

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (5/29)**

BUTTER: Grade AA closed at \$2.0050. The weekly average for Grade AA is \$1.9119 (-.0051).

CHEESE: Barrels closed at \$1.6700 and 40# blocks at \$1.6950. The weekly average for barrels is \$1.6338 (+.0163) and blocks, \$1.6713 (+.0333).

BUTTER HIGHLIGHTS: Production levels are steady. Contacts report production over the holiday weekend was active, with no major issues. Manufacturers in the West have begun to slow as inventory levels are climbing. In the East, churning is active and some manufacturers are building stocks. Some manufacturers in the Central region are concerned about being able to fulfill Q3 contracts. Cream supplies loosened over the holiday weekend. Both butter buyers and sellers are remaining cautious as they wait for prices to settle. Bulk butter prices in the Central region range from market to 5 cents over, from 4 cents under to 5 cents over in the West, and 4-7 cents over in the East. The NASS Cold Storage report noted U.S. butter stocks on April 30 were 230.4 million pounds, 25% higher than last month and 23% above a year ago. Friday at the CME Group, Grade AA butter closed at \$2.0050, up \$.1150 from last Friday.

CHEESE HIGHLIGHTS: Cheese production is strong in all regions, encouraged by heavy seasonal milk volumes and further bolstered by extra milk available from the long holiday weekend. Midwest cheesemakers have access to surplus milk often available at \$6.00 under Class, sometimes \$7.00 under, and occasionally \$10.00 under depending on location and timing. A number of manufacturers are buying all the surplus milk their plants can accommodate, producing cheese to the max. Contracted cheese sales are steady in all regions. Some plants manufacturing cheese in volumes beyond contract needs are selling extra loads, while others are also retaining some of the production for future sales or further processing, such as shredding. American style cheese has a firm contract market in the West, while Midwest manufacturers report very good buyer interest in all varieties. Earlier this year a number of manufacturers questioned whether the apparent strong customer demand for cheese would last. Presently most manufacturers have come to accept the staying power of demand and that underlies the overall confidence exhibited by maintaining cheese production as the generally preferred outlet for seasonally high milk volumes, as well as for milk volumes now freed

from school and college fluid milk contracts. Barrels closed Friday at \$1.6700, up \$.0500 from last Friday, and 40# blocks closed at \$1.6950, up \$.0450.

FLUID MILK: Milk production in Northeast and Midwest is trending up at or close to peak. Southeast milk outputs are stable. The spring flush and favorable climate in the Midwest are aiding milk availability. Milk levels in the West are decreasing due to high temperatures and dryness. Drought in California is negatively affecting dairy farm operations. Bottling orders are steady to lower nationwide since the majority of schools end soon. Cream availability is adequate in the East and plentiful in the Midwest. The cream market is balanced in the West.

DRY PRODUCTS: Nonfat dry milk prices are mixed. Production is increasing in the East and Central regions, while varied in the West depending on milk supplies. Dry buttermilk prices are steady in the East and Central regions and unchanged on the mostly price series in the West. The market tone is weak in all regions. Dry whole milk prices are unchanged to lower on a mixed market. Central dry whey prices are mixed, but unchanged in the other regions. Whey protein concentrate 34% prices are mostly lower on a weak market. Lactose prices are unchanged with a steady market tone. Casein prices are unchanged.

NATIONAL RETAIL REPORT – DAIRY: Ad volume increased following the Memorial Day holiday weekend for some major dairy categories. The ad volume percentage change, national weighted average advertised price and price change from last week are: 1 # butter, +48%, \$3.20, +43 cents; 16 oz. cottage cheese, +50%, \$2.26 +3 cents; 8 oz. cream cheese, -15%, \$1.83, -31 cents; 48-64 oz. ice cream, +19%, \$2.95, +10 cents; and 16 oz. sour cream, -24%, \$1.54, -22 cents. The U.S. average advertised price for 8 ounce cheese blocks, \$2.23, is down 7 cents from one week ago, and down 21 cents from a year ago; 8 ounce shredded cheese at \$2.34, is 5 cents below a week ago and 3 cents below one year ago. Total cheese ad numbers are up 12% from last week. The average price of 4-6 ounce Greek yogurt, \$.99, is even with last week, but 1 cent higher than a year ago.

-CONTINUED ON PAGE 1A-

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

INTERNATIONAL DAIRY MARKET NEWS (8-8B)
DAIRY FUTURES (PAGE 9)
APRIL COLD STORAGE (PAGE 10)
APRIL CONSUMER PRICE INDEX (PAGE 11)

FEBRUARY MILK SALES (PAGE 12)
MARCH MILK SALES (PAGE 13)
DAIRY GRAPHS (G1-G2)
NATIONAL RETAIL REPORT – DAIRY

CME GROUP CASH TRADING

COMMODITY		MONDAY MAY 25	TUESDAY MAY 26	WEDNESDAY MAY 27	THURSDAY MAY 28	FRIDAY MAY 29	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE								
BARRELS	HOLIDAY		\$1.6100 (-.0100)	\$1.6050 (-.0050)	\$1.6500 (+.0450)	\$1.6700 (+.0200)	++ (+.0500)	++ \$1.6338 (+.0163)
40# BLOCKS	CME		\$1.6500 (N.C.)	\$1.6600 (+.0100)	\$1.6800 (+.0200)	\$1.6950 (+.0150)	++ (+.0450)	++ \$1.6713 (+.0333)
NONFAT DRY MILK	CLOSED							
GRADE A	NO		\$.8850 (-.0150)	\$.8900 (+.0050)	\$.8900 (N.C.)	\$.9075 (+.0175)	++ (+.0075)	++ \$.8931 (-.0109)
BUTTER	TRADING							
GRADE AA			\$1.8700 (-.0200)	\$1.8700 (N.C.)	\$1.9025 (+.0325)	\$2.0050 (+.1025)	++ (+.1150)	++ \$1.9119 (-.0051)

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

Yogurt in 4-6 ounce packages averages 44 cents, down 6 cents from last week and down 7 cents from a year ago. Total yogurt ad numbers increased 7% from last week. The organic - conventional half gallon milk price spread is \$1.88. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$1.59, and the average for organic half gallon milk, \$3.47.

INTERNATIONAL DAIRY MARKET NEWS (DMN):**WESTERN AND EASTERN EUROPE: WESTERN****OVERVIEW:** Milk production in Western Europe is beyond the

seasonal peak with overall production below year ago levels. Farmgate prices for milk remain low and are not incentivizing producers to take steps to expand production. Weather and pasture conditions have been favorable for cow comfort and milk production. Estat - Newcronos reported EU-28 January-March 2015 milk deliveries down 1.3% compared to last year. Selected member states showed the following January-March percentage changes compared to the same period last year: Germany, -1.7%; France, -2.7%; UK, +0.6%; Belgium, -3.1%; Italy, -1.2%; and Ireland, -4.3%.

EASTERN OVERVIEW: Eastern

European milk production continues to expand in some areas and will overall reach the seasonal peak soon. European milk deliveries for January-March 2015 reported by Estat - Newcronos, showed the following changes for selected countries compared to the same period last year: Poland, -0.2%; Lithuania, +2.6%; Latvia, -2.0%; Estonia, -4.1%; and the Czech Republic, +3.6%.

OCEANIA OVERVIEW:

Australian milk production has marginally declined as weather conditions have been detrimental to cow comfort levels. Rain and cold weather over most of the major dairy producing areas have also contributed to an increase in hay prices. Manufacturing plants are continuing to cycle through their seasonal maintenance schedules, necessitating the need for milk to be transported to the nearest manufacturing location available. Dairy Australia reports that April 2015 milk production in Australia was 2.9% above April 2014. The state changes from one year earlier are: New South Wales, +0.7%; Victoria, +3.1%; Queensland, -9.9%; South Australia, +0.9%; Western Australia, +6.2%; and Tasmania, +10.4%. Australia's milk production season to date (July-April) is +2.9%, compared to last season. According to Dairy Australia, production of various dairy commodities for March 2015 showed the following percentage changes compared to 2014: butter, +0.5%; butteroil, +21.4%; skim milk powder, +5.8%; whole milk powder, -2.2%; buttermilk powder, -1.8%; cheese, +14.4%; and whey powder, -10.6%. Milk production for the season in **New Zealand** is coming to a rapid close. A vast majority of the dairy herd will be on winter pastures by the end of May. Most commodity prices continue to move lower, but the rate of decline has lessened and may indicate that prices are near their low point.

COLD STORAGE (NASS): On April 30, U.S. cold storage holdings of butter totaled 230.4 million pounds, up 25% from the previous month, and up 23% from April 2014. Natural American cheese holdings total 639.6 million pounds, 1% more than the previous month, but 1% less than April 2014. Total natural cheese stocks were 1.081 billion pounds, 1% greater than last month, and 4% more than April 2014.

APRIL CONSUMER PRICE INDEX (BLS): The April CPI for all food is 246.1, up 2.0% from 2014. The dairy products index is 222.7, down 0.7% from a year ago. The following are the April to April changes for selected products: fresh whole milk is -6.1%; cheese, ++0.3%; and butter, +3.9%.

FEBRUARY MILK SALES (FMO & CDFA): During February 4.0 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.0% decreased than February 2014. Estimated sales of total conventional fluid milk products decreased 2.2% from February 2014 and estimated sales of total organic fluid milk products increased 1.8% from a year earlier. Additional data can be found at <http://www.ams.usda.gov/AMSV1.0/FluidMilkSalesDataMonthlyandYeartoDate>

MARCH MILK SALES (FMO & CDFA): During March 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.7% decreased than March 2014. Estimated sales of total conventional fluid milk products decreased 1.8% from March 2014 and estimated sales of total organic fluid milk products decreased 0.8% from a year earlier. Additional data can be found at <http://www.ams.usda.gov/AMSV1.0/FluidMilkSalesDataMonthlyandYeartoDate>

PRODUCER MILK MARKETING UNDER FEDERAL MILK ORDERS BY STATE OF ORIGIN:

Dairy Program's Market Information Branch recently released the 2013 Producer Milk Marketed under Federal Milk Orders by State of Origin. This annual report provides details on the sources of producer milk pooled on Federal Milk Marketing Orders by state of origin for the calendar year 2013. The report can be found at the following location: <http://www.ams.usda.gov/AMSV1.0/StateofOrigin>

CME GROUP

MONDAY, MAY 25, 2015

CME CLOSED NO TRADING

TUESDAY, MAY 26, 2015

CHEESE -- SALES: 11 CARS BARRELS: 1 @ \$1.6175, 1 @ \$1.6150, 1 @ \$1.6125, 1 @ \$1.6100, 1 @ \$1.6075, 1 @ \$1.6050, 2 @ \$1.6100, 1 @ \$1.6200, 1 @ \$1.6150, 1 @ \$1.6125; 1 CAR 40# BLOCKS @ \$1.6500; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6500; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6100
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8850
 BUTTER -- SALES: 15 CARS GRADE AA: 1 @ \$1.8575, 1 @ \$1.8550, 1 @ \$1.8525, 1 @ \$1.8550, 1 @ \$1.8575, 1 @ \$1.8600, 1 @ \$1.8700, 2 @ \$1.8650, 1 @ \$1.8625, 1 @ \$1.8675, 1 @ \$1.8650, 1 @ \$1.8700, 1 @ \$1.8600, 1 @ \$1.8700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

WEDNESDAY, MAY 27, 2015

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.6100, 1 @ \$1.6050; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6000; 1 CAR 40# BLOCKS @ \$1.6600; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6200
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$0.8850; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8900; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8700; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.9000

THURSDAY, MAY 28, 2015

CHEESE -- SALES: 10 CARS BARRELS: 1 @ \$1.6150, 1 @ \$1.6350, 1 @ \$1.6450, 1 @ \$1.6425, 1 @ \$1.6400, 1 @ \$1.6425, 1 @ \$1.6400, 2 @ \$1.6350, 1 @ \$1.6500; 1 CAR 40# BLOCKS @ \$1.6750; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.6500; 1 CAR 40# BLOCKS @ \$1.6800; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.9025; LAST OFFER UNCOVERED: NONE

FRIDAY, MAY 29, 2015

CHEESE -- SALES: 8 CARS BARRELS: 1 @ \$1.6625, 1 @ \$1.6700, 2 @ \$1.6675, 2 @ \$1.6700, 1 @ \$1.6675, 1 @ \$1.6700; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6950; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9075; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$1.9700, 1 @ \$1.9800; LAST BID UNFILLED: 10 CARS GRADE AA @ \$2.0050; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0400

BUTTER MARKETS

NORTHEAST

Churning activity remains seasonally strong although cream supplies may not be as heavy as over the past few weeks. Stock levels are building as churning continues to exceed demand. Retail orders have declined. Market prices are expected to stabilize from unforeseen highs occurring over past weeks. Buyers and sellers alike are both cautious, while attentive to signs of the market settling. Current bulk butter prices for domestic sales are reported 4 -7 cents over the market of the CME Group, with various time frames and averages used. According to the *DMN National Retail Report-Dairy*, for May 22-28, the national weighted average advertised price for 1-pound butter is \$2.77, up \$0.05 from a year ago. The Northeast regional price is \$3.08, a \$0.07 decline from last week. In the Southeast, butter averaged \$2.99, an increase of \$0.13 compared to a week ago. Tuesday's CME Group cash trading saw Grade AA butter close at \$1.8700, down \$0.0350 from a week ago. COLD STORAGE: According to NASS, U.S. butter in storage on April 30, 2015 totaled 230.4 million pounds, 23% above a year ago and 25% more than last month.

