 - 1.2000

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices moved lower. The market is weak, exhibiting signs of oversupply. Producers have various strategies related to NDM stocks. For some, the building NDM stocks represent a hedge against mid-term demand. Other manufacturers indicate their primary goal is to keep NDM moving out of the warehouse. Recent sales into Mexico have lightened some inventories. Interest from end users is steady to higher, with some buyers finalizing Q3 contracts as downside risks are considered acceptable. Low/medium heat NDM production is active throughout the Western region, although some cheese operations are taking in higher volumes of condensed skim to fortify vats. Low/medium heat inventories are building. High heat NDM prices are mixed, moving lower and higher. Demand is reported as improving, but well within the current volumes in stock. Many facility managers are only adding high heat NDM onto the drying schedule on an as-needed basis to fill contracts. Other plant operators report high heat production will have to wait for a break in intake volumes. Inventories are light to moderate.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9350 - 1.1550 MOSTLY: .9875 - 1.0800
HIGH HEAT: 1.1050 - 1.2500

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices are up. The market tone is unsettled. Demand for dry buttermilk is steady to increasing as ice cream production has increased. Buyers are still experiencing price advantages purchasing condensed buttermilk. Stocks are low as demand is increasing.

EAST: Dry buttermilk prices are higher with adjustments based on spot sales and indices. Production levels are mixed in areas of the region, as the effect of churning holiday butter on dry buttermilk output tapers at some manufacturing plants. Sales are slow. Inventories continue to build, in an otherwise quiet market. The market undertone is unsettled.

F.O.B. CENTRAL/EAST: .8450 - 1.0200

DRY BUTTERMILK - WEST

Western dry buttermilk markets are unchanged on the range, but unchanged to lower on the mostly price series. The market is weak. Recent declines on the dairy nonfat solids market and some expectations that butterfat prices could decline after the spring holidays, may indicate the dry buttermilk market has yet to find a level of support in the marketplace. Market participants are perplexed by the reticence of a few manufacturers to clear blocks of dry buttermilk loads at prices within the range at a time when stocks are building steadily. Other producers are pricing multiple loads comfortably within the range and finding adequate interest. The production lines of dry buttermilk and butter are losing some butterfat processing opportunities to sour cream, cream cheese, and frozen dairy dessert/ice cream manufacturing. Eggnog production is also enjoying a short spurt ahead of the holiday. Dry buttermilk production is ongoing, following on the heels of active holiday-inspired butter production.

F.O.B. WEST: .7500 - 1.0000 MOSTLY: .8800 - .9150

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged to higher as interest improves for near and mid-term uses. Some end users returned to domestic sourcing for dry whole milk as prices have approached those carried on import milk powder. Production is slow as many plant operators report dryer schedules are fully occupied with clearing seasonally increasing volumes of condensed skim. Dry whole milk inventories are adequate for near term FOB spot and contract fulfillment.

F.O.B. PRODUCING PLANT: 1.3500 - 1.6200

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
March 13	\$1.0384	11,238,774
March 6	\$.9958	10,314,639

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 mixed this week. Inventories are mixed as well, with some buyers reporting available dry whey and others are having trouble finding product. Suppliers are reporting that they are meeting contract needs. The strength of the dollar is bringing down international demand, although some producers have exported product. The market tone is weak but sources indicate the warmer temperatures have aided in optimism. Some manufacturers report that buyers are taking product on a hand-to-mouth basis. ANIMAL FEED WHEY prices are steady to lower. Demand is uneven as some producers are finding substitute product internationally.

F.O.B. CENTRAL: .3600 - .5550 MOSTLY: .4200 - .4650
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2500 - .4200

DRY WHEY - NORTHEAST

Eastern dry whey prices are steady to lower this week as indices dropped prices slightly on the upper end. The overall market tone is weak. Whey output this week parallels regional cheese yield. The majority of product is moving through contracts. Movement in the domestic market is picking up as end-user demand improves. West coast ports re-opening are facilitating increased whey exports in the global market.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4300 - .5350

DRY WHEY - WEST

Stocks of western dry whey are ample and growing. Regional cheese production is absorbing increasing milk supplies and contributing to storage facilities holding increasing volumes of whey. Whey market participants view this as a factor that will continue into the near term future. Manufacturers are meeting contract commitments as well as making spot market offerings. Sellers of whey with some age are accepting lower prices to move product due to the volume of newer whey being manufactured and stored. Buyers seeking whey have varied options to source it.

NONHYGROSCOPIC: .3800 - .5275 MOSTLY: .4200 - .4700

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

The whey protein concentrate 34% market is weak. The top of the mostly shifted lower and both ends of the range are lower. Inventories are mixed. Those manufacturers with steady flows to the infant nutrition sector report there are occasional delays in load pickups, but all contract volumes are eventually being picked up. Any inventories running ahead of current demand are slated for offers to established customers at contract prices. Manufacturers currently sending FOB spot loads into the market are generally those having limited volumes committed to the infant nutrition market sector. WPC 34% production is active, following the trend of cheese production. Vat fortification at some cheese making locations is also sending some additional whey streams to WPC 34%. A few manufacturers have switched out of WPC 34% for the near term, until the market stabilizes.

F.O.B. EXTRA GRADE 34% PROTEIN: .8500 - 1.2075 MOSTLY: .9000 - 1.0900

LACTOSE - CENTRAL AND WEST

Prices for lactose are mostly lower on a weak market. Buyers report unground lactose loads are readily available from a few manufacturers and resellers. However, there is a hint of interest from a few European end users who have been informed that lactose supplies are very tight for Q2 from their traditional suppliers. Contacts in Europe indicate the problem lies with less cheese being made, more skim milk powder being made, and, therefore, more lactose being used for SMP standardization. Domestic lactose production is active, with raised output from some plants where cheese vat fortification is ongoing. Inventories are steady to higher.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1700 - .3800 MOSTLY: .2000 - .2800

CASEIN - NATIONAL

Acid and rennet casein price series are unchanged. The market tone is steady to weak. Contracting for second quarter 2015 is taking place with some market participants willing to contract lesser volumes, anticipating more than adequate spot market supplies in the coming months. Many potential buyers continue to take a wait and see attitude, in hopes of possible future price declines. Supplies are readily available in Oceania with expectations of increased availability in Europe as the non-quota era starts in April. At the March 17 GDT event 136, the average winning price for rennet casein for all contract periods decreased 15.2% to \$7,507/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

	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>
02/28/2015	58.4	550.6	61.2	531.6

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

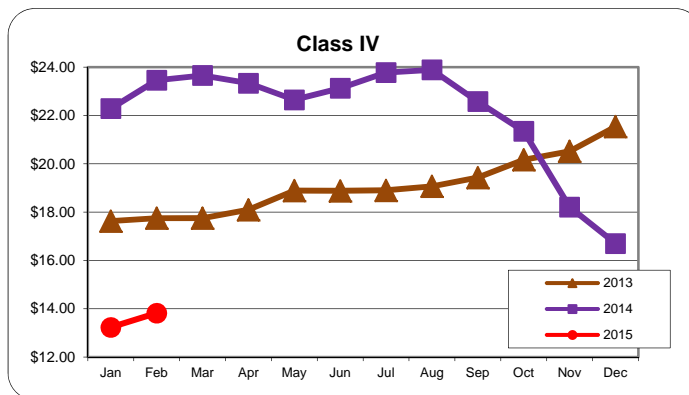
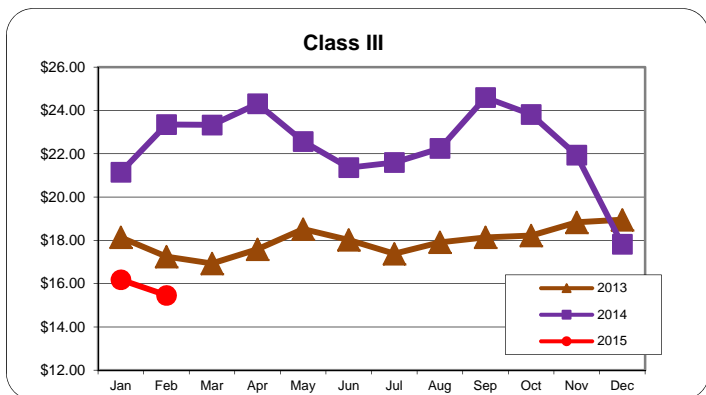
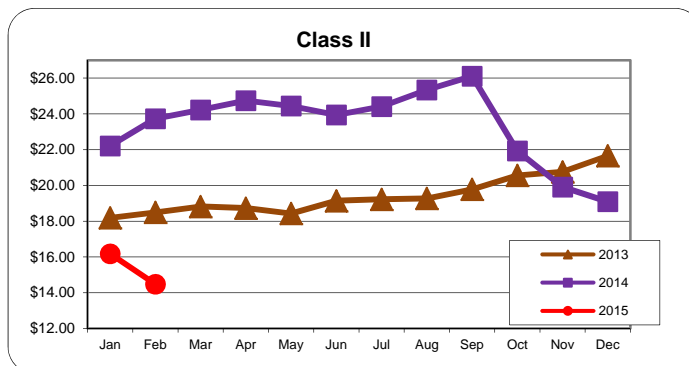
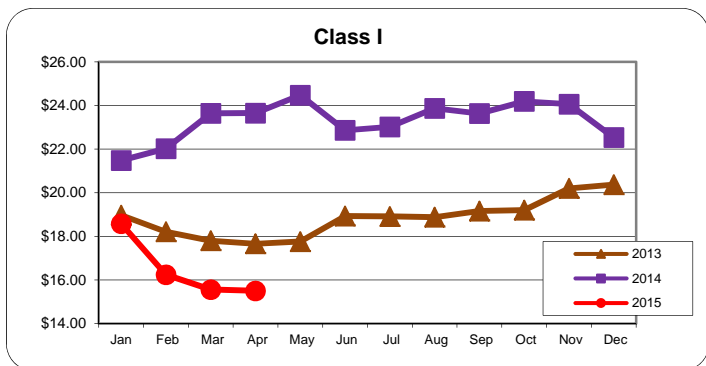
CLASS IV MILK PRICES (3.5%)

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."



