

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (3/27)

BUTTER: Grade AA closed at \$1.7525. The weekly average for Grade AA is \$1.6995 (+.0195).

CHEESE: Barrels closed at \$1.5450 and 40# blocks at \$1.5400. The weekly average for barrels is \$1.5150 (-.0260) and blocks, \$1.5325 (-.0275).

BUTTER HIGHLIGHTS: CME Group butter prices are steady to firmer. Demand is mixed for print butter as producers finish up holiday orders. Butter production is active. Producers in the West have begun shifting to bulk production to build inventories. Retail sales have been strong this year. Retail advertisements have increased. Cream supplies are tight among the regions as demand for other cream products have gone up. Export demand is light. Bulk butter prices range from 4 to 6 cents over in the Northeast, from 4 cents under to 6 cents over in the Central region and 5 cents under to market in the West. The NASS *Cold Storage* report noted U.S. butter stocks as of February 28, 2015 were 178.2 million pounds, an increase of 29.3 million pounds from a month ago, and an increase of 6.4 million pounds compared to a year ago. This week, a cooperative export assistance program accepted requests for 5.7 million pounds of butter. Friday at the CME Group, Grade AA butter closed at \$1.7525, up \$.0725 from a week ago.

CHEESE HIGHLIGHTS: Cheese markets this week moved within a trading range but evidenced no distinct trend. Cheese output continues to increase, following seasonal milk production, with many manufacturers electing cheese as the preferred use of milk volumes. Buyers are stepping up to acquire cheese at current price levels, especially cheddar. Some manufacturers are drawing on inventories to fill orders. Swiss demand also remains strong. Supplies of domestic foreign type cheese are readily available. NASS *Cold Storage* reports that U.S. stocks of cheese (total natural) at the end of February 2015 were 1.064 billion pounds, up 5% (54.0 million pounds) from February 2014. Friday in CME Group trading, barrels closed at \$1.5450, up \$.0250 from last Friday and 40# blocks closed at \$1.5400, even with last Friday.

FLUID MILK: Farm milk production is seasonally active. With the peak of the spring flush just a few weeks away, in some areas, output rates are steady to higher across most of the country. Mild seasonal temperatures are favorable for cow comfort in the Midwest, Utah, and Idaho. Cooler weather persists in the Northeast. Spring

break school closings continue to hamper Class I sale volumes throughout the East, while demand saw an upsurge in Arizona with renewed school orders. Cream markets are seeing an increase in loads clearing to ice cream manufacturing, as interest grows across the country.

DRY PRODUCTS: The nonfat dry milk market continues to weaken across the country. Increased output and limited demand is impacting prices. Reseller and end-users transactions are picking up. Dry buttermilk prices are mixed. Active production is building onto light inventories in the Central/East and mixed inventories in the West. Dry whole milk prices moved sharply lower in a weaker market. Some manufacturers are pushing to clear 2014 dated inventory. The dry whey market's undertone continues to weaken as prices move lower. Trading is mostly light, with some discounted transactions. Whey protein concentrate 34% prices are lower, with limited buying from the Southeast Asian market. Production is steady to higher. The lactose market is mixed. As the market looks to Q2, the supply picture ranges from available to tight. Contract negotiations are ongoing. Casein markets are mostly unchanged.

ORGANIC DAIRY MARKET OVERVIEW: AMS reports total organic milk products sales for January 2015, 205 million pounds, were down 5.3% from January last year. Organic whole milk sales for January 2015, 66 million pounds, were up 10.3% compared with January last year. Organic reduced fat milk sales for January, 59 million pounds, were 12.2% below sales one year earlier. The U.S. weighted average advertised price of organic milk half gallons is \$3.99, up 11 cents from one week ago. The U.S. weighted average advertised price of organic milk gallons is \$6.09, up 69 cents. The U.S. average price for 8 ounce block organic cheese is \$3.99, compared with \$3.87 last year. A cooperative in New Zealand made an announcement last week of a growth strategy reflecting the volume of customers in the United States and elsewhere, who indicate a need to satisfy increasing demand for organic dairy products. Greater focus on organic dairy exports to the U.S. is expected to follow. The growth of organic dairy production targeted for export will be encouraged by increasing the total certified organic payment to New Zealand organic producers to \$1.50 per kg milk solids beginning June 1, 2015.

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DAIRY GRAPHS (G1-G2)
NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY MAR 23	TUESDAY MAR 24	WEDNESDAY MAR 25	THURSDAY MAR 26	FRIDAY MAR 27	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4900 (-.0300)	\$1.5100 (+.0200)	\$1.5100 (N.C.)	\$1.5200 (+.0100)	\$1.5450 (+.0250)	:: (+.0250)	:: \$1.5150 (-.0260)
40# BLOCKS	\$1.5300 (-.0100)	\$1.5300 (N.C.)	\$1.5300 (N.C.)	\$1.5325 (+.0025)	\$1.5400 (+.0075)	:: (N.C.)	:: \$1.5325 (-.0275)
NONFAT DRY MILK GRADE A	\$.9750 (N.C.)	\$.9750 (N.C.)	\$.9750 (N.C.)	\$.9750 (N.C.)	\$.9750 (N.C.)	:: (N.C.)	:: \$.9750 (-.0090)
BUTTER GRADE AA	\$1.6800 (N.C.)	\$1.6800 (N.C.)	\$1.6850 (+.0050)	\$1.7000 (+.0150)	\$1.7525 (+.0525)	:: (+.0725)	:: \$1.6995 (+.0195)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for international purposes. This data is available on the

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

COLD STORAGE (NASS): On February 28, 2015 U.S. cold storage holdings of butter totaled 178.2 million pounds, up 20% from the previous month, and up 4% from February 2014. Natural American cheese holdings total 643.1 million pounds, 1% more than the previous month, and 2% more than February 2014. Total natural cheese stocks were 1.064 billion pounds, 2% more than last month, and 5% more than February 2014.

CME GROUP

MONDAY, MARCH 23, 2015

CHEESE -- SALES: 4 CARS BARRELS: 2 @ \$1.5000, 1 @ \$1.4925, 1 @ \$1.4900; 4 CARS 40# BLOCKS @ \$1.5375; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS 40# BLOCKS @ \$1.5300
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.9750; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.6800; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7125

TUESDAY, MARCH 24, 2015

CHEESE -- SALES: 4 CARS BARRELS @ \$1.5100; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 3 CARS GRADE A @ \$1.0000
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.6750; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7100

WEDNESDAY, MARCH 25, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5100; 1 CAR 40# BLOCKS @ \$1.5250; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.9775, 1 @ \$0.9750; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.6850; LAST OFFER UNCOVERED: NONE

THURSDAY, MARCH 26, 2015

CHEESE -- SALES: 3 CARS 40# BLOCKS: 1 @ \$1.5300, 2 @ \$1.5325; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5200; 1 CAR 40# BLOCKS @ \$1.5300; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9750; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7000; LAST OFFER UNCOVERED: NONE

FRIDAY, MARCH 27, 2015

CHEESE -- SALES: 2 CARS BARRELS @ \$1.5450; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.5400; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$0.9750; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$1.7475, 1 @ \$1.7500; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7525; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS**NORTHEAST**

Churning schedules for most plants remain fairly active. Cream demand slowed for a few processors as the week progressed, with the bulk of butter orders that were generated for Easter/Passover already shipped. Interest is ongoing however, as a few subsequent retail and foodservice holiday orders filter through production channels. Inventories are available for immediate needs. The current bulk butter prices for domestic sales are reported 4-6 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 20-26, the national weighted average advertised price for 1-pound butter is \$3.08, up \$0.34 from a year ago. The Northeast regional price is \$3.02, a \$0.15 drop from the previous week. In the Southeast butter is priced at \$3.10, a decline of \$.40 compared to a week ago. Tuesday's CME Group cash trading saw Grade AA butter closed at \$1.6800, unchanged from a week ago closing price.

COLD STORAGE: According to NASS, U.S. butter in storage on February 28, 2015 totaled 178.2 million pounds, 4% above a year ago and 20% more than last month.

CENTRAL BUTTER

Central butter prices are moving lower with many butter manufacturers finishing up print orders for the upcoming holidays. The market tone is firm on strong seasonal demand. Cream supplies are tight. Production rates are mostly steady with a few butter manufacturers slowing down as the Easter/Passover orders are being shipped. Butter inventories are light to moderate with some manufacturers concerned about not being able to put away enough stocks for demand in future months. Bulk butter prices range from 4 cents under market to 6 cents over the market, based on the CME Group and various indices. Bulk butter stocks are increasing. The

NASS *Cold Storage* report noted U.S. butter stocks as of February 28, 2015 were 178.2 million pounds, an increase of 29.3 million pounds from a month ago, and an increase of 6.4 million pounds compared to a year ago. This week, a cooperative export assistance program accepted requests for 5.7 million pounds of butter. According to the DMN *National Retail Report-Dairy*, for March 20-26, the weighted average advertised price for a 1 lb. package of butter in the Midwest was \$2.60, with a range of \$2.49-3.00. The national weighted average price is \$3.08, an 18 cent decrease from last week but 34 cents higher than a year ago. The Grade AA butter price at the CME Group closed Wednesday at \$1.6850, a 0.5 cent increase from last Wednesday's close.