CENTRAL

Butter production is steady with most manufacturers running over the holiday weekend. Domestic demand is still higher than expected which leaves some manufacturers concerned about inventory levels for Q3. There have been reports that exports may be picking up as other countries have a higher demand. Some manufacturers report that current sales levels are picking up with others being able to build inventories. Bulk butter prices are at market to 5 cents over the market, based on the CME Group and various indices. According to the *DMN National Retail Report- Dairy*, for May 22-28, the national weighted average advertised price for a 1 pound package of butter price is \$2.77, a 12 cent decrease from last week but 5 cents higher than a year ago. The average price in the Midwest was \$2.11,

with a range of \$1.47-2.50. The NASS *Cold Storage* report noted U.S. butter stocks on April 30 were 230.4 million pounds, 25% higher than last month and 23% above a year ago. The Grade AA butter price at the CME Group closed Wednesday at \$1.8700, a 6 cent decrease from last Wednesday's close.

WEST

Western butter production was steady this week. Industry contacts report milk and cream are generally available. The recent holiday weekend helped ease the short supply of cream in parts of the West where it had been tight. Some manufacturers continue to sell excess cream for use in ice cream or other products. Marketers are suggesting there is plenty of butter available on the market and inventories have increased significantly over the last few months. Without increased export opportunities and reports of some imports, there is little upward pressure for butter prices in the near future. There have been some reports of butter makers slowing or suspending production in the coming weeks to better manage inventories. The *DMN National Retail Report - Dairy* for the week May 22 - 28, found that the U.S. weighted average advertised price of 1# butter is \$2.77, down \$.12 from one week ago but up \$.05 from one year ago. Retail prices for 1# butter in the Southwest have a weighted average advertised price of \$3.49, and in the Northwest, \$2.74 with a price range of \$1.99-\$3.50. The NASS *Cold Storage* report noted U.S. butter stocks as of April 30, 2015 were 230.4 million pounds, an increase of 25% or 46.1 million pounds from a month ago, and an increase of 23% or 43.5 million pounds compared to a year ago. Bulk butter pricing in the West this week is 4 cents under market to 5 cents above, based on the CME Group with various time frames and averages used. The Grade AA butter price at the CME Group on Wednesday closed at \$1.8700, down \$.0600 from a week ago.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
May 23, 2015	1.9672 3,162,469	1.6354 12,499,880	1.6713 9,023,123	.4401 7,749,550	.9477 20,046,097

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

CHEESE MARKETS

NORTHEAST

Post-holiday cheese production in the Northeast is moderate to heavy. Milk supplies over the Memorial Day weekend were heavy, as some cheese makers added surplus loads to production at prices well below class. Key cheese manufacturers are running 7 day schedules. Declines in butterfat, along typical seasonal levels, are tempering cheese yields. Retail sales are fair. The market undertone is unsettled. This week, Northeast wholesale cheese prices saw cheddar and muenster increase \$0.0225, but process 5# sliced declined \$0.0075. The Grade A Swiss Cuts price is unchanged. According to the DMN *National Retail Report-Dairy*, for May 22-28, the weighted average advertised price for 8 oz. cheese blocks in the Northeast is \$2.31, 1 cent more than the national average, however, 14 cents less than a week ago. The Southeast 8 oz. block cheese price was \$2.35, 36 cents less than the previous week. At the CME Group, Tuesday's daily cash price saw barrels close at \$1.6100, down \$0.0025 from a week ago; blocks closed at \$1.6500, up \$0.0200 from a week ago. Cold Storage: According to NASS, U.S. stocks of total natural cheese as of April 30, 2015 totaled 1.081 billion pounds, 4% more than a year ago and 1% more than last month. Other cheese totaled 417.4 million pounds, 16% more than a year ago, and 2% more than last month. Swiss cheese totaled 24.0 million pounds, 15% less than a year ago and 2% less than the previous month.

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

Cheddar 40# Block	:	2.0350-2.3200
Process 5# Sliced	:	1.8400-2.3200
Muenster	:	2.0550-2.4050
Grade A Swiss Cuts 10 - 14#	:	3.1725-3.4950

MIDWEST

The continuing strength of cheese production utilizing strong 2015 milk supplies is leading manufacturers to consider how long the somewhat surprising demand strength from cheese buyers will continue. Unexpectedly strong demand from domestic buyers has helped to keep cheese inventories at comfortable levels notwithstanding high production volumes. Both retail and foodservice buyers have helped keep cheese moving out of plants. Most cheesemakers do not suggest any reason why they question this trend continuing. That conclusion is reflected in volumes of cheese being made. At most cheese plants where alternative products can be made from milk, cheese is still viewed as the primary outlet for contracted milk from the producer base. If capacity allows, surplus milk is being purchased as well. A few loads of Midwest surplus milk sold at \$10.00 below Class this week, more loads are selling near \$7.00 below, and milk more widely available as to timing and location now sells at \$6.00 under. Some of the production will go to current demand and some will be held in inventory for future sales, both by manufacturers and cutters/wrappers. Most cheesemakers are happy to increase schedules to the max to accommodate discounted milk. There are also cheese plants in the region currently installing new equipment to add barrel production to existing block production in the near future. In part, the expenditures are deemed warranted by virtue of expectations for future milk availability to support the increased cheese production. The *National Retail Report - Dairy* (DMN) found that May 22-28 Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.10, 29 cents lower than the national average, \$2.39. Midwest prices range from \$1.49 - \$2.49. One year ago the national average price was \$2.52. For 8 ounce blocks, the Midwest average price is \$2.13, 17 cents lower than the national average price, \$2.30. Midwest ads are

priced from \$1.67 to \$2.49. One year ago the national average price was \$2.48. At the end of April, Midwest region cheese stocks tended to be higher than national stocks. NASS reports that April 30, 2015 East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio) American cheese stocks were 107% of April 30, 2014, and 104% of March 31, 2015. East North Central region other cheese stocks were 106% of April 30, 2014 and 103% of March 31, 2015. Total U.S. natural cheese stocks on April 30, 2015 were 104% of April 30, 2014 and 101% of March 31, 2015. In CME Group trading Wednesday, Barrels closed at \$1.6050, down \$0.0100 from last Wednesday and Blocks closed at \$1.6600, up \$.025 from last Wednesday.

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

Process American 5# Loaf	:	1.7225-2.0825
Brick And/Or Muenster 5#	:	2.0150-2.4400
Cheddar 40# Block	:	1.7425-2.1375
Monterey Jack 10#	:	1.9900-2.1950
Blue 5#	:	2.2825-3.2700
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8150-2.7550
Grade A Swiss Cuts 6 - 9#	:	2.6900-2.8075

WEST

Milk production continues to drive cheese output in the West. Contract sales have been steady. While there has been limited interest in spot loads, cheese makers report a firm contract market for American style cheeses. They also report a few export sales. Industry contacts anticipate cheese inventories to be a little long in the weeks to come and prices to soften slightly. The DMN *National Retail Report-Dairy* for the week of May 22-28 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.39, down \$.04 from last week and down \$.13 from a year ago. Packs averaged \$2.46 in the Southwest and \$2.59 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.30, down \$.09 from last week and down \$.18 from a year ago. Blocks in the Southwest averaged \$2.23, and in the Northwest, \$2.32. Western wholesale prices are down \$.0075 for process, no change for Swiss cuts, and up \$.0225 for all other types. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of April 2015 were 1.081 billion pounds, up 1% from March 2015 and up 4% from April 2014. American stocks were 1% more, other natural stocks were 2% more, but Swiss stocks were 2% less than last month. In the West Mountain Region, American cheese stocks were 19% less than one year earlier and 9% lower than one month earlier. Pacific Region American cheese stocks were 22% less than one year earlier and 3% less than a month before. Other natural cheese stocks were 20% above a year ago but 13% below a month ago. In CME Group trading Wednesday, Barrels closed at \$1.6050, down \$0.0100 from last Wednesday and Blocks closed at \$1.6600, up \$.0250.

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

Process 5# Loaf	:	1.7375-1.9950
Cheddar 40# Block	:	1.7475-2.1925
Cheddar 10# Cuts	:	1.9275-2.1475
Monterey Jack 10#	:	1.9375-2.0975
Grade A Swiss Cuts 6 - 9#	:	2.7500-3.1800

CONTINUED ON PAGE 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

FOREIGN

Domestic foreign type cheese prices increased this week, while imports and Swiss prices were unchanged. Demand continues to hold steady for most varieties of imported and domestic foreign type cheese. Supplies remain readily available as domestic stocks have been rebuilt. Cheese going into aging programs is active.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	2.6400-5.3800	2.1750-3.6625*
Gorgonzola	3.6900-5.8900	2.6825-3.3800*
Parmesan (Italy)	-0-	3.5650-5.6550*
Provolone (Italy)	-0-	2.2175-2.4700*
Romano (Cows Milk)	-0-	3.3650-5.5150*
Sardo Romano (Argentine)	2.8500-4.9300	-0-
Reggianito (Argentine)	3.2900-4.9300	-0-
Jarlsberg-(Brand)	2.9500-6.4500	-0-
Swiss Cuts Switzerland	-0-	3.2700-3.5925
Swiss Cuts Finnish	2.6700-2.9300	-0-

* = Price change.

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

	<u>BUTTER</u>	<u>CHEESE</u>
	:	:
05/25/15	19,658	100,966
05/01/15	13,685	100,609
CHANGE	5,973	357
% CHANGE	44	0

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	70	0	120	0	120
SOUTHEAST STATES	0	2	0	10	0	0

The Memorial Day weekend has passed with distribution contacts noting a somewhat quiet holiday, beyond expected milk loads being cancelled. Class I demand is declining throughout the region as schools wrap up next week. Northeast milk production continues to climb slowly to the peak. Bottling orders are still being cut. Milk output in the Mid-Atlantic continues at high rates, with volumes not expected to decline anytime soon. Some manufacturers are playing catch-up due to heavy weekend milk intakes. Additional storage was required in some instances, aside from usual facilities. Southeast milk production is steady. Milk export shipments totaled 2 f.o.b spot loads, 8 less than the previous week. Manufacturing is operating at/near capacity. Milk volumes were burdensome at some facilities, limiting the processors' effectiveness. Florida's milk output is holding. However, with developing seasonal temperatures, cow comfort is expected to decline, reducing milk volumes. Manufacturing milk intakes are increasing as bottling orders decline. Milk export shipments totaled 70 f.o.b spot loads. According to the *DMN National Retail Report-Dairy*, for May 22-28, the national weighted average advertised price for a gallon of milk was \$2.73, an \$0.17 drop from last year. Cream availability is adequate. While supplies were readily available during the holiday weekend, reports suggest cream is closer to even following the holiday. **Cream multiples for all Classes ranged 1.14 - 1.26.** Market participants are anticipating an increase in multiples as the week advances. At the CME Group, Grade AA butter closed Wednesday at \$1.8700, down \$0.0600 from a week ago. Bottled cream production is starting to improve. Ice cream production is steady to heavier after the holiday. **Condensed skim** supplies are heavy. Sales were noted well below market prices. Loads cleared well into other regions over the course of the holiday.