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered March 9 - 20, 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: Milk production remains above year ago levels, but the rate of increase has slowed significantly, compared to last year. Export prices for most dairy commodities moved lower as a majority of buyers are unwilling to purchase products in a downward trending market. Uncertainty persists regarding milk production volumes going into the non-quota era beginning in April. Many members of the industry had previously expected a strong start to the new season, as many producers expanded herds and have heifers ready to come online, but the pullback in production, due to levee payments and lower farmgate prices, have lowered some of those expectations. The European Commission has extended the payment period for those states exceeding their quota volumes, allowing payments to be spread out over a three year period, interest free. The Commission also extended the PSA program for butter and SMP to at least the end of September.

BUTTER/BUTTEROIL: Butter prices declined significantly on both ends of the range. Bulk butter export demand and trading has subsided, compared to recent weeks, as most buyers have their near term needs covered. Available supplies for export are relatively tight, due to the good domestic demand ahead of Easter. The reduced rate of milk production expansion over the past number of weeks has also contributed to the restricted availability of butter. Some buyers are hoping for increased supplies in early April, but uncertainty remains regarding just how quickly milk production will expand. PSA stock levels through March 8 amounted to 38,097 MT. Belgium, France, Germany and The Netherlands were the primary contributors to PSA stock growth. A majority of the stock growth is due to the storage of winter butter for use later in the year by baking manufacturers. Butteroil prices are weaker. Export interest has slowed as many potential buyers are taking a wait and see attitude. Production is geared to filling current orders.

82% BUTTERFAT: 3,400 - 3,650
99% BUTTERFAT: 3,875 - 4,400

SKIM MILK POWDER (SMP): Skim milk powder prices moved lower again this period. Market activity has slowed, compared to recent weeks, as many buyers have adequate supplies to cover their near term needs. Predominate buyer sentiment is to take a wait and see attitude, limit purchases to immediate needs and ascertain market conditions in April when production schedules are expected to expand. The weak euro, compared to the U.S. dollar, has prompted some new buyer interest, but resulting sales have been of relatively low volumes. The market undertone is unsettled going into the non-quota season. PSA stock levels through March 8 amounted to 17,546 MT.

1.25% BUTTERFAT: 2,150 - 2,450

WHOLE MILK POWDER (WMP): Whole milk powder prices moved lower on both ends of the range. Export demand has slowed in recent weeks as most buyers have covered their near term needs and are willing to hold off purchases for a better picture of market trends. The weaker euro has made European WMP more competitively priced, but increased sales have yet to develop. Available supplies are relatively tight as production of WMP for most of Q1 has been focused on filling existing orders with little availability for the spot market. Most WMP manufacturers have plans to expand production as milk production increases in the coming weeks.

26% BUTTERFAT: 2,850 - 3,200

SWEET WHEY POWDER: The dry whey market is unchanged to slightly lower as prices on the upper end of the range marginally declined. Production is restricted by reductions in cheese production. Export demand is steady with recent weeks. Buyers are anticipating increased production and availability when the non-quota season begins in April.

NONHYGROSCOPIC: 950 - 1,150

EASTERN OVERVIEW: Eastern European milk production expansion has been restricted compared to last year. Producers in Poland and some of the Baltic States have pulled back on production due to levee payment concerns. Other Eastern European states are below year ago production trends due to lower farmgate prices and margins. Finland's production trend is below year ago levels and is a response to the Russian ban.

**Exchange rates for selected foreign currencies:
March 16, 2015**

.1139 Argentina Peso	.0082 Japan Yen
.7640 Australian Dollar	.0649 Mexican Peso
.7828 Canadian Dollar	.7367 New Zealand Dollar
1.0570 Euro	.2560 Poland Zloty
.0159 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0649) = 15.4083 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered March 9 - 20, 2015

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

AUSTRALIAN milk production has been supported by favorable weather conditions over most of the key dairying regions. Producer margins have also been fairly good and have supported milk production. Recent rains across southern Australia, especially Victoria, have improved paddocks to the point where producers are delaying their hay purchases. This situation of reduced demand has caused some hay prices to edge slightly lower. Dairy cow culling rates have increased due to high beef prices. The number of heifers available for export has declined as producers are keeping more heifers for their own herds. The Australian Bureau of Agriculture and Resource Economics projects an 8% increase in dairy export earnings for the 2015/16 season. Estimates, presented at the recently concluded ABARES conference, were based on average seasonal conditions and global economic activity growing near 3.3%. According to Dairy Australia, production of various dairy commodities for December 2014 showed the following percentage changes compared to 2013: butter, -19.2%; butteroil, +10.5%; skim milk powder, +12.4%; whole milk powder, -26.3%; buttermilk powder, -8.2%; cheese, +19.2%; and whey powder, -26.3. Dairy Australia reports dairy product exports for the July-January period totaling 427.4 thousand MT, up 0.7% from the year ago period. Various dairy product export changes compared to the same period last year are: butter, -20.1%; butter oil, +10.2%; cheddar, -13.1%; SMP, +28.4%; WMP, -38.9% and whey products +0.7%.

BUTTER: Butter prices moved substantially lower on both ends of the range this period. Lower prices were prompted as international buyers have become more price conscious and looked increasingly to Europe as a competitively priced alternative source. Some buyers continue to hold off on major volume purchases, knowing that global supplies in the northern hemisphere will be increasing in the coming weeks. Demand for butter has declined compared to recent weeks with many of the major buyers having covered their needs for Q2. Butter stocks available for export are mixed in Oceania with the best availability coming from New Zealand. Australian butter stocks are tight with little being offered for export, beyond current commitments. Australian butter production has been reduced due to the good demand for fluid cream and other fat based dairy products. Butteroil prices also saw a market correction this period and moved lower. Southeast Asia continues to show a willingness to make purchases at lower price levels. At the March 17 GDT event #136, NZ butter averaged \$3,555/MT for May contracts, -9.5% from the prior event. Butter for all regions and contracting periods averaged \$3,555/MT, -9.4%. New Zealand AMF prices averaged \$3,872/MT for May contracts, -8.8% from the prior event. For all contracting periods, the AMF price average was \$3,877/MT, -8.4%.

82% BUTTERFAT: 3,500 - 4,000

SKIM MILK POWDER (SMP): Prices for SMP were mixed with near term pricing moving higher, while prices through the second half of Q2 moved lower. Export demand is fairly good, but buyers are more sensitive to pricing. May GDT contract prices for medium heat New Zealand sourced SMP moved higher, while all other contract periods declined between \$205-\$300/MT. Supplies are readily available throughout Oceania. The market undertone is weak as global supplies are expected to increase in the coming weeks. At the March 17 GDT event 136, SMP for all regions and contracting periods averaged \$2,731 per MT, -5.5%. For trading in contract period 2, May, prices averaged \$3,165 for NZ sourced medium heat product, up \$220 from the prior event.

1.25% BUTTERFAT: 2,600 - 3,175

CHEDDAR CHEESE: The cheddar market moved marginally lower in response to increased global competition, especially from Europe. Supplies are readily available for export; however some Australian manufacturers are focusing on their domestic markets. Buyers in the current market are in a position to shop for the best deals. Demand remains fairly active with Japan, Korea and China looking to add to existing orders. Cheddar production is tapering off as milk production seasonally declines.

39% MAXIMUM MOISTURE: 3,300 - 3,800

WHOLE MILK POWDER (WMP): The WMP market saw prices move substantially lower on both ends of the range. The lower prices were in response to buyers increasingly looking to Europe as an alternative source for lower priced WMP. Some market participants anticipate further convergence of global prices in the coming weeks. Demand has softened as a number of major buyers have covered a majority of their needs through Q3. Supplies are readily available via New Zealand, while the majority of stocks in Australian are committed. At the March 17 GDT event 136, the WMP pricing index, across all contracting periods, averaged \$2,928 per MT, down 9.6% compared to the prior event. For contract periods 2 and 3, May and June, NZ regular WMP averaged \$2,840 and \$2,950 per MT.

26% BUTTERFAT: 2,850 - 3,400

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 136 Recap - March 17, 2015						
	Contract 1 Apr-15	Contract 2 May-15	Contract 3 Jun-15	Contract 4 Jul-15	Contract 5 Aug-15	Contract 6 Sep-15	All Contracts
Anhydrous Milk Fat	n.a.	\$3,872 -8.8%	\$3,748 -10.6%	\$4,000 -6.3%	\$4,082 -3.1%	\$4,082 -4.9%	\$3,877 -8.4%
Butter	n.a.	\$3,555 -9.5%	\$3,495 -8.6%	\$3,603 -10.1%	\$3,650 -10.4%	\$3,735 n.a.	\$3,555 -9.4%
Buttermilk Powder	n.a.	n.a.	\$2,635 -11.6%	n.a.	n.a.	n.a.	\$2,635 -11.6%
Cheddar	n.a.	\$3,160 -5.5%	\$3,076 -7.4%	\$3,155 -9.4%	n.a.	n.a.	\$3,130 -7.4%
Lactose	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Rennet Casein	n.a.	\$7,672 -14.0%	\$7,076 -18.0%	\$8,135 -10.9%	n.a.	n.a.	\$7,507 -15.2%
Skim Milk Powder	n.a.	\$2,663 -2.1%	\$2,935 -6.3%	\$2,697 -10.0%	\$2,735 -8.4%	\$2,708 -8.2%	\$2,731 -5.5%
Sweet Whey Powder	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Whole Milk Powder	n.a.	\$2,868 -11.3%	\$2,977 -8.0%	\$3,008 -8.0%	\$2,952 -9.0%	\$3,002 -7.5%	\$2,928 -9.6%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 136 Recap - March 17, 2015						
	Contract 1 Apr-15	Contract 2 May-15	Contract 3 Jun-15	Contract 4 Jul-15	Contract 5 Aug-15	Contract 6 Sep-15	All Contracts
Anhydrous Milk Fat	n.a.	\$1.7563 -8.8%	\$1.7001 -10.6%	\$1.8144 -6.3%	\$1.8516 -3.1%	\$1.8516 -4.9%	\$1.7586 -8.4%
Butter	n.a.	\$1.6125 -9.5%	\$1.5853 -8.6%	\$1.6343 -10.1%	\$1.6556 -10.4%	\$1.6942 n.a.	\$1.6125 -9.4%
Buttermilk Powder	n.a.	n.a.	\$1.1952 -11.6%	n.a.	n.a.	n.a.	\$1.1952 -11.6%
Cheddar	n.a.	\$1.4334 -5.5%	\$1.3953 -7.4%	\$1.4311 -9.4%	n.a.	n.a.	\$1.4198 -7.4%
Lactose	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Rennet Casein	n.a.	\$3.4800 -14.0%	\$3.2097 -18.0%	\$3.6900 -10.9%	n.a.	n.a.	\$3.4052 -15.2%
Skim Milk Powder	n.a.	\$1.2079 -2.1%	\$1.3313 -6.3%	\$1.2234 -10.0%	\$1.2406 -8.4%	\$1.2283 -8.2%	\$1.2388 -5.5%
Sweet Whey Powder	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Whole Milk Powder	n.a.	\$1.3009 -11.3%	\$1.3504 -8.0%	\$1.3644 -8.0%	\$1.3390 -9.0%	\$1.3617 -7.5%	\$1.3281 -9.6%

