

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (1/8)**

BUTTER: Grade AA closed at \$2.0350. The weekly average for Grade AA is \$2.0370 (-.0080).

CHEESE: Barrels closed at \$1.5400 and 40# blocks at \$1.4600. The weekly average for barrels is \$1.5030(+.0155) and blocks, \$1.4785 (+.0241).

NONFAT DRY MILK: Grade A closed at \$.7325. The weekly average for Grade A is \$.7440 (-.0048).

BUTTER HIGHLIGHTS: After the New Year's holiday, butter production is still strong throughout the country. Bottling processing is making cream more available for churning. Butter demand from retailers is seasonally light. In the Central region, there is some concern that Q1 needs were prefilled when prices were lower in December. As a result, new butter sales may lag in early 2016. In the Northeast, moderate shipments of unsalted butter are clearing into international markets. With supply above immediate needs, salted butter loads are clearing into cold storage. The CME Group monthly average price for Grade AA butter during December was \$2.3318, compared to \$1.7633 a year ago. The NASS Dairy Products report noted November U.S. butter production totaled 150.8 million pounds, up 4.4 percent from a year ago. January-November cumulative U.S. production totals 1.671 billion pounds, 0.9 percent behind 2014 during the same period. At the CME Group, Grade AA butter price on Friday closed at \$2.0350, down 4.5 cents throughout the week.

CHEESE HIGHLIGHTS: Cheese production is relatively active across the country. Many manufacturers are resuming regular schedules following the holidays. Although some additional milk is being diverted back into bottling with school sessions restarting after winter break, there is plenty of milk available for processing. Some plants are increasing production, while taking advance of ample milk supplies and associated price discounts. Demand for cheddar is steady to higher, while Swiss demand is steady to lower. Mozzarella demand is picking up as pizza companies resume production and push a little more in advantage of the football playoffs and Super Bowl. Wholesalers and retailers are projecting increased sales for the next few weeks leading up to the big game. Cheese production in the U.S., year to date through November, is 2.3% above 2014. At the CME Group, Barrels closed the week on Friday at \$1.5400, up \$0.0100 from last week's close and blocks closed at \$1.4600, down \$0.0475 from last week's close.

FLUID MILK: Much of the nation's milk production is following typical seasonal trends with various weather systems giving a push up or down to milk volumes. Northeast and Mid-Atlantic milk production are at seasonal levels. Cooler, comfortable temperatures in Florida helped increase milk production. In the north Central area, farmers have seen some increases in milk. Utah and Idaho milk intakes have been steady, but several cold days in the Pacific Northwest have pushed milk production down a bit. Farmers across California and Arizona are facing slightly lower milk volumes while trying to stretch feed supplies until spring, when the new alfalfa hay crop becomes available. Milk production in New Mexico and the south Central U.S. was adversely impacted by winter storm Goliath last week. The full effect of the storm has yet to be determined as producers assess the damage to dairy livestock, feed, equipment and buildings. With many schools resuming sessions after winter break, bottling demand has increased. In addition, smaller operations have resumed accepting milk deliveries that were slowed over the holidays. Cream supplies that were harder to clear last week are finding homes this week. Some ice cream manufacturers are restarting following holiday closings.

DRY PRODUCTS: Prices for low/medium heat nonfat dry milk are steady to lower across the country. The market tone continues to be weak. Inventories of low/medium heat nonfat dry milk are building. High heat nonfat dry milk prices are unchanged. Dry buttermilk prices are steady to lower. Buyer interest outside of contracts is light. Dry whole milk f.o.b. spot prices are unchanged. Prices for dry whey are mixed between regions and the market is a little unsettled. Dry whey production is active. Whey protein concentrate 34% prices are mostly steady, but the market tone remains unsettled. Prices for lactose moved slightly higher. Manufacturers report inventories have tightened. Casein prices for both acid and rennet strengthened slightly.

INTERNATIONAL DAIRY MARKET NEWS (DMN): WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: Northern Europe continues to have a mild winter, which is helping to keep milk production higher. Many areas have experienced no frost. In fact, production has been so strong that some proposals to incentivize producers to lower milk output are circulating.

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CME GROUP CASH TRADING

COMMODITY	MONDAY JAN 04	TUESDAY JAN 05	WEDNESDAY JAN 06	THURSDAY JAN 07	FRIDAY JAN 08	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$1.5200 (-.0100)	\$1.4800 (-.0400)	\$1.4800 (N.C.)	\$1.4950 (+.0150)	\$1.5400 (+.0450)	:: (+.0100)	:: \$1.5030 (+.0155)
40# BLOCKS	\$1.5125 (+.0050)	\$1.4900 (-.0225)	\$1.4700 (-.0200)	\$1.4600 (-.0100)	\$1.4600 (N.C.)	:: (-.0475)	:: \$1.4785 (+.0241)
NONFAT DRY MILK GRADE A	\$.7575 (+.0025)	\$.7450 (-.0125)	\$.7425 (-.0025)	\$.7425 (N.C.)	\$.7325 (-.0100)	:: (-.0225)	:: \$.7440 (-.0048)
BUTTER GRADE AA	\$2.0400 (-.0400)	\$2.0400 (N.C.)	\$2.0375 (-.0025)	\$2.0325 (-.0050)	\$2.0350 (+.0025)	:: (-.0450)	:: \$2.0370 (-.0080)

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.USDAGOV/MARKET-NEWS/DAIRY

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

Many expect milk production in 2016 to increase 1.3%. SMP continues to be offered into intervention. From December 14-20, 2015, 2,616 MT entered the program. Quantities in metric tons were offered from the following countries: Belgium, 1,398; France, 500; Lithuania, 393; and Netherlands, 325. Total volumes for the period were up from 1,886 MT the previous week, December 7-13, 2015. Public intervention is scheduled to remain available until September 30, 2016.

EASTERN OVERVIEW: Milk production in Poland during 2015 was particularly strong. For the period January-November, production increased 2.4%.