WEST BUTTER

Butter production is active in the region. Print orders are being filled for the nearby holidays. Most needs have been staged to meet retail and food service demand. Retail orders have been good this year and more ad features are appearing. Some butter producers are now shifting lines to make more bulk butter for storage schemes. Export interest remains slow as U.S. pricing and currency valuations are making exporting tougher. Other world suppliers are filling in needs at more competitive pricing. 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. The DMN National Retail Report-Dairy ads for the week of March 20 - 26, show the U.S. weighted average advertised retail price for a one pound pack of butter at \$3.08, down \$.18 from last week but \$.34 higher than one year ago. Butter ad prices averaged \$3.73 in the Southwest, with a price range \$3.50-\$4.49, and \$3.38 in the Northwest, with a price range \$2.50-\$3.99. The Grade AA butter price at the CME Group on Wednesday closed at \$1.6850, up 0.5 cents from a week ago.

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 21, 2015	1,7082 4,132,999	1,5748 13,620,317	1,5625 11,056,298	.4668 9,776,642	1.0085 20,309,303

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

CHEESE MARKETS

NORTHEAST

As farm-level milk production delivers more milk into regional cheese vats, manufacturing rates appear steady to higher. Cheese output, in general, is fulfilling short-term customer needs. Cheddar designated to aging programs is actively building inventory levels. Demand for Swiss stocks from retail and foodservice outlets is noted as good, leading up to the spring holidays. The current demand is expected to decline, with some buyers weighing their purchase options in view of a potential price drop. The market is unsettled. Wholesale cheese prices for cheddar and muenster dropped \$0.0075, and process 5# sliced slipped \$0.0050. Prices for Grade A Swiss Cuts 10-14# are steady. Prior to last week's decline, CME weekly averages for both blocks and barrels posted increases over the previous 4 weeks. Tuesday's CME Group daily cash prices saw barrels close at \$1.5100, down \$0.0500 from a week ago; blocks closed at \$1.5300, dropping \$0.0400 from a week ago. According to the *DMN National Retail Report-Dairy*, for March 20-26, the regional weighted average advertised price for 8 oz. cheese blocks in the Northeast is \$2.51, 7 cents more than the national average and 17 cents more than a week ago. The Southeast 8 oz. block cheese price was \$2.55, 23 cents more than the previous week. **Cold Storage:** According to NASS, U.S. stocks of total natural cheese as of February 28, 2015 totaled 1.064 billion pounds, 5% more than a year ago and 2% above the previous month. Other cheese totaled 397.2 million pounds, 12% more than a year ago, and 2% more than the previous month. Swiss cheese totaled 23.7 million pounds, 12% less than a year ago but 6% above last month.

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

Cheddar 40# Block	:	1.9575-2.2425
Process 5# Sliced	:	1.7650-2.2450
Muenster	:	1.9775-2.3275
Grade A Swiss Cuts 10 - 14#	:	3.4350-3.7575

MIDWEST

Midwest cheese manufacturers are maintaining busy schedules to accommodate increasing volumes of milk. This may sound like repetition of recent weeks, but this week's conditions continue to repeat the recent past. Curiously, the sameness of conditions for several weeks is causing some nervousness, precisely because extended general equilibrium conditions seem aberrant. Nevertheless, significant volumes of milk are being trucked from dairy farms and cheese continues to be a profitable outlet among dairy processing options. Domestic cheese demand in the U.S. is still strong both in the retail and foodservice segments. Some Midwest cheese manufacturers note that cheese orders are up and inventories are decreasing. Buyers and sellers each seem comfortable with inventory levels. The *National Retail Report - Dairy* (DMN) found that March 20 to 26 Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.01, 43 cents lower than the national average, \$2.44. One year ago the national average price was \$2.44. The Midwest price range is \$1.67 to \$2.50. For 8 ounce blocks, the Midwest average price is \$2.01, 43 cents lower than the national average price, \$2.44. One year ago the national average price was \$2.44. The Midwest price range is \$1.50 to \$2.29. NASS reports that February 28, 2015 East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio) other cheese stocks were 99% of February 28, 2014, but 102% of January 31, 2015. East North Central region American cheese stocks were 107% of February 28, 2014 and 104% of January 31, 2015. Total U.S. February 28, 2015 natural cheese stocks were 1.064 billion pounds, 105% of one year prior and 102% of the previous month. Total U.S. Swiss cheese stocks

ending February 28, 2015, 23.7 million pounds, were 88% of one year previously but 106% of the previous month. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese declined \$.0050, Swiss is unchanged and the remaining varieties declined \$.0075. In CME Group cheese trading, barrels closed Wednesday this week at \$1.5100, down 5 cent from Wednesday last week and blocks closed at \$1.5300, down 4 cent.

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

Process American 5# Loaf	:	1.6475-2.0075
Brick And/Or Muenster 5#	:	1.9375-2.3625
Cheddar 40# Block	:	1.6650-2.0600
Monterey Jack 10#	:	1.9125-2.1175
Blue 5#	:	2.2050-3.1250
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7825-2.6775
Grade A Swiss Cuts 6 - 9#	:	2.9525-3.0700

WEST

Western cheese production is steady to higher on a week to week basis. The impact of seasonally increasing milk supplies and offers of surplus milk are keeping as much milk into cheese making as desired. In addition, NDM and condensed skim are available and affordable to be used to fortify/standardize cheese vats. Overall, cheese demand remains fair to good across the variety spectrum. Buyers are able and willing to buy and hold cheese at current pricing levels, especially cheddar. Some buyers are taking physical hedges, while others are using futures markets to lock pricing. Swiss demand remains good and moving well. Lower pricing points due to declining milk pricing factors have made Swiss a better value. The *DMN National Retail Report - Dairy* for the week of March 20 - 26 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.44, up \$.09 from last week but the same price as a year ago. Packs averaged \$2.82 in the Southwest and \$2.69 in the Northwest. According to the NASS Cold Storage report, U.S. stocks of cheese (total natural) at the end of February 2015 were 1.064 billion pounds, up 5% (54.0 million pounds) from February 2014. American stocks were 2% more, other natural stocks were 12% more, but Swiss stocks were 12% less. Western wholesale prices are down \$.0050 for process, Swiss is unchanged, and the remaining varieties are down \$.0075. In CME Group cheese trading, barrels closed Wednesday at \$1.5100, down \$.0500 from last Wednesday and blocks closed at \$1.5300, down 4 cents from last Wednesday.

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

Process 5# Loaf	:	1.6625-1.9200
Cheddar 40# Block	:	1.6700-2.1150
Cheddar 10# Cuts	:	1.8500-2.0700
Monterey Jack 10#	:	1.8600-2.0200
Grade A Swiss Cuts 6 - 9#	:	3.0125-3.4425

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CHEESE MARKETS

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FOREIGN

Domestic foreign type cheese prices fell slightly lower this week, but imported and Swiss cheese prices remained the same. Supplies of domestic foreign type cheese are readily available. Demand varies depending on the type and variety, but overall demand is steady to improving. The lower euro, compared to the U.S. dollar, is drawing increased interest with some U.S. importers expected to expand orders.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	2.6400-5.3800	2.0975-3.5850*
Gorgonzola	3.6900-6.4900	2.6050-3.3025*
Parmesan (Italy)	-0-	3.4875-5.5775*
Provolone (Italy)	-0-	2.1400-2.3925*
Romano (Cows Milk)	-0-	3.2875-5.4375*
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.

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

	BUTTER	CHEESE
	:	:
03/23/15	10,539	94,195
03/01/15	9,406	96,003
CHANGE	1,133	-1,808
% CHANGE	12	-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	104	0	80	0	98
SOUTHEAST STATES	0	0	0	0	0	0

Milk production in the Northeast is at a steady level. The spring flush is not yet apparent as cooler temperatures continue. As milk prices trend lower dairy farmers are concerned with planning if and when to actively begin to cull cows. The Mid-Atlantic and Southeast regions are enjoying milder spring weather that's prompting rises in milk production. Third party sales representing all Classes are down in the Mid-Atlantic. Bottling orders in both regions are still seeing cuts, with students absent for spring break. Contacts expect Class I sales to recover with the reopening of a few schools in another week. Manufacturers are currently taking in heavy milk supplies, with spring flush expected to peak in the next few weeks. In Florida, production is surging in some areas, however, overall output is considered flat. Temperatures have been in the 80s with a couple of rainy days mixed in. With the forecast of warmer temperatures going into next week, milk production is expected to slip slightly. Class I sales have dropped due to the spring break for school districts and departure of the state's seasonal population. Surplus milk volumes resulted in 104 exported spot shipments, 24 more than the previous week. According to the DMN National Retail Report-Dairy, for March 20-26, the U.S. weighted average advertised price for a gallon of milk was \$2.89, a \$0.29 decrease compared to a year ago and a \$0.35 decrease from last week. Cream transactions were active at the first of the week, but slowed with some traders finding it more difficult to move cream. Hence, the range for multiples widen compared to the previous week. **Cream multiples for all Classes range 1.20-1.30.** With cream based holiday production finalized for most processors, cream supplies are likely to be heavy and readily available. Ice cream interest is steady. Yogurt sales are reported up slightly. At the CME Group, Grade AA butter closed Wednesday at \$1.6850, up \$0.0050 from a week ago. **Condensed skim** is moving through contracts. Class II interest facilitated marginal increases in ice cream and yogurt production. Transactions in some instances are discounted. The announcement of March Advanced Prices last Wednesday moved the Class II nonfat solids prices higher.