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

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

Month	03/05	03/06	03/09	03/10	03/11	03/12	03/13	03/16	03/17	03/18
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
MAR 15	15.45 (5654)	15.42 (5698)	15.41 (5660)	15.42 (5648)	15.42 (5629)	15.50 (5747)	15.50 (5716)	15.50 (5707)	15.52 (5714)	15.57 (5700)
APR 15	15.42 (5681)	15.50 (5657)	15.26 (5708)	15.47 (5697)	15.41 (5713)	15.41 (5684)	15.40 (5669)	15.39 (5681)	15.38 (5681)	15.55 (5713)
MAY 15	15.51 (5425)	15.50 (5445)	15.28 (5470)	15.40 (5514)	15.28 (5579)	15.13 (5647)	15.10 (5649)	15.02 (5670)	14.98 (5724)	15.22 (5743)
JUN 15	16.30 (4864)	16.15 (4868)	15.94 (4897)	16.03 (4953)	15.90 (5007)	15.67 (5039)	15.61 (5037)	15.45 (5092)	15.35 (5139)	15.52 (5172)
JUL 15	16.82 (3794)	16.68 (3801)	16.45 (3798)	16.54 (3820)	16.47 (3844)	16.37 (3857)	16.32 (3864)	16.13 (3895)	15.95 (3914)	16.04 (3929)
AUG 15	17.32 (3304)	17.15 (3313)	16.95 (3310)	17.09 (3348)	17.02 (3337)	16.98 (3347)	16.95 (3343)	16.76 (3381)	16.58 (3415)	16.62 (3471)
SEP 15	17.41 (3129)	17.28 (3130)	17.16 (3118)	17.30 (3130)	17.27 (3138)	17.26 (3124)	17.25 (3129)	17.09 (3128)	17.00 (3165)	17.02 (3209)
OCT 15	17.40 (2754)	17.32 (2782)	17.23 (2817)	17.40 (2814)	17.40 (2810)	17.40 (2797)	17.40 (2787)	17.25 (2783)	17.19 (2802)	17.20 (2831)
NOV 15	17.44 (2577)	17.26 (2570)	17.20 (2602)	17.34 (2629)	17.34 (2636)	17.34 (2636)	17.39 (2639)	17.26 (2640)	17.20 (2669)	17.22 (2725)
DEC 15	17.11 (2403)	17.00 (2411)	16.96 (2438)	17.06 (2455)	17.05 (2464)	17.08 (2463)	17.15 (2465)	17.10 (2465)	17.07 (2466)	17.10 (2497)
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
MAR 15	14.83 (372)	14.79 (372)	14.64 (372)	14.62 (372)	14.16 (390)	14.18 (389)	14.17 (389)	14.17 (389)	14.17 (389)	14.17 (389)
APR 15	15.30 (374)	14.75 (380)	14.56 (393)	14.47 (393)	14.23 (404)	14.23 (404)	14.23 (404)	14.23 (404)	13.90 (404)	13.90 (404)
MAY 15	15.50 (403)	15.24 (415)	15.28 (415)	15.00 (433)	14.68 (437)	14.63 (445)	14.53 (444)	14.40 (456)	14.19 (468)	14.21 (468)
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
MAR 15	175.00 (875)	175.00 (875)	173.48 (881)	173.03 (881)	172.00 (885)	172.00 (885)	171.00 (887)	170.53 (887)	170.53 (887)	170.53 (899)
APR 15	179.50 (839)	177.00 (848)	174.50 (858)	174.00 (855)	174.00 (859)	173.95 (859)	172.50 (858)	172.00 (857)	170.50 (858)	170.00 (857)
MAY 15	179.50 (792)	179.50 (803)	177.00 (820)	177.50 (813)	177.00 (821)	176.00 (832)	174.95 (848)	173.30 (868)	173.50 (882)	174.15 (883)
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
MAR 15	110.25 (709)	109.00 (685)	109.00 (685)	108.00 (685)	105.00 (689)	105.00 (688)	105.00 (688)	105.00 (688)	104.50 (688)	104.50 (691)
APR 15	113.50 (753)	109.65 (763)	109.25 (763)	108.00 (765)	106.05 (734)	106.00 (739)	105.25 (739)	105.13 (739)	102.75 (782)	102.80 (782)
MAY 15	117.00 (788)	114.00 (817)	113.70 (822)	111.15 (851)	109.00 (856)	109.00 (862)	107.75 (852)	107.68 (834)	105.50 (839)	105.50 (839)
WHEY (Electronic-Traded) (¢/lb)										
MAR 15	47.50 (844)	46.75 (837)	46.50 (835)	46.50 (835)	46.50 (835)	48.08 (834)	48.00 (826)	48.00 (826)	48.00 (826)	48.00 (826)
APR 15	44.00 (805)	43.50 (799)	43.50 (796)	43.50 (796)	43.50 (795)	44.83 (797)	44.45 (797)	44.75 (798)	44.75 (798)	44.40 (801)
MAY 15	41.53 (842)	41.50 (843)	41.25 (844)	41.25 (846)	41.75 (847)	43.50 (827)	43.38 (813)	43.00 (813)	42.00 (813)	41.75 (812)
CHEESE CSC (Electronic-Traded) (\$/lb)										
MAR 15	1.56 (4762)	1.57 (4789)	1.57 (4796)	1.57 (4794)	1.57 (4797)	1.57 (4790)	1.57 (4792)	1.57 (4792)	1.57 (4792)	1.57 (4789)
APR 15	1.58 (4336)	1.59 (4347)	1.57 (4357)	1.59 (4364)	1.58 (4346)	1.58 (4370)	1.58 (4381)	1.58 (4390)	1.58 (4393)	1.60 (4419)
MAY 15	1.61 (4056)	1.61 (4078)	1.59 (4109)	1.60 (4114)	1.58 (4133)	1.55 (4151)	1.56 (4149)	1.55 (4206)	1.55 (4229)	1.57 (4222)
JUN 15	1.69 (3837)	1.68 (3844)	1.66 (3861)	1.67 (3888)	1.65 (3904)	1.62 (3934)	1.62 (3919)	1.60 (3950)	1.59 (4005)	1.61 (3990)
JUL 15	1.75 (2951)	1.74 (2960)	1.71 (2956)	1.72 (2962)	1.72 (2962)	1.69 (2980)	1.69 (2984)	1.67 (3005)	1.66 (3051)	1.67 (3051)
AUG 15	1.79 (2628)	1.78 (2641)	1.76 (2660)	1.77 (2680)	1.77 (2673)	1.75 (2681)	1.75 (2696)	1.73 (2703)	1.73 (2790)	1.74 (2820)

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

February Milk Production

Milk production in the 23 major States during February totaled 15.1 billion pounds, up 1.7 percent from February 2014. January revised production, at 16.5 billion pounds, was up 2.2 percent from January 2014. The January revision represented an increase of 17 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,757 pounds for February, 8 pounds above February 2014.

The number of milk cows on farms in the 23 major States was 8.62 million head, 106,000 head more than February 2014, and 2,000 head more than January 2015.

February 2015 Milk Cows and Milk Production, by States							
State	Milk Cows ¹		Milk per Cow ²		Milk Production ²		
	2014	2015	2014	2015	2014	2015	Change from 2014
	(thousands)		(pounds)		(million pounds)		(percent)
AZ	192	195	1,965	1,990	377	388	2.9
CA	1,780	1,778	1,910	1,840	3,400	3,272	-3.8
CO	140	145	1,885	1,960	264	284	7.6
FL	123	124	1,715	1,775	211	220	4.3
ID	567	580	1,820	1,805	1,032	1,047	1.5
IL	95	95	1,545	1,580	147	150	2.0
IN	176	181	1,660	1,705	292	309	5.8
IA	205	210	1,725	1,765	354	371	4.8
KS	137	143	1,695	1,730	232	247	6.5
MI	381	403	1,880	1,915	716	772	7.8
MN	460	460	1,530	1,595	704	734	4.3
NM	323	323	1,950	1,880	630	607	-3.7
NY	615	616	1,690	1,725	1,039	1,063	2.3
OH	266	268	1,545	1,570	411	421	2.4
OR	124	125	1,595	1,590	198	199	0.5
PA	531	530	1,565	1,600	831	848	2.0
SD	95	101	1,650	1,700	157	172	9.6
TX	447	470	1,745	1,730	780	813	4.2
UT	95	97	1,685	1,765	160	171	6.9
VT	132	132	1,545	1,545	204	204	---
VA	93	93	1,500	1,500	140	140	---
WA	269	277	1,850	1,840	498	510	2.4
WI	1,270	1,276	1,665	1,730	2,115	2,207	4.3
23 State Total	8,516	8,622	1,749	1,757	14,892	15,149	1.7

¹ Includes dry cows. Excludes heifers not yet fresh.

² Excludes milk sucked by calves.

--- represents zero.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Milk Production, March 2015*.