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 - 2.1853-2.4154
F.O.B. producing plants: Upper Midwest - 2.2621-2.3579

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS, F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices - .67-.93
Northeast - Class III - spot prices - .70-.95

MIDWEST

The spring flush and favorable weather conditions are making for available milk. Some processors in the Upper Midwest report milk intakes are 2-3% over year ago levels. Spot loads are at \$5 to \$7 under Class, with some reports showing as much as \$10 under. Some manufacturers are choosing to buy excess milk in order to make and store cheese. Bottling interest has slowed. The holiday weekend, warmer weather and educational institutions closing for summer were contributing factors. Although, some bottlers indicated a slight increase in interest through the end of last week due to retail promotions. Class II demand is picking up as demand for cream based products and dips increases. Also, some manufacturers are offering a

discount to ice cream manufacturers. **Cream multiples are steady to lower this week, ranging from 1.18 to 1.23.** Cream supplies are plentiful as most ice cream manufacturers took the weekend off. Demand was stronger at the beginning of the week and has now started to taper. Ice cream and butter producers are reporting to have ample supplies. Sales are up slightly. The *DMN National Retail Report-Dairy* for the week of May 22-28, noted the national weighted average advertised price for one gallon of milk was \$2.73, up \$0.01 from a week ago but down \$0.17 from a year ago. The weighted average price in the Midwest region was \$2.77, with a range of \$1.99-3.50. The weekly *Cow Slaughter under Federal Inspection* report shows U.S. dairy cow slaughter for the week ending May 9, at 51,600 head, 2,800 head more than the comparable week a year ago.

WEST

Milk production in California continues to step lower from week to week as daytime temperatures move higher. Daytime highs near 100 degrees are forecast for the San Joaquin Valley. The drought in California is negatively impacting farming operations as some producers report water costs are increasing. Milk sales to bottling facilities are steady to lower as educational institutions begin the process of throttling back on school year orders. Also, popular summertime drinks, such as fruit punch and lemonade are taking the place of milk at restaurants. Arizona milk production is decreasing due to the dry and warm weather. Class I sales are lower. Sales of condensed skim into Class II operations are trending upward. NEW MEXICO milk intakes are stable during this week. Class I demand is steady to lower. Class II interest is unchanged. Some ice cream and frozen dessert plants are currently undergoing renovation projects and are out of production at this time. Cream supplies and demand are balanced in the West. Market participants report cream supplies were ample over the holiday weekend. Most cream volumes are destined for ice cream and soft serve mix plants, as demand for stick/cup/cone and multi-serve packs is trending up. Ice cream producers are ramping up production as they expect peak sales in July. Butter manufacturers are also active in the market, continuing to build inventories ahead of summer. **Cream multipliers for all Classes are lower form past week, ranging from 1.15 to 1.28.** At the CME Group, Grade AA butter closed Wednesday at \$1.8700, down \$.0600 compared to a week earlier. PACIFIC NORTHWEST milk production has leveled off sooner than anticipated. Regardless, milk is readily available. The recent holiday weekend and end of school terms have reduced milk bottling and made that milk available for manufacturing. Cream is also generally available with a few loads being sold outside the Northwest. Industry contacts report feed prices for farmers have remained reasonable. IDAHO and UTAH milk production is strong. Many manufacturers report they are running at capacity and a few are reporting they cannot take on new milk. Cream is readily available. Ice cream makers are filling freezers and some cream is being shipped to California. The recent wet pattern through Southern Idaho and Northern Utah has helped replenish water supplies. According to the Weekly Weather and Crop Bulletin (NASS) for the week ending May 24, pasture and range condition is fair to excellent across 79% of Oregon, 81% of Washington, and 91% of both Utah and Idaho.

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: Nonfat dry milk prices are steady to lower. Production is steady to increasing as the spring flush has milk volumes up. Some additional drying took place over the holiday weekend in order to clear out additional volumes of milk. Sources indicate stocks on hand are building. Contacts indicate that the market is firming and interest is picking up, but pricing continues to be an issue. High heat prices are steady to higher. Production continues to be sporadic as manufacturers are choosing to using dryers for other products.

EAST: Prices for low/medium nonfat dry milk are steady to lower as the market continues to soften. Production is active following the holiday. Heavy drying is expected to continue as excess milk volumes from the flush, along with schools closing, swamp processing plants. Regional inventories continue to grow. Spot interest is light due to the shorter work week. Prices for high heat nonfat dry milk are higher at the top of the range. Production is fairly light. A few manufacturers who contemplate making high heat powder, due to diminishing stocks and good demand, find little time to do so with the volume of surplus milk supplies on hand. To run high heat can lead to a significant cut in milk volumes processed. In general, Eastern producers are comfortable with existing high heat inventory levels.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9000 - 1.0200 MOSTLY: .9300 - .9800
HIGH HEAT: 1.0500 - 1.2500

NONFAT DRY MILK - WEST

Prices for Western low/medium heat nonfat dry milk are mixed based on movements of various indices. End users with unmet needs through the end of the year have yet to come forward to take positions on low/medium heat NDM. Resellers also are reluctant to purchase volumes beyond immediate needs, so trading is limited to back-to-back spot sales. Low/medium heat nonfat dry milk production is steady to lower at most locations. Those plants with lower intakes are operating below full capacity. Production is higher at a few locations as peak milk production arrives in the Pacific Northwest. High heat nonfat dry milk prices are unchanged on light interest. Production is intermittent, with drying schedules depending on fulfilling established orders. Inventories are light to moderate.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8500 - 1.0100 MOSTLY: .9250 - .9700
HIGH HEAT: 1.0175 - 1.1900

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Prices for Central buttermilk are steady. Production is steady to lower as some manufacturers are using drying capacities to produce other products. Most manufacturers are offering a discount for condensed buttermilk. Sources indicate buttermilk is available as most ice cream manufacturers were down for the holiday weekend.

EAST: Prices for dry buttermilk are unchanged in a weak market. Strong regional butter production is indicative of the amount of condensed buttermilk available for drying. However, dry buttermilk output is tempered, as condensed skim processing consumes manufacturers' dryer schedules. Plant stocks are adequate for near-term contract fulfillment. Cash trading is intermittent, as market participants' current buying habits entail caution. Interest from ice cream processors is improving. In general, demand is moderate.

F.O.B. CENTRAL/EAST: .8000 - 1.0500

DRY BUTTERMILK - WEST

Prices for Western dry buttermilk are unchanged on the mostly price series. The market tone is weak. Market participants indicate f.o.b. spot interest is sluggish. Contract loads are clearing steadily. Production of dry buttermilk is active, following churning trends. Inventories are steady to higher.

F.O.B. WEST: .8000 - .9000 MOSTLY: .8000 - .8750

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged to lower on a mixed market. Demand varies by brand name, packaging, and location. Production is mixed, with some plants still handling larger milk intakes from the extended weekend, leaving less dryer times available for the longer runs associated with making dry whole milk. Inventories range from light to above current fulfillment needs.

F.O.B. PRODUCING PLANT: 1.0500 - 1.5400

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
May 22	\$.9557	12,532,189
May 15	\$.9651	11,582,244

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 based on different indices used. Some spot loads were selling at lower prices as manufacturers were clearing inventories. Production is steady to higher as cheese production continues to be strong and some manufacturers are choosing to make whey instead of other higher protein products. Animal feed whey prices were steady to lower. Some spot loads were available this week. Sellers have available off spec product that is being sold as feed at a discount. As the end of the first half of the year approaches, older product is also finding itself in the marketplace.

F.O.B. CENTRAL: .3700 - .5050 MOSTLY: .3800 - .4200
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2200 - .3000

DRY WHEY - NORTHEAST

Prices for dry whey are unchanged. Production is steady to higher due to excess milk supplies into cheese manufacturing over the Memorial Day Holiday. Spot transactions are scarce this post-holiday week. Most movement is occurring on contracts or via the resale market. The undertone remains weak.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4000 - .4850

DRY WHEY - WEST

Western whey prices were steady this week in a quiet market. Industry contacts report plenty of inventories on hand with limited buyer interest. In some locations, edible dry whey supplies may be a little tighter but are still generally available to meet the immediate needs of buyers. Few spot sales have been made. Some off spec whey continues to enter the market. Off grade dry whey may be long in a few locations.

NONHYGROSCOPIC: .3950 - .4900 MOSTLY: .4100 - .4400

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are mostly lower on a weak market. Interest covers a wide spectrum, with buyers for the human food market being active while buyers of edible WPC 34% for use in animal feed blends are finding plentiful protein sources elsewhere. With cheese production ongoing, WPC 34% production is also steady at many locations. Availability from manufacturers varies. Some producers are short on filling near-term commitments while others have ample to burdensome stocks.

F.O.B. EXTRA GRADE 34% PROTEIN: .7800 - 1.0500 MOSTLY: .8000 - 1.0000

LACTOSE - CENTRAL AND WEST

Prices for lactose are unchanged. The market tone, according to many participants, is showing some signs of steadiness. Some producers report buyer interest for domestic and international lactose sales is comparatively more active than just a few weeks ago. Some end users and producers have finalized Q3 or Q3/Q4 contracts. In previous weeks, some manufacturers rejected longer term contracts because price bids were deemed too low. Now, price bids have improved somewhat, making those longer term contracts more acceptable. Lactose production is ongoing, with milk supplies in the Central and West regions clearing actively into cheese making. Lactose inventories are variable.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1700 - .3100 MOSTLY: .2000 - .2700

CASEIN - NATIONAL

Casein prices remain unchanged as buyers continue to take a "wait and see attitude" with the market, purchasing only the necessary volumes needed to cover their short term needs. Negotiations are ongoing for Q3 with the rate of finalized agreements expected to increase after the recent holiday. Production in the EU is active with supplies readily available. Stocks also remain available in other global markets. The market continues to have a weak undertone.

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: 3.3500 - 3.8000
ACID: 3.3500 - 4.1000

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>
05/09/2015	51.6	1,118.3	48.8	1,076.2

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

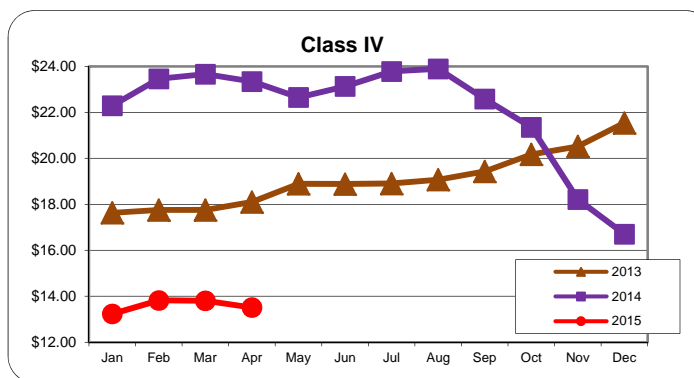
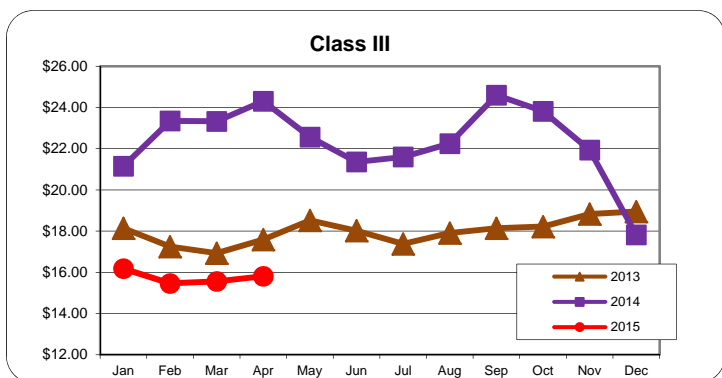
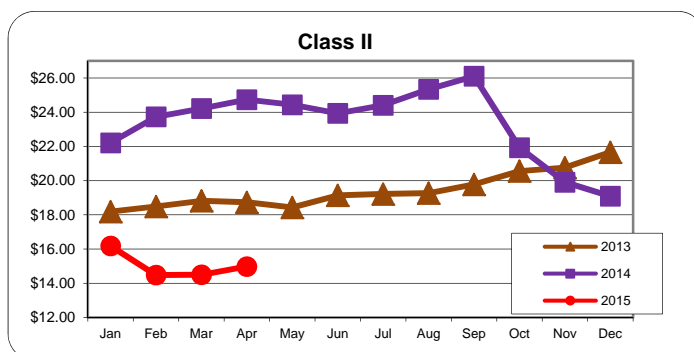
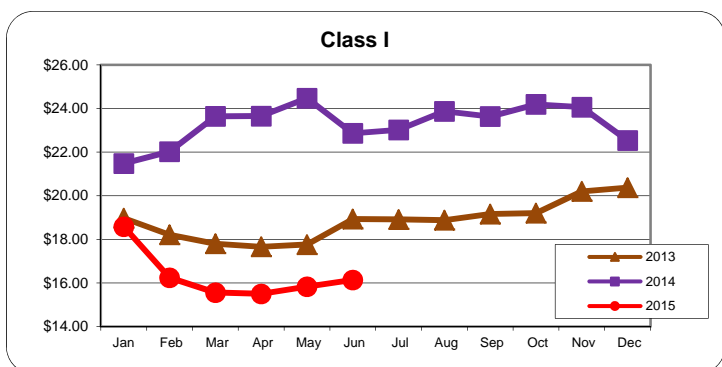
CLASS IV MILK PRICES (3.5%)

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%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.58	16.24	15.56	15.50	15.83	16.14						
II	16.18	14.48	14.50	14.98								
III	16.18	15.46	15.56	15.81								
IV	13.23	13.82	13.80	13.51								

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 May 18 - 29, 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 in Western Europe is beyond the seasonal peak with overall production below year ago levels. Farmgate prices for milk remain low and are not incentivizing producers to take steps to expand production. Weather and pasture conditions have been favorable for cow comfort and milk production. Estat - Newcronos reported EU-28 January-March 2015 milk deliveries down 1.3% compared to last year. Selected member states showed the following January-March percentage changes compared to the same period last year: Germany, -1.7%; France, -2.7%; UK, +0.6%; Belgium, -3.1%; Italy, -1.2%; and Ireland, -4.3%.

