

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (11/25)**

BUTTER: Grade AA closed at \$2.9000. The weekly average for Grade AA is \$2.9000 (+.0150).

CHEESE: Barrels closed at \$1.5500 and 40# blocks at \$1.5800. The weekly average for barrels is \$1.5175 (+.0715) and blocks, \$1.5750 (-.0010).

NONFAT DRY MILK: Grade A closed at \$.7300. The weekly average for Grade A is \$.7308 (-.0397).

BUTTER HIGHLIGHTS: Cream supplies for butter manufacturing are increasing in all regions. Butter orders for Thanksgiving have been shipped. At this point, butter production is improving and is mostly focused on orders for year-end holidays. In the Northeast, the market undertone is unsettled. However, interest for butter from food service is active. In the Central region, demand from food service and retailers is steady. In the West, bulk butter inventories are tight. Wednesday at the CME Group, Grade AA butter closed the holiday shortened week at \$2.9000, up 1.5 cents from last week's close.

CHEESE HIGHLIGHTS: Cheese production is active throughout the country. Last minute holiday orders have pressed supplies, at least for the short term. Larger manufacturers anticipate running full schedules over the weekend as surplus holiday milk increases. Foreign type cheese demand is seasonally active. NASS reports total natural cheese stocks in refrigerated warehouses on October 31, 2015 totaled 1.149 billion pounds, 15% more than a year ago. The holiday shortened week saw mixed daily cheese prices at the CME group. The gyrating price spread is concerning for some manufacturers. Barrels closed the week on Wednesday at \$1.5500, up \$0.0475 and blocks closed at \$1.5800, up \$0.0100 from last week's close. The holiday week has only three trading days, as the CME Group is closed for Thanksgiving and the following day.

FLUID MILK: The general trend of seasonally steady to higher farm-level milk production continues for most of the country, with reports of lower output in some areas of the Pacific Northwest. Fluid milk production volumes were high to begin the week as bottlers added to orders and satisfied last minute holiday retail needs. With the country-wide closing of schools for Thanksgiving, fluid milk sales volumes trended lower by mid-week. Cream markets are weaker with lower multiples. Cream availability is up, as Class II cream sales

slowed. Interest is building for eggnog as the year-end holiday approach.

DRY PRODUCTS: Nonfat dry milk market prices are lower, with little activity occurring this holiday shortened week. The market undertone is weak. Production is likely to surge as bottling declines support higher NDM drying rates. Dry buttermilk prices are steady throughout the regions. Stocks are mixed. Manufacturers expect to add to inventories this week. Prices for dry whey are unchanged across the U.S. East dry whey stocks remain tight, while mixed in other areas of the country. Whey protein concentrate 34% prices are steady. Interest is light. Dry whole milk prices are unchanged. Lactose prices are steady. Prices for casein are unchanged.

INTERNATIONAL DAIRY MARKET NEWS (DMN):
WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: Western European milk production is maintaining at steady to slightly higher levels, as has been expected for the time of year. In Germany, November milk deliveries are shaping up to lead year earlier volumes, but by a lower percentage. Prices for industrial cream are stable while skim milk concentrate prices are weaker. Prices for SMP, WMP and whey in Europe are weaker. Butter pricing is slightly higher and expected to remain generally stable. Butteroil prices are steady. Buyer interest in milk powders is weak, as many have adequate stocks or are holding back in expectation of weakness moving forward. Manufacturers with product options for milk supplies tend to prefer fluid milk bottling and specialty cheese manufacturing as top profit options. Most E.U. WMP trading tends to be among European nations rather than exports outside the E.U. **EASTERN OVERVIEW:** In Eastern Europe, milk production is steady to slightly higher, expected for the season. Demand is light for most milk powders while milk supplies are adequate for manufacturers' needs. **OCEANIA OVERVIEW:** Australian milk production is showing signs of struggling to maintain desired volumes in some areas where dry conditions are developing. Southeastern Australia is a significant milk producing area which is beginning to have continuing dry weather. Eastern Victoria is now considered dry, resulting in concerns that milk production will suffer. Northern Victoria and Southern

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CME GROUP CASH TRADING

COMMODITY	MONDAY NOV 23	TUESDAY NOV 24	WEDNESDAY NOV 25	THURSDAY NOV 26	FRIDAY NOV 27	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4700 (-.0325)	\$1.5325 (+.0625)	\$1.5500 (+.0175)	CME CLOSED	CME CLOSED	:: :: (+.0475)	:: :: \$1.5175 :: (+.0715)
40# BLOCKS	\$1.5750 (+.0050)	\$1.5700 (-.0050)	\$1.5800 (+.0100)			:: :: (+.0100)	:: :: \$1.5750 :: (-.0010)
NONFAT DRY MILK GRADE A	\$.7325 (-.0025)	\$.7300 (-.0025)	\$.7300 (N.C.)			:: :: (-.0050)	:: :: \$.7308 :: (-.0397)
BUTTER GRADE AA	\$2.9000 (+.0150)	\$2.9000 (N.C.)	\$2.9000 (N.C.)			:: :: (+.0150)	:: :: \$2.9000 :: (+.0150)

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 Internet at WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY

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

New Wales are also now struggling with increasing dryness and high irrigation water prices, which have reduced milk volumes in those areas. These reductions will be challenging to recover as the milk season progresses. Overall milk production is slowing with concerns that late into summer may yield negative growth in production. There are expectations of revisions in some previous projections of 1-2% milk production growth for the year. New Zealand milk production is trending lower on the shoulder. Expectations for lower milk production remain and pasture conditions have not abated those concerns. Previous milk production forecasts are expected to be lowered as pasture conditions contribute to bringing milk production below expectations. Weaker export demand for New Zealand dairy powders to traditional markets such as China, is increasingly a concern.

NATIONAL RETAIL REPORT – DAIRY (DMN): This Thanksgiving week, ads for half gallon containers of egg nog, up 165%, represent the greatest percentage gain in ad numbers. The weighted average national advertised price of \$3.39 is \$1.16 below last week and 63 cents below one year ago. Other ads with high numbers focused on Thanksgiving include 8 ounce cream cheese, \$1.49, up 6 cents from last week, and 16 ounce sour cream, \$1.76, up 1 cent from last week. The volume of conventional dairy ads decreased by 14% compared to the previous week. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.33, up 5 cents from last week, but 22 cents below a year ago; 8 ounce shred cheese averaged \$2.30, up 1 cents from last week, but 20 cents below one year ago. Ads for conventional cheese decreased 8% from last week, and organic cheese ads decreased 34%. Conventional yogurt ad numbers decreased 25% from last week. Organic yogurt ads decreased 88%. The average price of 4-6 ounce conventional Greek yogurt is \$1.02, 4 cents above last week, and 7 cents above a year ago. Conventional yogurt in 4-6 ounce packages averaged 50 cents, down 2 cents from last week, but up 1 cent from a year ago. The price spread between organic and conventional half gallon milk is \$1.53. Last week the spread was \$2.16. The price spread is the difference between national weighted average prices for organic, \$3.95, and conventional, \$2.42.

OCTOBER COLD STORAGE (NASS): On October 31, U.S. cold storage holdings of butter totaled 179.0 million pounds, down 5% from the previous month, but up 21% from October 2014. Natural American cheese holdings total 695.6 million pounds, unchanged from the previous month, but 12% more than October 2014. Total natural cheese stocks were 1.149 billion pounds, unchanged from last month but 15% more than October 2014.

OCTOBER CONSUMER PRICE INDEX (BLS): The October CPI for all food is 249.1, up 1.6% from 2014. The dairy products index is 221.9, down 3.0% from a year ago. The following are the October to October changes for selected products: fresh whole milk is -8.5%; cheese, -3.0%; and butter, -2.3%.

CME GROUP

MONDAY, NOVEMBER 23, 2015

CHEESE -- SALES: 1 CAR BARRELS @ \$1.4700; 3 CARS 40# BLOCKS: 1 @ \$1.5675, 1 @ \$1.5700, 1 @ \$1.5750; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.3900;
 LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4800; 1 CAR 40# BLOCKS @ \$1.5850
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.7325; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.9000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

TUESDAY, NOVEMBER 24, 2015

CHEESE -- SALES: 13 CARS BARRELS: 1 @ \$1.5000, 1 @ \$1.5300, 9 @ \$1.5400, 1 @ \$1.5425, 1 @ \$1.5325; 3 CARS 40# BLOCKS: 2 @ \$1.5725, 1 @ \$1.5700;
 LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.5800
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.7300; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.7250; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

WEDNESDAY, NOVEMBER 25, 2015

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.5325, 1 @ \$1.5450; 3 CARS 40# BLOCKS: 1 @ \$1.5675, 1 @ \$1.5825, 1 @ \$1.5800; LAST BID UNFILLED: 1 CAR
 BARRELS @ \$1.5500; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.7275, 1 @ \$0.7250, 1 @ \$0.7300; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7275; LAST OFFER
 UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, NOVEMBER 26, 2015

CME CLOSED

FRIDAY, NOVEMBER 27, 2015

CME CLOSED

BUTTER MARKETS**NORTHEAST**

With the majority of Thanksgiving butter needs shipped, processors are readying for anticipated surges in cream supplies. Cream offerings vary, and reflect a broad multiples range. Churning rates in the Northeast are likely to be higher moving into next week. Suppliers are comfortable with current stock levels. Interest from food service is active and springs from firm restaurants needs during this holiday week. According to the DMN *National Retail Report-Dairy*, during the week of November 20-26, 2015, the U.S. weighted average advertised price for 1 pound butter was \$2.82, down 81 cents from a year ago and down 3 cents from the previous week. The Northeast average butter price was \$2.79, down 33 cents from last week. The current bulk butter price for domestic sales are reported flat to 5 over the market of the CME Group, with various time frames and averages used. At the CME, Grade AA butter closed Tuesday at \$2.9000, up \$0.0150 from last Tuesday. With heavy cream availability and lower multiples, some of the market was surprised by the increase in the CME butter price this holiday week. The market undertone is unsettled.