JANUARY MILK SALES

During January 4.4 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 3.1 percent lower than January 2014. Estimated sales of total conventional fluid milk products decreased 3.0 percent from January 2014 and estimated sales of total organic fluid milk products decreased 5.3 percent from a year earlier. Additional data can be found at <http://www.ams.usda.gov/AMSV1.0/FluidMilkSalesDataMonthlyandYeartoDate>.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, JANUARY 2015, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	January	Year to Date	Previous Year	Year to Date
	<i>million pounds</i>		<i>Percent</i>	
Conventional Production Practice				
Whole Milk	1,189	1,189	0.6	0.6
Flavored Whole Milk	45	45	-5.6	-5.6
Reduced Fat Milk (2%)	1,430	1,430	-8.6	-8.6
Low Fat Milk (1%)	655	655	7.6	7.6
Fat-Free Milk (Skim)	493	493	-11.2	-11.2
Flavored Fat-Reduced Milk	350	350	4.3	4.3
Buttermilk	43	43	5.8	5.8
Other Fluid Milk Products	4	4	-3.6	-3.6
Total Fat-Reduced Milk 3/	2,928	2,928	-4.5	-4.5
Total Conventional Milk Products	4,209	4,209	-3.0	-3.0
Organic Production Practice				
Whole Milk	66	66	10.3	10.3
Reduced Fat Milk (2%)	59	59	-12.2	-12.2
Low Fat Milk (1%)	39	39	-10.4	-10.4
Fat-Free Milk (Skim)	32	32	-16.6	-16.6
Flavored Fat-Reduced Milk	10	10	-22.2	-22.2
Other Fluid Milk Products	0	0	-----	-----
Total Fat-Reduced Milk 3/	139	139	-11.0	-11.0
Total Organic Milk Products	205	205	-5.3	-5.3
Total Fluid Milk Products	4,414	4,414	-3.1	-3.1
Total Fluid Milk Products Adjusted 4/	*	*	*	*

* Total Fluid Milk Products Adjusted for Calendar Composition will not be published until the release of “*An Overview of Calendar Composition of Fluid Milk Sales*.” 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. 3/ Both conventional and organic fat-reduced milk categories are total of reduced fat, lowfat, skim and flavored fat-reduced milk. 4/ Sales volumes and percent changes have been adjusted for calendar composition. Report contact: Daniel Manzoni, Daniel.manzoni@ams.usda.gov or 202-720-2352

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS AND CALIFORNIA, JANUARY 2015, WITH COMPARISONS 1/

Marketing Area	Order Number	Sales		Change from: 2/	
		January	Year to Date	Previous Year	Year to Date
		<i>million pounds</i>		<i>percent</i>	
Northeast	001	751	751	-2.0	-2.0
Appalachian	005	287	287	-5.7	-5.7
Florida	006	248	248	-2.6	-2.6
Southeast	007	407	407	-2.2	-2.2
Upper Midwest	030	340	340	-3.5	-3.5
Central	032	373	373	-4.8	-4.8
Mideast	033	496	496	-2.1	-2.1
Pacific Northwest	124	164	164	-8.8	-8.8
Southwest	126	402	402	-0.3	-0.3
Arizona	131	94	94	-9.1	-9.1
California	---	499	499	-2.8	-2.8
All Orders (Total)		3,562	3,562	-3.2	-3.2
All Areas (Total)		4,057	4,057	-3.1	-3.1

1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 4/ above for the products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis.

Source: U.S. Department of Agriculture. California Department of Food and Agriculture. Milk Stabilization Branch. *California Dairy Information Bulletin*, January 2015.

Measures of Growth in Federal Milk Order Markets, Years, 1947-2013

Year	Number of markets ¹	Population of Federal milk marketing areas ²	Number of pool handlers ¹	Number of pooled producers ³	Receipts of producer milk ⁴	Producer milk used in Class I	Percentage of producer milk used in Class I	Prices at 3.5% butterfat content ⁵		Receipts as percentage of milk sold to plants and dealers		Daily deliveries of milk per producer	Gross value of receipts of producer milk ⁶	
								Class I	Blend	Fluid grade	All milk		Per producer	All producers
	(number)	(1,000)	(number)		(million pounds)		(percent)	(dollar per cwt)		(percent)		(pounds)	(dollars)	(1,000 dol.)
1947	29	*	991	135,830	14,980	9,808	65.5	4.65	4.34	*	21	302	5,024	682,407
1950	39	*	1,101	156,584	18,660	11,000	58.9	4.51	3.93	41	25	326	4,914	769,442
1955	63	46,963	1,483	188,611	28,948	18,032	62.3	4.67	4.08	51	32	420	6,510	1,227,815
1960	80	88,818	2,259	189,816	44,812	28,758	64.2	4.88	4.47	64	43	648	10,482	1,989,615
1965	73	102,351	1,891	158,077	54,444	34,561	63.5	4.93	4.31	70	48	944	15,300	2,418,526
1970	62	125,721	1,588	143,411	65,104	40,063	61.5	6.74	5.95	79	59	1,244	27,636	3,963,311
1975	56	150,666	1,315	123,855	69,249	40,106	57.9	9.36	8.64	78	63	1,532	49,233	6,097,768
1980	47	164,908	1,091	117,490	83,998	41,034	48.9	13.77	12.86	80	67	1,954	93,685	11,007,001
1985	44	176,440	884	116,765	97,762	42,201	43.2	13.88	12.61	80	70	2,294	107,871	12,595,522
1990	42	195,841	753	100,397	102,396	43,783	42.8	15.55	13.78	77	70	2,796	142,324	14,289,567
1991	40	198,409	722	100,267	103,252	45,033	43.6	13.30	12.11	76	71	2,821	121,479	12,180,354
1992	40	200,530	698	97,803	107,947	44,914	41.6	14.57	13.12	77	73	3,017	146,452	14,323,698
1993	38	199,604	675	92,934	103,979	44,805	43.1	14.19	12.89	73	69	3,073	145,350	13,507,974
1994	38	201,561	629	91,397	107,811	44,866	41.6	14.75	13.16	75	71	3,232	156,253	14,281,193
1995	33	207,548	571	88,717	108,548	45,044	41.5	14.19	12.79	75	71	3,350	157,754	13,995,454
1996	32	209,599	570	82,947	104,501	45,479	43.5	16.19	14.64	72	69	3,442	187,713	15,570,261
1997	31	208,379	570	78,422	105,224	44,917	42.7	14.36	13.10	71	69	3,676	178,424	13,992,366
1998	31	210,484	522	72,402	99,223	44,968	45.3	16.14	14.92	66	64	3,755	202,770	14,681,340
1999	31	212,118	487	69,008	104,479	45,216	43.3	16.24	14.09	67	65	4,148	216,794	14,960,544
2000	11	228,899	346	69,590	116,920	45,989	39.3	14.24	12.11	72	70	4,590	207,913	14,468,892
2001	11	231,487	350	66,423	120,223	45,887	38.2	16.96	14.90	75	73	4,959	275,642	18,308,968
2002	11	234,256	338	63,856	125,546	46,043	36.7	13.69	11.91	77	76	5,387	239,520	15,294,802
2003	11	236,180	331	58,110	110,581	45,843	41.5	14.10	12.12	67	65	5,178	242,066	14,066,672
2004	10	234,825	306	52,341	103,048	44,939	43.6	17.56	15.74	62	61	5,352	324,119	16,965,368
2005	10	238,428	302	53,036	114,682	44,570	38.9	17.13	15.07	66	65	5,904	334,626	17,747,577
2006	10	239,142	314	52,725	120,618	45,304	37.6	14.59	12.86	68	67	6,264	303,429	15,998,288
2007	10	241,000	312	49,782	114,407	45,226	39.5	20.81	19.19	63	62	6,297	452,097	22,507,219
2008	10	242,988	333	47,859	115,867	44,989	38.8	20.78	18.24	61	62	6,613	453,886	21,722,538
2009	10	245,445	251	46,677	123,430	45,262	36.7	14.40	12.44	66	66	7,242	339,698	15,856,077
2010	10	247,031	251	45,918	126,909	44,970	35.4	18.25	16.07	67	66	7,572	444,038	20,389,201
2011	10	247,675	241	43,654	126,879	44,383	35.0	21.97	19.87	66	65	7,963	577,538	25,211,996
2012	10	250,724	237	40,750	122,388	43,492	35.5	20.39	18.05	62	61	8,229	542,121	22,091,337
2013	10	251,201	225	40,048	132,100	42,742	32.4	21.80	19.44	67	66	9,047	641,295	25,682,288

* Data not available. ¹ End of year. ² Figures for following time periods on respective U.S. Census: 1951-59 (1950), 1960-70 (1970), 1980, 1990, 2000, and 2010. Figures for following time periods are estimated based on other Census Bureau reports: 1972-79, 1981-99, 2001-2009, 2011-2012. ³ Average for year. ⁴ Beginning in 1988, due to disadvantageous price situations in some markets, handlers elected not to pool milk that normally would have been associated with the order. This has reduced, sometimes substantially, the volume of producer milk receipts reported for some markets. This can also affect significantly the comparability of other "Measures of Growth" based on this statistic. ⁵ Prices are simple averages for 1947-61 and weighted averages for 1962 to date. ⁶ Based on blend (uniform) price adjusted for the butterfat content, and starting in 1988, other milk components of producer milk.

Report Contact: Lorie Warren, Dairy Marketing Specialist, Lorie.Warren@ams.usda.gov or 202-720-4405.

FEDERAL MILK ORDER ADVANCE PRICES, APRIL

Base Class I Price: Under the Federal milk order pricing system, the base Class I price for April 2015 is \$15.50 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$9.37 and the advanced butterfat pricing factor of \$1.8442. 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 \$0.06 per cwt when compared to the previous month of March 2015. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$0.07 per cwt, -\$0.006 per gallon; reduced fat milk (2%), -\$0.13 per cwt, -\$0.011 per gallon; fat-free (skim milk), -\$0.19 per cwt, -\$0.016 per gallon.

Class II Price Information: The advanced Class IV skim milk pricing factor is \$7.93. Thus, the Class II skim milk price for April 2015 is \$8.63 per cwt, and the Class II nonfat solids price is \$0.9589.