BUTTER/BUTTEROIL: Butter prices moved marginally lower on the upper end of the range. Demand for bulk butter has improved as some buyers have made additional purchases to cover their short term needs. There are additional requests coming into manufacturers for longer term orders with some extending through Q4. Those negotiations remain ongoing as buyers and sellers tend to be apart in price expectations. PSA stock levels on May 17 amounted to 55,444 MT. The Netherlands and France have the largest holdings in PSA stocks and comprise 75% of the holdings. January-March 2015 butter exports for the EU-28, as reported by GTIS, increased 14.4% compared to the same period last year. March butter export volumes increased compared to the previous month with most of the increase attributable to purchases from Saudi Arabia. Butteroil prices also declined this reporting period. Export demand remains light as lower prices are available via the Oceania market.

82% BUTTERFAT: 3,100 - 3,450
99% BUTTERFAT: 3,725 - 4,200

SKIM MILK POWDER (SMP): Prices moved lower on the SMP market this reporting period. Demand has improved as some buyers perceive the market as near its low point. Most buyers have their near term needs covered. Negotiations for Q3 and, in some cases, Q4 are ongoing. Agreements are slow to be finalized, as buyers and sellers have differing price expectations. PSA stock levels on May 17 amounted to 17,509 MT. Germany has the highest volumes in storage for any Western European country. January-March 2015 skim milk powder exports for the EU-28, as reported by GTIS, increased 24.0% compared to the same period last year. March exports exceeded the previous month's volumes as the top 5 destinations; Algeria, Egypt, Indonesia, Philippines and China increased imported volumes.

1.25% BUTTERFAT: 1,875 - 2,100

WHOLE MILK POWDER (WMP): Prices moved lower on both ends of the range. Current production is mostly moving through existing contracts. Supplies of WMP at lower prices from New Zealand are attracting the vast majority of export buyer interest. The market continues to have a significant weak undertone. January - March 2015 whole milk powder exports for the EU-28, as reported by GTIS, decreased 8.9% compared to the same period last year. March exports increased compared to the previous month with the top three destinations; Oman, Algeria and Saudi Arabia.

26% BUTTERFAT: 2,600 - 2,800

SWEET WHEY POWDER: Sweet dry whey prices moved marginally lower on the upper end of the range. The market for food grade remains fairly stable. Good demand from infant formula manufacturers for eventual export has supported the market. Cheese production is below year ago levels, due to the continuing Russian ban, and continues to lower whey production on a year over year comparison. Feed grade whey demand has weakened. Exports of sweet dry whey for January-March 2015, as reported by GTIS, showed an increase of 3.4%, compared to the same period last year. March's export volumes increased significantly with all of the top ten destinations expanding their volumes, compared to the previous month.

NONHYGROSCOPIC: 900 - 1,100

EASTERN OVERVIEW: Eastern European milk production continues to expand in some areas and will overall reach the seasonal peak soon. European milk deliveries for January-March 2015 reported by Estat - Newcronos, showed the following changes for selected countries compared to the same period last year: Poland, -0.2%; Lithuania, +2.6%; Latvia, -2.0%; Estonia, -4.1%; and the Czech Republic, +3.6%.

**Exchange rates for selected foreign currencies:
May 25, 2015**

.1111 Argentina Peso	.0082 Japan Yen
.7824 Australian Dollar	.0655 Mexican Peso
.8121 Canadian Dollar	.7309 New Zealand Dollar
1.0978 Euro	.2675 Poland Zloty
.0158 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0655) = 15.2672 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered May 18 - 29, 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 marginally declined as weather conditions have been detrimental to cow comfort levels. Rain and cold weather over most of the major dairy producing areas have also contributed to an increase in hay prices. Manufacturing plants are continuing to cycle through their seasonal maintenance schedules, necessitating the need for milk to be transported to the nearest manufacturing location available. Dairy Australia reports that April 2015 milk production in Australia was 2.9% above April 2014. The state changes from one year earlier are: New South Wales, +0.7%; Victoria, +3.1%; Queensland, -9.9%; South Australia, +0.9%; Western Australia, +6.2%; and Tasmania, +10.4%. Australia's milk production season to date (July-April) is +2.9%, compared to last season. According to Dairy Australia, production of various dairy commodities for March 2015 showed the following percentage changes compared to 2014: butter, +0.5%; butteroil, +21.4%; skim milk powder, +5.8%; whole milk powder, -2.2%; buttermilk powder, -1.8%; cheese, +14.4%; and whey powder, -10.6%. Milk production for the season in **NEW ZEALAND** is coming to a rapid close. A vast majority of the dairy herd will be on winter pastures by the end of May. Most commodity prices continue to move lower, but the rate of decline has lessened and may indicate that prices are near their low point. At the May 19 GDT event #140, average prices ranged from 7.1% lower to 3.2% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,337 - 4.8%; butter, \$2,911 -3.2%; buttermilk powder, \$1,930 +3.2%; cheddar cheese, \$2,745 -7.1%; lactose, \$580 +0.9%; rennet casein, \$6,067 -0.4%; skim milk powder, \$1,992 - 3.6%; sweet whey powder, n.a.; and whole milk powder, \$2,390 -0.5%.

BUTTER: Butter prices declined this reporting period. Supplies are fairly tight, which would seem to contradict the general lower pricing trend, but some discounts can be found from those manufacturers seeking to adjust their inventories. Oceania prices are on the low end of the global market. Demand has been fairly good with good interest coming from the US in recent weeks. At the May 19 GDT event #140, butter prices averaged \$2,890/MT for July contracts, -3.2% from the prior event. Butter prices averaged \$2,911/MT for all contracting periods, -3.2% from the prior event. AMF prices averaged \$3,335/MT for July contracts, -4.9% from the prior event. For all contracting periods, the AMF price average was \$3,337/MT, -4.8%.

82% BUTTERFAT: 2,875 - 3,500

SKIM MILK POWDER (SMP): Skim milk powder prices are down. Demand is weak. Most buyers in Southeast Asia have their near term needs covered. Some manufacturers have marginally increased prices for Q3 and Q4 offerings. Global supplies are readily available with increased production in the northern hemisphere. Discounts can be negotiated on spot sales from those manufacturers seeking to adjust their stock levels prior to the close of the financial year. At the May 19 GDT event 140, SMP for all regions and contracting periods averaged \$1,992 per MT, -3.6%. For trading in contract period 2, July, prices averaged \$1,970 for NZ sourced medium heat product, down \$130 from the prior event.

1.25% BUTTERFAT: 1,950 - 2,200

CHEDDAR CHEESE: Prices moved marginally lower on the upper end of the range. Negotiations are ongoing with Japan for the second half of 2015 with plenty of competition coming from the EU. The market has a weak undertone and market analysts are anticipating further marginal price declines will result from the current negotiations. Domestic prices in Australia are declining as cheaper imports are coming into the country primarily via New Zealand.

39% MAXIMUM MOISTURE: 3,300 - 3,600

WHOLE MILK POWDER (WMP): Prices for WMP moved slightly lower this reporting period. Demand is steady at best with movement into Southeast Asia and Japan, while interest from China remains sluggish. Demand from Africa is focused on available supplies in Europe, primarily due to the favorable transportation cost differential. Some manufacturers are offering product through the remainder of 2015. At the May 19 GDT event 140, the WMP pricing index, across all contracting periods, averaged \$2,390 per MT, down 0.5% compared to the prior event. For contract periods 2 and 3, July and August, NZ regular WMP averaged \$2,295 and \$2,385 per MT.

26% BUTTERFAT: 2,275 - 2,500

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 140 Recap - May 19, 2015													
	Contract 1 Jun-15		Contract 2 Jul-15		Contract 3 Aug-15		Contract 4 Sep-15		Contract 5 Oct-15		Contract 6 Nov-15		All Contracts	
Anhydrous Milk Fat		n.a.	\$3,335	-4.9%	\$3,343	-4.0%	\$3,326	-4.9%	\$3,311	-6.3%	\$3,408	-3.7%	\$3,337	-4.8%
Butter		n.a.	\$2,890	-3.2%	\$2,910	-0.7%	\$2,905	-8.2%	\$2,980	-1.3%	\$3,020	-3.2%	\$2,911	-3.2%
Buttermilk Powder		n.a.	\$1,930	3.2%		n.a		n.a.		n.a.		n.a.	\$1,930	3.2%
Cheddar		n.a.	\$2,745	-7.1%		n.a		n.a.		n.a.		n.a.	\$2,745	-7.1%
Lactose		n.a.	\$580	0.9%		n.a		n.a.		n.a.		n.a.	\$580	0.9%
Rennet Casein		n.a.	\$6,017	0.3%	\$6,245	3.1%	\$5,882	-8.0%		n.a.		n.a.	\$6,067	-0.4%
Skim Milk Powder	\$1,870	1.4%	\$1,972	-3.7%	\$1,989	-4.1%	\$2,051	-2.6%	\$2,061	-18.4%	\$2,087	-3.2%	\$1,992	-3.6%
Sweet Whey Powder		n.a.		n.a.		n.a		n.a.		n.a.		n.a.		n.a.
Whole Milk Powder		n.a.	\$2,335	-0.7%	\$2,425	-0.6%	\$2,428	-0.8%	\$2,439	0.0%	\$2,441	0.2%	\$2,390	-0.5%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 140 Recap - May 19, 2015													
	Contract 1 Jun-15		Contract 2 Jul-15		Contract 3 Aug-15		Contract 4 Sep-15		Contract 5 Oct-15		Contract 6 Nov-15		All Contracts	
Anhydrous Milk Fat		n.a.	\$1.5127	-4.9%	\$1.5164	-4.0%	\$1.5087	-4.9%	\$1.5019	-6.3%	\$1.5459	-3.7%	\$1.5137	-4.8%
Butter		n.a.	\$1.3109	-3.2%	\$1.3200	-0.7%	\$1.3177	-8.2%	\$1.3517	-1.3%	\$1.3699	-3.2%	\$1.3204	-3.2%
Buttermilk Powder		n.a.	\$0.8754	3.2%		n.a.		n.a.		n.a.		n.a.	\$0.8754	3.2%
Cheddar		n.a.	\$1.2451	-7.1%		n.a.		n.a.		n.a.		n.a.	\$1.2451	-7.1%
Lactose		n.a.	\$0.2631	0.9%		n.a.		n.a.		n.a.		n.a.	\$0.2631	0.9%
Rennet Casein		n.a.	\$2.7293	0.3%	\$2.8327	3.1%	\$2.6681	-8.0%		n.a.		n.a.	\$2.7520	-0.4%
Skim Milk Powder	\$0.8482	1.4%	\$0.8945	-3.7%	\$0.9022	-4.1%	\$0.9303	-2.6%	\$0.9349	-18.4%	\$0.9467	-3.2%	\$0.9036	-3.6%
Sweet Whey Powder		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.
Whole Milk Powder		n.a.	\$1.0591	-0.7%	\$1.1000	-0.6%	\$1.1013	-0.8%	\$1.1063	0.0%	\$1.1072	0.2%	\$1.0841	-0.5%