CENTRAL

Butter production is set to move slightly higher throughout the week as churn operators indicate spot cream load availability is improving as the week advances. However, butter stocks on hand continue to dictate butter production as manufacturers do not want to produce butter on a speculative basis. Butter orders are steady into food service and retail accounts. Many retailers are rotating butter brand features from week to week, which is keeping orders active into grocery outlets. The NASS *Cold Storage* report noted U.S. butter stocks on October 31 were 179.0 million pounds, 5% lower than last month, but 21% higher than a year ago. The DMN National Retail

Report-Dairy for November 20-26 noted the national weighted average advertised price for a 1 pound package of butter was \$2.82, down \$0.03 from a week ago, and \$0.81 lower than a year ago. The weighted average price in the Midwest region was \$2.63, and in the South Central region, \$2.69. The CME Group Grade AA butter market closed Tuesday at \$2.90. This is up 1.5 cents from last Tuesday. Bulk butter prices range from 4 cents under to 7 cents over the market, based on CME Group prices and various indices.

WEST

Western butter makers have finished churning print butter for Thanksgiving and are now shifting their focus to the end of year holiday orders. Industry contacts expect cream to be more available over the long holiday weekend as a few manufacturers purchased cream supplies in advance and others have slowed production. Cream demand, however is still strong and butter production is active overall. Butter inventories are longer than last year, but are heavily committed. Some buyers are finding spot loads of bulk butter hard to find. The DMN National Retail Report – Dairy for the week of November 20–26, found that the U.S. weighted average advertised price of 1 pound butter is \$2.82, down \$.03 from one week ago and down \$.81 from one year ago. In the Southwest, the weighted average advertised price for 1 pound butter was \$2.93 with a price range of \$2.50-\$3.99, and in the Northwest, \$2.89 with a price range of \$2.47-\$3.99. The NASS *Cold Storage* report noted U.S. butter stocks as of October 31, 2015, were 179.0 million pounds, down 5% from last month. Butter stocks in all warehouses were 148.0 million pounds last year at this time. Bulk butter pricing in the West this week is 4 cents under market to 3 cents above, based on the CME Group with various time frames and averages used. The Grade AA butter price at the CME Group on Tuesday closed at \$2.9000, up \$.0150 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

(Information is unavailable
at publication time)

Further data and revisions may be found on the internet at: <http://www.ams.usda.gov/rules-regulations/mmr/dmr>

CHEESE MARKETS

NORTHEAST

Production is mostly steady in the region as surplus milk contributes to Northeast cheese production. As more milk becomes available, an upturn in output is anticipated. Buyers are continuing to clear cheese orders as needed and waiting for price declines. Retail sales are steady, at fair to good levels. The market undertone is mixed. In the Northeast, this week, wholesale cheese prices for cheddar and Munster declined \$0.0900. Process cheese prices moved lower \$0.1025. Grade A Swiss prices are steady. According to the DMN *National Retail Report Dairy*, during the week of November 20-26, 2015, the weighted average advertised price for 8 ounce cheese blocks in the Northeast was \$2.37, 9 cents more than the national average, but 11 cents less than a week ago. The Southeast 8 ounce block cheese price was \$2.28, 1 cent more than a week ago. Tuesday's CME Group daily cash trading saw barrels close at \$1.5325, up \$0.0825 from a week ago; blocks closed at \$1.5700, unchanged from a week ago.

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

Cheddar 40# Block	:	1.9725-2.2575
Process 5# Sliced	:	1.6600-2.1400
Muenster	:	1.9925-2.3425
Grade A Swiss Cuts 10 - 14#	:	3.2600-3.5825

MIDWEST

Midwest cheese makers are running full schedules over the Thanksgiving holiday weekend. A lot of milk is available for processing. Some milk is moving within the region as manufacturers try to absorb the abundant supply. Spot loads of milk are readily available at \$3 under Class. Some cheese makers are willing to buy the loads of milk to make specialty cheese varieties that command a premium. Other manufacturers are hesitant to purchase because of the wide spread between blocks and barrels. There are concerns of a possible downward correction in the block price. Demand for commercial cheese used in manufacturing is relatively quiet compared to previous years. Inventories for cheese blocks are moderate to long and barrels are long. Retail consumer cheese demand is still strong. The DMN *National Retail Report Dairy* shows that November 20-26 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.25, 4 cents lower than the national average. Midwest prices range from \$1.33-\$2.99. One year ago, the national price was \$2.56. For 8 ounce blocks, the Midwest average price is \$2.09, 19 cents lower than the national average price. Midwest ads are priced from \$1.33-\$2.99. Last year, the national price was \$2.61. Midwestern wholesale prices unchanged for Swiss cuts, down \$.1025 for process, and down \$.0900 for all other types. According to the NASS *Cold Storage* report, the East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio) American cheese stocks on October 31, 2015 were 120% of last year, and 101% of last month. East North Central region other cheese stocks were 116% of October 31, 2014 and 98% of September 30, 2015. Total U.S. natural cheese stocks on October 31, 2015 were 115% of a year ago and 100% of a month ago. In CME Group trading Tuesday, barrels closed at \$1.5325, up \$.0825 from last Tuesday and blocks closed at \$1.5700, unchanged.

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

Process American 5# Loaf	:	1.5425-1.9025
Brick And/Or Muenster 5#	:	1.9525-2.3775
Cheddar 40# Block	:	1.6800-2.0750
Monterey Jack 10#	:	1.9275-2.1325
Blue 5#	:	2.2200-3.2075
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7525-2.6925
Grade A Swiss Cuts 6 - 9#	:	2.7775-2.8950

WEST

Western milk intakes are strong and cheese producers are actively absorbing available milk supplies. Retail and food service demand remains good, however process cheese demand is lighter. Inventories for barrels and blocks are long. Some manufacturers are aggressively working to sell their barrel stocks before they age and are more willing to hold blocks. Cheese makers are watching the wide price spread between blocks and barrels closely. Many manufacturers are concerned about a possible downward correction in the block price. The DMN *National Retail Report Dairy* for the week of November 20-26 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.29, down \$.10 from last week and down \$.27 from a year ago. Packs averaged \$2.38 in both the Southwest and in the Northwest. For 8 ounce blocks, the U.S. price is \$2.28, down \$.07 from last week and down \$.33 from a year ago. Blocks averaged \$2.39 in the Southwest and \$2.81 in the Northwest this week. In the West, wholesale prices are down \$.1025 for process, and down \$.0900 for cheddar block, cuts, and Monterey jack. Prices are unchanged for Swiss cuts. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of October 2015 were 1.149 billion pounds, unchanged from September 2015, but up 15% from October 2014. American stocks were 12% more, other natural stocks were 24% more, but Swiss stocks were 16% less than last year. In the Mountain Region, American cheese stocks were 19% more than one year earlier but 6% lower than one month earlier. Pacific Region American cheese stocks were 11% more than one year earlier and 1% more than a month before. Also in the Pacific Region, other natural cheese stocks were 40% above a year ago but 2% below a month ago. In CME Group trading Tuesday, barrels closed at \$1.5325, up \$.0825 from a week ago and blocks closed at \$1.5700, unchanged.

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

Process 5# Loaf	:	1.5575-1.8150
Cheddar 40# Block	:	1.6850-2.1300
Cheddar 10# Cuts	:	1.8650-2.0850
Monterey Jack 10#	:	1.8750-2.0350
Grade A Swiss Cuts 6 - 9#	:	2.8375-3.2675

CHEESE MARKETS

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FOREIGN

Cheese pricing is declining for domestically produced varieties, reflective of changes in index pricing. Demand is seasonally active, accented by higher interest around Thanksgiving holiday buying patterns in the U.S. Retail and specialty shops are noting higher sales volumes moving. Internationally, returns for specialty cheese varieties remain favorable and cheese makers are active in producing for current and upcoming needs. The lower Euro continues to favor the importation of European cheese into the U.S.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	2.6400-5.3800	2.1475-3.6350*
Gorgonzola	3.6900-5.8900	2.6550-3.3525*
Parmesan (Italy)	-0-	3.5375-5.6275*
Provolone (Italy)	-0-	2.1900-2.4425*
Romano (Cows Milk)	-0-	3.3375-5.4875*
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-	3.2975-3.6200
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
11/23/15	8,115	94,676
11/01/15	12,122	101,716
CHANGE	-4,007	-7,040
% CHANGE	- 33	- 7

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	170	0	123	0	105	0
SOUTHEAST STATES	0	0	0	0	0	0

Fluid milk needs remain active as bottlers added to early-week orders. The market anticipates declines in Class I lunch needs, as most schools close at mid-week for the Thanksgiving holiday break. In the Northeast and Mid-Atlantic regions, manufacturing milk supplies are steady to higher. Balancing milk intakes show a noticeable increase, with reports of added volumes over the weekend into the beginning of the week. Milk production levels in the Southeast are mostly unchanged. Loads are being rerouted to secondary plants, as several bottlers are shut down. Florida's seasonal temperatures cooled, but are expected back in the 80s by the weekend, as production trends upward. Thanksgiving fluid milk sales remain strong. Spot milk imports are at 170 f.o.b loads, 47 above last week. According to the *DMN National Retail Report-Dairy*, from November 20-26, 2015, the U.S. weighted average advertised price for a gallon of milk was \$2.72, a decline of 83 cents from a year ago, but an increase of 27 cents from last week. The **condensed skim** market demand is sluggish, due to scheduled shutdowns of plants for the Thanksgiving Day holiday. As a result, dryers for some balancing plants will likely run at capacity, adding to NDM inventories. **Cream multiples** range **1.22-1.36**. The expectation is that multiples will move slightly lower at the end of the week, but rebound with next week's full production schedules. Cream supplies are currently readily available. At the CME Group, Grade AA butter closed at \$2.9000 on Tuesday, up \$0.0150 from last Tuesday.