MILK PRODUCTION: According to NASS, milk production in the 23 major States during February 2015 totaled 15.1 billion pounds, up 1.7% from one year ago. Eastern state's milk production are as follows:

February 2015 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Florida	220	+ 4.3
New York	1,063	+ 2.3
Pennsylvania	848	+ 2.0
Vermont	204	NC
Virginia	140	NC

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 - 2.0160-2.1840
F.O.B. producing plants: Upper Midwest - 1.9488-2.0496

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices - .86-1.11
Northeast - Class III - spot prices - 1.19-1.22

MIDWEST

Milk production rates in the Central region have improved slightly. The warmer weather has aided in cow comfort. Most milk spot load prices range from Class to \$1.00 under Class. Current retail promotions are aiding in bottling demand for some manufacturers. Class II demand increased with many manufacturers preparing dips and sour cream products. Cream supplies tightened up as order volumes increased **Cream multiples are down this week, ranging from 1.16 to 1.22.** as many ice cream makers are increasing production. Class III interest is also higher. Lower plant milk intakes in California have led to Midwest milk clearing there. Trucking issues have also arisen due to a shortage of drivers. There have been reports of patrons switching companies, looking for more favorable pricing. The weekly Cow Slaughter under Federal Inspection report shows U.S. dairy cow slaughter for the week ending March 7, at 60,100 head, compared to 59,600 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 20-26 for a gallon of milk was \$2.89 compared to \$3.18 a year ago and \$3.24 a week ago. In the Midwest, the advertised price for a gallon of milk was \$3.49.

WEST

Farm milk production in California is mixed. Some processors report the trend toward higher weekly intakes has plateaued. Other processors indicate milk intakes are steady. Some Central milk loads are clearing into California and pushing intake volumes closer to capacity. In general, in-state milk intakes are below year ago volumes. Dairy producers also report first cutting alfalfa is lower in quality than hoped for, and access to corn silage may decrease as some growers may replace corn for silage with sorghum for silage as a means of decreasing water demand. Class I demand is steady at lower levels as some school districts are on hiatus for the week. February 2015 pool receipts of milk in California total 3.16 billion pounds, 4.5% lower compared to February last year, according to California Department of Food and Agriculture. Year-to-date through February 2015 receipts are 4.2% lower from the comparable months in 2014. The February Value at Test price is \$14.75, \$.52 lower than January 2015 and \$8.12 lower than February 2014. The percentage of receipts used in Class 1 products is 13.13%. The February quota price is \$15.53 and the over quota price is \$13.83. These prices are \$.32 lower than January 2015 and \$7.86 lower than a year ago. Milk production in Arizona is steady to slightly higher and milk processors anticipate the peak will arrive within the first two weeks of April. Daytime temperatures are holding in the 90s. Class I demand is higher as school districts place orders to refill meal program needs. Ice cream manufacturers are also taking more condensed skim and cream loads as temperatures climb and interest in frozen dessert items increases. Milk handlers in New Mexico report steady volume increases occurring from dairy farms.

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FLUID MILK AND CREAM

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The rate of increase from week to week is uneven, though, and showing signs of trending lower. Class I sales bounced back as school districts renewed orders, but Class II interest is unchanged. Despite continued pushback from a few bottlers and maintenance schedules slowing throughput, plant operators are finding ways to process all milk without depending on out of state processors. Availability of cream supplies in the West varies from state to state. Churning continues actively, and producers continue to segregate production among conventional and specialty varieties. However, demand from aerated cream manufacturers is rising as the berry season advances in California. Ice cream manufacturers are taking additional cream loads also. Cream multiples are higher, 1.15 to 1.27. At the CME Group, Grade AA butter closed Wednesday at \$1.6850, up \$.0050 compared to a week earlier. According to NASS, February milk production for the 23 selected states totals 15.1 billion pounds, 1.7% higher than one year ago. February milk production changes from one year ago for selected Western states are as follows: Arizona +2.9%, California -3.8%, Colorado +7.6%, Idaho +1.5%, New Mexico -3.7%, Oregon +0.5, Utah +6.9% and Washington +2.4%. Milk production levels remain moderate to heavy in the Pacific Northwest. Milk supplies are available and being moved around to find processing homes. Class I demand is uneven with schools and colleges taking or preparing for spring breaks. Processing plants are running on moderate to heavy schedules to handle the incoming milk supplies. Weather conditions have been seasonally mild and generally conducive to milk cows at the farm level. Spring-like conditions are prevalent over most of Utah and Idaho. Farm milk production is trending slightly higher at levels above a year ago. Plant schedules are active to process the available milk supplies. Some milk is being moved strategically to balance needs.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices moved lower for Central low/medium heat nonfat dry milk. Inventory levels are high with some manufacturers reporting full warehouses. The market tone is flat as there is not much interest. Offers are being made but buyers are searching for discounts and some are choosing to take a hand-to-mouth approach. High heat prices are mixed this week. Sales have increased this week. Currently, producers are meeting contract needs. Wednesday at the CME Group, Grade A NDM closed at \$.9750, \$.0100 lower than last Wednesday.

EAST: Prices for Eastern low/medium nonfat dry milk moved lower. Manufacturing milk supplies into plants are plentiful and increasing NDM production in the East. Contacts expect this high level of production to sustain through Q2. Inventories are currently moderate to heavy. As supplies build, NDM prices are being pressured lower. Trading appeared sluggish in the spot market this week, as buyers are slow to make purchases while searching out lower prices. However, volumes are actively transferring to established customer accounts. Activity in the resale market increased slightly as some of those prices compelled a few purchases from opportunistic buyers. The domestic and global market undertones are still weak. High heat nonfat prices are mixed. Heavy milk intakes are curbing the rate of high heat nonfat production. Spot market offerings are very limited. Producers' stocks are light.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9700 - 1.1225 MOSTLY: 1.0050 - 1.0850
HIGH HEAT: 1.0900 - 1.2500

NONFAT DRY MILK - WEST

Prices for low/medium heat nonfat dry milk are lower on a weak market. There is an uptick in interest from resellers and end users in contracting for all terms, including 3 months, 6 months, and balance of the year. Current demand from offshore buyers, aside from Mexico, is modest as US dollar based prices are often more expensive compared to products based on other currencies such as the euro. Low/medium heat NDM manufacturers are actively managing inventories. Those with near term commitments are focusing on fulfilling those commitments, while other producers are trickling FOB spot offers to the market on a weekly basis. Milk production is edging higher in most Western states, prompting increasing low/medium heat NDM output from week to week. High heat nonfat dry milk prices are unchanged to lower on a quiet market. Contract loads are clearing regularly. Moderate interest is clearing intermittent FOB spot offers.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9250 - 1.1350 MOSTLY: .9650 - 1.0550
HIGH HEAT: 1.1050 - 1.2400

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices are steady to higher. The market tone is unsettled. Demand for dry buttermilk is steady to increasing. Ice cream production has increased. Inventory levels are low as most suppliers are currently only filling contract obligations. Condensed buttermilk stocks are also tight.

EAST: Prices for dry buttermilk are higher at the bottom of the range but the top remains steady. Production of dry buttermilk varies. Some buyers have noted that supplies are tight in a few trading networks. Current production is moving mainly through contracts. Ice cream interest is increasing as warmer weather prevails. The market undertone is mixed.

F.O.B. CENTRAL/EAST: .8900 - 1.0200

DRY BUTTERMILK - WEST

Prices on the Western dry buttermilk range and mostly series narrowed on moderate activity. Manufacturers' inventories are generally building, but FOB spot offer availability is mixed. Buyers' spot interest is price driven. Contract loads are clearing, but some buyers are trying to match the receipt of loads with week to week downward price movement. Production is ongoing as butter churning remains active ahead of the holidays.

F.O.B. WEST: .8500 - .9650 MOSTLY: .8800 - .9000

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are sharply lower on a weaker market. As the second quarter approaches, a few plant operators are making a push to lower inventories of 2014-dated product. Competitively priced offers from Oceania reemerged this week and buyers are sorting through those product and freight costs for fulfilling US and southeast Asian demand. Production is limited by current inventories and the need to clear rising manufacturing milk intake volumes on a daily basis at most plants.

F.O.B. PRODUCING PLANT: 1.1200 - 1.3500

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
March 20	\$.9849	15,458,188
March 13	\$1.0384	11,238,774

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

Prices for Central dry whey moved lower. Stocks are growing as demand has decreased. The market tone is weak. Dry whey production rates are higher. Buyers are looking for a discount and some are taking off spec product. Buyers are content to use a hand – to-mouth approach as they wait and see what pricing levels will do. The strength of the dollar is deterring international interest. Prices for animal feed whey are steady to lower. Sale increased this week. Most product was sold on contract. Inventories are mixed with some manufacturers only producing enough for contract needs.