OCEANIA OVERVIEW: Australia. The China-Australia Free Trade Agreement (ChAFTA) begins its first full year on January 1, 2016, following a shortened December 20-31, 2015 first year. The 2016 period will yield tariff reductions from 2015, and begin a path to reaching zero tariffs for all dairy exports from Australia to China. Construction will begin in 2016 for a new state-of-the-art cheese plant in Stanhope, Australia, able to produce 45,000MT of cheeses each year. Varieties will include Parmesan, Gouda and mozzarella. The capacity triples capacity of a plant destroyed by fire in 2014. Enterprises manufacturing consumer packaged infant formula and nutritional powders will be looking for more milk in 2016 to support production volumes, finding good gross margins from this focus. The view in Australia is that El Nino is near its peak and that leaves uncertainty as to whether summer rainfall will be below average or above. Irrigation water allocations and water remain expensive and thus, not much traded. The quality of feed grains remains variable. Some Victoria growers are putting more hay into storage, reducing currently available volumes, in expectation of a dry season ahead. Some crops and stored hay were destroyed by fires in central South Australia. High cull cow prices continue to induce some producers to reduce herd sizes to more easily cope with dry conditions. Dairy Australia reports dairy product exports for the July-October period totaling 243.4 thousand MT, up 8.1% from the year ago period. Various dairy product export changes compared to the same period last year are: butter, -26.2%; butter oil, -35.4%; cheddar, +9.9%; SMP, +43.6%; WMP, -0.9% and whey products -45.3%. The total value of exports for the July-October period was up 6.9%. October 2015 **New Zealand** milk production as reported by DCANZ was 3,211 million MT, down 2.67% from October 2014 but 1.74% higher than the level two years ago. At the January 5 **GDT** event #155, average prices ranged from 4.4% lower to 11.4% 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, \$3,644 -2.7%; butter, \$3,314 +6.7%; buttermilk powder, \$1,586 +1.0%; cheddar cheese, \$2,964 +3.5%; lactose, \$594 +11.4%; rennet casein, \$4,736 +3.9%; skim milk powder, \$1,890 -0.8%; sweet whey powder, n.a.; and whole milk powder, \$2,210 -4.4%.

NATIONAL RETAIL REPORT-DAIRY (DMN): The volume of dairy ads advanced this week from the recent holiday decline. Organic dairy ads compared to conventional ads had the larger increase, 127% over the previous week. The top three regions posting organic dairy ads were the Midwest, South Central, and Southeast. Conventional dairy ads grew 78%, compared to the previous week, while conventional butter ads posted the largest change, about 21 times more ads than the previous week's number. The average price for conventional yogurt in 4-6 ounce packages is 48 cents, down 1 cent from last week, but up 1 cent from a year ago. The average price of 4-6 ounce conventional Greek yogurt is \$.94, down 1 cent from last week and 2 cents lower than a year ago. Conventional yogurt ad numbers increased 96% from last week. Organic yogurt ads this week are about 7 times more than the previous week's. The U.S. advertised price for 8

ounce conventional cheese blocks averaged \$2.19, up 18 cents from last week, but down 14 cents from a year ago; 8 ounce shred cheese averaged \$2.17, down 7 cents from last week while 37 cents below one year ago. Advertisements for both conventional and organic cheeses increased from last week, 81% and 204% respectively. The price spread between organic and conventional half gallon milk is \$1.89. The price spread is the difference between national weighted average prices for organic, \$3.72, and conventional, \$1.83. Conventional milk ads increased by 88% from last week, while organic ads increased by 78%.

NOVEMBER DAIRY PRODUCT HIGHLIGHTS (NASS):

Butter production was 150.8 million pounds, 4.4 percent above November 2014, and 2.2 percent above October 2015. American type cheese production totaled 377.3 million pounds, 0.3 percent below November 2014, and 3.6 percent below October 2015. Total cheese output (excluding cottage cheese) was 975.7 million pounds, 0.6 percent above November 2014, but 2.2 percent below October 2015. Nonfat dry milk production, for human food, totaled 126.1 million pounds, 16.9 percent below November 2014 but 6.7 percent above October 2015. Dry whey production, for human food, was 80.2 million pounds, 13.9 percent above November 2014, and 8.5 percent above October 2015. Ice cream, regular hard production totaled 53.7 million gallons, 0.1 percent above November 2014, but 12.7 percent below October 2015.

CME GROUP**MONDAY, JANUARY 4, 2016**

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.5125; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5200

NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.7575; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7575; LAST OFFER UNCOVERED: 5 CARS GRADE A @ \$0.8000

BUTTER -- SALES: 11 CARS GRADE AA: 3 @ \$2.0800, 5 @ \$2.0700, 1 @ \$2.0600, 1 @ \$2.0500, 1 @ \$2.0400; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0000;

LAST OFFER UNCOVERED: NONE

TUESDAY, JANUARY 5, 2016

CHEESE -- SALES: 5 CARS BARRELS: 2 @ \$1.5200, 1 @ \$1.5050, 1 @ \$1.4925, 1 @ \$1.4800; 1 CAR 40# BLOCKS @ \$1.4900; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.4700; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4900

NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 2 @ \$0.7525, 1 @ \$0.7450; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7400; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7500

BUTTER -- SALES: 1 CAR GRADE AA @ \$2.0400; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.9700; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JANUARY 6, 2016

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.4700

NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.7425; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7400; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0100; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0375

THURSDAY, JANUARY 7, 2016

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.4800, 1 @ \$1.4950; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4900; 1 CAR 40# BLOCKS @ \$1.4600; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7375; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.7525

BUTTER -- SALES: 4 CARS GRADE AA: 2 @ \$2.0300, 1 @ \$2.0350, 1 @ \$2.0325; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0000; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0400

FRIDAY, JANUARY 8, 2016

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.5300, 1 @ \$1.5400; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5400; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5500

NONFAT DRY MILK -- SALES: 8 CARS GRADE A: 1 @ \$0.7400, 4 @ \$0.7350, 3 @ \$0.7325; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7325; LAST OFFER UNCOVERED: NONE

BUTTER -- SALES: 5 CARS GRADE AA: 2 @ \$2.0325, 3 @ \$2.0350; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0325; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS**NORTHEAST**

Manufacturers in typical fashion accelerated butter production over the yearend holiday period as the region's cream supplies became plentiful. As a result, manufacturers' butter stocks are seeing what some call periodic growth as recent butter output adds to available supplies. However, some manufacturers have begun to lighten churning schedules, following renewed cream demand from Class II dairy operations that had been closed for the holidays. Domestic demand is fairly light, as buyers assess their supply situation before returning to the market. Moderate export trading is reported by some eastern butter makers, as shipments of unsalted butter clear to international markets. This week, the current bulk butter prices for domestic sales are reported 5-8 cents over the market of the CME Group, with various time frames and averages used. According to the DMN *National Retail Report-Dairy*, during the week of January 1-7, 2015, the U.S. weighted average advertised price for 1 pound butter was \$3.00, down 6 cents from a year ago and down 3 cents from the previous week. The weighted average butter price in the Northeast was \$2.99, compared to \$3.24 the previous week. The CME Group monthly average price for Grade AA butter during December 2015 was \$2.3318, compared to \$1.7633 a year ago. At the CME Group Grade AA butter closed Tuesday at \$2.0400, up \$0.0225 from last Tuesday.