MILK PRODUCTION: According to NASS, milk production in the 23 major states during October 2015 totaled 16.0 billion pounds, up 0.1% from one year ago. Eastern states' milk production are as follows:

October 2015 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Florida	187	+ 3.3
New York	1,184	+ 2.4
Pennsylvania	875	- 1.7
Vermont	219	- 1.4
Virginia	143	- 1.4

**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 - 3.5197-3.9236

F.O.B. producing plants: Upper Midwest - 3.4043-3.7505

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

Northeast - Class II - includes monthly formula prices - .90-.93

Northeast - Class III - spot prices - .76-.79

MIDWEST

Milk production in the Central region varies from steady to marginally higher. Fluid orders are stronger than expected through midweek, with bottlers filling orders for last minute grocery shopping. On a holiday-shortened processing week, milk marketers are busy finding homes for milk spot loads. Several cheese plant operators are taking in milk as orders for specialty cheese varieties are still active ahead of Christmas. Spot milk prices range from \$.50 to \$3.00 under Class. According to the *DMN National Retail Report-Dairy* for the week of November 20-26, the national and Midwest weighted average advertised prices for one gallon of milk are, respectively, \$2.72 and \$2.30. The *NASS Milk Production* report noted October milk production in the 23 selected states was 16.0 billion pounds, 0.1% above a year ago.

October 2015 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Illinois	151	+ 1.3
Indiana	339	+ 4.0
Iowa	395	+ 1.3
Kansas	264	- 0.4
Michigan	853	+ 4.5
Minnesota	775	+ 1.8
Ohio	454	+ 0.9
South Dakota	204	+13.3
Texas	852	- 0.7
Wisconsin	2,445	+ 4.5

Milk cows in the 23 selected states totaled 8.632 million head in October, 38,000 head more than a year ago. Cream availability ahead of the holiday is steady to higher as the week advances. Some Class II operation managers plan for fewer hours of production, and have decreased cream orders to match. Multiples shifted lower, ranging from 1.18 to 1.30.

WEST

Lower temperatures and humidity prevail in the Central Valley of California. Milk production is flat to higher in the state. However, milk output is below the previous year's levels. Requests for fluid milk from educational institutions are lower as some schools will close during the current week. Nevertheless, orders from grocery stores are up, mainly due to the high demand driven by the Thanksgiving holiday. According to California Department of Food and Agriculture, October 2015 pool receipts of milk in the state total 3.12 billion pounds. This is 6.1% lower compared to the same month a year ago. From January through October 2015, receipts are 4.3% lower from the comparable period in 2014. The Value at Test price is \$16.07, 7 cents higher than the previous month but \$6.79 lower than October 2014. The percentage of receipts used in Class 1 products is 15.24%. The October quota price is \$16.60 and the over quota price is \$14.90. These prices are 8 cents lower than September 2015 and \$6.59 below a year ago. Arizona milk output is seasonally increasing. Lower temperatures and humidity are helping to raise comfort of milking cows. Fluid milk volumes into Class I are mixed but are expected to be higher by the middle and end of the week. Condensed

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FLUID MILK AND CREAM

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skim milk processing is mostly steady. Class II demand is increasing. New Mexico milk production is inching up. Favorable weather conditions are aiding on the milk yield. Sales into Class I and Class II are lower. However, some handlers anticipate an increase in these two accounts during the middle of the week. Some processing plants from nearby states are helping to clear up manufacturing milk volumes from New Mexico. Pacific Northwest milk production is steady to lower and following seasonal trends. Manufacturers are working to balance available milk over the Thanksgiving holiday weekend. Parts of the region received rain and snow the last few days. Cooler temperatures are expected throughout the remainder of the week. Utah and Idaho milk intakes are adequate for most processing needs. A few loads of milk are moving within the region to balance the short term needs of processors. Some dairymen report milk per cow being down slightly this year as compared to last year. High quality hay is a little less available. Corn silage stocks are in strong supply. The region is expecting a significant winter storm for the end of the week. Although the storm may disrupt some travel, area farmers hope the storm will add to the snowpack, providing the water reserves for next year's growing season. Western cream demand from eggnog and ice cream manufacturers is improving as the Christmas holiday approaches. Sales in the spot market are active. Cream supplies into manufacturing are more available as the farm level milk output is seasonally increasing. In addition, the butterfat component level in the milk is improving. As a result, multiples are steady to lower, ranging from 1.14 to 1.23. At the CME Group, Grade AA butter price on Tuesday closed at \$2.9000, up 1.5 cents from last Tuesday. According to NASS, October milk production for the 23 surveyed states totals 16.0 billion pounds, 0.1% higher than a year ago. October milk production changes from a year ago for selected Western states are as follows: Arizona -1.3%, California -5.5%, Colorado +3.3%, Idaho +1.2%, New Mexico -2.9%, Oregon -1.4%, Utah -1.6 and Washington -0.7%. Monthly milk production per cow for the 23 states is 7 pounds below October 2014. Milk cow numbers on farms in the 23 states totaled 8.63 million cows, 38,000 head more than October 2014.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Central nonfat dry milk prices, low/medium heat, are mostly lower following changes on various indices. The market tone is weak as nonfat solids values decline in the marketplace. Interest is light as few buyers want to take a position in a downward trending market. Production of low/medium NDM is steady through midweek, but is projected to move higher as balancing plant managers indicate Class I milk orders drop off sharply after midweek. Low/medium heat inventories are steady to building incrementally. High heat NDM prices, Central, are unchanged on light trading. Bakery-related buyers are taking a break ahead of this holiday, but anticipate reentering the market in the new month. High heat NDM production is sporadic. Inventories are adequate for contract fulfillment needs.

EAST: Prices for low/medium heat nonfat dry milk are steady to lower in the mostly series, as the market weakens. Production rates are higher. Holiday week increases in manufacturing milk supplies are translating into increased volumes of condensed skim to drying. Some processing plants expect to run full schedules throughout the weekend. Stocks are moderate to heavy. Spot market activity is light this week, but contract shipments are moving as scheduled for most manufacturers. The demand for high heat nonfat dry milk remains fairly good, supported by end-users' holiday baking needs. Prices are steady. Drier time for high heat nonfat dry milk is restricted this holiday shortened week. A few manufacturers express more concern with throughput, as milk supplies increase. The market undertone is steady. At the CME Group, Grade A NDM closed Tuesday at \$0.7300, down \$0.0500 from last Tuesday.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .8025 - .9400 MOSTLY: .8400 - .8800
 HIGH HEAT: .9500 - 1.1800

NONFAT DRY MILK - WEST

Prices for low/medium heat nonfat dry milk (NDM) are lower. The market undertone remains weak. Sales activity in the spot market is light. Some processors are clearing up NDM stocks at lower prices. The resale market has been a little quiet. In terms of production, milk volumes moving into NDM plants are steady to higher. Inventories are mostly unchanged. Prices for high heat nonfat dry milk are steady to slightly lower on a weaker market. Limited spot sales are occurring throughout the week. The majority of the sales are based on contracts. Inventory levels are unchanged.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .6750 - .8450 MOSTLY: .7225 - .8175
 HIGH HEAT: .8800 - 1.1400

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
November 20	\$.8359	11,440,863
November 13	\$.7988	10,631,775

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. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices are steady in the Central region on light trading. In general, market activity is reduced this holiday week. Supplies are mixed, with a few manufacturers having some inventories, but others report warehouses are a bit short. This is one result of active condensed buttermilk sales into the Class II market sector throughout the fall months. Dry buttermilk production is projected to be higher this week as some additional cream volumes transition from Class II to Class IV.

EAST: Dry buttermilk prices in the East are unchanged with limited trading during Thanksgiving week. Churning activity is slightly higher this holiday week, in response to increases in fluid milk at balancing facilities and heavier fluid cream intakes at butter plants. With more condensed buttermilk being produced, dry buttermilk output rose accordingly. Current demand is moderate but strengthening, as spot acquisitions are not easily obtained. Processors' stocks are growing at some locations, where supply levels are closely balanced with contractual demand. The market undertone remains weak.

F.O.B. CENTRAL/EAST: .8500 - .9500

DRY BUTTERMILK - WEST

Prices for dry buttermilk are unchanged. Demand from ice cream and prepared dry mix makers is active. Spot sales activity is mostly flat. The market undertone is mixed. Drying schedules are steady to higher as churning is active throughout the West. Inventories are slightly tight.

F.O.B. WEST: .8500 - .9500 MOSTLY: .8700 - .9300

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged. Production is irregular. Inventories vary from plant to plant. Spot sales activity is very light as most of sales are based on contractual needs. The market undertone remains unsettled.

F.O.B. PRODUCING PLANT: 1.2500 - 1.3500

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 are steady on the Central dry whey market. Manufacturers and resellers indicate buyers show light interest for most offerings. For some end users, this is a lighter week for production needs, and they are using the time to rebalance inventories. Dry whey production is steady to higher as several cheese plant operators are processing higher milk volumes throughout the holiday week. Prices for animal feed dry whey are unchanged. Feed blenders are cautious about getting too far ahead of projected needs via spot purchasing. In addition, some blenders have short term contracts set to deliver loads throughout December.

F.O.B. CENTRAL: .1575 - .2800 MOSTLY: .1800 - .2425
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1425 - .1850

DRY WHEY - NORTHEAST

Dry whey prices are steady over the holiday shortened week. However, dry whey production is steady to higher. A few cheese makers are processing higher volumes of milk this holiday week. Interest is steady from buyers. Spot loads from manufacturers are hard to obtain, as supplies remain tight. Increased manufacturing into the weekend should add to regional whey stocks.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .1800 - .2800

DRY WHEY - WEST

Western whey prices are unchanged with light spot activity. Whey production is steady. Inventories are mixed. Some manufacturers state they have committed stocks. Others report longer inventories.

NONHYGROSCOPIC: .2000 - .3100 MOSTLY: .2100 - .2550

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices held steady this week. Production is steady to lower. Demand is light during the week of Thanksgiving. Inventories are mixed. Some manufacturers report committed stocks. Others say WPC34% is plentiful in the marketplace.

F.O.B. EXTRA GRADE 34% PROTEIN: .4750 - .6400 MOSTLY: .4900 - .5700

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged with light activity. Regular customers continue to take shipments. Many manufacturers are working on Q1 2016 agreements. Inventories are generally slowly declining. Lactose production is steady to lower as some manufacturers have limited their production runs.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1400 - .2600 MOSTLY: .1600 - .2100

CASEIN - NATIONAL

Prices for casein rennet and acid are unchanged. The market tone is steady, with light buyer interest. Lower prices internationally are factors influencing domestic pricing. Many potential buyers are adequately stocked and have little motivation to add to inventories.