F.O.B. CENTRAL: .3500 - .5400 MOSTLY: .4000 - .4650
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2500 - .4000

DRY WHEY - NORTHEAST

The Northeast dry whey price moved lower at the top of the range. Dry whey production is steady to higher as current milk supply volumes facilitate active cheese production. Stocks are adequate for contracts. Spot market demand is light as some brokers replenish their inventories. The whey market undertone is weak.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4300 - .5150

DRY WHEY - WEST

Western dry whey prices are slightly lower. The market undertone remains weak. Demand is light to moderate for domestic accounts, but remains light for new export business. There are issues still being worked through because of the port situation over the past months. Currency factors are currently working against U.S. exports. Plant production schedules are mostly steady. There are some whey stream issues as processors look for the product of best return. There are indications of pricing declines for higher protein WPCs. Whey stocks are adequate to moderate and available to service current needs.

NONHYGROSCOPIC: .3800 - .5050 MOSTLY: .4200 - .4650

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are mostly lower as completed sale prices factor into various lower index bases. Market participants report a generally weak market for loads clearing through the spot market. Recent lower prices have brought some buyers back into the market, and additional spot sales were finalized. A variety of brands are readily available from resellers and manufacturers, however loads of other brands are unavailable outside of contract relationships. Some manufacturers report the limited presence of Southeast Asian buyers in the marketplace has been a major contributor to the weak tone of the WPC 34% market. Production is steady to higher at several facilities as milk intakes increase seasonally. However, some plants are sending their whey stream directly to dry whey production to help support whey protein markets.

F.O.B. EXTRA GRADE 34% PROTEIN: .8500 - 1.1600 MOSTLY: .8800 - 1.0650

LACTOSE - CENTRAL AND WEST

The lactose market is mixed with both surplus and limited availability, depending on brands and sources. A few producers continue to clear lactose not committed to Q1 contract buyers. However, the supply picture for Q2 ranges from available to tight. Some producers are still trying to finalize Q2 contracts while other producers have completed the process and have no additional volumes to offer. For those buyers trying to hit the bottom of the market for Q2 contracts, producers indicate those prices are in the past. Recently finalized Q2 contracts generally contain higher prices than those completed in early March. EU-based buyers showed additional interest for US lactose. Market participants indicate EU lactose producers have contracted heavily during Q1/Q2 to develop export trade routes for upcoming sales as lactose production ramps up later this year. This has some EU end users looking to the US manufacturers for Q2 supplies. Domestic lactose production is steady to higher as milk production increases seasonally in the Central and Northwest. However, Western lactose production remains active but milk supplies are uneven, especially in California, where milk production lags that of a year ago. Inventories are variable, ranging from oversold to heavier than needed/expected.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1800 - .3725 MOSTLY: .2000 - .2750

CASEIN - NATIONAL

Prices for the acid and rennet casein price series are unchanged. Market trading is slow as the end of the first quarter approaches and the market tone is steady to weak. With quarter 2 prices ahead, many potential buyers are taking a wait and see approach.

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>
03/07/2015	60.1	610.7	59.6	591.2

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

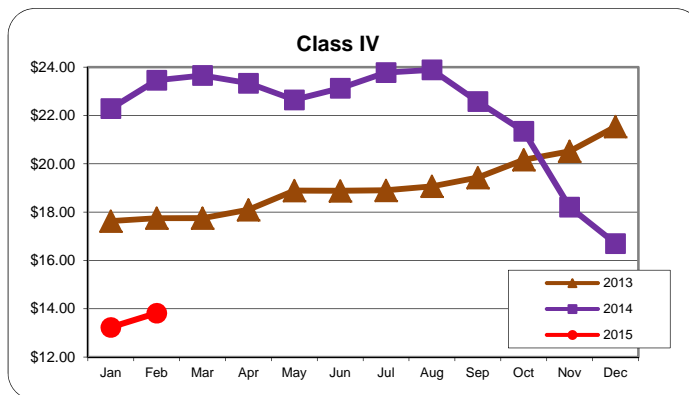
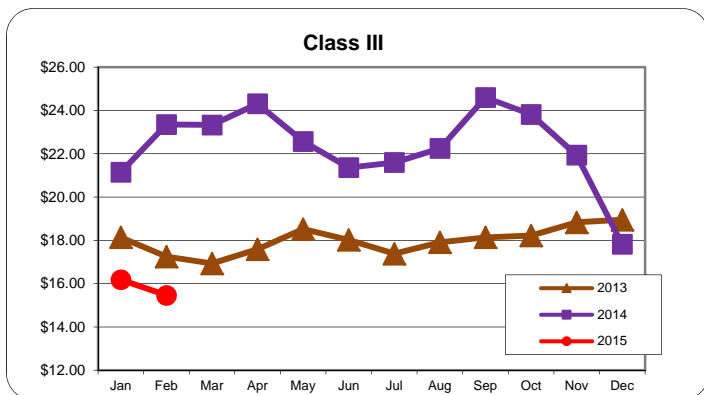
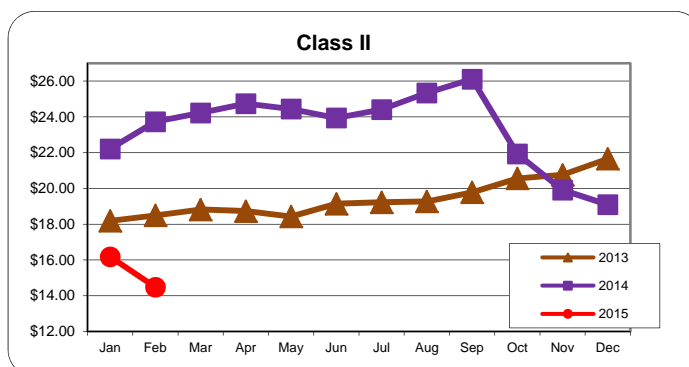
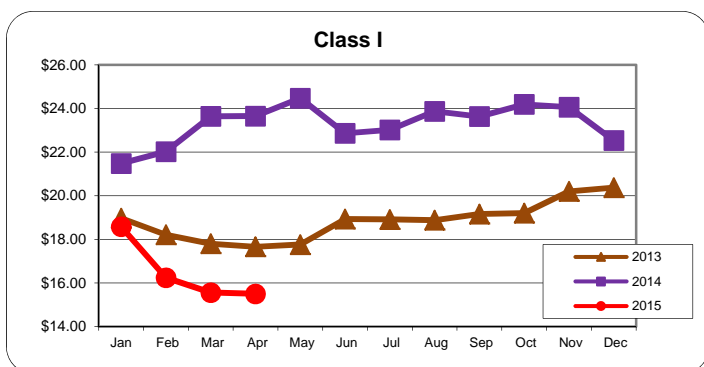
CLASS IV MILK PRICES (3.5%)

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 16 - 27, 2015

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales. AMS reports total organic milk products sales for January 2015, 205 million pounds, were down 5.3% from January last year.

Organic whole milk sales for January 2015, 66 million pounds, were up 10.3% compared with January last year.

Organic reduced fat milk sales for January, 59 million pounds, were 12.2% below sales one year earlier.

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

Product Name	Sales		Change from: 2/	
	Jan.	Y-T-D	Prev Yr.	Y-T-D
	Mil. Lbs.		Percent	

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
Tot. Organic Milk Products	205	205	-5.3	-5.3

*Total Fluid Milk Products Adjusted for Calendar Composition will not be published until 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.

Imported Organic Dairy Products. A cooperative in New Zealand made an announcement last week of a growth strategy reflecting the volume of customers in the United States and elsewhere, who indicate a need to satisfy increasing demand for organic dairy products. Greater focus on organic dairy exports to the U.S. is expected to follow. The growth of organic dairy production targeted for export will be encouraged by increasing the total certified organic payment to New Zealand organic producers to \$1.50 per kg milk solids beginning June 1, 2015. This is an increase of 45 cents per kg over existing levels.

A leader of an organization of U.S. organic dairy producers lamented that many U.S. organic dairy producers are willing to expand production to help meet increasing demand, but feel constrained by current pay prices, particularly with organic feed prices remaining relatively high. A meeting of Western organic dairy producers last fall was well attended by representatives of smaller, regionally focused organic dairy processors who are reported to have had some success in recruiting producers to agree to shift milk sales from larger processors, by paying higher prices to secure new contracts. It is also noted that in the Northeast some regional organic cooperatives have been aggressively securing milk supply

contracts from organic producers attracted by offers of higher prices.

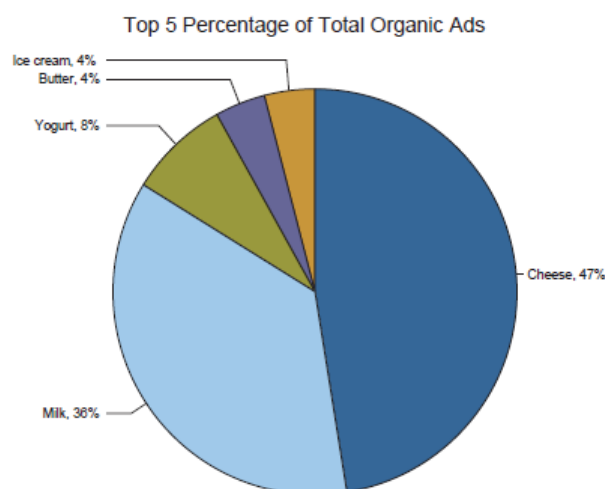
Other reports indicate some success by a national organic processor in encouraging transitioning producers into organic dairy production, with that process continuing toward completion of certification.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy ad numbers have declined to a 2015 low for total ads, half gallon milk, and total milk, with organic yogurt ads at the second lowest level of 2015. However, the strength of organic cheese ads results in more total organic cheese ads than organic milk for the first time this year.