CENTRAL

Butter production in the Central region is active. Cream is plentiful and with additional milk loads clearing into bottled uses, higher cream volumes are spinning off of standardizing operations. Butter manufacturers report interest is flat to lower from retailers, but food service demand is steady. There is some concern that Q1 needs were prefilled during the period in December when prices were lower.

Thus, new butter sales may lag in early 2016. Salted butter loads surplus to immediate needs are clearing into storage. The DMN *National Retail Report-Dairy* for January 1-7 noted the national weighted average advertised price for a 1 pound package of butter was \$3.00, down \$0.03 from one week ago and \$0.06 lower than a year ago. The CME Group monthly average price for Grade AA butter during December was \$2.3318, compared to \$1.7633 a year ago. The NASS *Dairy Products* report noted November U.S. butter production totaled 150.8 million pounds, up 4.4 percent from a year ago. Butter production in the Central region totaled 59.9 million pounds. January-November cumulative U.S. production totals 1.671 billion pounds, 0.9 percent behind 2014 during the same time span. The CME Group Grade AA butter market closed Wednesday at \$2.0375. This is down 2.75 cents from last Wednesday. 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 are feeling less urgency to make butter this week now that the major winter holidays have passed. Production is still active, but has slowed to match the reduced, post-holiday, domestic butter demand. Cream supplies are down a little. Butter makers are willing to use internal cream supplies for churning, but are hesitant to seek out additional cream. Butter production is mostly focused on bulk with some retail print butter produced for immediate needs. Inventories are slowly rebuilding following the peak demand last month. The DMN *National Retail Report-Dairy* for the week of January 1-7 found that the U.S. weighted average advertised price of 1 pound butter is \$3.00, down \$.03 from one week ago and down \$.06 from one year ago. There were no retail prices reported for surveyed stores in either the Northwest or Southwest this week.

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

<u>WEEK ENDING</u>	<u>BUTTER</u>	<u>CHEESE 40# BLOCKS</u>	<u>CHEESE BARRELS 38% MOISTURE</u>	<u>DRY WHEY</u>	<u>NDM</u>
January 2, 2016	2,0411 3,595,507	1,4704 11,554,015	1,4845 8,636,161	.2354 4,442,240	.7879 14,692,331

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

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Bulk butter pricing in the West this week is 4 cents under market to 2 cents above, based on the CME Group with various time frames and averages used. Dairy Products (NASS) reports U.S. butter production during November 2015, 150.8 million pounds, was 4.4% higher than November last year, and 2.2% higher than October 2015. U.S. cumulative 2015 butter production through November is 1.671 billion pounds, 0.9% lower than the same period last year. In the West, total November butter production was 76.8 million pounds, 8.2% higher than last year. California November production was 45.5 million pounds, 3.9% lower than last year. According to the California Department of Food and Agriculture, year to date California butter production through November is 529.1 million pounds, down 5.7% from a year ago. The CME Group December 2015 monthly average price for AA butter, \$2.3318, is down from the November monthly average of \$2.8779, but up from the December 2014 monthly average of \$1.7633. The Grade AA butter price at the CME Group on Wednesday closed at \$2.0375, down \$.0275 from a week ago.

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

	2015 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	2.8	- 56
TOTAL, JAN – NOV	46.8	- 69
1 Saudi Arabia	16.6	- 49
2 Mexico	9.1	- 10
3 Canada	6.7	+ 16
4 South Korea	3.1	- 23
5 Iran	1.2	- 93

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

	2015 Imports (Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
December Quota	0.6	- 46.9	4.0
TOTAL, JAN – DEC			
High Tier	21.6	+ 182.2	...
Quota	15.1	+ 1.4	8.3

CHEESE MARKETS

NORTHEAST

Cheese production has been reasonably active during the final 2015 holiday weekend into the first week of 2016. Some larger plants operated heavier production schedules, while taking advantage of the increased milk availability and associated price discounts. With the re-opening of schools, Class I demand should ease manufacturing milk intakes. Demand for cheddar is steady to higher. Best interest is for shreds and natural. Interest in Swiss is steady to lower. In general, new cheese interest is relaxed in its development as buyers assess stock levels and measure holiday sale volumes prior to placing orders. Wholesalers and retailers are projecting increased sales for the next few weeks leading up to the Super Bowl. According to the DMN National Retail Report-Dairy, for January 1-7, 2016, the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.05, 4 cents more than the national average, but 20 cents less than a week ago. The Southeast 8 oz. block cheese price was \$2.07, 24 cents less than the previous week. The Northeast, December 2015 DMN monthly average price for cheddar blocks was \$2.0306, compared to \$2.1684 the previous year. The average price for processed 5# sliced cheese was \$1.9299, compared to \$2.0402 one year ago. Last week, the CME Group average cheese price for both blocks and barrels posted an upturn. As a result, this week cheese prices for both Northeast wholesale cheddar and Muenster increased \$0.0400, while processed cheese prices increased \$0.0575. Grade A Swiss prices moved lower \$0.0400 with adjustments based on lagging Class III component prices. Tuesday's CME Group daily cash prices saw barrels close at \$1.4800, up \$0.0100 from a week ago; blocks closed at \$1.4900, up \$0.0600 from a week ago. The CME Group December 2015 monthly average price for cheese barrels was \$1.4638, compared to \$1.5305 a year ago; cheese blocks averaged \$1.4616, compared to \$1.5938 a year ago.

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

Cheddar 40# Block	:	1.8700-2.1550
Process 5# Sliced	:	1.6850-2.1650
Muenster	:	1.8900-2.2400
Grade A Swiss Cuts 10 - 14#	:	3.1700-3.4925

MIDWEST:

Midwest cheese manufacturers are resuming regular schedules following the winter holidays. Production is active with discounted milk available into next week. Although having Christmas and New Years on Friday this year cut into restaurant sales, cheese makers say food service demand has been relatively good. Domestic retail demand is also strong. Mozzarella demand is picking up as pizza companies resume production and push a little more in advance of the football playoffs and Superbowl. The DMN National Retail Report-Dairy shows that January 1-7 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.23, 1 cent lower than the national average. Midwest prices range from \$1.79-\$2.50. One year ago, the national price was \$2.35. For 8 ounce blocks, the Midwest average price is \$2.01, equal to the national average price. Midwest ads are priced from \$1.49-\$2.50. Last year, the national price was \$2.51. Midwestern wholesale prices are down \$0.0400 for Swiss cuts, but up \$0.0575 for process and up \$0.0400 for all other types. The CME Group December 2015 monthly average price for barrels, \$1.4638, is below \$1.5305, the monthly average for both November and December one

year ago. Blocks' December average price, \$1.4616, is down from \$1.6176 in November and down from \$1.5938 one year ago. In CME Group trading Wednesday, barrels closed at \$1.4800, unchanged from last Wednesday and blocks closed at \$1.4700, up \$0.0200.