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: 2.6500 - 3.3500
ACID: 2.7000 - 3.5000

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

WEEK ENDING	2015 WEEKLY DAIRY COWS	2015 CUMULATIVE DAIRY COWS	2014 WEEKLY DAIRY COWS	2014 CUMULATIVE DAIRY COWS
11/07/2015	60.3	2,522.2	55.9	2,424.7

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)

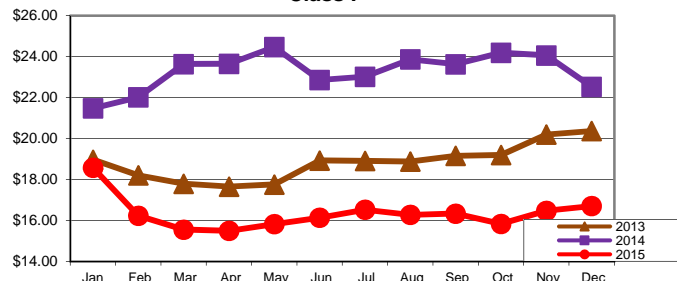
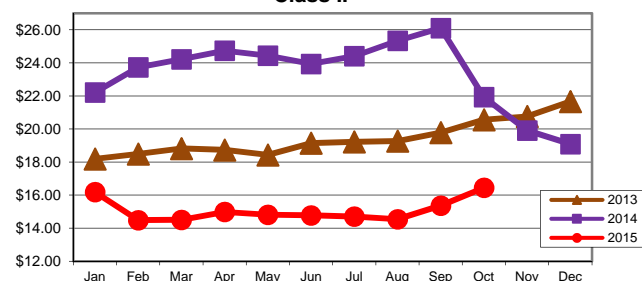
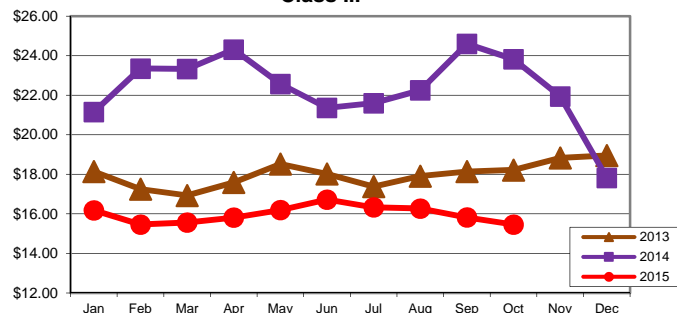
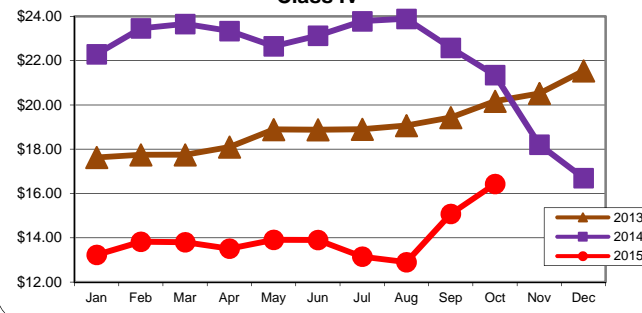
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	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	16.53	16.28	16.34	15.84	16.48	16.71
II	16.18	14.48	14.50	14.98	14.81	14.77	14.70	14.54	15.36	16.44		
III	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46		
IV	13.23	13.82	13.80	13.51	13.91	13.90	13.15	12.90	15.08	16.43		

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."**Class I****Class II****Class III****Class IV**

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered November 16 - 27, 2015

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

WESTERN OVERVIEW: Western European milk production is maintaining at steady to slightly higher levels, as has been expected for the time of year. In Germany, November milk deliveries are shaping up to lead year earlier volumes, but by a lower percentage. Prices for industrial cream are stable while skim milk concentrate prices are weaker. Prices for SMP, WMP and whey in Europe are weaker. Butter pricing is slightly higher and expected to remain generally stable. Butteroil prices are steady. Buyer interest in milk powders is weak, as many have adequate stocks or are holding back in expectation of weakness moving forward. Manufacturers with product options for milk supplies tend to prefer fluid milk bottling and specialty cheese manufacturing as top profit options. Most E.U. WMP trading tends to be among European nations rather than exports outside the E.U.

BUTTER/BUTTEROIL: Pricing shows slight firming at the bottom of the butter price range and no change at the top. Production is generally steady with last week as is buying interest. Manufacturers continue to find using any extra milk to make specialty cheese provides better returns than butter at this time. Butteroil prices are unchanged with a limited market.

82% BUTTERFAT: 3,000 - 3,325
99% BUTTERFAT: 3,500 - 4,000

SKIM MILK POWDER (SMP): Skim milk powder prices declined this week. European manufacturers do not find SMP among the most profitable uses of milk at this time and supplies are considered adequate for weaker demand. There continues to be reaction to some price firming last month, which is contributing to current lower prices.

1.25% BUTTERFAT: 1,775 - 1,950

WHOLE MILK POWDER (WMP): European whole milk markets are weaker with buyers continuing to retreat from recent higher prices. Buyer interest is satisfied from current supplies and manufacturers have little price motivation to channel milk into WMP versus other more profitable product options. With this mindset, no factors have appeared to shift the paradigm.

26% BUTTERFAT: 2,350 - 2,550

SWEET WHEY POWDER: Continuing weakness in dry edible whey markets has resulted in lower prices. It is believed that many potential customers are adequately socked, which results in selective buying. Moreover, U.S. pricing and exports maintains price pressure in the E.U.

NONHYGROSCOPIC: 550 - 750

EASTERN OVERVIEW: In Eastern Europe, milk production is steady to slightly higher, expected for the season. Demand is light for most milk powders while milk supplies are adequate for manufacturers' needs.

**Exchange rates for selected foreign currencies:
November 23, 2015**

.1037 Argentina Peso	.0081 Japan Yen
.7192 Australian Dollar	.0604 Mexican Peso
.7482 Canadian Dollar	.6520 New Zealand Dollar
1.0637 Euro	.2502 Poland Zloty
.0151 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos:
(1/.0604) = 16.5563 Mexican Pesos.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered November 16 - 27, 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.

OCEANIA OVERVIEW: Australian milk production is showing signs of struggling to maintain desired volumes in some areas where dry conditions are developing. Southeastern Australia is a significant milk producing area which is beginning to have continuing dry weather. Eastern Victoria is now considered dry, resulting in concerns that milk production will suffer. Northern Victoria and Southern New Wales are also now struggling with increasing dryness and high irrigation water prices, which have reduced milk volumes in those areas. These reductions will be challenging to recover as the milk season progresses. Overall milk production is slowing with concerns that late into summer may yield negative growth in production. There are expectations of revisions in some previous projections of 1-2% milk production growth for the year. **New Zealand** milk production is trending lower on the shoulder. Expectations for lower milk production remain and pasture conditions have not abated those concerns. Previous milk production forecasts are expected to be lowered as pasture conditions contribute to bringing milk production below expectations. Weaker export demand for New Zealand dairy powders to traditional markets such as China, is increasingly a concern. **GDT SUMMARY:** At the November 17 GDT event #152, average prices ranged from -11.0% lower to 5.6% 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, \$3,430 -5.9%; butter, \$2,709 +5.6%; buttermilk powder, \$1,825 -1.0%; cheddar cheese, \$2,874 -5.0%; lactose, \$503 -2.0%; rennet casein, \$5,250 -4.4%; skim milk powder, \$1,851 -8.1%; and whole milk powder, \$2,148 -11.0%.

BUTTER: Oceania butter prices are up slightly at the bottom of the price range but stable at the top. This market is called "difficult", and has kept some potential buyers on the sidelines because many are comfortably stocked with butter for present needs. Some upward butter price movements on the November 17 gDT event #152, in contrast to a number of price declines for other commodities, is attributed to relatively low butter trading volumes reacting to recent butter price declines that were considered surprising in some quarters.

82% BUTTERFAT: 2,600 - 3,200

SKIM MILK POWDER (SMP): Oceania skim milk powder prices are trending lower in tandem with other powder pricing. Buyers are not motivated to finalize purchases due to good existing inventories as well as a feeling that prices will continue to show weakness. A number of sellers do not feel motivated to be more price flexible to make sales and are content to hold inventories in hopes of future price firming. Production is steady.

1.25% BUTTERFAT: 1,750 - 2,100

CHEDDAR CHEESE: Cheddar cheese prices in Oceania are unchanged. Some milk supplies are down at this point in the season compared with one year ago, which is slightly reducing cheese production. However, buyers are able to consider cheese from the E.U. as being competitive, which is a factor maintaining stable Oceania cheese pricing.

39% MAXIMUM MOISTURE: 3,000 - 3,300

WHOLE MILK POWDER (WMP): Whole milk powder prices in Oceania are lower with a weak market undertone. Many buyers do not feel motivated to add to existing stocks. International demand is uneven. Production is trending lower but still active for this time of year.