Product Price Averages: The two-week product price averages for April 2015 are: butter \$1.6944, nonfat dry milk \$1.0577, cheese \$1.5617 and dry whey \$0.4935.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION ^{1/ 2/}				
Federal Milk Order Marketing Area ^{3/}	Order Number	April 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	18.75	12.62	1.8767
Appalachian (Charlotte) ^{5/}	005	18.90	12.77	1.8782
Florida (Tampa) ^{6/}	006	20.90	14.77	1.8982
Southeast (Atlanta) ^{7/}	007	19.30	13.17	1.8822
Upper Midwest (Chicago) ^{8/}	030	17.30	11.17	1.8622
Central (Kansas City) ^{9/}	032	17.50	11.37	1.8642
Mideast (Cleveland) ^{10/}	033	17.50	11.37	1.8642
Pacific Northwest (Seattle) ^{11/}	124	17.40	11.27	1.8632
Southwest (Dallas) ^{12/}	126	18.50	12.37	1.8742
Arizona (Phoenix)	131	17.85	11.72	1.8677
All-Market Average		18.39	12.26	1.8731

^{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.

Federal Milk Order Marketing and Utilization Summary, February 2015

Highlights. Handler reports of receipts and utilization under the Federal milk order system for February 2015 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During February, more than 10.8 billion pounds of milk were received from Federally pooled producers. This volume of milk is 18.1 percent higher than the February 2014 volume. Regulated handlers pooled 3.282 billion pounds of producer milk as Class I products, down 1.2 percent when compared to the previous year. Class I utilization decreased in 6 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 30%, Class II = 13%, Class III = 43%, and Class IV = 14%. The weighted average statistical uniform price was \$16.32 per cwt, down \$0.91 from last month and \$7.63 from last year.

Price and Pool Statistics for Federal Milk Order Marketing Areas for the Month of February 2015

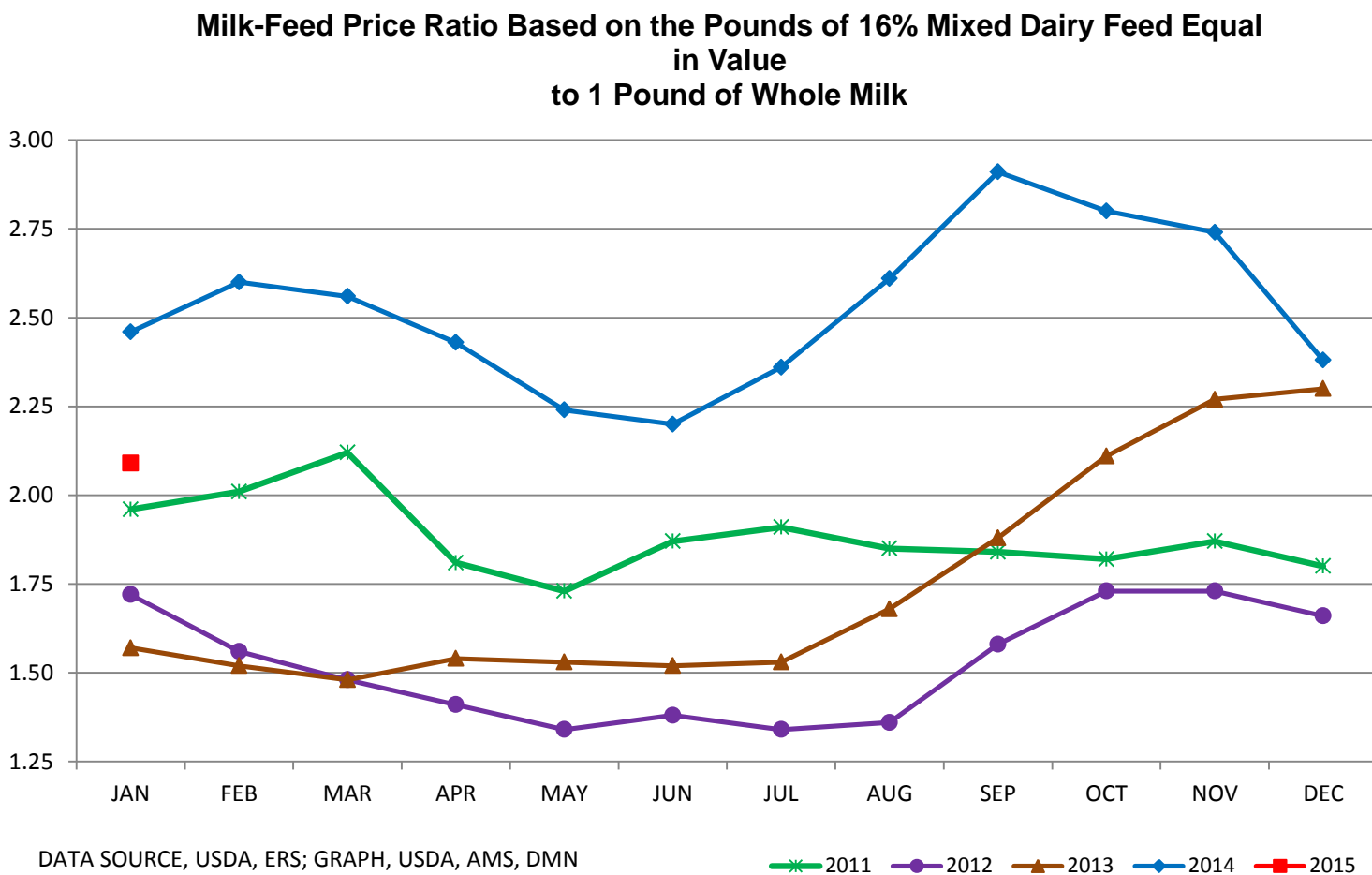
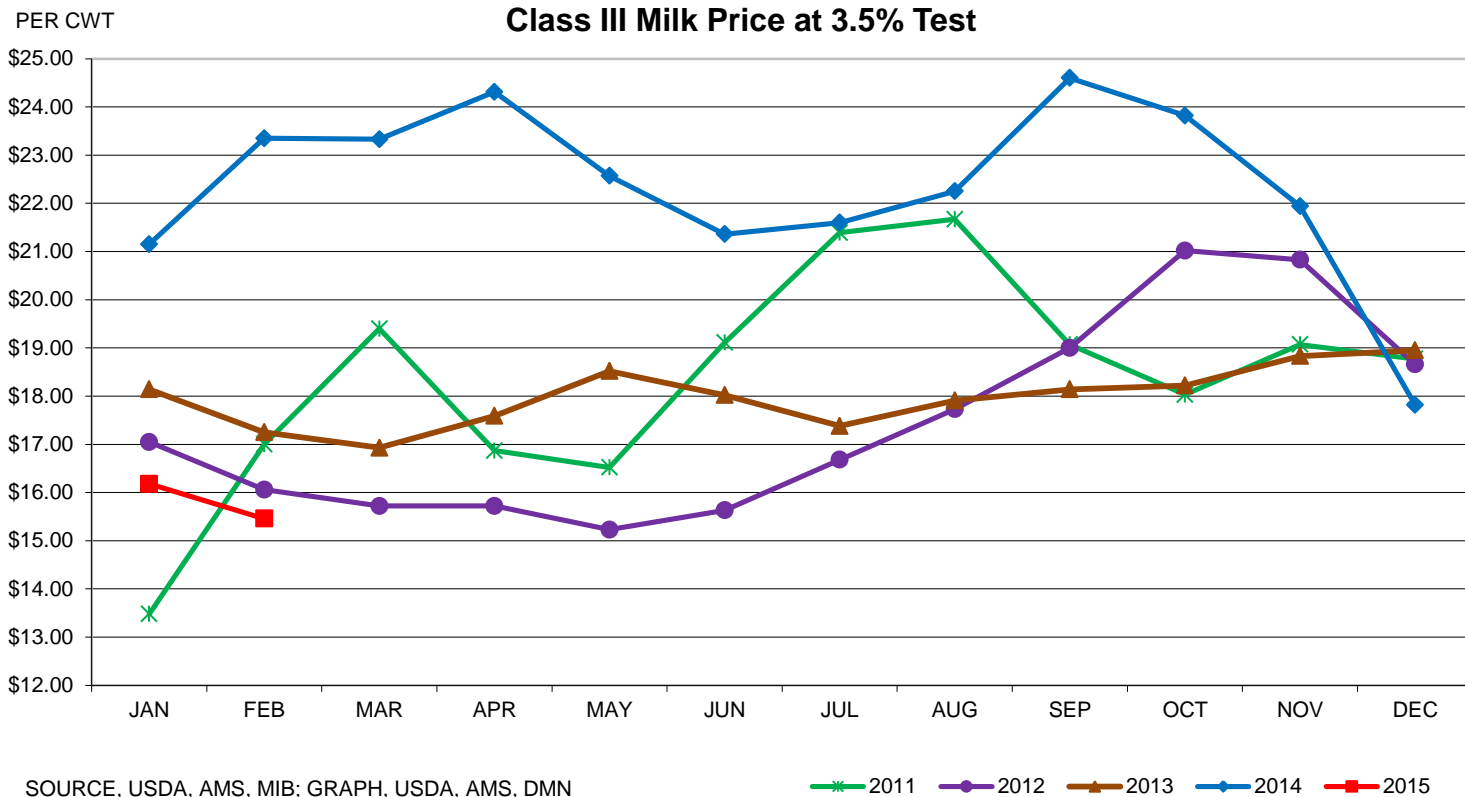
Federal Milk Order Marketing Area ¹	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I		Utilization of Producer Milk in All Classes ³				Uniform Price ²
		Total	Change from Prev. Year	Total	Change from Prev. Year	Class I	Class II	Class III	Class IV	
		<i>(million lbs)</i>	<i>(percent)</i>	<i>(million lbs)</i>	<i>(percent)</i>	<i>(percent)³</i>				<i>(\$ per cwt)</i>
Northeast (Boston)	001	2,016.0	2.4	700.8	-3.6	35	25	23	17	16.66
Appalachian (Charlotte)	005	440.3	2.3	314.2	5.0	71	14	3	11	18.55
Florida (Tampa)	006	225.5	-2.1	191.2	-1.6	85	10	2	3	20.84
Southeast (Atlanta)	007	414.1	-3.5	318.6	0.7	77	13	4	6	19.24
Upper Midwest (Chicago)	030	2,911.0	27.1	281.0	-2.8	10	6	82	3	15.64
Central (Kansas City)	032	1,291.6	17.5	388.3	1.7	30	10	45	15	15.78
Mideast (Cleveland)	033	1,570.8	21.1	493.8	-1.6	31	19	33	17	15.77
Pacific Northwest (Seattle)	124	455.8	3.5	152.3	-5.3	33	9	12	45	15.42
Southwest (Dallas)	126	1,174.5	83.5	340.2	-3.2	29	9	51	11	16.64
Arizona (Phoenix)	131	383.1	-1.9	101.3	0.2	26	11	19	43	15.56
All Market Average or Total		10,882.6	18.1	3,281.6	-1.2	30	13	43	14	16.32