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

Process American 5# Loaf	:	1.5850-1.9450
Brick And/Or Muenster 5#	:	1.8325-2.2575
Cheddar 40# Block	:	1.5600-1.9550
Monterey Jack 10#	:	1.8075-2.0125
Blue 5#	:	2.1000-3.0875
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6325-2.5725
Grade A Swiss Cuts 6 - 9#	:	2.6875-2.8050

WEST

With the major winter holidays now passed and many school sessions resuming, some additional milk is being diverted into bottling. However, milk is still readily available for processing. Manufacturers are choosing to make cheese with the extra milk. Cheese production is active. Although domestic cheese demand has remained relatively good, inventories are building. The DMN National Retail Report-Dairy for the week of January 1-7 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.24, down \$0.03 from last week, and down \$0.11 from a year ago. Packs averaged \$2.21 in the Southwest and \$2.10 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.01, down \$0.18 from last week, and down \$0.50 from a year ago. Blocks averaged \$2.22 in the Southwest and \$1.96 in the Northwest this week. In the West, wholesale prices are up \$0.0575 for process, and up \$0.0400 for cheddar block, cuts, and Monterey jack. Prices are down \$0.0400 for Swiss cuts. Dairy Products (NASS) reports total 2015 U.S. cheese production, year to date through November, is 10.681 billion pounds, 2.3% above 2014. November 2015 U.S. total cheese production, 975.7 million pounds, is 2.2% below October this year. In the West, total cheese production for November 2015 was 410.8 million pounds, 0.7% less than last month. For total cheese production and various types of cheese, November 2015 U.S. and West cheese production compared to November 2014 is as follows:

	U.S.	West
Total Cheese	+0.6%	-3.3%
American	-0.3%	-3.7%
Cheddar	+2.0%	+2.2%
Total Italian	-0.5%	-5.6%
Mozzarella	-2.0%	-6.3%
Swiss	+5.9%	...

The CME Group December 2015 monthly average price for barrels, \$1.4638, is down from the November monthly average of \$1.5305, and down from the monthly average of a year ago, \$1.5305. Blocks' December average price, \$1.4616, is down from the \$1.6176 November monthly average and down from \$1.5938 one year ago. In CME Group trading Wednesday, barrels closed at \$1.4800, unchanged from a week ago and blocks closed at \$1.4700, up \$0.0200.

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CHEESE MARKETS

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

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

Process 5# Loaf	:	1.6000-1.8575
Cheddar 40# Block	:	1.5650-2.0100
Cheddar 10# Cuts	:	1.7450-1.9650
Monterey Jack 10#	:	1.7550-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.7475-3.1775

	2015 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	50.5	- 7
TOTAL, JAN - NOV	643.6	- 14
1 Mexico	181.4	+ 12
2 South Korea	117.6	- 19
3 Japan	70.3	- 39
4 Australia	35.6	- 6
5 Canada	26.3	- 8

FOREIGN

Europe has absorbed extra holiday milk over the last holiday weeks, with some going into cheese production. Retail cheese sales in Europe are expected to slow in January, which will lead to some reduction in cheese production there. In the U.S., Domestic Swiss prices adjusted down 4 cents and the remaining domestic foreign type cheese prices in the U.S. adjusted up 4 cents.

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

VARIETY	:	NEW YORK	:	IMPORTED	:	DOMESTIC
Blue	:	2.6400-5.3800	:	2.0275-3.5150*	:	
Gorgonzola	:	3.6900-5.8900	:	2.5350-3.2325*	:	
Parmesan (Italy)	:	-0-	:	3.4175-5.5075*	:	
Provolone (Italy)	:	-0-	:	2.0700-2.3225*	:	
Romano (Cows Milk)	:	-0-	:	3.2175-5.3675*	:	
Sardo Romano (Argentina)	:	2.8500-4.9300	:	-0-	:	
Reggianito (Argentina)	:	3.2900-4.9300	:	-0-	:	
Jarlsberg-(Brand)	:	2.9500-6.4500	:	-0-	:	
Swiss Cuts Switzerland	:	-0-	:	3.2075-3.5300*	:	
Swiss Cuts Finnish	:	2.6700-2.9300	:	-0-	:	

* = Price change.

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

	2015 Imports (Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
December Quota	21.8	- 25.1	7.3
TOTAL, JAN - DEC			
High Tier	42.0	+ 41.1	...
Quota	224.8	+ 12.3	75.2

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

BUTTER : CHEESE

	:	
01/04/16	7,774	: 93,968
01/01/16	7,658	: 93,970
CHANGE	116	: -2
% CHANGE	2	: -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	90	0	90	0	0
SOUTHEAST STATES	0	0	0	0	0	0

Northeast and Mid-Atlantic milk production are at seasonal levels. Milk sales for Class I usage are active with the re-opening of most of the regions' educational institutions. As bottlers work on refilling the school pipelines, orders are expected to steadily improve. Milk production in the Southeast is even to increasing. The region notes a significant rise in Class I sales, causing the bulk of milk targeted for manufacturing to re-distribute to bottling. Handlers continue to look to Mid-Atlantic to help support the surge in bottling add-ons. Weather conditions in Florida are contrary to last week, with temperatures declining into the 50s. The drop has increased milk production somewhat, as the cooler conditions are conducive to cow comfort. Class I sales climbed compared to the previous week. Milk spot shipments are at 90 export loads, matching last week's number.

Condensed skim prices continue to display softness. Movement of condensed skim is mostly contractual. Plants continue to send heavy volumes to dryers. **Cream multiples** are ranging **1.00-1.17**. Cream supplies which were harder to clear last week are finding homes this week. Contracted loads are clearing to Northeast and Mid-Atlantic ice cream plants as they resume production following holiday closings.

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 - 2.0450-2.3926

F.O.B. producing plants: Upper Midwest - 2.0450-2.4745

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

Northeast - Class II - includes monthly formula prices - .30-.80

Northeast - Class III - spot prices - .40-.53

MIDWEST

Handlers indicate milk production notched some increases in the north Central area while the south Central area noted some declines. The full effect of Goliath has yet to be determined in the south Central area as producers are still assessing damage to dairy livestock, feed, equipment, and buildings. One of the largest concerns looming ahead of these dairy operators is managing the safe disposal of thousands of carcasses. Milk marketers indicate the tempo of sales is slower than during the holiday weeks as smaller operations resume accepting milk deliveries. Spot milk prices range from flat Class to \$4.00 under. Bottled milk production resumed after light activity during the preceding holiday week. With most K-12 school districts reopening this week, orders for single serve milk packages are active into that market sector. Multiples for Central region Class II cream range from 1.00-1.21. Sales into a few ice cream plants increased as manufacturers plan to make up for 2015 production that was pushed into 2016 due to relatively expensive December cream prices. According to the DMN *National Retail Report-Dairy* for the week of January 1-7, the national and Midwest weighted average advertised prices for one gallon of milk are, respectively, \$2.25 and \$2.63.