Organic cheese accounts for 47% of organic dairy ads, organic milk for 36%, organic yogurt 8%, with organic butter and ice cream each tied at 4%.



Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from March 27 to April 2, 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 \$3.99, up 11 cents from one week ago. One year ago the price was \$3.19.

All ads are in the Northeast at a price of \$3.99.

Organic Milk Gallons. The U.S. weighted average advertised price of organic milk gallons is \$6.09, up 69 cents. One year ago the price was \$6.10.

Prices range from \$5.39 in the Northwest to \$6.79 in the South Central Region.

ORGANIC DAIRY MARKET NEWS

Information gathered March 16 - 27, 2015

CONTINUED FROM PAGE - 8 -

Organic Cheese. The U.S. average price for 8 ounce block organic cheese is \$3.99, compared with \$3.87 last year. The average price for 8 ounce shredded cheese is \$3.99, compares with \$2.97 last year.

Organic Yogurt. The U.S. weighted average price of organic Greek 4-6 ounce yogurt, \$1.50, is up 25 cents from last week and up 50 cents from one year ago. This is the only type/size of organic yogurt advertised.

Organic Ice Cream. The U.S. average price for 48-64 ounce organic ice cream is \$5.99. The last time organic ice cream ads appeared was the second week of this year.

Organic Grain and Feedstuff Markets. Prices are trending firm for organic corn and are mostly steady for the balance of organic grains. Spot market activity has been moderate to active for organic corn, soybeans, and small grains, while 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. Forward contracts for new crop organic corn, soybeans, and wheat are being negotiated. Concerns are voiced involving competition with imported organic grains as well as issues with domestic quality and transportation, especially regarding cost, port delays, and truck, rail car, or container availability.

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

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

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

All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS

COMMODITY	JAN 31, 2013	JAN 31, 2014	REVISED JAN 31, 2015	FEB 28, 2013	FEB 28, 2014	FEB 28, 2015
Butter	207,075	143,890	148,885	238,342	171,773	178,212
Cheese, Natural American	643,184	630,820	633,778	661,019	628,679	643,127
Cheese, Swiss	30,401	25,421	22,411	30,130	26,942	23,710
Cheese, Other Natural	358,611	358,812	388,769	377,607	354,511	397,248
Total Cheese	1,032,196	1,015,053	1,044,958	1,068,756	1,010,132	1,064,085

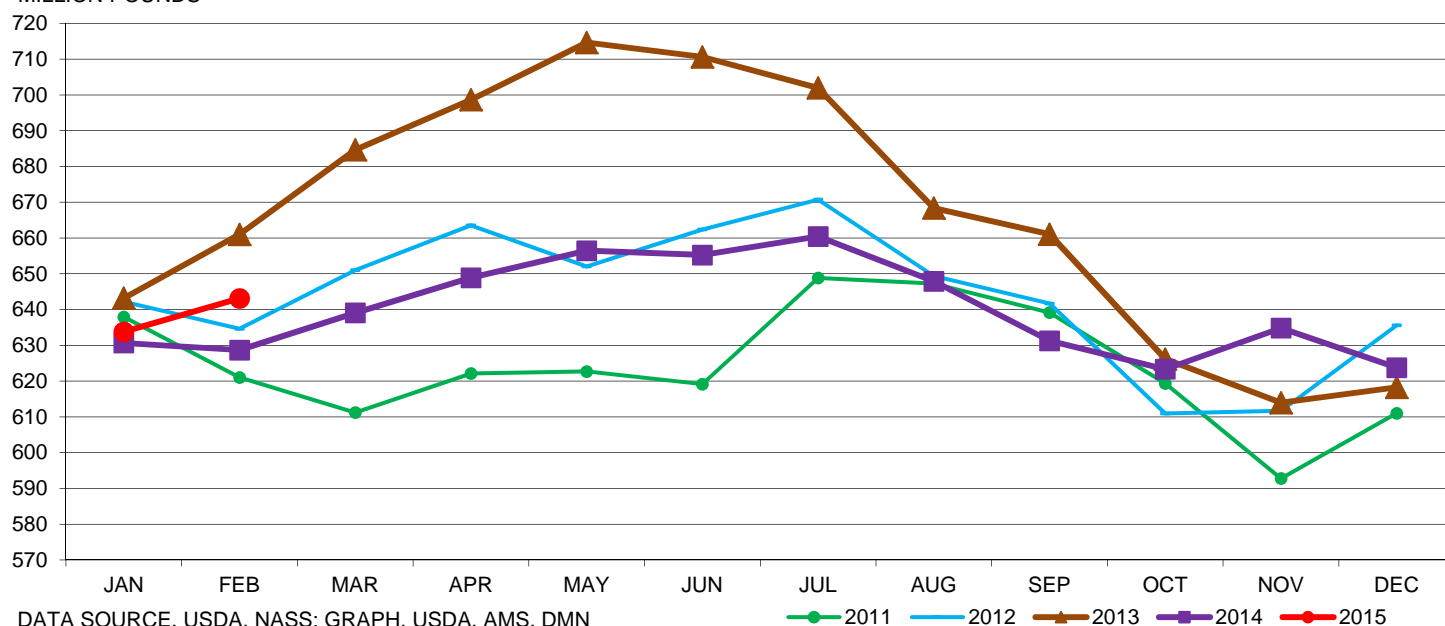
FEBRUARY STORAGE HOLDINGS BY REGION

REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2013	2014	2015	2013	2014	2015	2013	2014	2015
New England	44,104	54,600	62,090	---	---	---	1,122	866	942
Middle Atlantic	46,159	62,402	67,764	---	---	---	19,359	15,494	21,375
East North Central	273,853	225,857	241,101	---	---	---	263,565	244,905	243,669
West North Central	113,975	108,091	95,621	---	---	---	35,714	40,446	46,370
South Atlantic	334	672	569	---	---	---	5,515	4,964	25,441
East South Central	3,989	3,055	5,371	---	---	---	15,746	12,487	14,583
West South Central	12,243	12,469	14,710	---	---	---	1,021	765	524
Mountain	54,859	51,276	52,877	---	---	---	6,682	2,633	2,017
Pacific	111,503	110,257	103,024	---	---	---	28,883	31,951	42,327
TOTAL	661,019	628,679	643,127	238,342	171,773	178,212	337,607	354,511	397,248

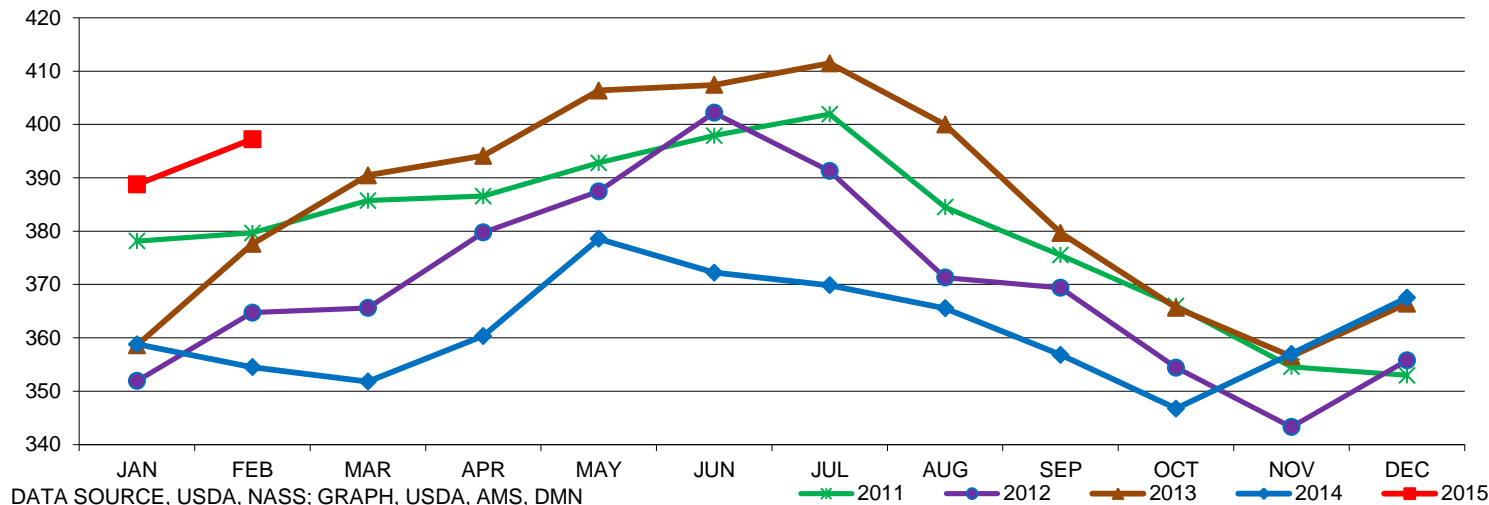
*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