26% BUTTERFAT: 2,050 - 2,500

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 152 Recap - November 17, 2015											
	Contract 1 Dec-15	Contract 2 Jan-16		Contract 3 Feb-16		Contract 4 Mar-16		Contract 5 Apr-16		Contract 6 May-16		All Contracts
Anhydrous Milk Fat	n.a.	\$3,391	-7.0%	\$3,438	-5.0%	\$3,463	-5.9%	\$3,528	-4.0%	\$3,541	-4.4%	\$3,430 -5.9%
Butter	n.a.	\$2,635	4.8%	\$2,695	4.3%	\$2,850	8.2%	\$2,910	8.2%	\$2,855	6.1%	\$2,709 5.6%
Buttermilk Powder	n.a.	\$1,800	-0.3%	\$1,925	-3.7%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$1,825 -1.0%
Cheddar	n.a.	\$2,894	-3.7%	\$2,860	-4.7%	\$2,869	-6.4%	n.a.	n.a.	n.a.	n.a.	\$2,874 -5.0%
Lactose	n.a.	\$503	-2.0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$503 -2.0%
Rennet Casein	n.a.	\$5,235	-14.7%	\$5,296	-3.6%	\$5,219	-5.3%	n.a.	n.a.	n.a.	n.a.	\$5,250 -4.4%
Skim Milk Powder	\$1,765 -9.5%	\$1,839	-7.4%	\$1,835	-7.7%	\$1,862	-10.7%	\$1,919	-8.8%	\$2,044	-8.2%	\$1,851 -8.1%
Sweet Whey Powder	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Whole Milk Powder	n.a.	\$2,065	-13.0%	\$2,198	-9.6%	\$2,221	-11.1%	\$2,293	-6.0%	\$2,319	-8.7%	\$2,148 -11.0%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 152 Recap - November 17, 2015											
	Contract 1 Dec-15	Contract 2 Jan-16		Contract 3 Feb-16		Contract 4 Mar-16		Contract 5 Apr-16		Contract 6 May-16		All Contracts
Anhydrous Milk Fat	n.a.	\$1.5381	-7.0%	\$1.5595	-5.0%	\$1.5708	-5.9%	\$1.6003	-4.0%	\$1.6062	-4.4%	\$1.5558 -5.9%
Butter	n.a.	\$1.1952	4.8%	\$1.2224	4.3%	\$1.2928	8.2%	\$1.3200	8.2%	\$1.2950	6.1%	\$1.2288 5.6%
Buttermilk Powder	n.a.	\$0.8165	-0.3%	\$0.8732	-3.7%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$0.8278 -1.0%
Cheddar	n.a.	\$1.3127	-3.7%	\$1.2973	-4.7%	\$1.3014	-6.4%	n.a.	n.a.	n.a.	n.a.	\$1.3036 -5.0%
Lactose	n.a.	\$0.2282	-2.0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$0.2282 -2.0%
Rennet Casein	n.a.	\$2.3746	-14.7%	\$2.4022	-3.6%	\$2.3673	-5.3%	n.a.	n.a.	n.a.	n.a.	\$2.3814 -4.4%
Skim Milk Powder	\$0.8006 -9.5%	\$0.8342	-7.4%	\$0.8324	-7.7%	\$0.8446	-10.7%	\$0.8705	-8.8%	\$0.9272	-8.2%	\$0.8396 -8.1%
Sweet Whey Powder	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Whole Milk Powder	n.a.	\$0.9367	-13.0%	\$0.9970	-9.6%	\$1.0074	-11.1%	\$1.0401	-6.0%	\$1.0519	-8.7%	\$0.9743 -11.0%

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

CME GROUP, INC FUTURES

Selected settling prices

Month	11/13	11/16	11/17	11/18	11/19	11/20	11/23	11/24
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)								
NOV 15	15.41	15.40	15.36	15.38	15.31	15.33	15.33	15.32
DEC 15	15.06	14.82	14.74	14.84	14.81	14.77	14.68	14.49
JAN 16	15.12	14.95	14.76	14.93	14.82	14.76	14.71	14.38
FEB 16	15.07	15.01	14.86	15.01	15.00	14.96	14.95	14.71
MAR 16	15.25	15.28	15.12	15.17	15.21	15.25	15.26	15.07
APR 16	15.43	15.43	15.27	15.27	15.30	15.35	15.33	15.20
MAY 16	15.73	15.66	15.54	15.50	15.53	15.50	15.51	15.47
JUN 16	16.16	16.12	15.99	15.90	15.90	15.87	15.88	15.82
JUL 16	16.55	16.53	16.37	16.30	16.27	16.25	16.15	16.09
AUG 16	16.73	16.72	16.56	16.45	16.38	16.39	16.40	16.28
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)								
NOV 15	16.46	16.65	16.66	16.79	16.79	16.84	16.80	16.80
DEC 15	14.68	14.66	14.87	15.23	15.54	15.44	15.55	15.38
JAN 16	13.89	13.89	13.52	13.53	13.85	13.92	14.06	13.92
FEB 16	14.27	14.18	13.80	13.80	13.87	13.99	14.15	14.08
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)								
NOV 15	271.00	272.03	274.03	278.00	279.90	279.75	280.50	280.50
DEC 15	220.98	225.98	235.95	240.95	250.50	249.50	253.25	252.65
JAN 16	194.00	195.45	196.00	200.00	204.00	204.50	209.50	205.03
FEB 16	190.45	191.95	192.00	192.00	194.25	195.48	199.00	195.25
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)								
NOV 15	85.08	85.08	84.45	84.40	83.00	82.55	82.20	82.23
DEC 15	85.78	84.65	83.18	83.00	83.00	81.28	81.03	78.78
JAN 16	91.65	89.50	85.80	85.80	86.70	86.65	86.28	85.80
FEB 16	96.00	94.35	90.65	90.65	91.50	92.30	92.48	92.25
WHEY (Electronic-Traded) (¢/lb)								
NOV 15	24.10	24.20	24.20	23.25	22.98	22.98	22.90	22.90
DEC 15	25.75	26.75	25.38	25.38	24.43	24.18	23.50	22.75
JAN 16	27.50	27.25	26.15	26.15	26.08	25.50	25.00	24.35
FEB 16	27.28	27.65	26.75	26.13	26.00	25.50	25.75	25.00
CHEESE CSC (Electronic-Traded) (\$/lb)								
NOV 15	1.67	1.66	1.66	1.66	1.66	1.66	1.66	1.66
DEC 15	1.64	1.60	1.60	1.60	1.60	1.60	1.60	1.58
JAN 16	1.64	1.63	1.61	1.62	1.62	1.61	1.61	1.58
FEB 16	1.65	1.64	1.63	1.64	1.64	1.64	1.64	1.62
MAR 16	1.66	1.66	1.65	1.66	1.66	1.67	1.67	1.65

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	SEP 30, 2013	SEP 30, 2014	REVISED SEP 30, 2015	OCT 31, 2013	OCT 31, 2014	OCT 31, 2015
Butter	233,031	152,361	187,528	181,799	147,956	179,035
Cheese, Natural American	661,046	631,279	698,830	626,161	623,336	695,611
Cheese, Swiss	29,975	25,684	22,037	27,923	25,600	21,409
Cheese, Other Natural	379,676	356,819	431,534	365,632	346,730	431,489
Total Cheese	1,070,697	1,013,782	1,152,401	1,019,716	995,666	1,148,509

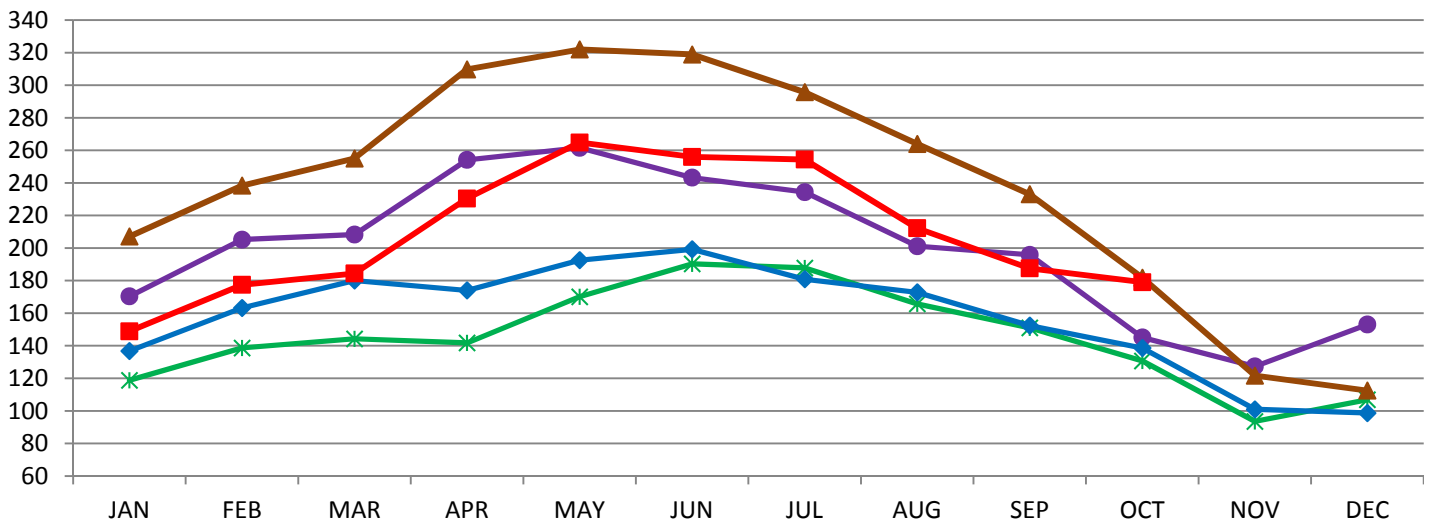
OCTOBER STORAGE HOLDINGS BY REGION

REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2013	2014	2015	2013	2014	2015	2013	2014	2015
New England	50,453	62,938	64,321	---	---	---	881	1,271	2,422
Middle Atlantic	57,387	67,877	70,875	---	---	---	15,440	19,479	29,057
East North Central	250,588	230,913	277,329	---	---	---	263,012	230,130	267,228
West North Central	91,101	100,045	110,962	---	---	---	40,175	42,527	46,908
South Atlantic	548	680	961	---	---	---	4,619	3,493	26,292
East South Central	4,636	4,861	4,982	---	---	---	6,484	17,373	13,456
West South Central	8,374	19,701	11,250	---	---	---	461	624	971
Mountain	51,431	47,455	56,428	---	---	---	3,426	2,342	3,804
Pacific	111,543	88,866	98,503	---	---	---	31,134	29,491	41,351
TOTAL	626,161	623,336	695,611	181,799	147,956	179,035	365,632	346,730	431,489