WEST

Rainy conditions have been present throughout the week in the Central Valley. As a result, California farm level milk production is steady to lower. Sales into Class 1 are steady to higher as K-12 schools are reopening during the current week. Heavy milk volumes are clearing into butter/powder processing plants. Condensed skim demand from yogurt manufacturers is increasing. Some dairy operators are stretching feed supplies until the new alfalfa hay crop becomes available in late Q1. At this point, dairy operators are importing hay from nearby states. The December 4a price (butter/powder) in California is \$14.55, down \$2.02 from the previous month and last year. This compares to the Federal Order Class IV price of \$15.52 for December. The December 4b price (cheese) is \$12.90, \$1.53 lower than last month and \$1.88 lower than last year. This compares to the Federal Order Class III price for December at \$14.44. Numerous rain showers are marginally lowering milk yields in Arizona. Class I sales are increasing as schools are back in session. Demand for Class II is seasonally lower. Condensed skim volumes into NDM are steady to higher. Farm level milk output is lower in New Mexico. A significant number of dairy cows died last week due to the adverse impact of winter storm Goliath. Producers expect more deaths during this week and in the short term. Consequently, manufacturing milk volumes are down. However, some industry participants are anticipating some stability during next week. Demand for Class I is higher, but steady for Class II. According to the DMN *National Retail Report-Dairy* for the week of January 1-7, the national weighted average advertised price for one gallon of milk is \$2.25, \$2.30 in the Southwest and \$1.88 in the Northwest. Pacific Northwest milk production is following seasonal trends. Several recent cold days have pushed milk production down a bit, but processors report plenty of milk for immediate needs. With many schools resuming sessions after winter break, bottling demand has increased. Utah and Idaho milk production is steady. Dairy contacts say the snowpack in the mountains exceeds the snowpack of last year. Many farmers are optimistic the snow will provide the water needed for next year's irrigation needs. Bottled processing is making cream more available in the West. Cream volumes are readily clearing into churns. Some ice cream plants are also taking some cream loads to restart production. Interest from sour cream and aerated cream makers is weakening. Some dairy operations are choosing to churn cream instead of selling at low prices. Multiples for all classes are lower, ranging from .95 to 1.22. At the CME Group, Grade AA butter price on Wednesday closed at \$2.0375, 2.75 cents down from a week ago.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices for Central low/medium heat nonfat dry milk are unchanged to lower on a weak market. With prices shifting lower on some U.S. and global indices, and strong U.S. currencies, market participants indicate this market is facing many challenges to regain footing. Although some larger end users have annual or multiyear contracts in place, there are many mid and small size end users who are content to shop on a week to week schedule. Low/medium heat NDM production in the Central region is active, but below the output of the preceding holiday week. Manufacturers are glad to see the end of the holiday production schedules, as they are hard on staff and equipment. Inventories are building steadily. High heat NDM prices, Central, are steady. With the winter holiday season over, many bakery sector buyers are out of the market until spring. Demand is light, and some sales are on pallet-sized quantities. Production is light. Inventories are comfortable for this point in the year. The NASS *Dairy Products* report noted U.S. human NDM production during November in the Central region totaled 27.2 million pounds, 10.6 percent higher than one year ago. The CME Group monthly average price for Grade A NDM during December was \$0.7685, compared to \$1.0506 a year ago. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during December was \$0.8541, compared to \$1.1639 a year ago. The December monthly average of the range price series for Central and East high heat was \$1.0366 compared to \$1.3527 a year ago.

DAIRY PRODUCTS: Total U.S. human NDM production during November was 126.1 million pounds, 16.9 percent lower than last year. During January–November 2015, U.S. human NDM production totaled 1.667 billion pounds, 4.1 percent more than the same time span in 2014. Total U.S. NDM human month ending stocks for November were 200.5 million pounds, 8.4 percent below a year ago.

EAST: Prices for low/medium heat nonfat dry milk in the East region are lower in a downward trending market. Drying operations in the region ran at capacity over the holiday weekend into the first half of this week. Low/medium nonfat dry milk production schedules are easing somewhat and will likely return to normal as the week advances, due to increased Class I needs. Resale price inquiries are frequent, however, little product is moving, as is the case in the f.o.b. spot market. Buyers are making purchases of low/medium NDM around their immediate needs, while searching out better price incentives, as a fairly competitive market develops. Producers' stocks are building. Sources report that interest is growing for Q2 needs, while describing Q1 as somewhat sluggish. The market undertone is weak. Eastern high heat nonfat dry milk prices are unchanged in a quiet market. Production schedules are sporadic as producers manage schedules aimed at throughput. Buyer interest is light. Inventories are adequate for current needs. The December 2015 Dairy Market News monthly average for the Central/East low/medium heat nonfat dry milk range price series is \$0.8509 compared to \$1.1755 a year ago.

DAIRY PRODUCTS: According to NASS, the Atlantic region's production of human nonfat dry milk in November 2015 totaled 18.5 million pounds, 21.5% less than a year ago and 15.1% less than the previous month. The November 2015 U.S. production of skim milk powder, totaled 44.1 million pounds, 44.1% more than a year ago and 11.1% more than the previous month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7850 - .8700 MOSTLY: .8200 - .8500
HIGH HEAT: .9000 - 1.1500

NONFAT DRY MILK - WEST

Prices for low/medium heat nonfat dry milk (NDM) are steady to lower, following movement on various pricing bases. The market tone continues to be weak. Sales in the f.o.b. spot market are light. Most buyers are purchasing low/medium heat NDM based on immediate needs. Some manufacturers are trying to clear up inventories at discount prices. Production is very active as heavy volumes of condensed skim continue clearing into NDM. Inventories are building. High heat nonfat dry milk prices are steady on light trading. Interest from the bakery sector is decreasing. The market undertone is weak. Production is irregular. Inventories are unchanged. The December 2015 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$0.7662 compared to \$1.1225 a year ago. The average for Western high heat nonfat dry milk is \$0.9870 compared to \$1.4328 a year ago.

DAIRY PRODUCTS: According to NASS, U.S. production of human food nonfat dry milk during November 2015 totaled 126.1 million pounds, 16.9% lower than a year ago, but 6.7% above the previous month. The West region's production totaled 80.5 million pounds, 22.3% lower than a year ago, but 11.0% above the previous month.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .6875 - .8100 MOSTLY: .7325 - .7525
HIGH HEAT: .8400 - 1.1000

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
January 1	\$.7872	7,228,110
December 25	\$.7744	5,828,855

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.