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

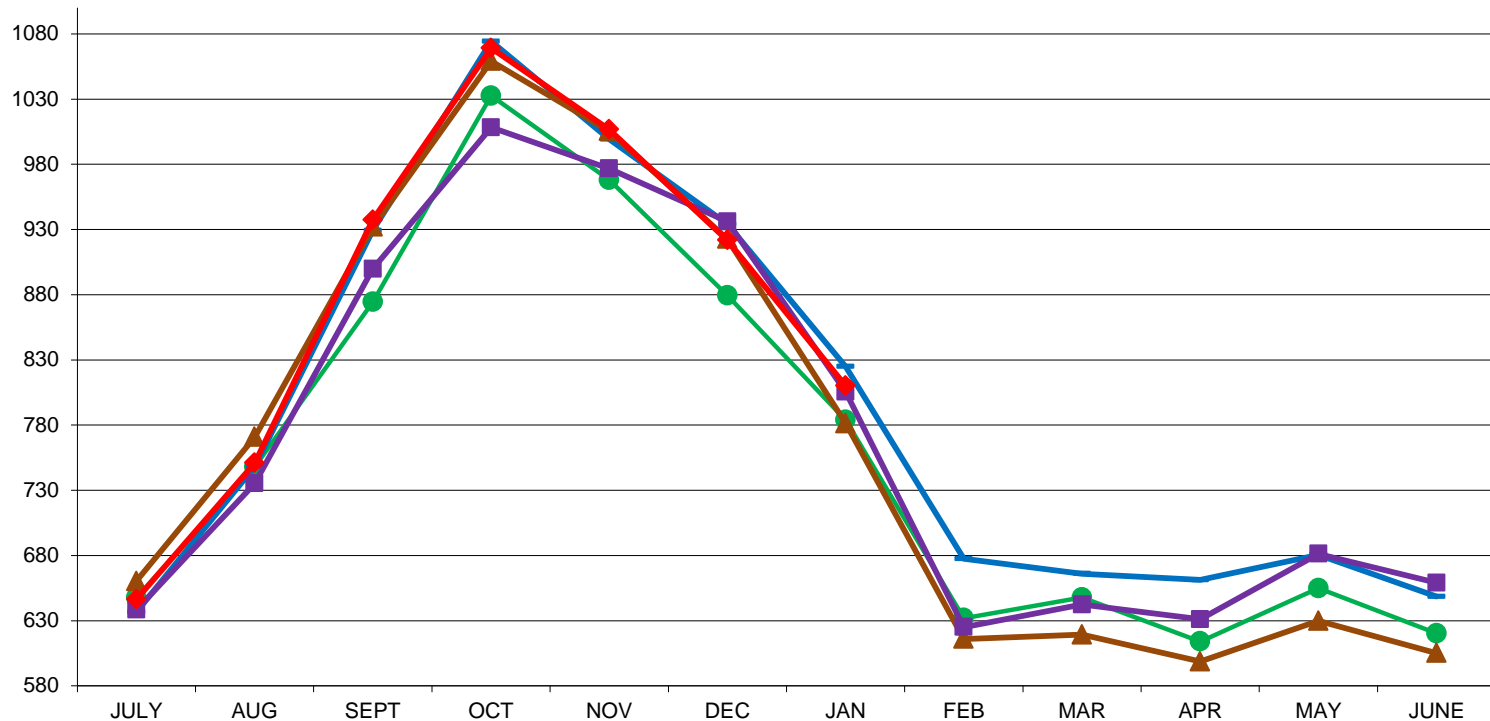
² Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

³ Totals may not add to 100 percent due to rounding.

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



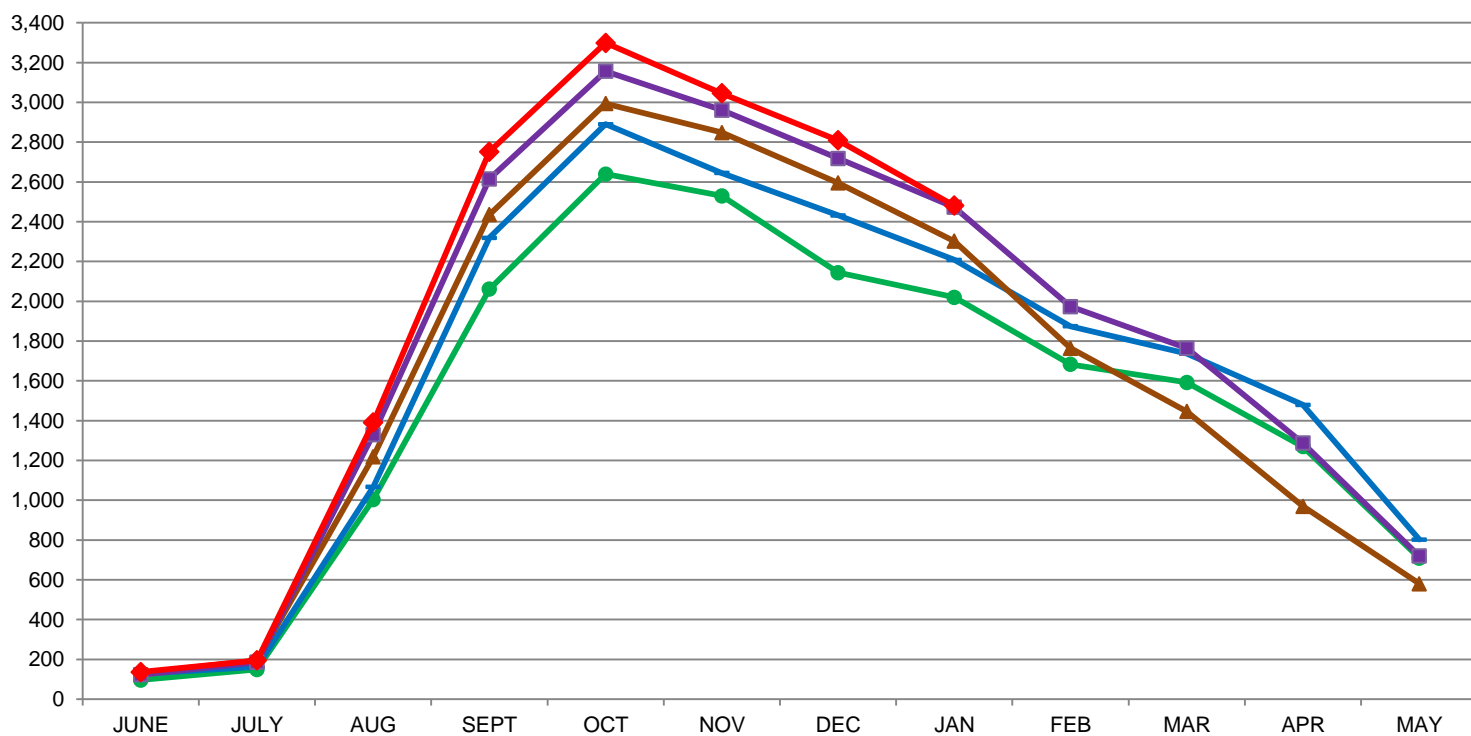
MILLION LITRES

Monthly Australian Milk Production

DATA SOURCE, DAIRY AUSTRALIA LTD.; GRAPH, USDA, AMS, DMN

—●— 2010-11
 —●— 2011-12
 —▲— 2012-13
 —■— 2013-14
 —◆— 2014-15
Monthly New Zealand Milk Production