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

MILLION POUNDS

BUTTER COLD STORAGE HOLDINGS



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

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

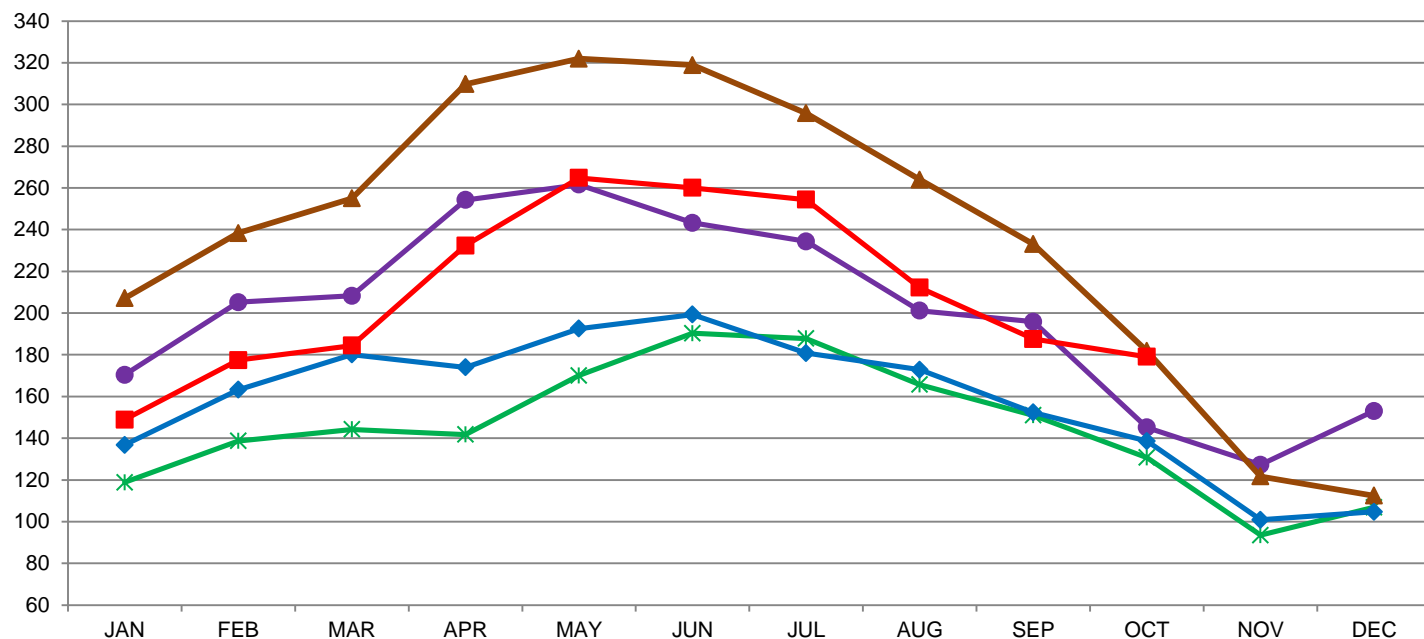
Consumer Price Index and Average Retail Prices for Selected Products, U.S. City Average ¹

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
Aug	247.7	1.6	220.7	-2.5	209.4	-8.4	231.9	-2.5	232.9	-1.8	263.6	2.0
Sep	248.6	1.6	222.3	-2.3	210.6	-9.1	233.2	-1.6	240.1	-2.2	263.2	0.9
Oct	249.1	1.6	221.9	-3.0	210.4	-8.5	232.9	-3.0	250.9	-2.3	261.6	0.7
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		
Aug	3.389	3.673	N/A	N/A	4.346	4.482	5.336	5.580	4.597	4.751		
Sep	3.392	3.732	N/A	N/A	4.439	4.450	5.382	5.565	4.791	4.987		
Oct	3.338	3.766	N/A	N/A	4.331	4.487	5.478	5.568	4.626	4.884		

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.