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

	2015 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	93.9	+ 1
TOTAL, JAN - NOV	1,132.1	...
1 Mexico	503.6	+ 22
2 Philippines	132.5	- 12
3 Indonesia	78.9	- 15
4 Vietnam	68.8	- 7
5 China	61.3	- 39

-CONTINUED ON PAGE 5A-

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.

-CONTINUED FROM PAGE 5-

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices are unchanged to lower. Buyer interest outside of contracts is light. A few end users commented that their dressing/sauce/dry mix businesses are off to a slow in 2016, which is decreasing their need for dry buttermilk. Manufacturers note dry buttermilk inventories increased over the last few holiday weeks when plant intakes were near capacity. However, with a return of some hard ice cream manufacturing in the region, some condensed buttermilk volumes are clearing into that end use instead of adding to dry buttermilk inventories. The DMN monthly average of the range price series for Central and East dry buttermilk during December was \$.8684, compared to \$1.0215 a year ago.

DAIRY PRODUCTS: The NASS *Dairy Products* report noted U.S. dry buttermilk production during November totaled 7.9 million pounds, 10.5 percent lower than a year ago. Total U.S. dry buttermilk month ending stocks for November were 10.9 million pounds, 52.9 percent below last year.

EAST: Prices for dry buttermilk in the East region declined at the bottom of the range on lower f.o.b. spot sales. Some producers are starting to relax production schedules from the heavy holiday runs. However, output is enhanced somewhat by seasonally slow condensed buttermilk sales. Producers' supplies are growing in the region, as new dry buttermilk production supplements the holiday weekend volumes. Eastern producers are not aggressively pursuing sales since plants are not burdened by supplies. Overall, inventories are moderate. The market undertone is fairly quiet beyond contractual commitments.

F.O.B. CENTRAL/EAST: .7800 - .8850

DRY BUTTERMILK - WEST

Prices for dry buttermilk are steady to lower on light trading. Demand is light, as most of the bakery sector has finished holiday production schedules. The market tone remains weak. Production is strong encouraged by the active churning in the West. Inventories are steady to higher. The December 2015 Dairy Market News monthly average for the West dry buttermilk mostly series is \$.8675 compared to \$1.0527 a year ago.

DAIRY PRODUCTS: According to NASS, U.S. production of dry buttermilk during November 2015 totaled 7.9 million pounds, 10.5% lower than a year ago, but 6.4% higher than the previous month.

F.O.B. WEST: .8200 - .8750 MOSTLY: .8200 - .8400

DRY WHOLE MILK - NATIONAL

Dry whole milk f.o.b spot prices are unchanged. The market undertone remains weak. Most sales are based on contractual needs. Production is steady. Supplies are mixed. Sales in the spot market are light. Production is irregular based on contracts. Inventories vary from plant to plant. The December 2015 Dairy Market News monthly average for the National price series for dry whole milk is \$1.3670 compared to \$1.5430 a year ago.

DAIRY PRODUCTS: According to NASS, U.S. production of dry whole milk during November 2015 totaled 5.8 million pounds, 3.5% lower than a year ago, but 11.4% higher than the previous month.

F.O.B. PRODUCING PLANT: 1.2400 - 1.4500

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 unchanged to higher on the range and mostly series. Trading is light to moderate. While larger buyers have some contracts in place for early 2016, a portion of buyers are content to shop the f.o.b. and resale markets on a regular basis to fulfill near-term needs. Also, monthly and quarterly contracting is ongoing as buyers determine how best to handle this market. Dry whey production is active. Volumes of milk clearing through cheese are somewhat lower than during the holiday weeks, but some discounted milk loads are available and cheese manufacturers are taking advantage of those offers. November dry whey (human) production in the Central region totaled 36.7 million pounds, 12.3 percent above a year ago. The DMN monthly average of the mostly price series for Central dry whey during December was \$0.2128, compared to \$0.5701 a year ago. Animal feed dry whey prices are steady. Manufacturers report interest is light, but late December sales reduced holdings to a comfortable level. The monthly average of the range price series for Central animal feed whey during November was \$0.1636, compared to \$0.4526 a year ago.

DAIRY PRODUCTS: The NASS *Dairy Products* Report noted U.S. total dry whey production for November was 81.9 million pounds, up 14.6 percent from a year ago. January-November U.S. total dry whey production totals 883.2 million pounds, 11.2 percent ahead of the same time span in 2014. U.S. total dry whey month ending stocks for November were 66.9 million pounds, 2.8 percent higher than one year ago.

F.O.B. CENTRAL: .1800 - .2800 MOSTLY: .1900 - .2500
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1200 - .1800

DRY WHEY - NORTHEAST

Dry whey prices are unchanged to fractionally lower at the top of the range. Inventories are building due to robust production and sluggish domestic demand. Buyers are content with restricting purchases while gathering a clearer picture of the existing market. The December 2015 Dairy Market News monthly average for Northeast dry whey was \$0.2500 compared to \$0.6015 one year ago.

DAIRY PRODUCTS: According to NASS, the Atlantic region's production of human food dry whey in November 2015 totaled 20.9 million pounds, 3.4% less than a year ago, but 9.2% more than last month.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2200 - .2775

DRY WHEY - WEST

Western whey prices are unchanged. Manufacturers report inventories are a little tight, however end users note product is readily available. Demand has been light and spot sales are limited. Dry whey production is steady to higher. The general market tone is weak. The DMN monthly average of the mostly price series for West dry whey during December was \$0.2390 compared to \$0.2308 one month ago and \$0.5423 a year ago. NASS reports that November 2015 U.S. human whey production, 80.2 million pounds, is up 13.9% from a year ago, and up 8.5% from October. The Western region

produced 22.7 million pounds of edible dry whey during November, up 40.1% from last year, and up 29.9% from October this year. Month ending stocks for U.S. human whey, at 64.6 million pounds are 0.6% higher than one year ago and 11.4% higher than one month ago.

NONHYGROSCOPIC: .2100 - .3100

MOSTLY: .2200 - .2600

U.S. Dry Whey Exports. H.S. Code 0404104000(FAS)

	2015 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	26.3	- 28
TOTAL, JAN - NOV	366.9	- 22
1 China	95.0	- 37
2 Mexico	42.3	- 29
3 Canada	39.9	...
4 Philippines	29.4	+ 22
5 Japan	27.2	- 10

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are mostly steady this week. However, the bottom end of the range price series moved higher after several lower priced sales cleared in the last couple weeks of 2015. Manufacturers' inventories are generally committed, or at least comfortable, prompting a few processors to push prices on monthly agreements toward the upper end of the range price series. The market tone remains unsettled. A few processors say demand has been good and they are receiving regular inquiries from buyers, while other sellers say there has been limited interest from buyers. Spot market activity has yet to pick up after the winter holidays. The December 2015 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$0.5300 compared to \$0.5313 one month ago and \$1.2326 one year ago. NASS reports U.S. production of WPC (25.0-49.9% protein) during November 2015 totaled 15.3 million pounds, 37.3% lower than one year ago. Cumulative year to date production for 2015 totals 203.5 million pounds, 20.8% lower than 2014. Manufacturers' end-of-month stocks totaled 29.6 million pounds, 2.5% higher than one year ago, but 6.2% less than one month ago.