MILLION POUNDS

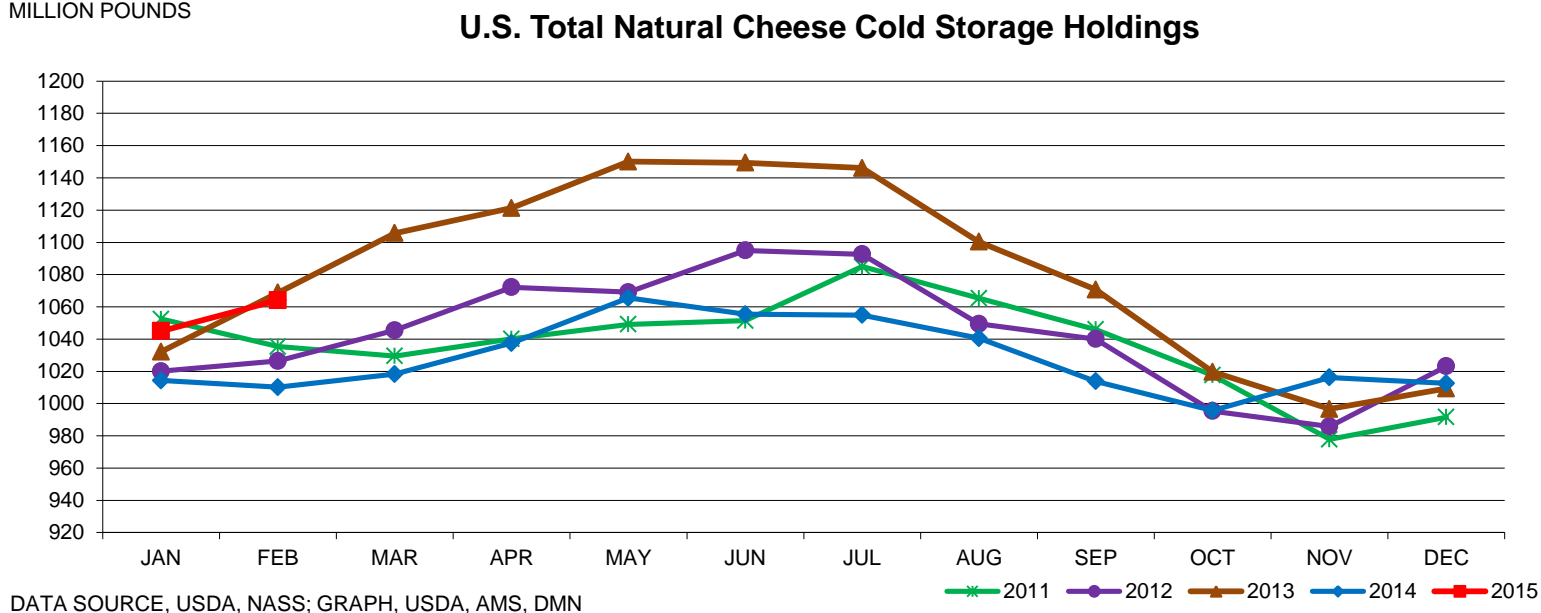
U.S. NATURAL AMERICAN CHEESE COLD STORAGE HOLDINGS



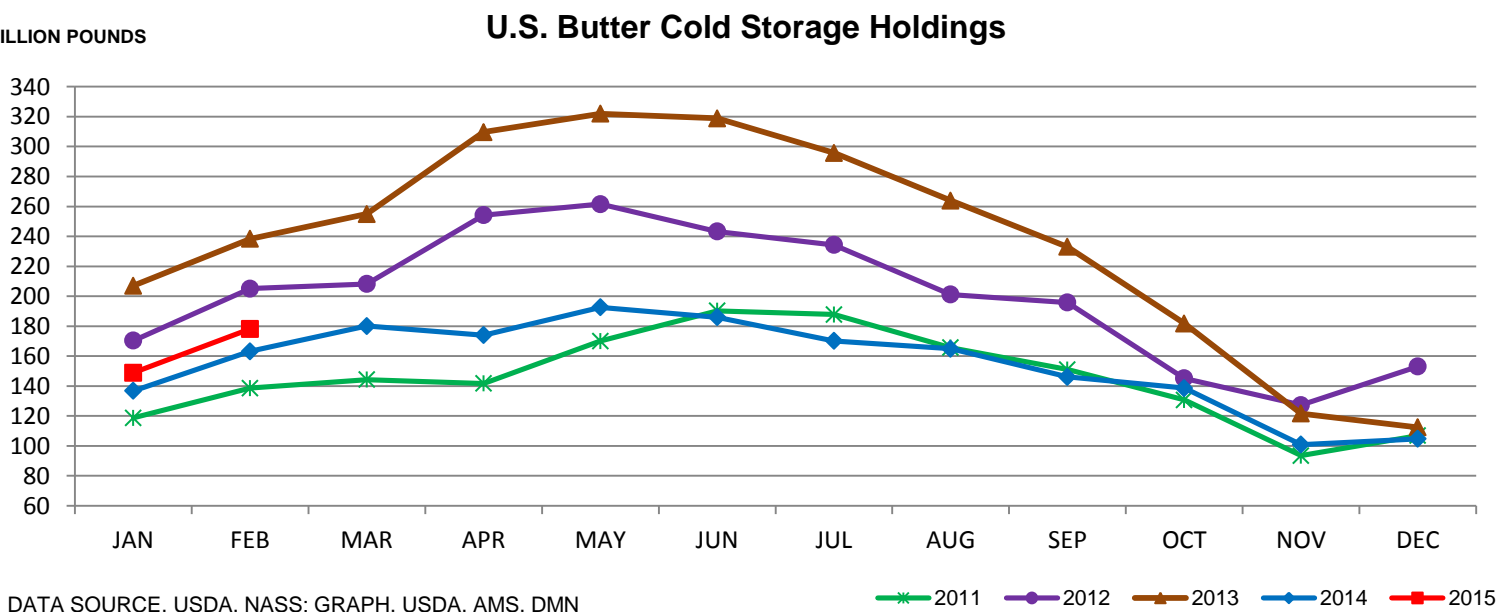
U.S. Other Natural Cheese Cold Storage Holdings