U.S. Butter Cold Storage Holdings

MILLION POUNDS

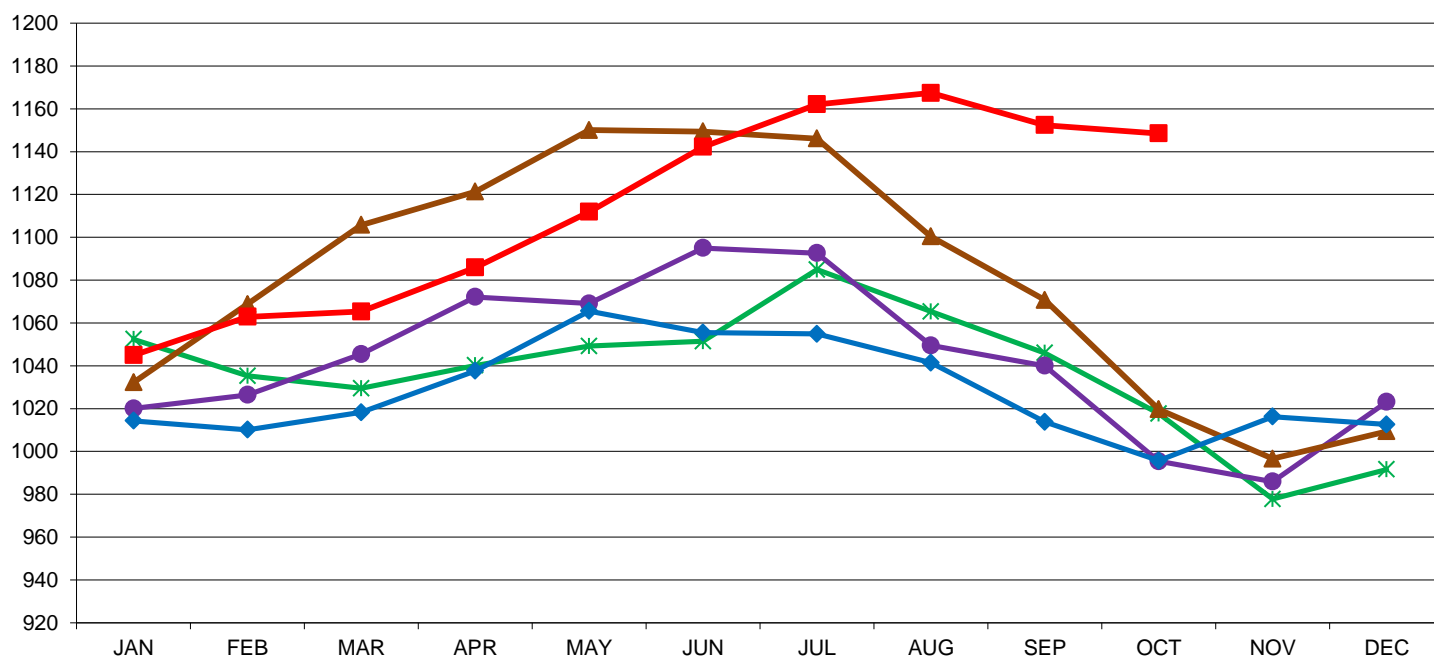


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

✱ 2011 ● 2012 ▲ 2013 ◆ 2014 ■ 2015

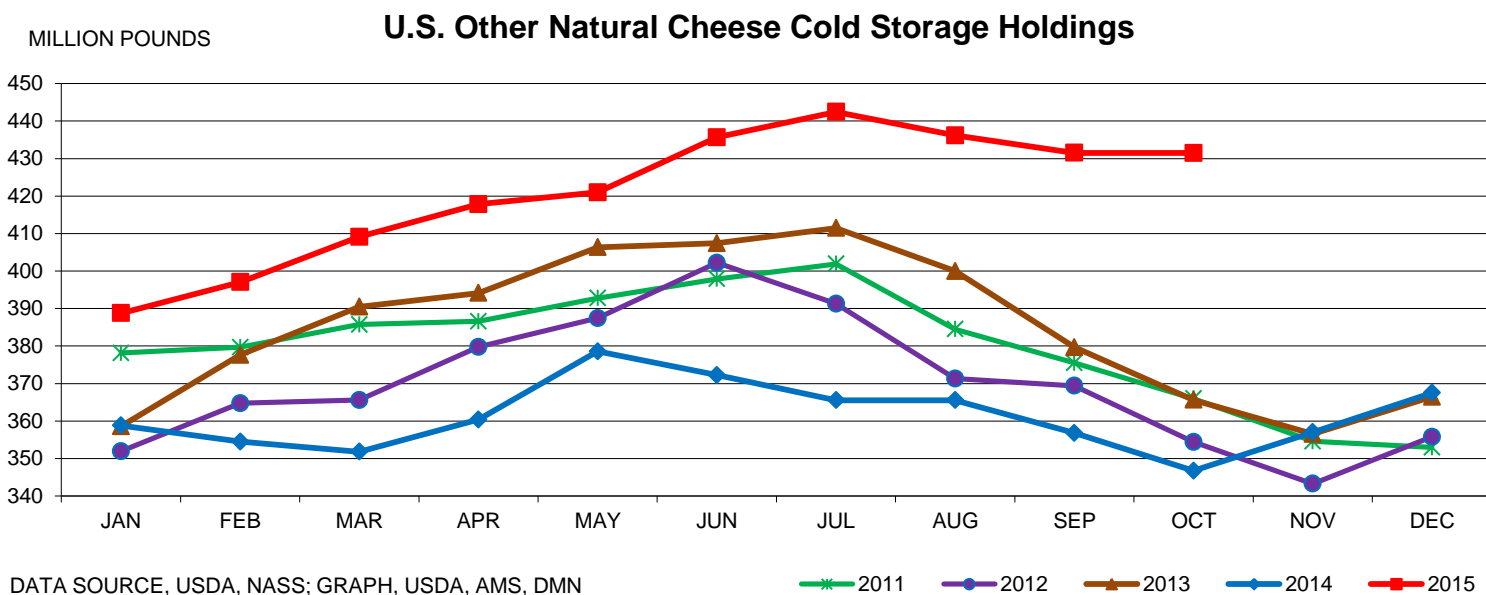
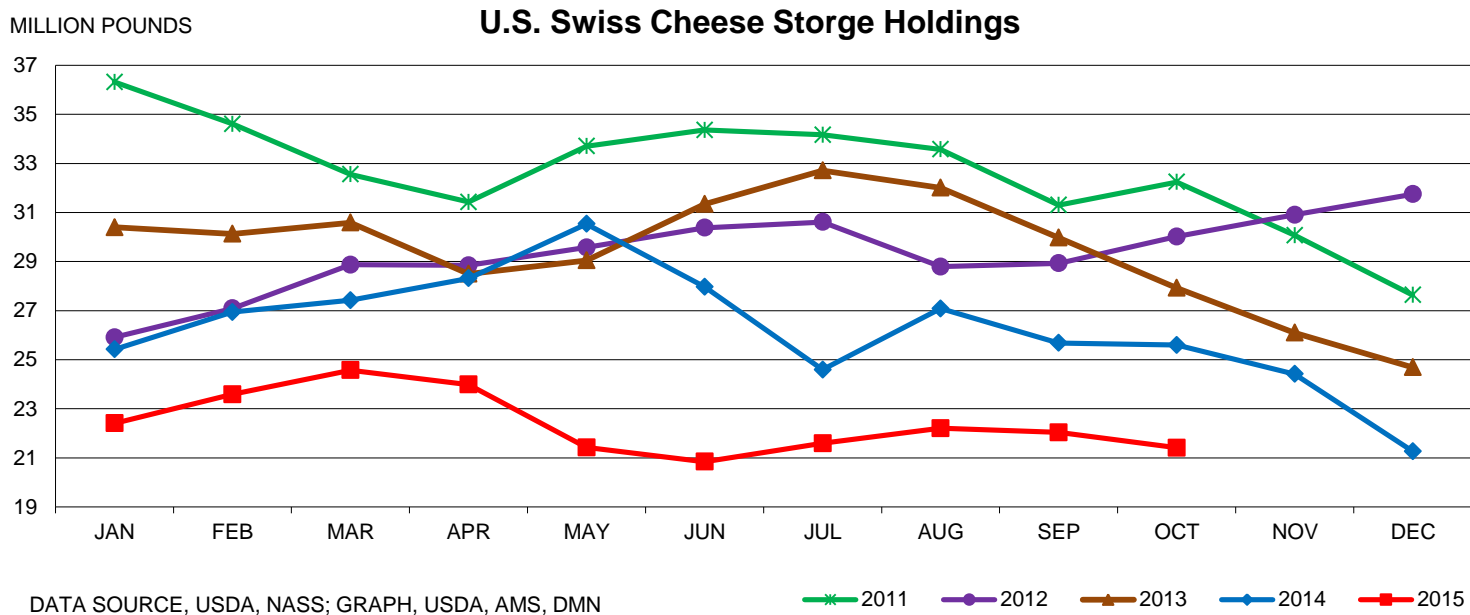
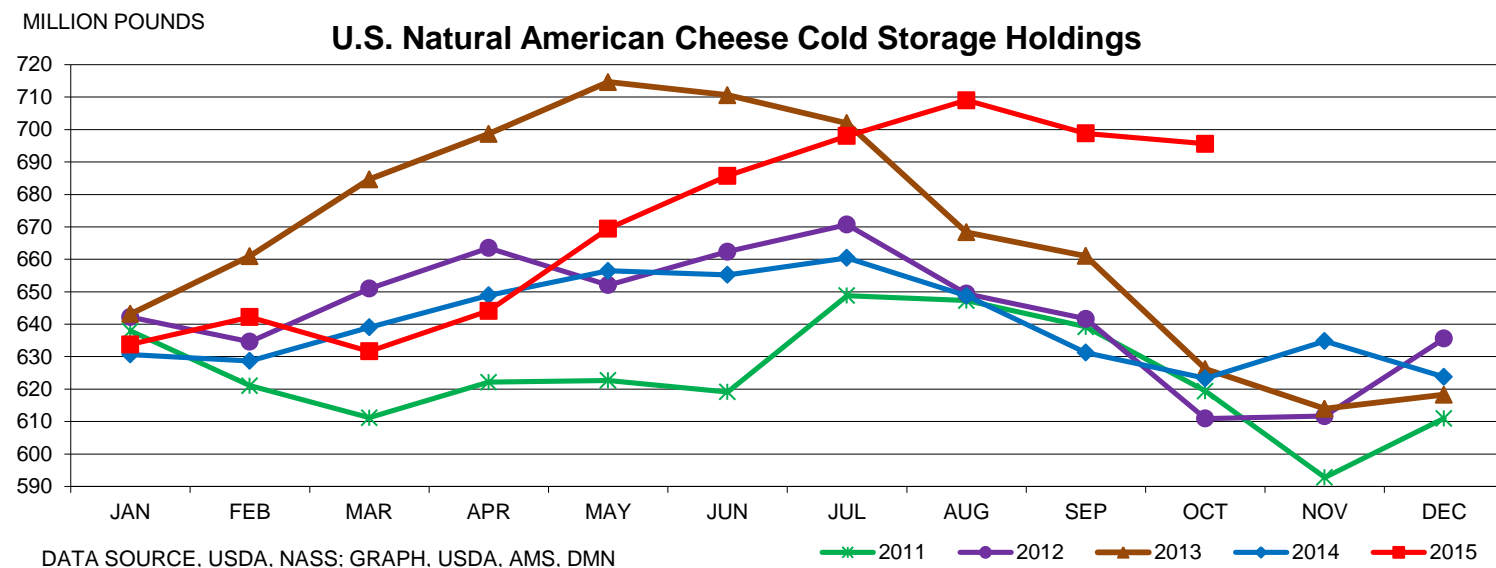
U.S. Total Natural Cheese Cold Storage Holdings

MILLION POUNDS



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

✱ 2011 ● 2012 ▲ 2013 ◆ 2014 ■ 2015





Dairy Market News Branch

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National Retail Report - Dairy

Websites: <http://www.marketnews.usda.gov/mnp/da-home> and <http://www.ams.usda.gov/mnreports/dybretail.pdf>
and http://www.ams.usda.gov/mnreports/wa_lo100.txt

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Wednesday, November 25, 2015

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 11/27/2015 to 12/03/2015

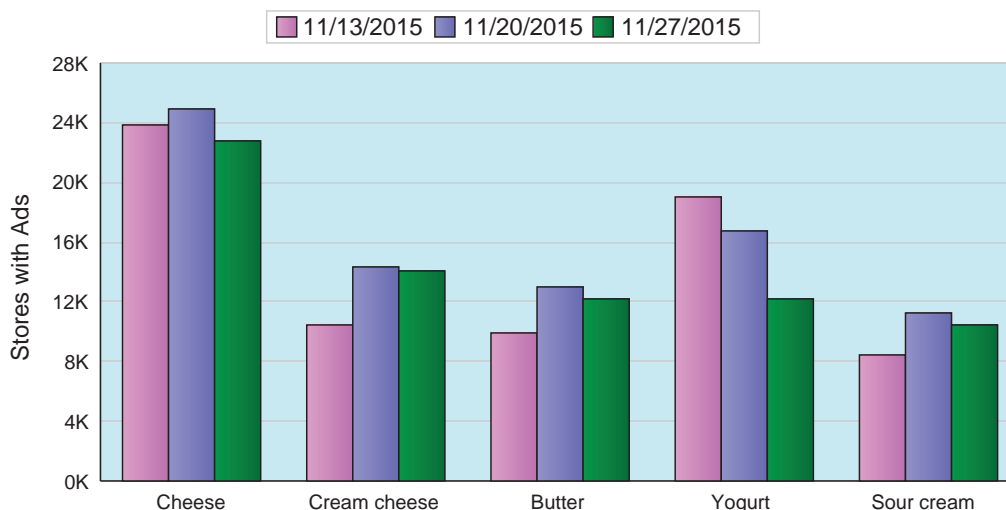
This Thanksgiving week, ads for half gallon containers of egg nog, up 165%, represent the greatest percentage gain in ad numbers. The weighted average national advertised price of \$3.39 is \$1.16 below last week and 63 cents below one year ago. Other ads with high numbers focused on Thanksgiving include 8 ounce cream cheese, \$1.49, up 6 cents from last week, and 16 ounce sour cream, \$1.76, up 1 cent from last week. The volume of conventional dairy ads decreased by 14% compared to the previous week.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.33, up 5 cents from last week, but 22 cents below a year ago; 8 ounce shred cheese averaged \$2.30, up 1 cents from last week, but 20 cents below one year ago. Ads for conventional cheese decreased 8% from last week, and organic cheese ads decreased 34%.

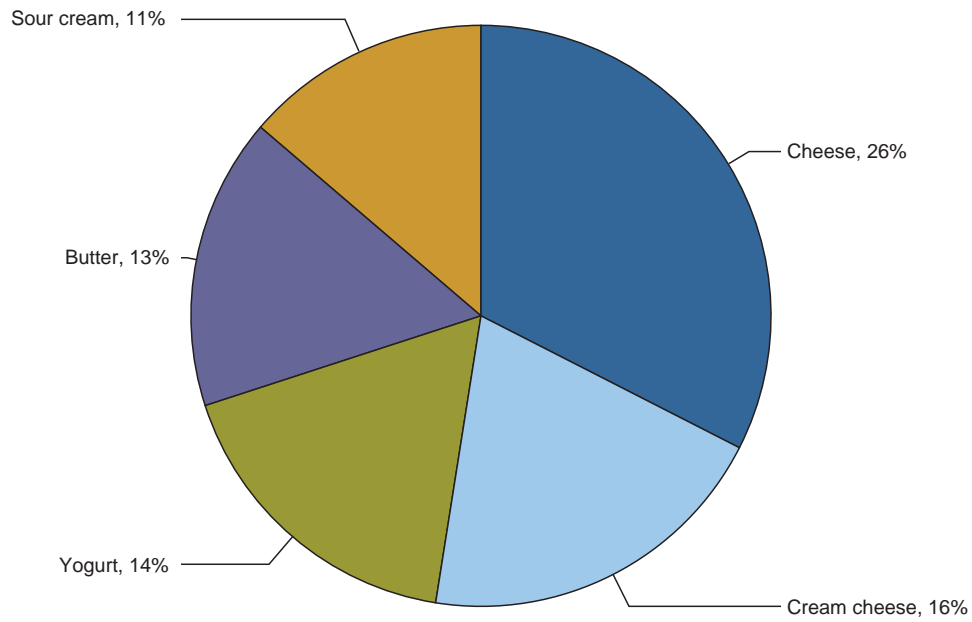
Conventional yogurt ad numbers decreased 25% from last week. Organic yogurt ads decreased 88%. The average price of 4-6 ounce conventional Greek yogurt is \$1.02, 4 cents above last week, and 7 cents above a year ago. Conventional yogurt in 4-6 ounce packages averaged 50 cents, down 2 cents from last week, but up 1 cent from a year ago.