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

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

Month	05/14	05/15	05/18	05/19	05/20	05/21	05/22	05/25	05/26	05/27
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
MAY 15	16.24 (5647)	16.21 (5635)	16.22 (5635)	16.22 (5635)	16.21 (5483)	16.23 (5386)	16.22 (5309)	NO TRADING	16.21 (5302)	16.21 (5254)
JUN 15	16.71 (6373)	16.57 (6344)	16.65 (6365)	16.51 (6371)	16.50 (6432)	16.59 (6325)	16.47 (6229)		16.38 (6183)	16.53 (6094)
JUL 15	16.93 (4107)	16.70 (4118)	16.81 (4177)	16.58 (4200)	16.56 (4250)	16.68 (4253)	16.65 (4230)		16.60 (4261)	16.87 (4227)
AUG 15	17.34 (3599)	17.04 (3591)	17.02 (3591)	16.80 (3614)	16.84 (3621)	16.94 (3626)	16.89 (3626)		16.89 (3638)	17.18 (3629)
SEP 15	17.53 (3414)	17.39 (3443)	17.40 (3449)	17.20 (3468)	17.24 (3473)	17.30 (3475)	17.25 (3499)		17.22 (3521)	17.44 (3527)
OCT 15	17.54 (3067)	17.48 (3083)	17.46 (3158)	17.29 (3169)	17.27 (3176)	17.33 (3164)	17.32 (3160)		17.22 (3163)	17.47 (3167)
NOV 15	17.47 (3029)	17.38 (3035)	17.43 (3042)	17.25 (3058)	17.25 (3069)	17.29 (3076)	17.26 (3080)		17.21 (3082)	17.44 (3092)
DEC 15	17.24 (2782)	17.24 (2787)	17.28 (2799)	17.15 (2807)	17.10 (2806)	17.18 (2814)	17.20 (2815)		17.10 (2854)	17.26 (2856)
JAN 16	16.95 (662)	16.93 (675)	16.93 (675)	16.88 (690)	16.88 (690)	16.92 (691)	16.91 (691)		16.90 (692)	16.90 (693)
FEB 16	16.92 (509)	16.90 (530)	16.90 (546)	16.81 (560)	16.79 (568)	16.79 (568)	16.79 (568)		16.85 (568)	16.86 (570)
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
MAY 15	14.08 (461)	14.08 (461)	14.00 (461)	14.00 (461)	14.00 (461)	14.00 (461)	14.00 (461)	NO TRADING	14.00 (461)	13.98 (461)
JUN 15	14.80 (383)	14.45 (385)	14.33 (380)	14.33 (380)	14.33 (380)	14.50 (382)	14.35 (382)		14.07 (375)	14.12 (375)
JUL 15	15.69 (232)	15.08 (237)	14.84 (237)	14.84 (237)	14.88 (237)	14.88 (237)	14.85 (238)		14.70 (231)	14.85 (231)
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
MAY 15	188.00 (948)	188.00 (948)	187.23 (947)	187.25 (947)	187.28 (947)	187.55 (947)	187.75 (947)	NO TRADING	187.75 (947)	187.75 (947)
JUN 15	205.50 (955)	198.03 (955)	195.00 (956)	195.03 (953)	195.13 (948)	198.75 (947)	193.75 (944)		190.03 (941)	192.00 (936)
JUL 15	207.50 (819)	199.53 (815)	198.00 (818)	198.00 (807)	200.00 (805)	201.03 (805)	196.25 (811)		193.08 (806)	196.18 (805)
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
MAY 15	94.70 (914)	94.50 (915)	94.00 (915)	94.00 (915)	94.00 (914)	94.50 (914)	94.53 (914)	NO TRADING	94.15 (910)	94.15 (910)
JUN 15	96.95 (765)	95.20 (765)	95.00 (765)	94.90 (765)	95.03 (765)	96.05 (765)	94.75 (770)		94.50 (797)	95.00 (799)
JUL 15	102.53 (698)	100.00 (712)	100.00 (709)	99.75 (709)	100.25 (714)	100.25 (720)	100.30 (720)		99.90 (720)	100.10 (733)
WHEY (Electronic-Traded) (¢/lb)										
MAY 15	44.75 (693)	44.23 (693)	44.40 (693)	44.40 (686)	44.40 (683)	45.00 (671)	45.00 (671)	NO TRADING	45.00 (671)	44.28 (669)
JUN 15	42.80 (720)	42.80 (711)	43.18 (709)	43.65 (704)	43.35 (700)	43.80 (699)	43.95 (698)		43.50 (695)	43.50 (687)
JUL 15	41.50 (598)	41.00 (602)	41.20 (604)	41.20 (604)	41.20 (603)	41.40 (603)	41.40 (603)		41.50 (598)	41.15 (596)
CHEESE CSC (Electronic-Traded) (\$/lb)										
MAY 15	1.66 (4270)	1.66 (4271)	1.66 (4271)	1.66 (4271)	1.66 (4271)	1.66 (4272)	1.66 (4269)	NO TRADING	1.66 (4267)	1.66 (4266)
JUN 15	1.71 (4135)	1.70 (4134)	1.71 (4123)	1.69 (4105)	1.69 (4091)	1.70 (4077)	1.69 (4073)		1.68 (4070)	1.69 (4071)
JUL 15	1.74 (3339)	1.73 (3328)	1.73 (3334)	1.73 (3335)	1.71 (3332)	1.71 (3332)	1.71 (3327)		1.71 (3328)	1.74 (3323)
AUG 15	1.79 (3087)	1.76 (3087)	1.76 (3087)	1.74 (3093)	1.74 (3096)	1.75 (3088)	1.74 (3079)		1.75 (3074)	1.77 (3070)
SEP 15	1.81 (3215)	1.80 (3215)	1.81 (3215)	1.79 (3208)	1.78 (3210)	1.79 (3210)	1.79 (3210)		1.78 (3210)	1.80 (3202)
OCT 15	1.82 (2657)	1.82 (2656)	1.82 (2662)	1.79 (2706)	1.79 (2714)	1.80 (2726)	1.80 (2718)		1.79 (2720)	1.80 (2720)

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

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	MAR 31, 2013	MAR 31, 2014	REVISED MAR 31, 2015	APR 30, 2013	APR 30, 2014	APR 30, 2015
Butter	254,991	191,755	184,373	309,719	186,914	230,433
Cheese, Natural American	684,653	639,067	631,640	698,655	648,900	639,548
Cheese, Swiss	30,589	27,425	24,573	28,503	28,316	23,991
Cheese, Other Natural	390,483	351,798	409,114	394,135	360,370	417,370
Total Cheese	1,105,725	1,018,290	1,065,327	1,121,293	1,037,586	1,080,909

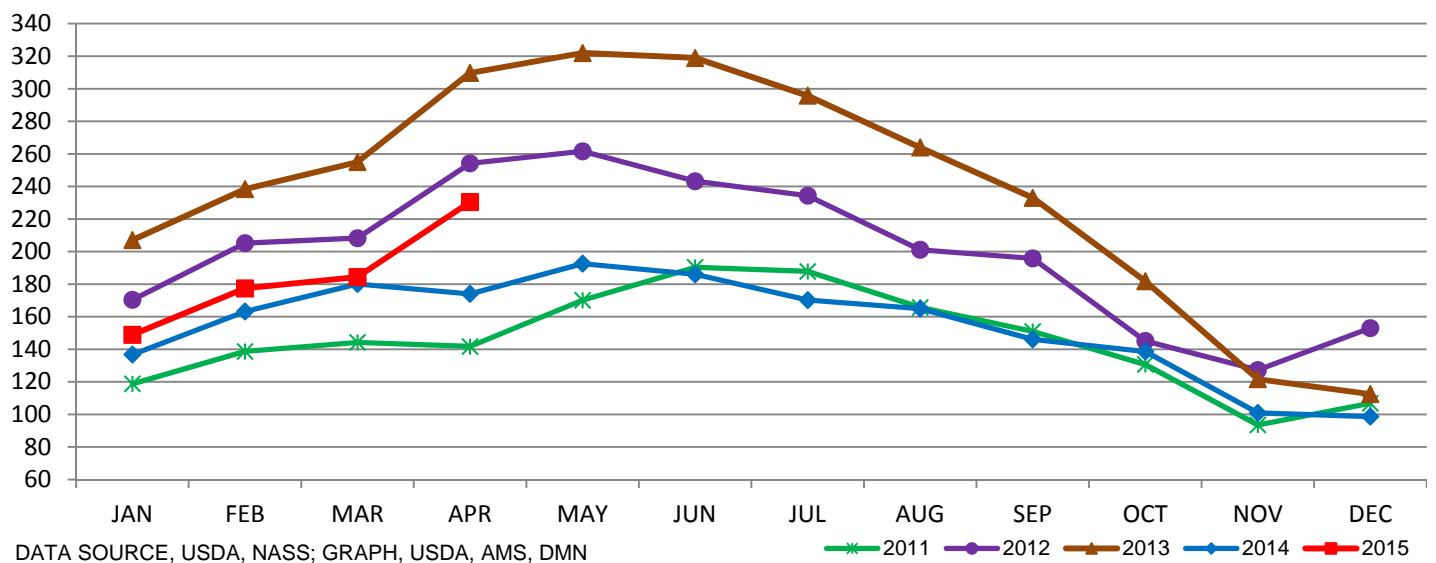
APRIL STORAGE HOLDINGS BY REGION

REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2013	2014	2015	2013	2014	2015	2013	2014	2015
New England	47,197	57,695	59,870	---	---	---	1,141	1,052	662
Middle Atlantic	50,033	61,153	67,808	---	---	---	19,665	19,506	22,785
East North Central	297,207	231,322	247,112	---	---	---	277,514	243,554	259,225
West North Central	116,281	106,212	108,040	---	---	---	38,744	41,745	45,887
South Atlantic	607	843	670	---	---	---	5,605	4,809	30,050
East South Central	5,723	3,702	4,931	---	---	---	14,224	12,606	15,153
West South Central	10,759	13,933	13,103	---	---	---	465	680	947
Mountain	52,711	56,985	46,173	---	---	---	7,146	2,466	1,902
Pacific	118,137	117,055	91,841	---	---	---	29,631	33,952	40,759
TOTAL	698,655	648,900	639,548	309,719	186,914	230,433	394,135	360,370	417,370

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

MILLION POUNDS

BUTTER COLD STORAGE HOLDINGS



Consumer Price Index and Average Retail Prices for Selected Products, U.S. City Average¹

Consumer Price Index - 2015												
Month	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³
Feb	246.7	3.0	225.5	2.1	217.9	-2.0	237.5	5.9	233.5	13.6	260.9	7.6
Mar	246.0	2.3	224.4	0.6	216.7	-4.5	235.6	3.0	222.6	5.5	260.1	6.0
Apr	246.1	2.0	222.7	-0.7	213.8	-6.1	233.0	0.3	222.1	5.3	259.0	3.9
U.S. City Average Retail Prices												
Month	Whole Milk ⁴		Butter ⁵		Process Cheese ⁶		Natural Cheese ⁷		Ice Cream ⁸			
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	<i>(dollars)</i>											
Feb	3.496	3.561	N/A	N/A	4.598	4.286	5.480	5.543	4.955	4.979		
Mar	3.463	3.669	N/A	N/A	4.558	4.460	5.384	5.579	4.889	4.842		
Apr	3.397	3.687	N/A	N/A	4.543	4.535	5.384	5.733	4.791	5.011		

N/A = Not available. ¹ "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ² The standard reference base period for these indexes is 1982-1984 = 100. ³ Percent change over previous year. ⁴ Per gallon. ⁵ Per pound. Grade AA, salted, stick butter. ⁶ Per pound, any size and type of package. ⁷ Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). ⁸ Per 1/2 gallon prepackaged regular.