F.O.B. EXTRA GRADE 34% PROTEIN: .4900 - .6800 MOSTLY: .4900 - .5700

U.S. WPC < 80% Exports, H.S. Code 0404100500(FAS)

	2015 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	17.2	+14
TOTAL, JAN - NOV	207.9	+ 2
1 China	78.7	+ 6
2 Canada	35.6	+ 3
3 Mexico	27.9	- 14
4 Indonesia	10.2	+ 23
5 Philippines	8.1	+ 46

CONTINUED ON PAGE 6A

WHEY, WPC 34%, LACTOSE & CASEIN

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

CONTINUED FROM PAGE 6**LACTOSE - CENTRAL AND WEST**

Lactose prices moved slightly higher on the bottom end of the range and mostly price series. Manufacturers report inventories have tightened and this has allowed sellers to be selective in the bids accepted. Processors have pushed some Q1 agreements to the upper end of the range and mostly price series. Production is steady and mostly matched to meet existing commitments. Demand is steady. There are more inquiries, but so far these haven't fully translated into new spot sales. The December 2015 Dairy Market News average of the mostly price series for Central and West lactose was \$0.1914, compared to \$0.1851 one month ago and \$0.3880 one year ago. NASS's *Dairy Products* report shows U.S. lactose production during November 2015 totaled 81.1 million pounds, a 7.5% decrease from one year ago. Cumulative year to date 2015 lactose production totals 963.8 million pounds, a 7.4% decrease from 2014. Month ending stocks, at 123.7 million pounds, are 0.3% lower than one year ago, and 0.2% lower than one month ago.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1500 - .2650 MOSTLY: .1800 - .2200

U.S. Lactose Exports, H.S. Code 1702110000(FAS)

	2015 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	42.5	+ 8
TOTAL, JAN – NOV	478.4	+ 11
1 China	76.3	+ 16
2 New Zealand	65.1	- 11
3 Mexico	60.8	+ 27
4 Australia	40.6	+ 83
5 Singapore	37.5	+ 69

CASEIN - NATIONAL

Casein prices strengthened slightly at the bottom of the range for both acid and rennet. While this is not a strong season for sales, sufficient activity resulted in the small price adjustments. There tends to be more acid than rennet available and traded, though volumes of either are small. Overall generally stable prices are expected in coming weeks due to the low level of current buyer interest.

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: 2.7800 - 3.3500
ACID: 2.7300 - 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
12/19/2015	60.3	2,864.9	59.3	2,763.9

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)

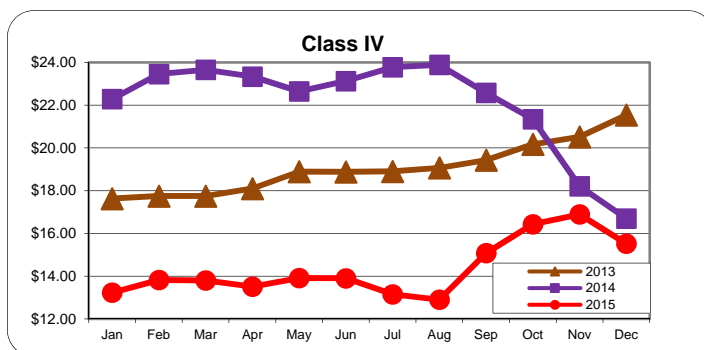
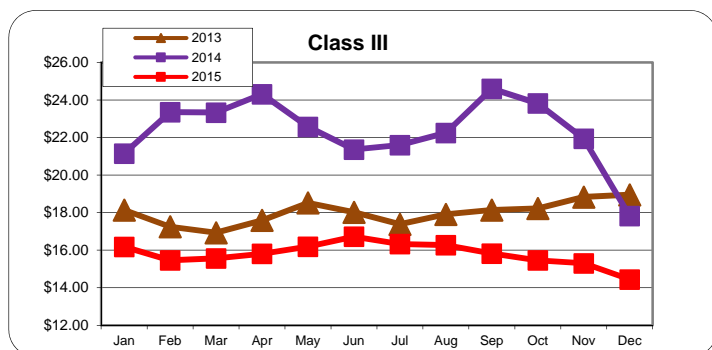
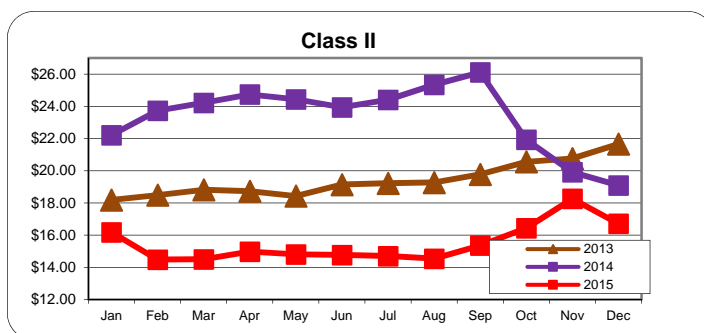
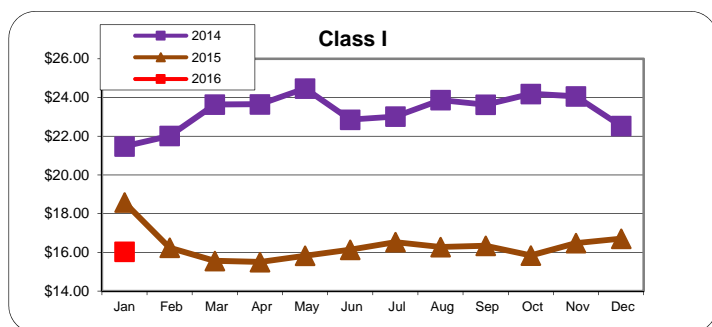
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
2014	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	17.82
2015	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46	15.30	14.44

CLASS IV MILK PRICES (3.5%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2015	13.23	13.82	13.80	13.51	13.91	13.90	13.15	12.90	15.08	16.43	16.89	15.52

FEDERAL MILK ORDER CLASS PRICES FOR 2016 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.04											
II												
III												
IV												

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 December 28, 2015 - January 8, 2016

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: Northern Europe continues to have a mild winter, which is helping to keep milk production higher. Many areas have experienced no frost. In fact, production has been so strong that some proposals to incentivize producers to lower milk output are circulating. Many expect milk production in 2016 to increase 1.3%. SMP continues to be offered into intervention. From December 14-20, 2015, 2,616 MT entered the program. Quantities in metric tons were offered from the following countries: Belgium, 1,398; France, 500; Lithuania, 393; and Netherlands, 325. Total volumes for the period were up from 1,886 MT the previous week, December 7-13, 2015. Public intervention is scheduled to remain available until September 30, 2016.