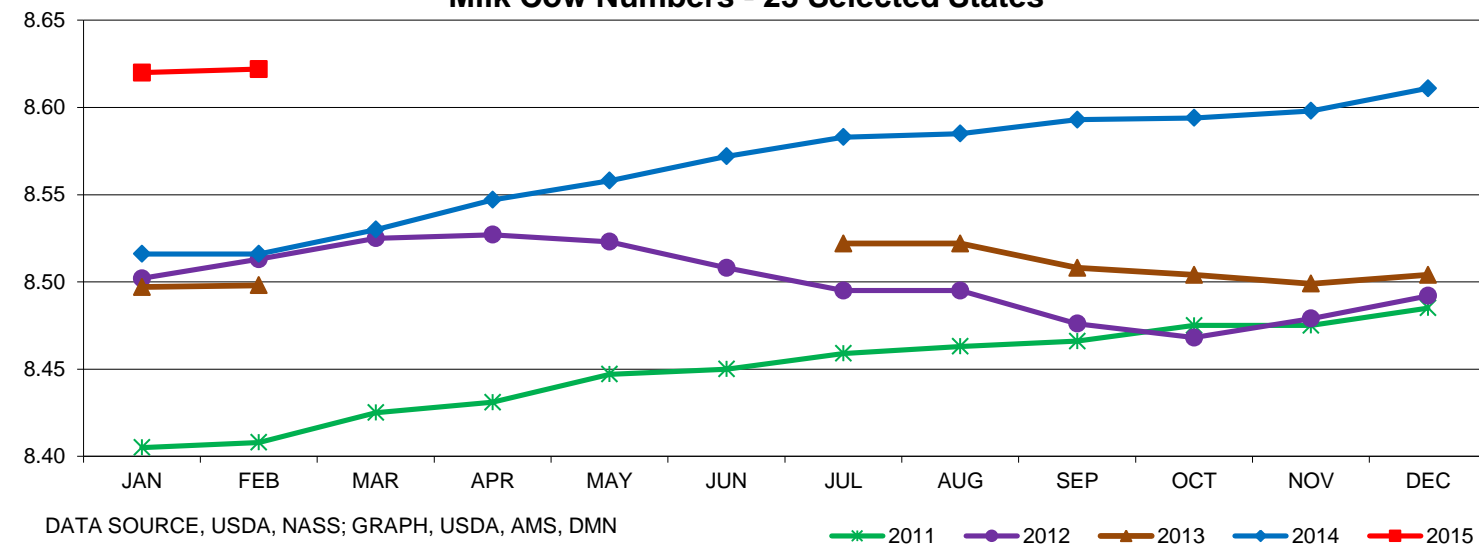
1,000 MT



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

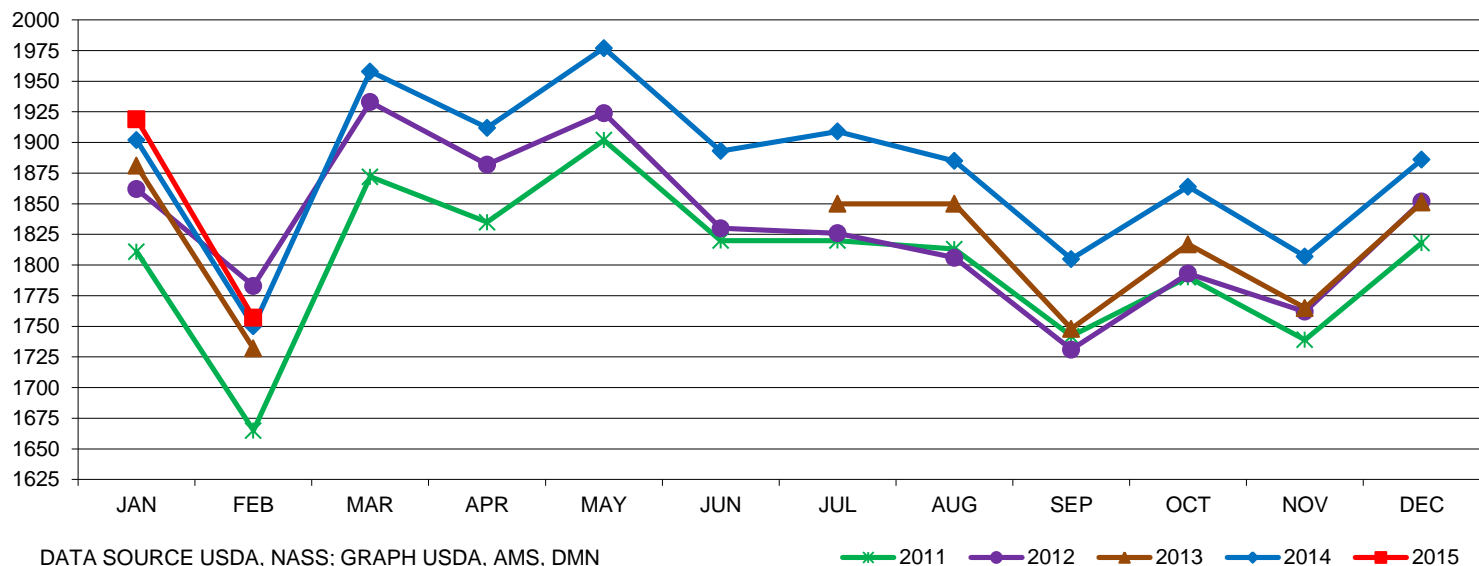
—●— 2010-11
 —●— 2011-12
 —▲— 2012-13
 —■— 2013-14
 —◆— 2014-15

Milk Cow Numbers - 23 Selected States



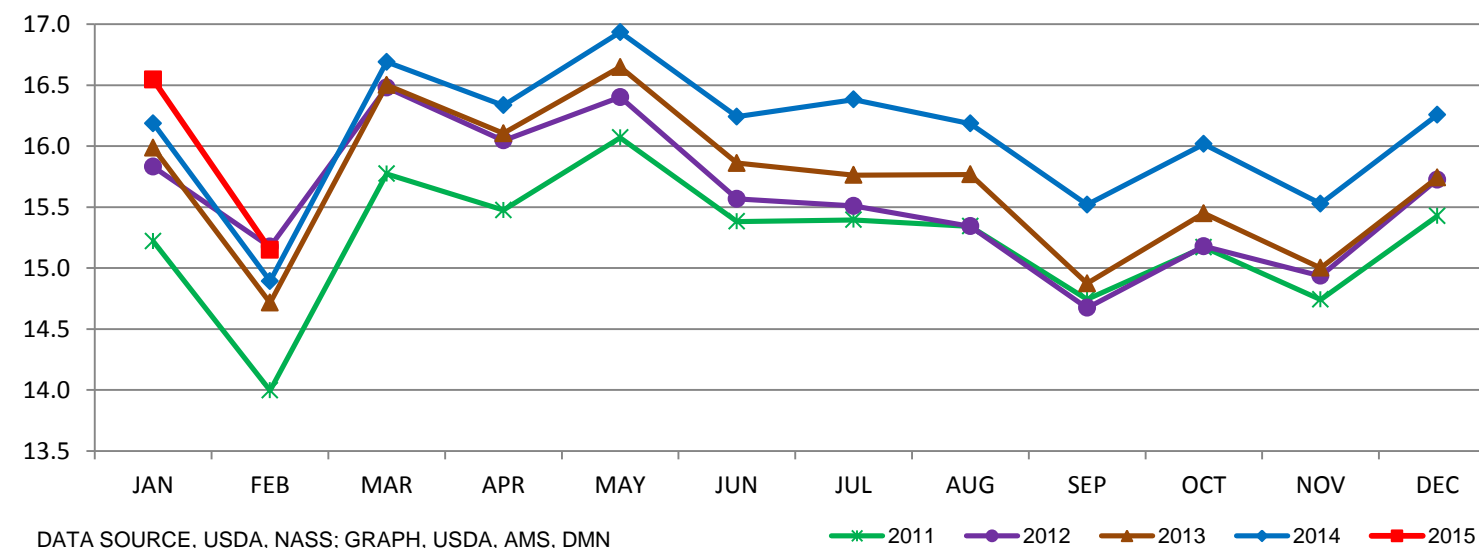
POUNDS

Monthly Milk Per Cow - 23 Selected States



BILLION POUNDS

Milk Production - 23 Selected States





Dairy Market News Branch

Agricultural
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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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Friday, March 20, 2015

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 03/20/2015 to 03/26/2015

National ad volumes for conventional dairy products increased 24%, while organic dairy products increased 175%.

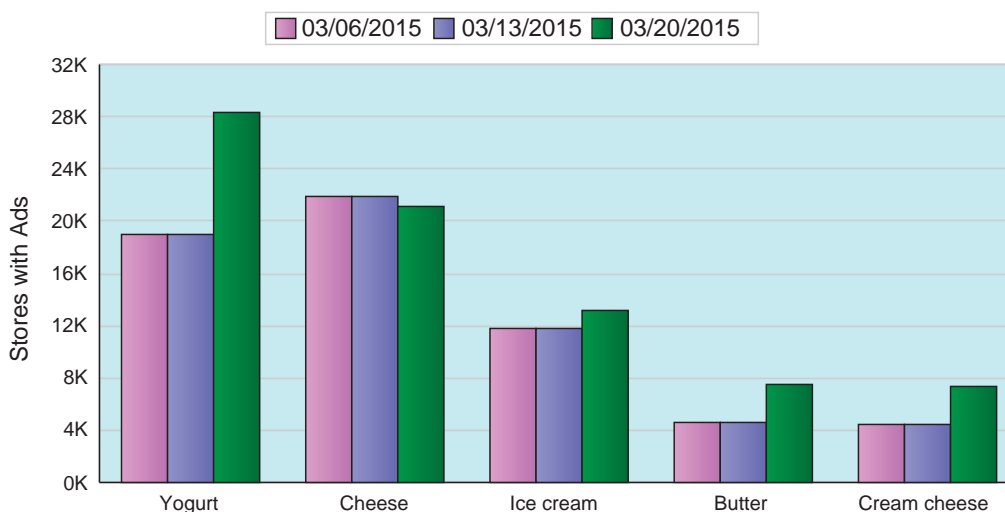
Ad numbers are noticeably higher but prices lower than last week for butter (70% more ads), cream cheese (+68%) and sour cream (+66%) leading into Easter/Passover. The national average prices and changes compared to last week are: 1# butter \$3.08, -18 cents; 8 oz. cream cheese \$1.69, -47 cents; and 16 oz. sour cream \$1.65, - 10 cents.

The U.S. average advertised price for 8 ounce cheese blocks, \$2.44, is 14 cents higher than one week ago, but even with a year ago, while 8 ounce shredded cheese at \$2.44, is up 9 cents from one week ago, but also even with one year ago.

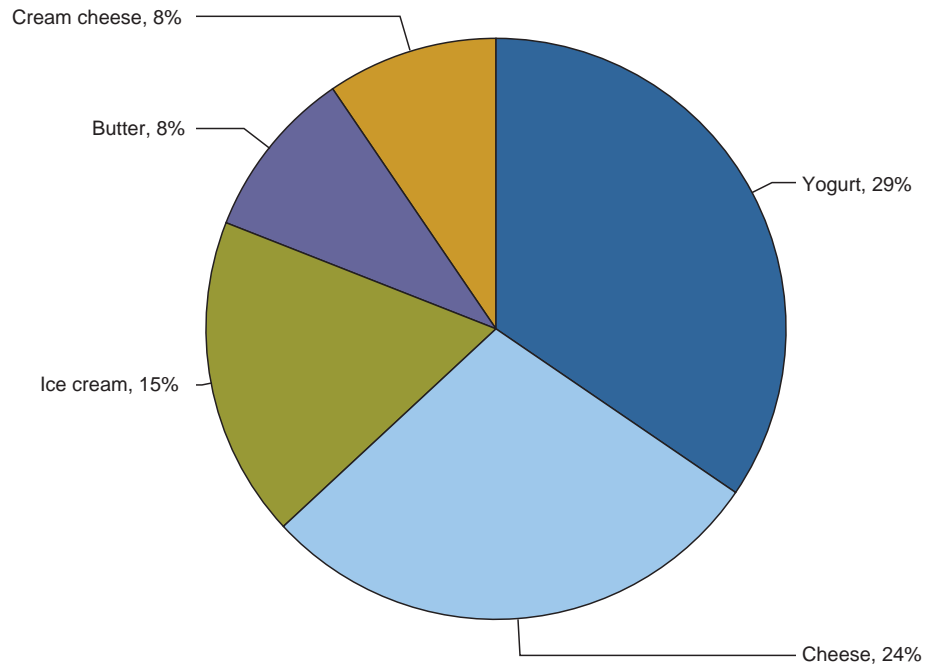
Store ads for Greek 4-6 ounce yogurt significantly lead all other categories and sizes of yogurt, and increased 72%. The average price of 4-6 ounce Greek yogurt, \$0.99, is up 3 cents from last week but even with one year ago. Ads for 4-6 ounce yogurt, the second most advertised yogurt, have an average price of 48 cents, up 1 cent from last week but 5 cents lower than one year ago.