FEBRUARY MILK SALES

During February 4.0 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.0 percent decreased than February 2014. Estimated sales of total conventional fluid milk products decreased 2.2 percent from February 2014 and estimated sales of total organic fluid milk products increased 1.8 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, FEBRUARY 2015, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	February	Year to Date	Previous Year	Year to Date
	<i>million pounds</i>		<i>Percent</i>	
Conventional Production Practice				
Whole Milk	1,071	2,264	3.2	2.0
Flavored Whole Milk	43	88	7.0	0.4
Reduced Fat Milk (2%)	1,267	2,703	-6.9	-7.6
Low Fat Milk (1%)	577	1,233	7.1	7.5
Fat-Free Milk (Skim)	435	930	-11.4	-11.2
Flavored Fat-Reduced Milk	319	669	-3.3	0.6
Buttermilk	42	85	9.0	7.5
Other Fluid Milk Products	3	8	-19.8	-11.4
Total Fat-Reduced Milk 3/	2,598	5,535	-4.5	-4.3
Total Conventional Milk Products	3,757	7,979	-2.2	-2.5
Organic Production Practice				
Whole Milk	63	131	13.5	13.4
Reduced Fat Milk (2%)	60	120	3.2	-3.8
Low Fat Milk (1%)	36	75	-4.9	-7.2
Fat-Free Milk (Skim)	29	61	-11.2	-13.6
Flavored Fat-Reduced Milk	9	20	0.5	14.5
Other Fluid Milk Products	0	0	-----	-----
Total Fat-Reduced Milk 3/	135	277	-2.6	-6.0
Total Organic Milk Products	199	408	1.8	-0.7
Total Fluid Milk Products	3,956	8,388	-2.0	-2.4
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, FEBRUARY 2015, WITH COMPARISONS 1/

Marketing Area	Order Number	Sales		Change from: 2/	
		February	Year to Date	Previous Year	Year to Date
		<i>million pounds</i>		<i>percent</i>	
Northeast	001	669	1,419	-3.1	-2.5
Appalachian	005	270	557	2.6	-1.8
Florida	006	221	469	-0.3	-1.5
Southeast	007	365	773	-1.3	-1.8
Upper Midwest	030	301	642	-3.8	-3.7
Central	032	338	713	-2.3	-3.4
Mideast	033	436	933	-1.8	-1.9
Pacific Northwest	124	156	329	-2.7	-3.1
Southwest	126	349	755	-0.7	0.0
Arizona	131	86	181	-4.2	-6.3
California	---	448	947	-3.3	-3.0
All Orders (Total)		3,191	6,770	-1.8	-2.3
All Areas (Total)		3,640	7,717	-2.0	-2.4

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*, February 2015.

MARCH MILK SALES

During March 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.7 percent decreased than March 2014. Estimated sales of total conventional fluid milk products decreased 1.8 percent from March 2014 and estimated sales of total organic fluid milk products decreased 0.8 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, MARCH 2015, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	March	Year to Date	Previous Year	Year to Date
	<i>million pounds</i>		<i>Percent</i>	
Conventional Production Practice				
Whole Milk	1,139	3,403	3.1	2.3
Flavored Whole Milk	48	136	-2.1	-0.5
Reduced Fat Milk (2%)	1,339	4,042	-7.4	-7.6
Low Fat Milk (1%)	627	1,860	7.8	7.6
Fat-Free Milk (Skim)	464	1,394	-10.8	-11.0
Flavored Fat-Reduced Milk	353	1,022	2.9	1.4
Buttermilk	45	130	5.9	6.9
Other Fluid Milk Products	4	11	-4.3	-9.1
Total Fat-Reduced Milk 3/	2,782	8,317	-3.7	-4.1
Total Conventional Milk Products	4,018	11,997	-1.8	-2.2
Organic Production Practice				
Whole Milk	69	200	13.4	13.4
Reduced Fat Milk (2%)	58	178	-4.3	-4.0
Low Fat Milk (1%)	38	114	-7.7	-7.4
Fat-Free Milk (Skim)	31	93	-14.0	-13.7
Flavored Fat-Reduced Milk	14	34	12.2	13.5
Other Fluid Milk Products	0	0	-----	-----
Total Fat-Reduced Milk 3/	141	418	-6.3	-6.1
Total Organic Milk Products	211	619	-0.8	-0.7
Total Fluid Milk Products	4,228	12,616	-1.7	-2.2
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

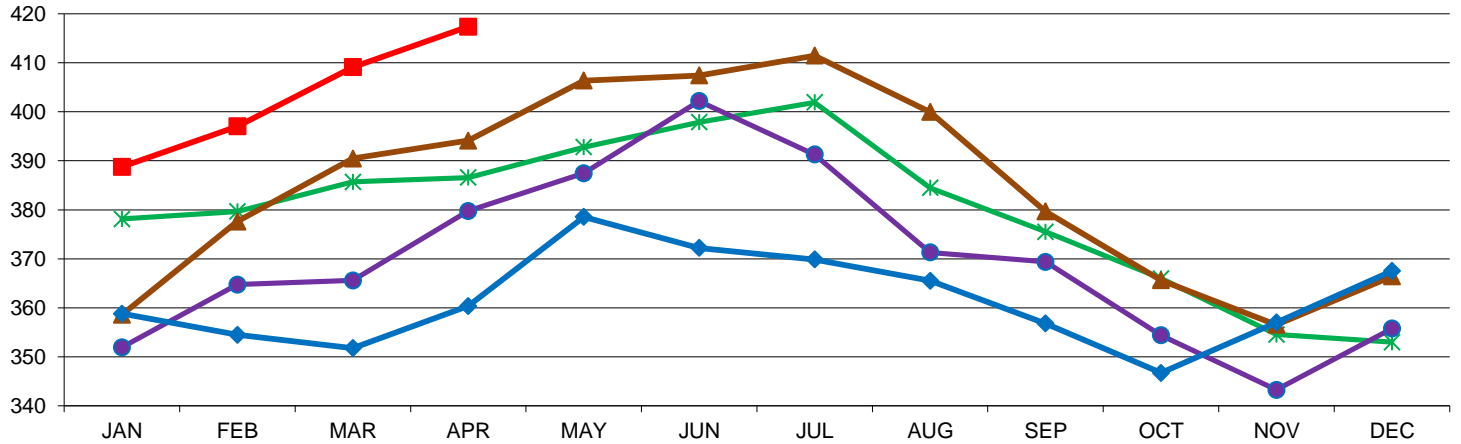
PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS AND CALIFORNIA, MARCH 2015, WITH COMPARISONS 1/

Marketing Area	Order Number	Sales		Change from: 2/	
		March	Year to Date	Previous Year	Year to Date
		<i>million pounds</i>		<i>percent</i>	
Northeast	001	728	2,148	-2.8	-2.6
Appalachian	005	279	835	0.1	-1.2
Florida	006	235	704	-1.3	-1.4
Southeast	007	380	1,153	-2.0	-1.9
Upper Midwest	030	322	964	-3.4	-3.6
Central	032	349	1,062	-3.5	-3.4
Mideast	033	465	1,398	-1.2	-1.7
Pacific Northwest	124	171	500	0.0	-2.0
Southwest	126	378	1,133	2.6	0.8
Arizona	131	94	275	-1.6	-4.7
California	---	488	1,435	-3.0	-3.0
All Orders (Total)		3,402	10,172	-1.5	-2.0
All Areas (Total)		3,890	11,607	-1.7	-2.2

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*, March 2015.