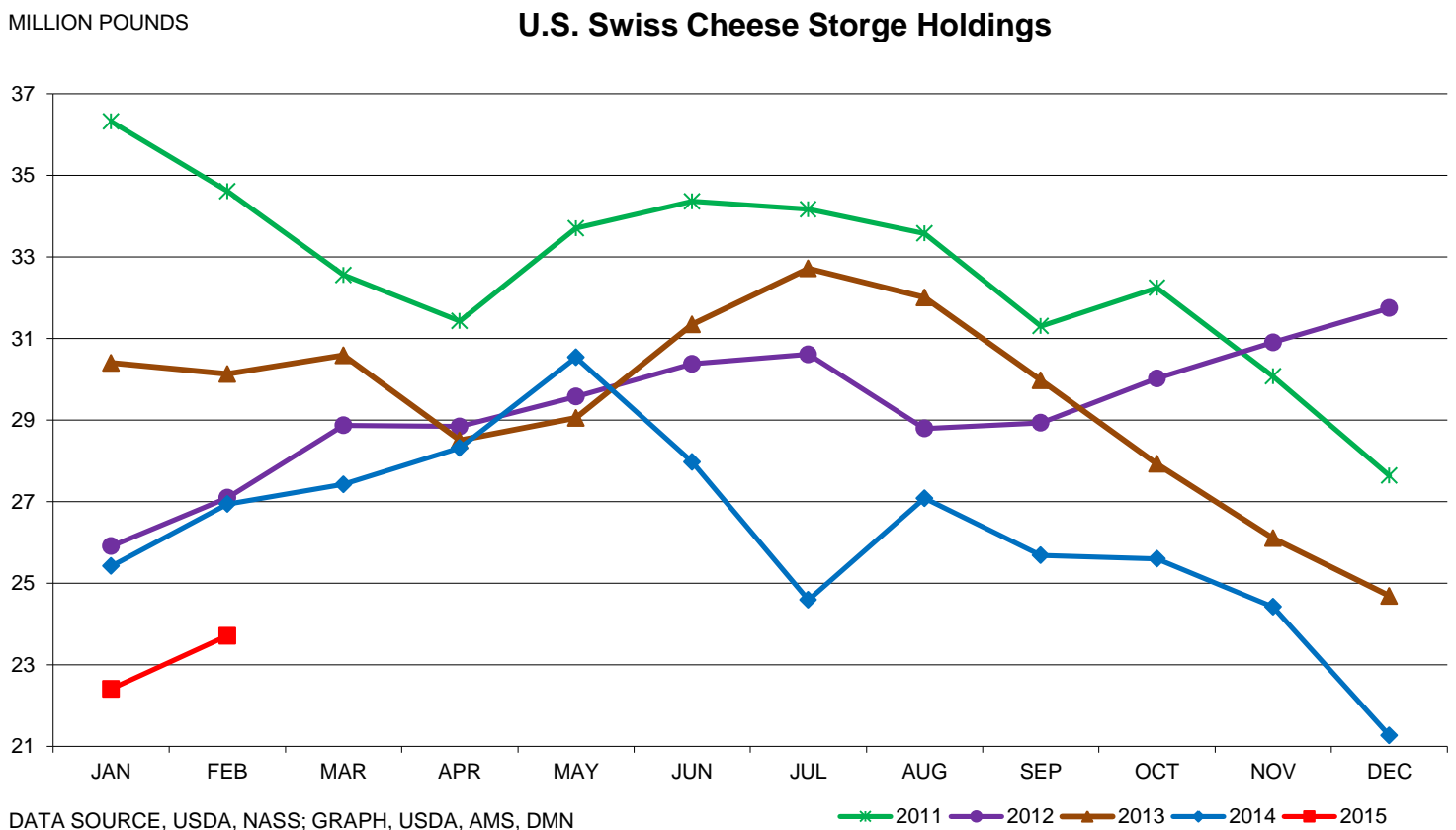
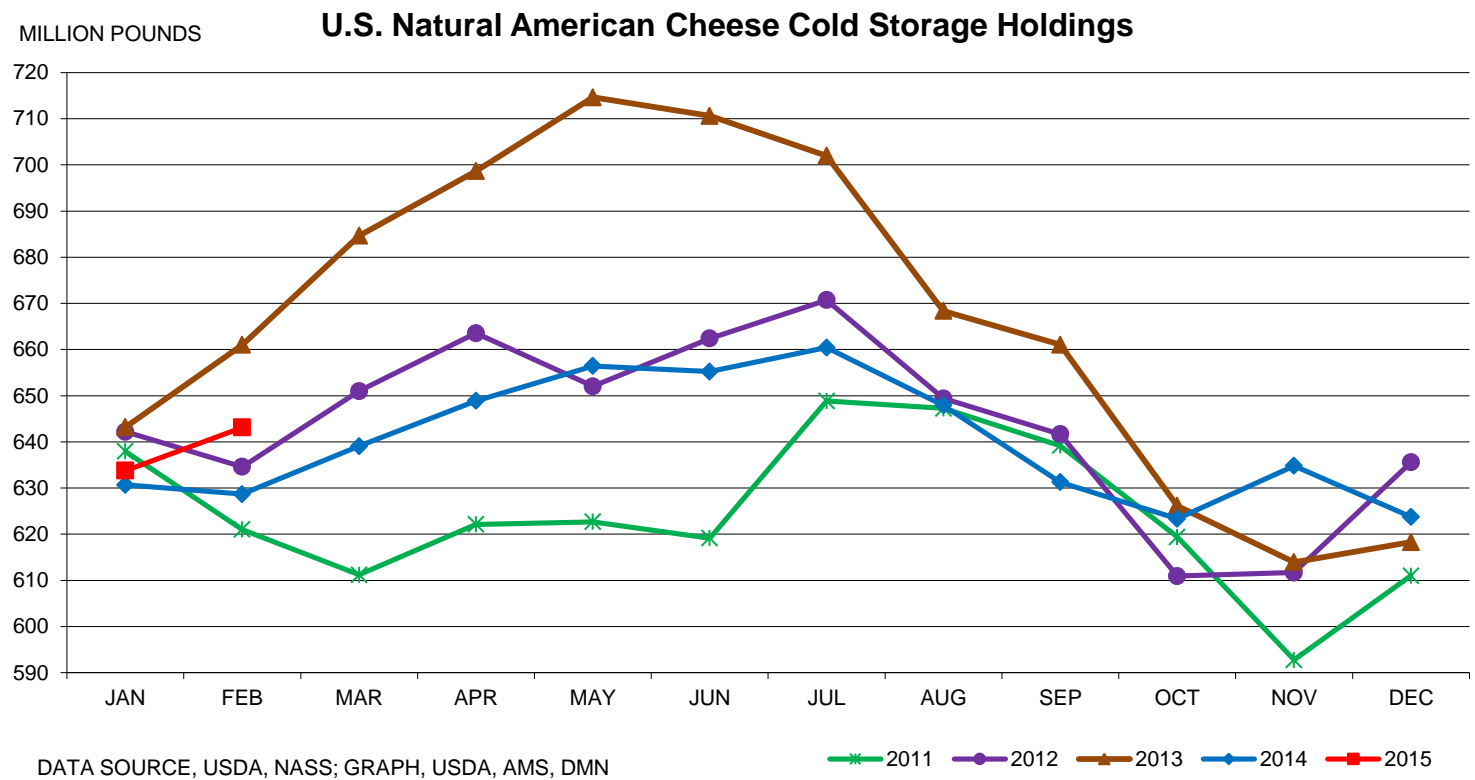


MILLION POUNDS



MILLION POUNDS







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 12

Issued Weekly

Friday, March 27, 2015

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 03/27/2015 to 04/02/2015

National ad volumes for conventional dairy products decreased 6%, while organic dairy product ads decreased 53%.

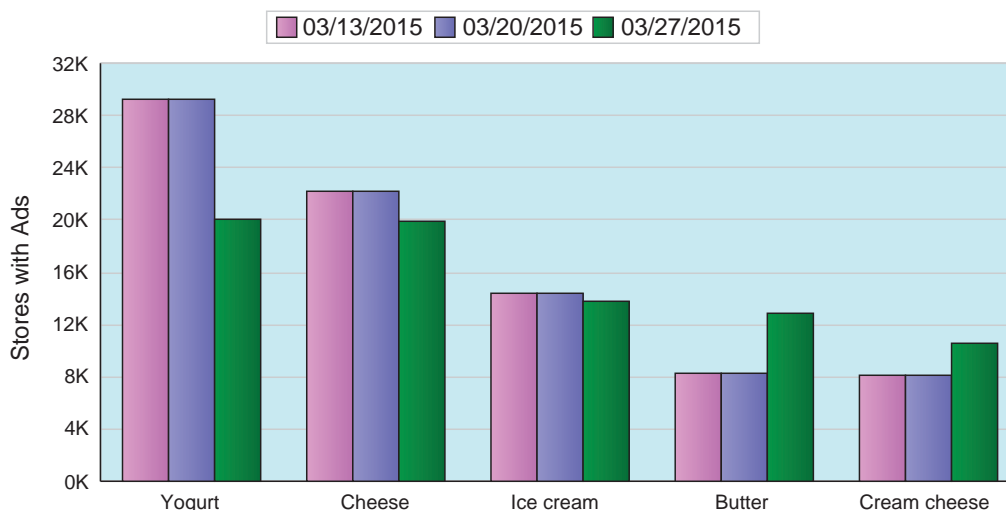
Ad numbers are higher than last week for butter (43% more ads), cream cheese (+13%) and sour cream (+37%) leading into Easter/Passover. The national average prices and changes compared to last week are: 1# butter \$2.71, - 32 cents; 8 oz. cream cheese \$1.61, -2 cents; and 16 oz. sour cream \$1.74, + 9 cents.

The U.S. average advertised price for 8 ounce cheese blocks, \$2.47, is 4 cents higher than one week ago, and 3 cents higher than a year ago, while 8 ounce shredded cheese at \$2.43, is down 1 cent from one week ago and one year ago.

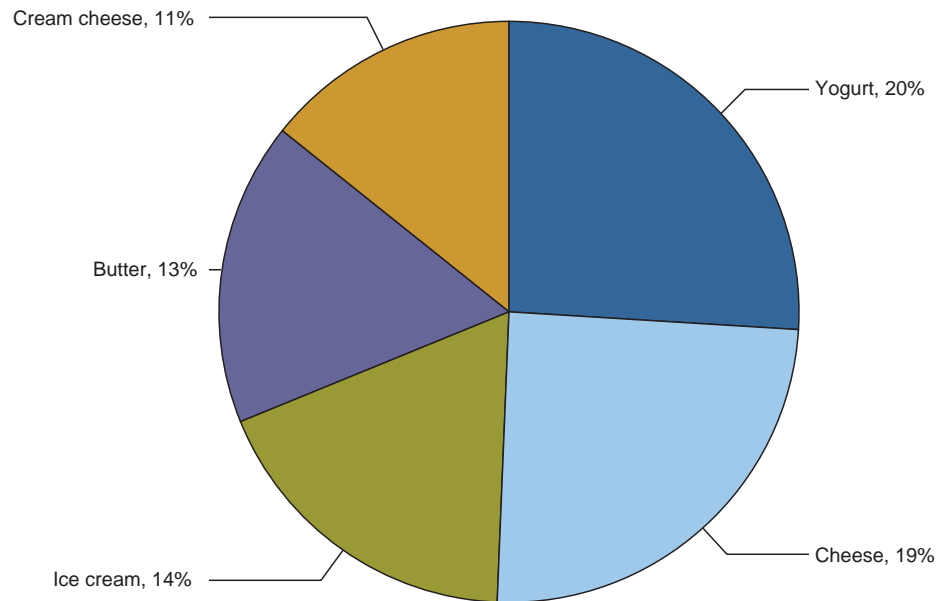
Store ads for Greek 4-6 ounce yogurt significantly lead all other categories and sizes of yogurt, but decreased 19%. The average price of 4-6 ounce Greek yogurt, \$0.99, is even with last week and with one year ago. Ads for 4-6 ounce yogurt, the second most advertised yogurt, have an average price of 53 cents, up 2 cents from last week but even with one year ago.

The organic - conventional half gallon milk price spread is \$2.20, up 55 cents from last week. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$1.79, down 44 cents from one week ago, and the average for organic half gallon milk, \$3.99, up 11 cents from last week.