The price spread between organic and conventional half gallon milk is \$1.53. Last week the spread was \$2.16. The price spread is the difference between national weighted average prices for organic, \$3.95, and conventional, \$2.42.

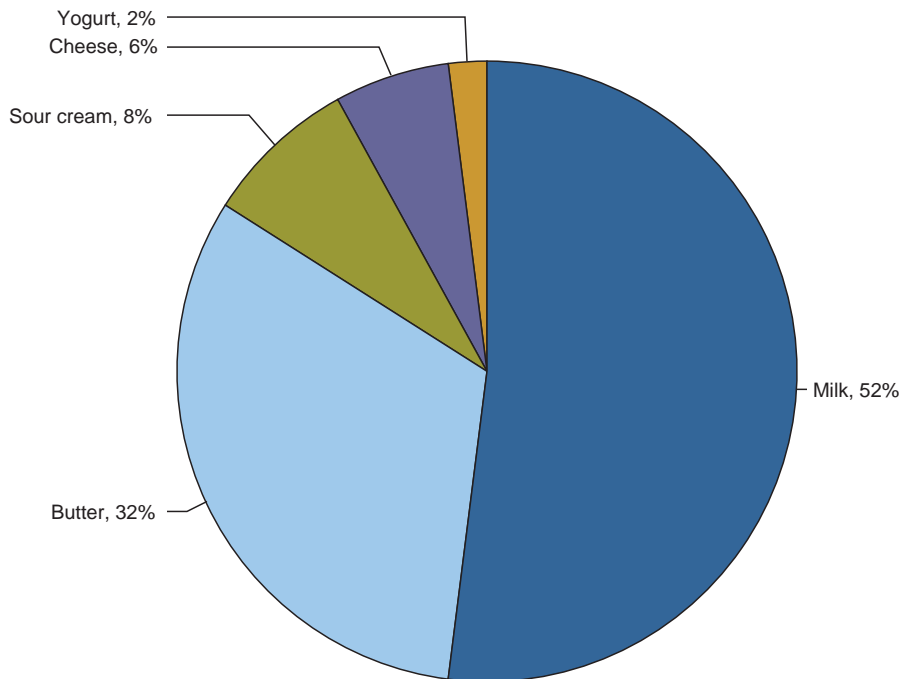
Top 5 Commodities Featured



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 #	11119	2.84	12025	2.82	9058	3.28
Cheese	Natural Varieties	8 oz block	11890	2.33	12089	2.28	11471	2.55
Cheese	Natural Varieties	1 # block	708	3.64	849	3.84	300	4.36
Cheese	Natural Varieties	2 # block	521	8.04	638	6.39	2823	7.60
Cheese	Natural Varieties	8 oz shred	9283	2.30	10670	2.29	10355	2.50
Cheese	Natural Varieties	1 # shred	217	3.99	162	3.99	545	3.87
Cottage cheese		16 oz	1801	1.78	2844	1.90	950	1.92
Cream cheese		8 oz	14131	1.49	14346	1.43	13395	1.53
Egg nog		quart	147	3.49	556	3.55	864	3.69
Egg nog		half gallon	2736	3.39	1032	4.55	1604	4.02
Flavored milk	All fat tests	half gallon	53	2.50	303	1.79		
Ice cream		48-64oz	9478	3.16	13354	3.21	14184	3.26
Milk	All fat tests	half gallon	161	2.42	533	1.64	104	2.44
Milk	All fat tests	gallon	496	2.69	1930	2.72	583	3.58
Sour cream		16 oz	10110	1.76	11280	1.75	10117	1.77
Yogurt	Greek	4-6 oz	7609	1.02	8889	.98	11367	.95
Yogurt	Greek	32 oz	888	4.76	1359	4.51	803	4.97
Yogurt	Yogurt	4-6 oz	2853	.50	4971	.52	3929	.49
Yogurt	Yogurt	32 oz	804	2.32	1043	2.63	1593	3.00

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-4.99	1750	3.22	2.00-3.50	2768	2.63	2.29-3.00	2549	2.74
Cheese	Natural Varieties	8 oz block	1.49-2.99	2657	2.20	1.79-3.50	4068	2.78	1.50-2.99	2679	1.99
Cheese	Natural Varieties	1 # block	2.50-4.99	252	3.42	3.50	214	3.50			
Cheese	Natural Varieties	8 oz shred	1.99-3.00	2756	2.47	2.00-2.50	1475	2.45	1.50-2.50	1577	2.15
Cheese	Natural Varieties	1 # shred	3.99	135	3.99						
Cottage cheese		16 oz	2.00-2.50	370	2.28	2.50	101	2.50	1.25-1.50	387	1.34
Cream cheese		8 oz	0.99-2.50	3341	1.56	0.99-2.00	3573	1.44	0.89-2.00	2958	1.33
Egg nog		quart	3.49	147	3.49						
Egg nog		half gallon	2.99-5.99	1023	4.21	3.00	1083	3.00	3.49	53	3.49
Flavored milk	All fat tests	half gallon							2.50	53	2.50
Ice cream		48-64oz	1.99-3.99	2657	2.89	2.49-3.50	416	3.25	2.00-4.99	2426	3.47
Milk	All fat tests	half gallon	2.28	62	2.28						
Milk	All fat tests	gallon	1.99	161	1.99				2.50-2.77	122	2.65
Sour cream		16 oz	0.99-2.00	2908	1.61	1.49-2.00	2097	1.98	1.25-2.00	1431	1.62
Yogurt	Greek	4-6 oz	0.80-1.25	2265	1.07	1.00-1.25	2818	1.01	0.88-1.25	769	1.03

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	4-6 oz	0.40-0.50	748	.48				0.50-0.60	470	.51
Yogurt	Yogurt	32 oz	2.69-2.99	122	2.84				1.88	213	1.88

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 #	1.98-3.00	1444	2.77	2.50-3.99	1969	3.00	1.99-3.99	637	2.67
Cheese	Natural Varieties	8 oz block	1.66-2.79	1220	2.04	1.67-3.00	1266	2.19			
Cheese	Natural Varieties	1 # block	3.99	242	3.99						
Cheese	Natural Varieties	2 # block				8.99	345	8.99	4.99-6.99	174	6.20
Cheese	Natural Varieties	8 oz shred	1.50-2.79	1353	2.08	1.67-3.00	1728	2.27	1.99-2.00	394	2.00
Cheese	Natural Varieties	1 # shred	3.99	82	3.99						
Cottage cheese		16 oz	1.25-2.38	365	1.61	0.99-2.50	578	1.74			
Cream cheese		8 oz	0.99-2.00	1227	1.42	1.00-2.49	2261	1.73	1.25-1.50	758	1.44
Egg nog		half gallon	2.50	121	2.50	2.99	167	2.99	2.50	289	2.50
Ice cream		48-64oz	1.99-3.99	2036	3.52	1.99-3.50	1625	2.73	2.49	289	2.49
Milk	All fat tests	half gallon	2.50	99	2.50						
Milk	All fat tests	gallon	2.99-3.39	213	3.24						
Sour cream		16 oz	1.00-2.00	1177	1.72	0.99-2.50	2053	1.82	1.69-2.00	417	1.84
Yogurt	Greek	4-6 oz	1.00	692	1.00	0.88-1.00	652	.97	0.88-1.00	384	.97
Yogurt	Greek	32 oz	3.99-4.99	179	4.44	4.99	604	4.99	4.00	105	4.00
Yogurt	Yogurt	4-6 oz	0.50-0.60	352	.54	0.50-0.60	1055	.52	0.29-0.50	226	.39
Yogurt	Yogurt	32 oz	2.50	245	2.50	2.50	117	2.50	1.99	105	1.99

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
Butter		1 #	3.50	2	3.50			
Cheese	Natural Varieties	2 # block	5.49	2	5.49			
Cream cheese		8 oz	1.50-2.00	13	1.92			
Ice cream		48-64oz	3.98	2	3.98	4.99	27	4.99
Sour cream		16 oz				2.99	27	2.99
Yogurt	Greek	4-6 oz	1.67	2	1.67	1.25	27	1.25
Yogurt	Yogurt	4-6 oz	0.60	2	.60			
Yogurt	Yogurt	32 oz	3.00	2	3.00			

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 #	1094	5.36	1019	5.79	165	6.99
Cheese	Natural Varieties	8 oz block	219	4.31	250	4.43	1293	3.99
Cheese	Natural Varieties	8 oz shred			82	3.50	944	3.99
Egg nog		quart			63	3.49		
Milk	All fat tests	half gallon	1715	3.95	1372	3.80	3102	3.63
Milk	All fat tests	gallon			84	6.79	232	6.49
Milk	All fat tests	8 oz UHT	84	.92	627	.84	201	1.00
Sour cream		16 oz	273	2.35				
Yogurt	Greek	4-6 oz	55	1.25	333	1.25	293	1.25
Yogurt	Yogurt	32 oz			114	3.50	235	3.49

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
Butter		1 #				5.99	210	5.99	5.39-5.99	440	5.62
Milk	All fat tests	half gallon	3.99	84	3.99						
Milk	All fat tests	8 oz UHT	0.92	84	.92						
Sour cream		16 oz	2.00	84	2.00						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.99-5.99	327	5.09	3.99	117	3.99			
Cheese	Natural Varieties	8 oz block	3.69	114	3.69				4.99	105	4.99
Milk	All fat tests	half gallon	3.49-3.69	186	3.61	2.99-4.49	1445	3.99			
Sour cream		16 oz	2.50	72	2.50	2.50	117	2.50			
Yogurt	Greek	4-6 oz	1.25	55	1.25						

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

REGIONAL DEFINITIONS

Wtd Avg - Simple weighted average



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



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Dairy Programs

Market Information Branch

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