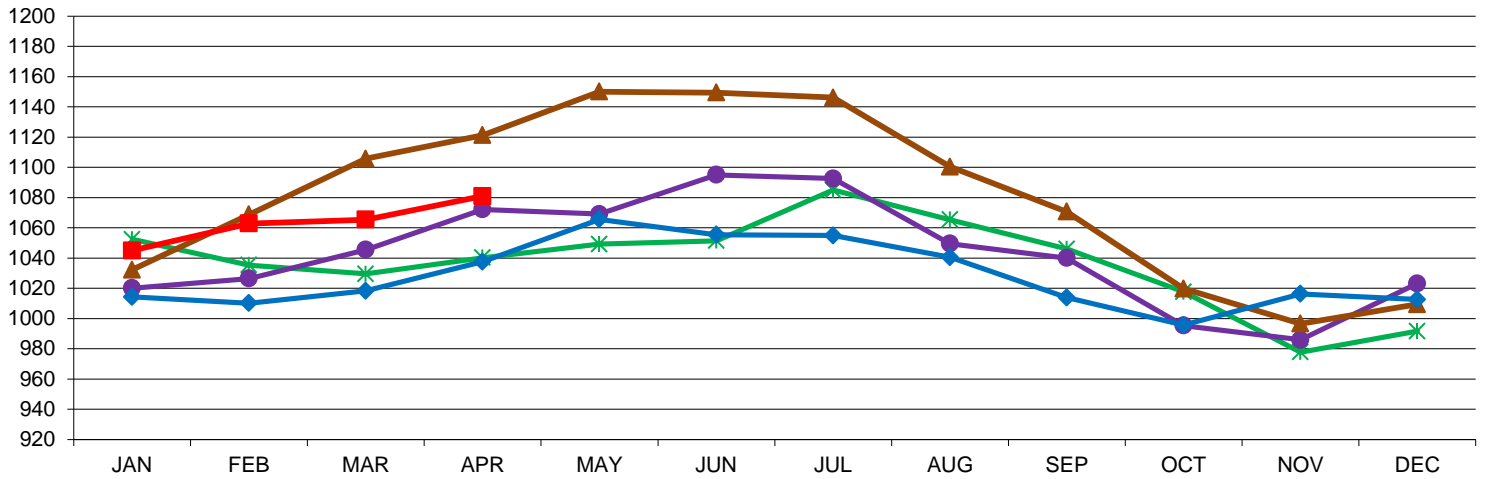
MILLION POUNDS

U.S. Other Natural Cheese Cold Storage Holdings

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

* 2011 ● 2012 ▲ 2013 ◆ 2014 ■ 2015

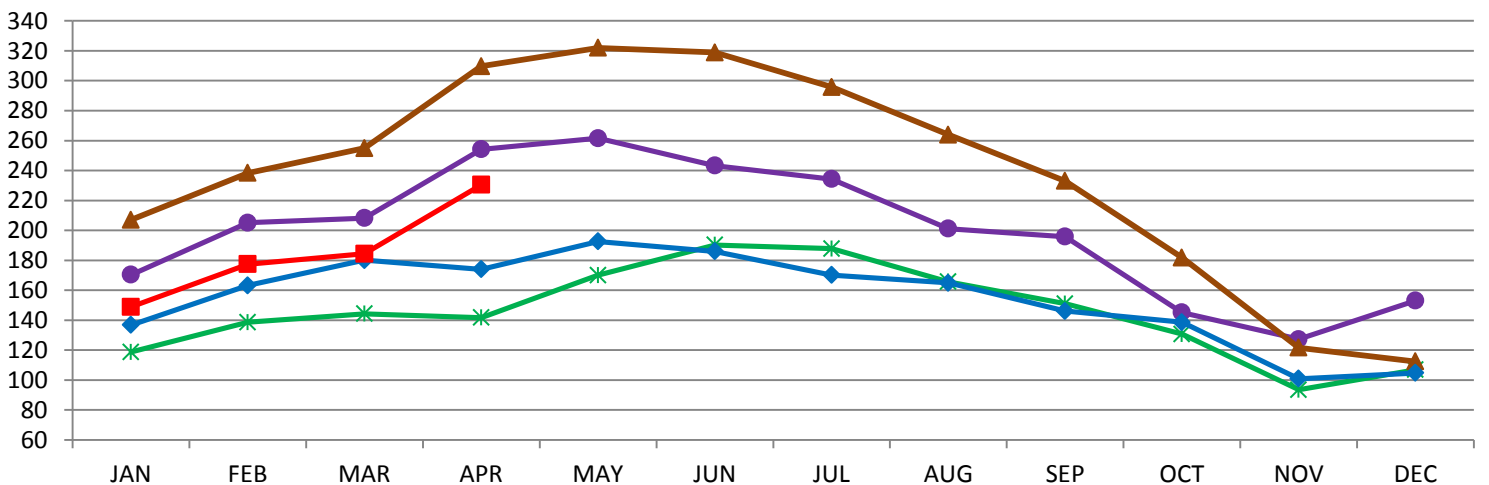
MILLION POUNDS

U.S. Total Natural Cheese Cold Storage Holdings

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

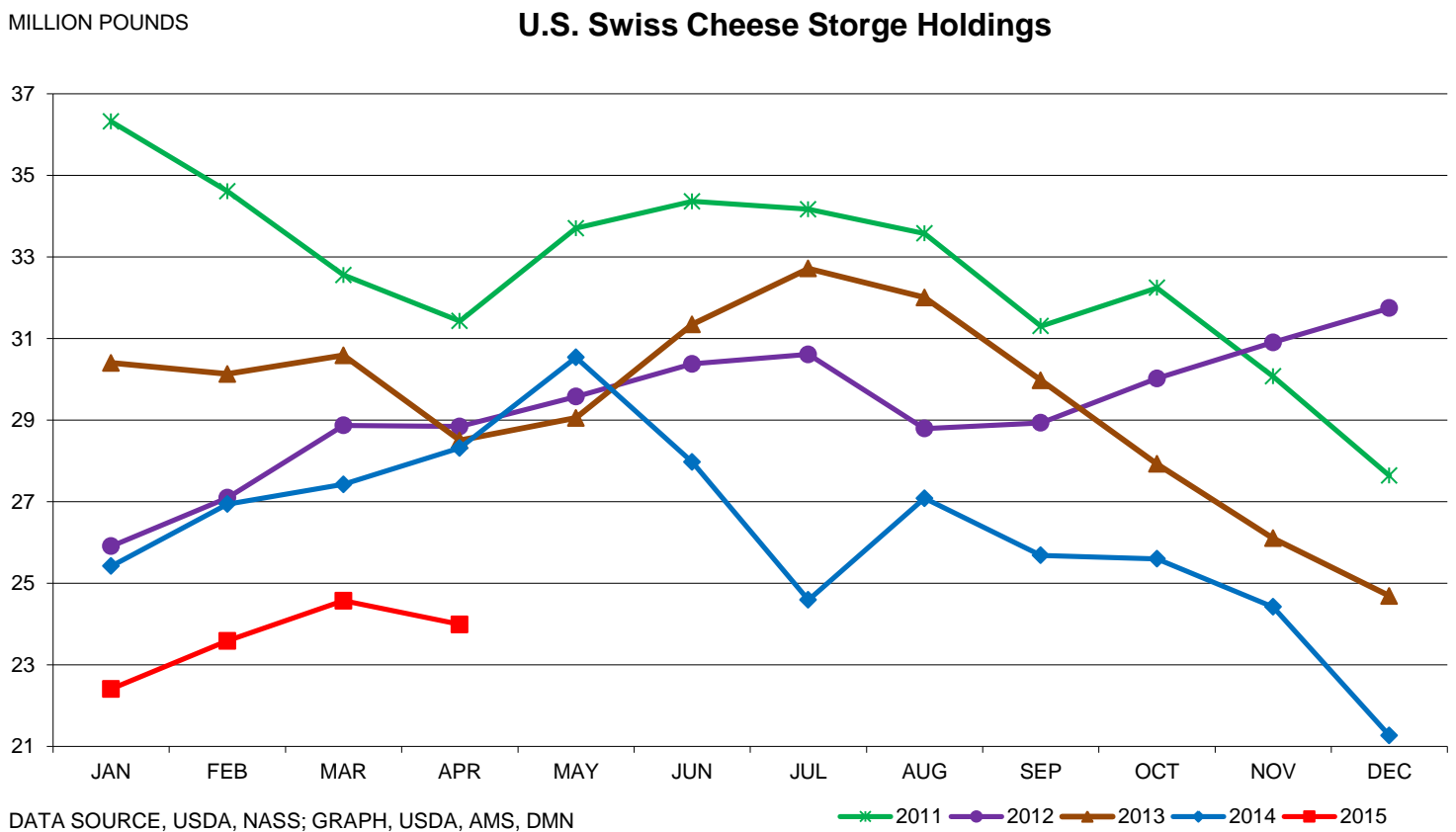
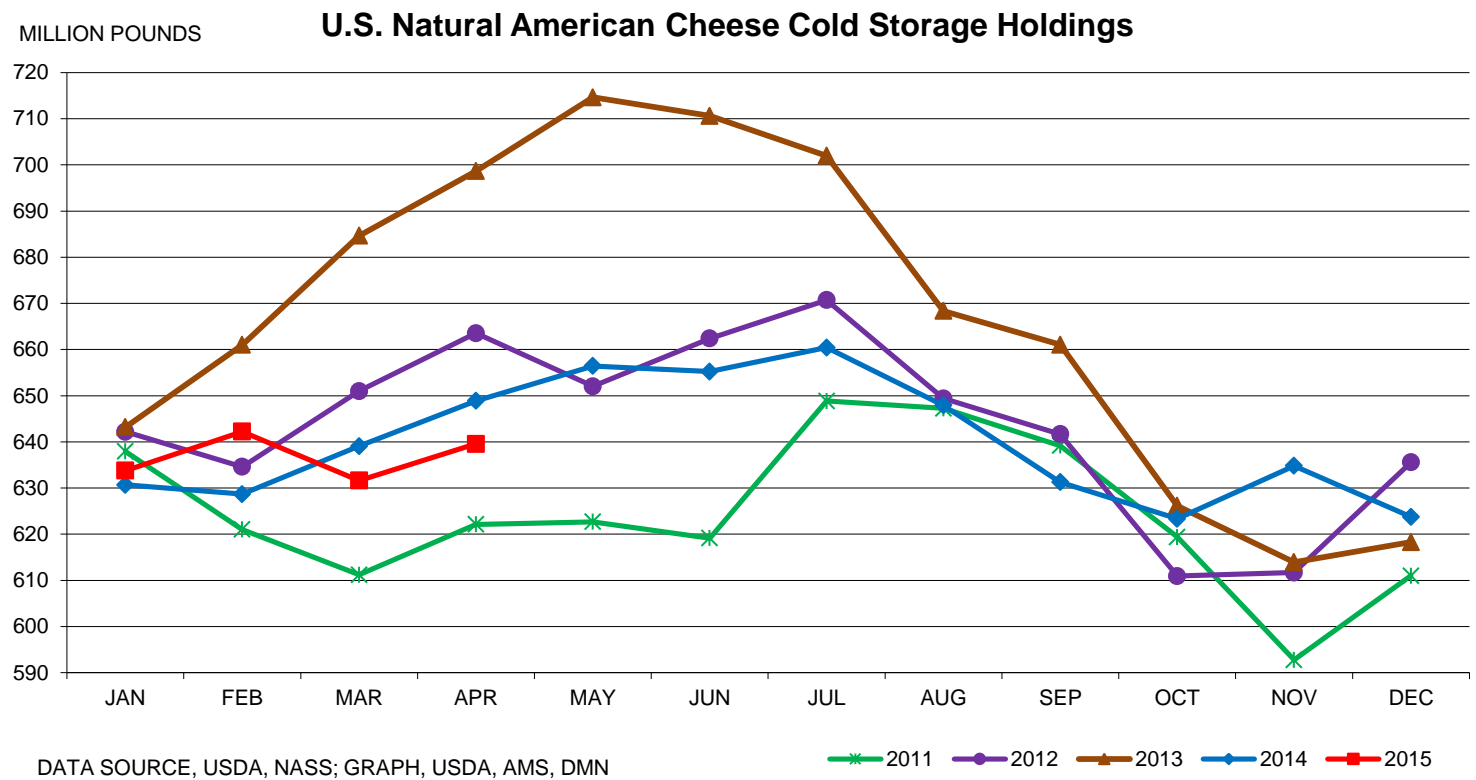
* 2011 ● 2012 ▲ 2013 ◆ 2014 ■ 2015

MILLION POUNDS

U.S. Butter Cold Storage Holdings

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

* 2011 ● 2012 ▲ 2013 ◆ 2014 ■ 2015





Dairy Market News Branch

Agricultural
Marketing
Service

National Retail Report - Dairy

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

Volume 82- Number 21

Issued Weekly

Friday, May 29, 2015

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 05/29/2015 to 06/04/2015

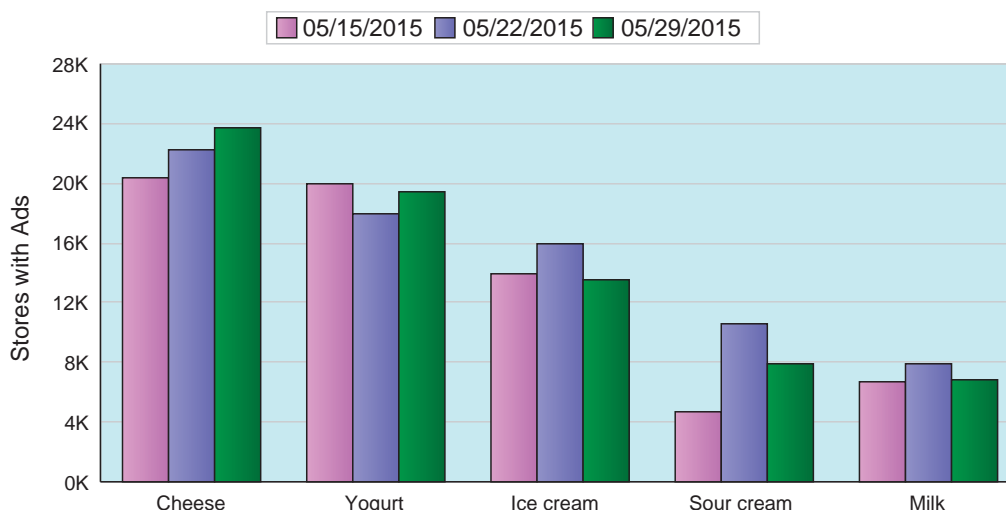
Ad volume increased following the Memorial Day holiday weekend for some major dairy categories. The ad volume percentage change, national weighted average advertised price and price change from last week are: 1 # butter, +48%, \$3.20, +43 cents; 16 oz. cottage cheese, +50%, \$2.26 +3 cents; 8 oz. cream cheese, -15%, \$1.83, -31 cents; 48-64 oz. ice cream, +19%, \$2.95, +10 cents; and 16 oz. sour cream, -24%, \$1.54, -22 cents.

The U.S. average advertised price for 8 ounce cheese blocks, \$2.23, is down 7 cents from one week ago, and down 21 cents from a year ago; 8 ounce shredded cheese at \$2.34, is 5 cents below a week ago and 3 cents below one year ago. Total cheese ad numbers are up 12% from last week.

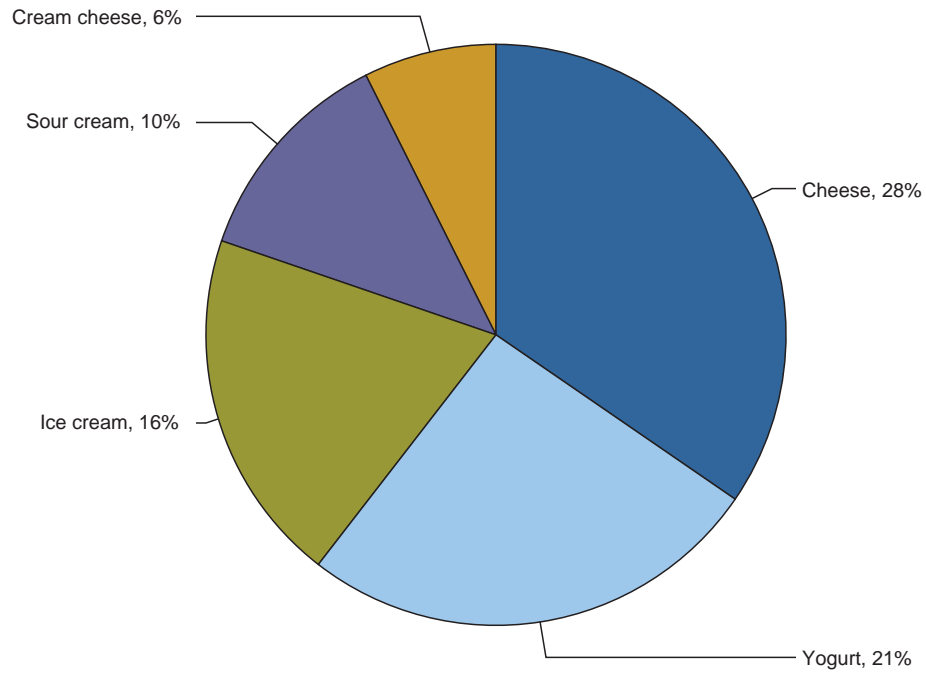
The average price of 4-6 ounce Greek yogurt, \$.99, is even with last week, but 1 cent higher than a year ago. Yogurt in 4-6 ounce packages averages 44 cents, down 6 cents from last week and down 7 cents from a year ago. Total yogurt ad numbers increased 7% from last week.