The organic - conventional half gallon milk price spread is \$1.65, down 3 cents from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.23, up 47 cents from one week ago, and the average for organic half gallon milk, \$3.88, up 44 cents from last week.

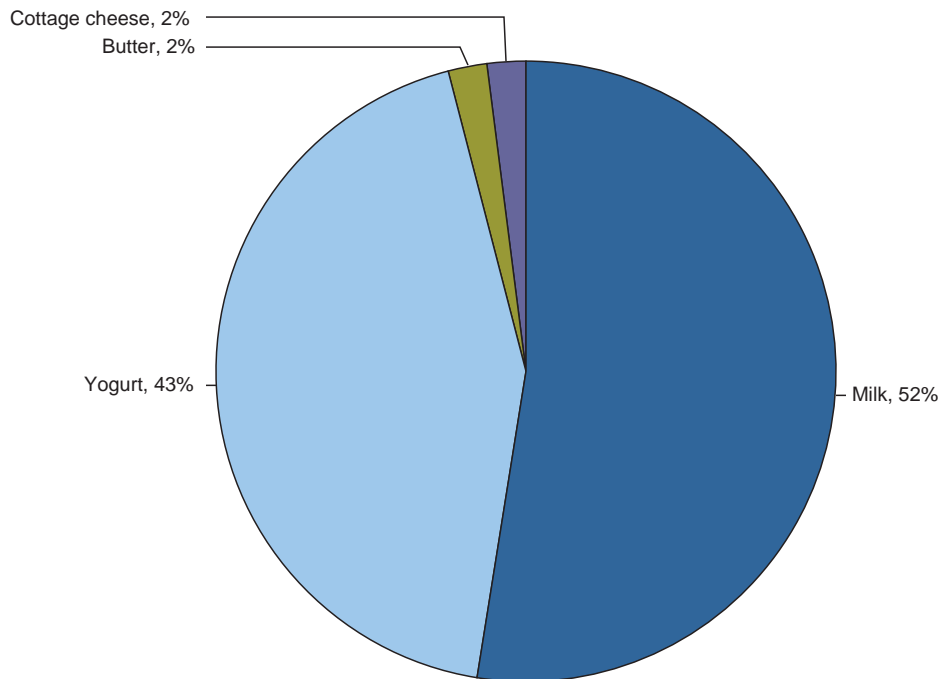
Top 5 Commodities Featured



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 #	7390	3.08	4349	3.26	2477	2.74
Cheese	Natural Varieties	8 oz block	5249	2.44	7287	2.30	6093	2.44
Cheese	Natural Varieties	1 # block	3339	4.12	2710	3.93	931	3.73
Cheese	Natural Varieties	2 # block	1029	7.44	1059	7.28	1357	7.60
Cheese	Natural Varieties	8 oz shred	7528	2.44	8940	2.35	8749	2.44
Cheese	Natural Varieties	1 # shred	4034	3.94	1689	3.50	1711	4.51
Cottage cheese		16 oz	3364	2.25	3593	2.19	3910	1.93
Cream cheese		8 oz	7351	1.69	4381	2.16	3931	1.75
Flavored milk	All fat tests	half gallon	282	2.49	249	2.91	1012	2.74
Ice cream		48-64oz	13144	3.19	11787	2.96	14923	2.98
Milk	All fat tests	half gallon	1105	2.23	427	1.76	523	2.52
Milk	All fat tests	gallon	1653	2.89	1422	3.24	2161	3.18
Sour cream		16 oz	6016	1.65	3617	1.75	3041	1.51
Yogurt	Greek	4-6 oz	15574	.99	9039	.96	10855	.99
Yogurt	Greek	32 oz	627	5.28	3010	4.72	671	4.31
Yogurt	Yogurt	4-6 oz	8142	.48	5847	.47	5625	.53
Yogurt	Yogurt	32 oz	1638	2.36	960	2.48	940	2.23

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 #	1.98-3.99	1654	3.02	2.50-3.79	2402	3.10	2.49-3.00	872	2.60
Cheese	Natural Varieties	8 oz block	1.67-3.00	2544	2.51	1.66-3.00	1056	2.55	1.50-2.29	435	2.01
Cheese	Natural Varieties	1 # block	3.99-4.98	496	4.26	2.99-5.00	2067	4.33	2.99	137	2.99
Cheese	Natural Varieties	2 # block	7.99	84	7.99						
Cheese	Natural Varieties	8 oz shred	1.67-2.99	2040	2.34	1.66-3.00	1182	2.54	1.67-2.50	944	2.01
Cheese	Natural Varieties	1 # shred	3.99-4.99	300	4.45	2.99-5.00	2307	4.17	2.99-3.33	800	3.23
Cottage cheese		16 oz	1.99-2.79	1503	2.25	1.25-2.50	1045	2.28			
Cream cheese		8 oz	0.99-2.49	1996	1.78	0.79-2.39	1741	1.93	0.99-1.69	927	1.18
Flavored milk	All fat tests	half gallon							2.00	213	2.00
Ice cream		48-64oz	1.99-3.99	2860	2.91	2.79-5.00	2564	3.65	2.49-3.99	2560	3.10
Milk	All fat tests	half gallon				1.25	120	1.25	1.67-1.99	389	1.93
Milk	All fat tests	gallon	3.49	62	3.49	2.99	214	2.99	3.49	69	3.49
Sour cream		16 oz	1.39-2.00	1776	1.60	1.25-2.00	1038	1.63	0.89-1.88	1169	1.43
Yogurt	Greek	4-6 oz	0.75-1.25	4056	1.02	0.89-1.00	4669	.98	0.75-1.00	2583	.96
Yogurt	Greek	32 oz	4.59-5.99	320	5.72				4.49	107	4.49
Yogurt	Yogurt	4-6 oz	0.40-0.60	1883	.51	0.40-0.50	3324	.48	0.39-0.50	1303	.43

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	1.88-2.50	1106	2.32	2.49	64	2.49	2.00-2.50	302	2.30

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.89-3.50	1008	2.81	3.50-4.49	878	3.73	2.50-3.99	576	3.38
Cheese	Natural Varieties	8 oz block	1.66-2.99	728	2.19	1.99-2.99	357	2.67	1.99-2.50	129	2.23
Cheese	Natural Varieties	1 # block	5.00	55	5.00	2.99	410	2.99	3.99-4.99	174	4.39
Cheese	Natural Varieties	2 # block	6.99-7.99	235	7.48	6.99-7.99	360	7.67	4.99-7.49	350	7.05
Cheese	Natural Varieties	8 oz shred	1.66-2.99	1722	2.39	1.99-3.49	1092	2.82	1.99-2.99	548	2.69
Cheese	Natural Varieties	1 # shred	2.99-5.00	196	3.55	2.99-3.99	257	3.52	3.99-4.99	174	4.39
Cottage cheese		16 oz	1.25-2.69	401	1.67	2.99	241	2.99	2.29-2.39	174	2.35
Cream cheese		8 oz	0.89-1.99	1109	1.37	1.66-3.29	985	2.05	1.25-1.67	593	1.54
Flavored milk	All fat tests	half gallon							3.99	69	3.99
Ice cream		48-64oz	2.49-6.99	2035	3.42	2.49-3.50	2011	2.97	2.50-3.50	1114	3.11
Milk	All fat tests	half gallon				2.99	246	2.99	1.67-2.49	350	2.35
Milk	All fat tests	gallon	1.99-2.89	235	2.43	1.99-3.99	784	2.93	2.79	289	2.79
Sour cream		16 oz	1.25-2.50	625	1.64	1.25-2.79	1008	1.90	1.50-2.00	400	1.92
Yogurt	Greek	4-6 oz	0.89-1.00	1696	1.00	1.00	1583	1.00	1.00	987	1.00
Yogurt	Greek	32 oz				4.99	200	4.99			
Yogurt	Yogurt	4-6 oz	0.40-0.50	666	.44	0.40-0.50	558	.46	0.50-0.88	408	.60
Yogurt	Yogurt	32 oz							2.50-3.00	166	2.68

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	6.99	202	5.41		
Cheese	Natural Varieties	8 oz block			84	3.99	283	3.87
Cheese	Natural Varieties	8 oz shred			84	3.99	283	2.97
Cottage cheese		16 oz	137	5.79				
Milk	All fat tests	half gallon	1372	3.88	445	3.44	1366	3.19
Milk	All fat tests	gallon	1536	5.40	1128	5.86	823	6.10
Yogurt	Greek	4-6 oz	137	1.25	84	1.20	2308	1.00
Yogurt	Greek	32 oz	2257	3.68				



REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon	3.69	221	3.69						
Milk	All fat tests	gallon				3.98-5.50	1278	5.27			
Yogurt	Greek	4-6 oz	1.25	137	1.25						
Yogurt	Greek	32 oz							3.68	810	3.68

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 #				6.99	137	6.99			
Cottage cheese		16 oz				5.79	137	5.79			
Milk	All fat tests	half gallon	3.49	121	3.49	3.99-4.49	741	4.14	3.49	289	3.49
Milk	All fat tests	gallon				6.99	137	6.99	4.99	121	4.99
Yogurt	Greek	32 oz	3.68	973	3.68	3.68	344	3.68	3.68	130	3.68

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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