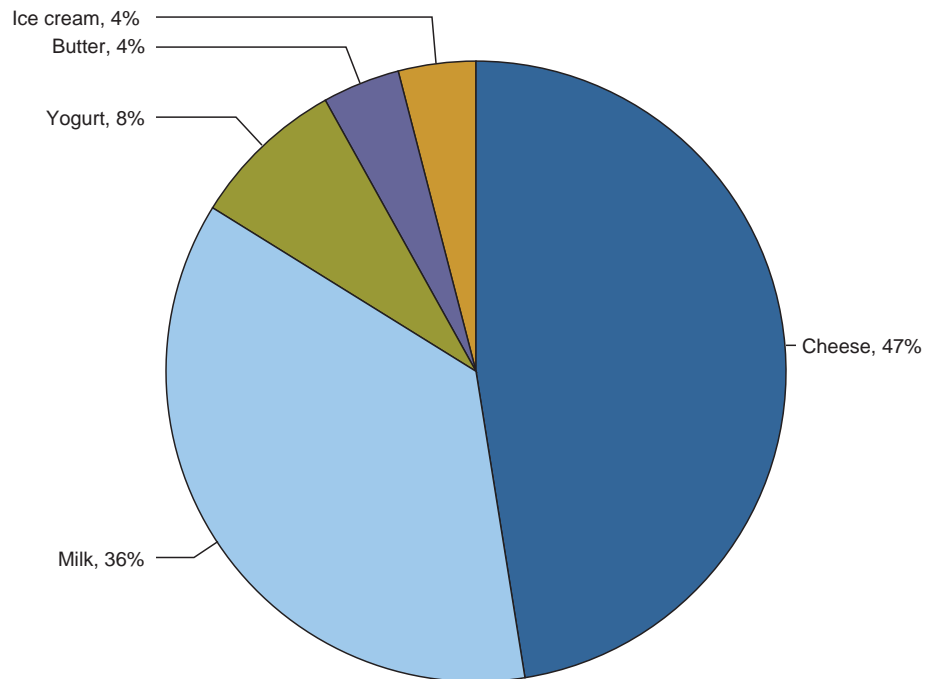
Top 5 Commodities Featured



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 #	12716	2.69	8100	3.03	2477	2.74
Cheese	Natural Varieties	8 oz block	8187	2.47	5808	2.43	6093	2.44
Cheese	Natural Varieties	1 # block	302	4.03	3339	4.12	931	3.73
Cheese	Natural Varieties	2 # block	430	7.25	1029	7.44	1357	7.60
Cheese	Natural Varieties	8 oz shred	8940	2.42	8015	2.44	8749	2.44
Cheese	Natural Varieties	1 # shred	718	3.92	4034	3.94	1711	4.51
Cottage cheese		16 oz	3236	1.81	3483	2.24	3910	1.93
Cream cheese		8 oz	10489	1.53	8061	1.63	3931	1.75
Flavored milk	All fat tests	half gallon	539	1.38	282	2.49	1012	2.74
Flavored milk	All fat tests	gallon	351	1.99			168	3.29
Ice cream		48-64oz	13606	3.01	14413	3.18	14923	2.98
Milk	All fat tests	half gallon	1317	1.79	1105	2.23	523	2.52
Milk	All fat tests	gallon	2262	2.88	1653	2.89	2161	3.18
Sour cream		16 oz	9521	1.76	6634	1.65	3041	1.51
Yogurt	Greek	4-6 oz	12986	.99	16073	.99	10855	.99
Yogurt	Greek	32 oz	1378	4.55	627	5.28	671	4.31
Yogurt	Yogurt	4-6 oz	4306	.53	8569	.51	5625	.53
Yogurt	Yogurt	32 oz	1119	2.46	1638	2.36	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 #	1.97-3.50	1747	2.53	2.49-3.50	3160	2.56	1.87-2.59	2553	2.30
Cheese	Natural Varieties	8 oz block	1.66-3.00	2008	2.30	2.00-2.50	2145	2.45	1.50-2.50	1007	2.29
Cheese	Natural Varieties	1 # block				3.99	64	3.99	3.99	53	3.99
Cheese	Natural Varieties	2 # block				6.98	195	6.98			
Cheese	Natural Varieties	8 oz shred	1.88-2.99	2351	2.30	2.00-2.50	1660	2.43	1.66-3.00	912	2.38
Cheese	Natural Varieties	1 # shred	3.99	135	3.99	2.49-2.99	324	2.85	3.99	53	3.99
Cottage cheese		16 oz	1.99-2.69	1182	2.03	1.29-2.50	285	1.72	0.79-2.28	598	1.34
Cream cheese		8 oz	0.99-2.39	2100	1.46	0.99-2.39	2461	1.44	0.89-2.00	2413	1.27
Flavored milk	All fat tests	half gallon				1.00	184	1.00	1.00	208	1.00
Ice cream		48-64oz	1.99-3.99	3996	2.78	2.50-3.99	3452	2.75	2.79-3.99	2890	3.20
Milk	All fat tests	half gallon	1.89	135	1.89	1.00	184	1.00	1.00-2.50	471	1.33
Milk	All fat tests	gallon	2.99-3.39	209	3.27	2.99-3.49	337	3.08	2.49-2.79	240	2.56
Sour cream		16 oz	1.49-2.49	2540	1.85	1.25-2.00	2756	1.80	0.79-2.00	1816	1.57
Yogurt	Greek	4-6 oz	0.88-1.25	1606	1.02	0.75-1.00	4162	.99	0.88-1.00	1578	.98
Yogurt	Greek	32 oz	3.99-4.99	560	4.51				3.98-4.99	516	4.55
Yogurt	Yogurt	4-6 oz	0.45-0.66	1709	.52	0.40-1.00	798	.58	0.39-0.67	888	.48

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	2.29-3.99	261	2.93				1.99	119	1.99

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	1691	2.59	1.99-5.49	2786	3.29	1.88-3.49	779	2.99
Cheese	Natural Varieties	8 oz block	1.66-2.50	1045	2.35	1.99-3.99	1567	2.91	2.50	415	2.50
Cheese	Natural Varieties	1 # block				3.49	116	3.49	4.99	69	4.99
Cheese	Natural Varieties	2 # block	6.99-7.99	235	7.48						
Cheese	Natural Varieties	8 oz shred	1.50-2.50	1453	2.18	1.67-3.99	1939	2.72	2.49-2.99	625	2.58
Cheese	Natural Varieties	1 # shred				5.79	137	5.79	4.99	69	4.99
Cottage cheese		16 oz	1.25-2.00	639	1.67	1.79-1.99	358	1.90	2.29-2.39	174	2.35
Cream cheese		8 oz	0.89-1.99	1304	1.66	1.49-3.29	1630	1.93	1.00-2.49	581	1.80
Flavored milk	All fat tests	half gallon	1.00	78	1.00				3.99	69	3.99
Flavored milk	All fat tests	gallon	1.99	351	1.99						
Ice cream		48-64oz	1.99-4.99	1760	3.43	2.49-4.99	1087	3.38	2.99-3.99	421	3.23
Milk	All fat tests	half gallon	1.00	78	1.00	2.99	383	2.99	0.99	66	.99
Milk	All fat tests	gallon	1.99	351	1.99	2.29-4.89	1125	3.10			
Sour cream		16 oz	1.29-2.00	974	1.59	0.79-2.79	1030	1.84	1.50-2.00	405	1.91
Yogurt	Greek	4-6 oz	0.88-1.00	2671	.98	0.88-1.00	1883	.99	0.95-1.00	1086	.99
Yogurt	Greek	32 oz	4.49-4.99	128	4.78	4.50	174	4.50			
Yogurt	Yogurt	4-6 oz	0.50-0.69	452	.58	0.50	285	.50	0.50	174	.50
Yogurt	Yogurt	32 oz	1.89-2.50	340	2.23	2.50	189	2.50	2.49-2.50	210	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 #	121	3.49	137	6.99		
Cheese	Natural Varieties	8 oz block	638	3.99			283	3.87
Cheese	Natural Varieties	8 oz shred	638	3.99			283	2.97
Cottage cheese		16 oz			137	5.79		
Cream cheese		8 oz					283	1.99
Ice cream		48-64oz	121	5.99				
Milk	All fat tests	half gallon	84	3.99	1372	3.88	1366	3.19
Milk	All fat tests	gallon	884	6.09	1536	5.40	823	6.10

Wtd Avg - Simple weighted average



Yogurt	Greek	4-6 oz	137	1.50	137	1.25	2308	1.00
Yogurt	Greek	32 oz			2257	3.68		
Yogurt	Yogurt	4-6 oz	72	1.25			549	.81
Yogurt	Yogurt	32 oz					90	2.49

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	3.99	84	3.99						
Yogurt	Greek	4-6 oz	1.50	137	1.50						
Yogurt	Yogurt	4-6 oz	1.25	72	1.25						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #							3.49	121	3.49
Cheese	Natural Varieties	8 oz block	3.99	235	3.99	3.99	114	3.99	3.99	289	3.99
Cheese	Natural Varieties	8 oz shred	3.99	235	3.99	3.99	114	3.99	3.99	289	3.99
Ice cream		48-64oz							5.99	121	5.99
Milk	All fat tests	gallon	5.99-6.79	235	6.40	6.39-6.49	360	6.46	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

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VOLUME: 82

REPORT: 12

DATE: 03/27/2015

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