The organic - conventional half gallon milk price spread is \$1.88. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$1.59, and the average for organic half gallon milk, \$3.47.

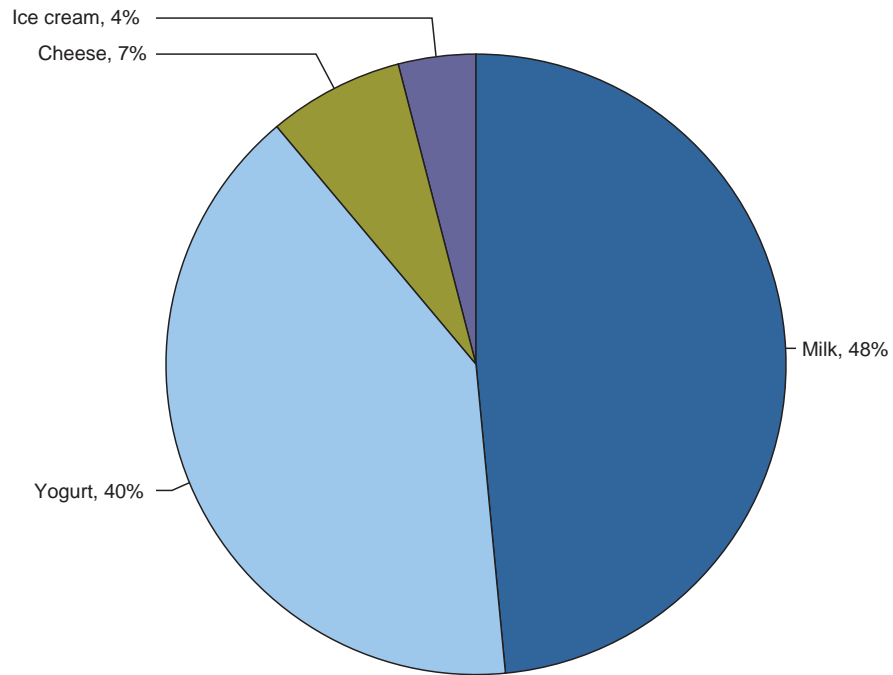
Top 5 Commodities Featured



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 #	4269	3.18	2802	2.77	4098	3.14
Cheese	Natural Varieties	8 oz block	9950	2.23	8015	2.30	8794	2.44
Cheese	Natural Varieties	1 # block	462	4.12	913	3.77	878	4.32
Cheese	Natural Varieties	2 # block	1002	6.69	249	6.73	1351	7.55
Cheese	Natural Varieties	8 oz shred	11332	2.34	10993	2.39	8599	2.37
Cheese	Natural Varieties	1 # shred	541	3.99	516	3.57	1239	3.42
Cottage cheese		16 oz	3168	2.26	2113	2.23	869	2.19
Cream cheese		8 oz	5192	1.83	6106	2.14	8761	1.81
Flavored milk	All fat tests	half gallon	322	3.14	435	2.35	721	2.72
Flavored milk	All fat tests	gallon	692	4.02			98	3.00
Ice cream		48-64oz	13255	2.95	15876	2.85	12348	3.04
Milk	All fat tests	half gallon	1128	1.59	1005	1.64	228	2.24
Milk	All fat tests	gallon	3016	2.53	3239	2.73	1066	2.93
Sour cream		16 oz	7968	1.54	10547	1.76	7789	1.73
Yogurt	Greek	4-6 oz	9557	.99	9269	.99	8617	.98
Yogurt	Greek	32 oz	2305	3.95	509	4.66	511	3.66
Yogurt	Yogurt	4-6 oz	4045	.44	5602	.50	8081	.51
Yogurt	Yogurt	32 oz	1276	2.45	504	2.46	680	2.35

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 #	1.49-3.99	1296	3.05	2.50-3.50	1297	3.34	2.00-3.50	515	2.78
Cheese	Natural Varieties	8 oz block	1.66-3.00	2457	2.40	1.66-2.99	3457	1.96	1.50-2.99	1452	2.14
Cheese	Natural Varieties	1 # block	3.99	108	3.99				3.99	172	3.99
Cheese	Natural Varieties	2 # block	7.99	84	7.99						
Cheese	Natural Varieties	8 oz shred	1.99-3.00	2674	2.32	1.66-2.99	2802	1.96	1.50-2.99	1316	2.08
Cheese	Natural Varieties	1 # shred	3.99	267	3.99				3.99	169	3.99
Cottage cheese		16 oz	1.99-2.99	962	2.66	2.00-2.49	1150	2.11	1.99-2.28	138	2.11
Cream cheese		8 oz	0.99-2.58	1028	2.08	1.50-1.98	1492	1.59	0.98-2.00	413	1.61
Flavored milk	All fat tests	half gallon							2.79	119	2.79
Flavored milk	All fat tests	gallon							2.99-3.99	213	3.49
Ice cream		48-64oz	1.99-3.99	3161	2.73	2.19-3.99	3295	2.76	2.49-3.99	2302	2.88
Milk	All fat tests	half gallon							0.88-1.25	468	1.03
Milk	All fat tests	gallon	3.99	62	3.99	2.50	295	2.50	1.99-2.99	355	2.33
Sour cream		16 oz	1.19-2.00	2535	1.79	1.00-2.00	1604	1.39	1.00-1.88	1413	1.29
Yogurt	Greek	4-6 oz	0.75-1.00	2725	.97	1.00	1910	1.00	0.79-1.25	2019	1.00
Yogurt	Greek	32 oz	3.99-4.99	748	4.69						

Wtd Avg - Simple weighted average



National Retail Report - Dairy Vol 82 - No. 21
Friday, May 29, 2015 - Page 4

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	4-6 oz	0.45-0.50	778	.49	0.33-0.50	741	.41	0.39-0.50	954	.42
Yogurt	Yogurt	32 oz	1.99-2.79	229	2.21	3.50	101	3.50	1.99-2.00	188	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 #	2.00-3.69	183	3.12	1.99-3.69	804	3.30	3.29-3.99	174	3.57
Cheese	Natural Varieties	8 oz block	1.67-3.50	1335	2.37	1.99-2.99	1051	2.61	1.99-2.49	135	2.25
Cheese	Natural Varieties	1 # block							3.99-4.99	182	4.33
Cheese	Natural Varieties	2 # block	7.99	114	7.99	4.99-6.99	388	6.22	4.99-6.99	394	6.46
Cheese	Natural Varieties	8 oz shred	1.67-3.00	1456	2.36	1.49-3.50	2308	2.84	1.99-3.00	713	2.65
Cheese	Natural Varieties	1 # shred							3.99	105	3.99
Cottage cheese		16 oz				1.39-2.79	425	2.23	0.99-2.50	452	1.84
Cream cheese		8 oz	0.98-2.00	364	1.62	1.69-2.58	1126	2.08	0.99-2.58	645	1.65
Flavored milk	All fat tests	half gallon	2.79	74	2.79				3.49	105	3.49
Flavored milk	All fat tests	gallon	4.49	121	4.49	3.50-4.49	358	4.17			
Ice cream		48-64oz	2.50-3.99	1446	3.25	1.99-4.49	2295	3.19	2.99-3.99	545	3.34
Milk	All fat tests	half gallon	1.00-2.25	339	1.37	3.50	62	3.50	0.99-2.99	232	2.29
Milk	All fat tests	gallon	1.99	472	1.99	1.99-3.99	1784	2.62			
Sour cream		16 oz	1.00-2.19	1077	1.42	1.00-1.99	904	1.63	0.99-1.99	397	1.49
Yogurt	Greek	4-6 oz	0.88-1.00	735	.98	0.88-1.19	1425	1.00	0.88-1.25	650	.98
Yogurt	Greek	32 oz	2.99-3.45	235	3.21	2.99-4.50	1085	3.52	3.69-4.99	210	4.34
Yogurt	Yogurt	4-6 oz	0.39-0.50	709	.43	0.39-0.49	514	.43	0.38-0.44	292	.40
Yogurt	Yogurt	32 oz	1.89	151	1.89	2.50	62	2.50	2.00-2.99	531	2.65

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz block	1.66-3.50	39	3.22	2.99	24	2.99
Cheese	Natural Varieties	2 # block	7.49-8.99	22	7.56			
Cheese	Natural Varieties	8 oz shred	1.66-3.50	39	3.22	2.99	24	2.99
Cottage cheese		16 oz	1.29-2.49	14	1.55	2.77-2.89	27	2.88
Cream cheese		8 oz	1.29-3.18	48	2.32	2.00-3.18	76	2.65
Flavored milk	All fat tests	half gallon				4.49	24	4.49
Ice cream		48-64oz	2.98-4.99	52	3.86	2.75-5.77	159	4.43
Milk	All fat tests	half gallon				2.98-3.79	27	3.70
Milk	All fat tests	gallon	3.79	21	3.79	4.99	27	4.99
Sour cream		16 oz	1.29-2.29	14	1.46	2.50	24	2.50
Yogurt	Greek	4-6 oz	1.20	2	1.20	0.99-1.50	91	1.27
Yogurt	Greek	32 oz				3.99	27	3.99
Yogurt	Yogurt	4-6 oz	0.50-0.70	6	.58	0.50-1.00	51	.76
Yogurt	Yogurt	32 oz	2.79	11	2.79	3.50	3	3.50

Wtd Avg - Simple weighted average



NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz block	393	3.91	770	3.99		
Cheese	Natural Varieties	8 oz shred			770	3.99		
Ice cream		48-64oz	246	4.99	66	5.49		
Milk	All fat tests	half gallon	2437	3.47	1368	3.50	2247	3.49
Milk	All fat tests	gallon	84	6.99	1186	5.78	70	5.99
Milk	All fat tests	8 oz UHT	158	1.00	1068	1.06	201	1.00
Yogurt	Greek	4-6 oz	2228	1.24	1761	1.31	674	1.12
Yogurt	Greek	32 oz			214	3.79		
Yogurt	Yogurt	4-6 oz			69	1.25		

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
Cheese	Natural Varieties	8 oz block	3.99	84	3.99						
Milk	All fat tests	half gallon				2.50-2.99	508	2.86	2.88-4.39	497	3.76
Milk	All fat tests	gallon	6.99	84	6.99						
Milk	All fat tests	8 oz UHT							1.00	53	1.00
Yogurt	Greek	4-6 oz	1.00-1.25	203	1.16	1.25	184	1.25	1.25	137	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
Cheese	Natural Varieties	8 oz block	3.49	63	3.49	3.99	246	3.99			
Ice cream		48-64oz				4.99	246	4.99			
Milk	All fat tests	half gallon	2.50-3.99	563	3.11	3.99-4.49	360	4.33	2.99-4.99	471	3.43
Milk	All fat tests	8 oz UHT							1.00	105	1.00
Yogurt	Greek	4-6 oz	1.25	543	1.25	1.00-1.25	811	1.21	1.25	289	1.25

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon	3.29	11	3.29	5.99	27	5.99
Yogurt	Greek	4-6 oz				1.50-1.99	61	1.77

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
ALASKA	Alaska
HAWAII	Hawaii
NATIONAL	Continental United States

DAIRY MARKET NEWS

GENERAL NUMBER

(608) 557-7000

Elizabeth Frederick
(608) 557-7002
Elizabeth.Frederick@AMS.USDA.GOV

EAST

Daniel Johnson
(608) 557-7006
Daniel.Johnson@AMS.USDA.GOV

CENTRAL

Tara Herbst
(608) 557-7007
Tara.Herbst@AMS.USDA.GOV

SOUTHWEST

Janet Linder
(608) 557-7003
Janet.Linder@AMS.USDA.GOV

NORTHWEST/MOUNTAIN

Mike Bandli
(608) 557-7010
Mike.Bandli@AMS.USDA.GOV

NATIONAL SUPERVISOR

Butch Speth
(608) 557-7001
Butch.Speth@AMS.USDA.GOV

VOLUME: 82

REPORT: 21

DATE: 05/29/2015

INTERNATIONAL

Rick Whipp
(608) 557-7004
Rick.Whipp@AMS.USDA.GOV

ORGANIC

Eric Graf
(608) 557-7005
Eric.Graf@AMS.USDA.GOV

INTERNET ADDRESS

www.ams.usda.gov/DairyMarketNews

MARKET NEWS PORTAL

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

RECORDED INFORMATION SYSTEM

(608) 557-7000

FAX

(608) 819-0629

USDA, Dairy Market News
4600 American Parkway, STE 106
Madison, WI 53718-8334