BUTTER/BUTTEROIL: Butter pricing weakened in reflection of typically lower demand following yearend holidays. Some inventory building can be expected but manufacturers are facing lower immediate demand and buyers are now more price selective. Butter has shifted more toward being a buyers' market. Some cream that would previously have gone into butter is now heading into other dairy uses.

82% BUTTERFAT:	2,950 - 3,100
99% BUTTERFAT:	3,500 - 4,000

SKIM MILK POWDER (SMP): Skim milk powder markets are under pressure and prices weakened. Sales into intervention continue. Many EU dairy processors have the capability to manufacture whole milk powder, skim milk powder or butter. Expectations are for more milk to move toward SMP among the three options, partly due to continuing high milk volumes and partly due to export opportunities. Even with prices weakening and intervention continuing, some manufacturers remain selective in accepting sales if they hold SMP that is in more demand from buyers. These sellers are prepared to maintain inventories if sales prices are not acceptable.

1.25% BUTTERFAT:	1,725 - 1,850
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SWEET WHEY POWDER: Whey pricing is unchanged. Buyers have varied sources with product available. That, coupled with price pressure from other products such as WPC80%, are factors tending to keep prices from increasing.

NONHYGROSCOPIC:	525 - 750
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WHOLE MILK POWDER (WMP): Whole milk powder pricing weakened. This is currently largely a made to order product. Competition from Oceania, in addition to pressure from skim milk powder pricing, are dragging on WMP prices. Sales activity is at a low level.

26% BUTTERFAT:	2,150 - 2,250
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EASTERN OVERVIEW: Milk production in Poland during 2015 was particularly strong. For the period January-November, production increased 2.4%.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered December 28, 2015 - January 8, 2016

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: The China-Australia Free Trade Agreement (ChAFTA) begins its first full year on January 1, 2016, following a shortened December 20-31, 2015 first year. The 2016 period will yield tariff reductions from 2015, and begin a path to reaching zero tariffs for all dairy exports from Australia to China. Construction will begin in 2016 for a new state-of-the-art cheese plant in Stanhope, Australia, able to produce 45,000MT of cheeses each year. Varieties will include parmesan, gouda and mozzarella. The capacity triples capacity of a plant destroyed by fire in 2014. Enterprises manufacturing consumer packaged infant formula and nutritional powders will be looking for more milk in 2016 to support production volumes, finding good gross margins from this focus. The view in Australia is that El Nino is near its peak and that leaves uncertainty as to whether summer rainfall will be below average or above. Irrigation water allocations and water remain expensive and thus, not much traded. The quality of feed grains remains variable. Some Victoria growers are putting more hay into storage, reducing currently available volumes, in expectation of a dry season ahead. Some crops and stored hay were destroyed by fires in central South Australia. High cull cow prices continue to induce some producers to reduce herd sizes to more easily cope with dry conditions. Dairy Australia reports dairy product exports for the July-October period totaling 243.4 thousand MT, up 8.1% from the year ago period. Various dairy product export changes compared to the same period last year are: butter, -26.2%; butter oil, -35.4%; cheddar, +9.9%; SMP, +43.6%; WMP, -0.9% and whey products -45.3%. The total value of exports for the July-October period was up 6.9%. October 2015 New Zealand milk production as reported by DCANZ was 3,211 million MT, down 2.67% from October 2014 but 1.74% higher than the level two years ago. At the January 5 GDT event #155, average prices ranged from 4.4% lower to 11.4% 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, \$3,644 - 2.7%; butter, \$3,314 +6.7%; buttermilk powder, \$1,586 +1.0%; cheddar cheese, \$2,964 +3.5%; lactose, \$594 +11.4%; rennet casein, \$4,736 +3.9%; skim milk powder, \$1,890 -0.8%; sweet whey powder, n.a.; and whole milk powder, \$2,210 -4.4%.

BUTTER: Oceania butter pricing is unchanged. There is some expectation of increased pricing in coming months, but that has not affected immediate markets. Manufacturing levels and inventories are rebuilding after recent export of significant volumes of butter to Asia. Cream supplies are adequate for churning needs.

82% BUTTERFAT: 2,900 - 3,300

SKIM MILK POWDER (SMP): The market for skim milk powder is steady, with prices unchanged. The relative stability of SMP markets in the EU is a factor because intervention there tends to keep a floor under prices while top of range pricing there modestly varied this week. Additionally, hot and dry summer weather in Australia is weighing on milk production volumes and hence, the volumes of milk needing to go to dryers. This product is very attuned to export markets and pricing from other exporting areas of the world.

1.25% BUTTERFAT: 1,725 - 2,050

CHEDDAR CHEESE: Prices for cheddar cheese are steady to slightly stronger in Oceania. This is the hot time of year in the region, which is lessening domestic demand but export potential remains good, with some customers who prefer cheese from the area. Exports are a significant market for cheese manufactured in Oceania.

39% MAXIMUM MOISTURE: 3,050 - 3,300

WHOLE MILK POWDER (WMP): Prices for whole milk powder weakened. This tends to be a lower profitability manufacturing stream than other dairy products. Manufacturers tend not to like to hold significant quantities, so motivation to move inventories is a factor in pricing this week, in the face of uneven buyer demand.

26% BUTTERFAT: 2,000 - 2,200

**Exchange rates for selected foreign currencies:
January 4, 2016**

.0758 Argentina Peso	.0084 Japan Yen
.7191 Australian Dollar	.0578 Mexican Peso
.7166 Canadian Dollar	.6752 New Zealand Dollar
1.0832 Euro	.2519 Poland Zloty
.0150 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0578)
= 17.3010 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 155 Recap - January 5, 2016													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Feb-16		Mar-16		Apr-16		May-16		Jun-16		Jul-16			
Anhydrous Milk Fat	\$3,674	5.2%	\$3,653	-2.4%	\$3,617	-4.6%	\$3,663	-0.4%	\$3,591	-2.7%	\$3,705	-2.9%	\$3,644	-2.7%
Butter	\$3,167	-19.2%	\$3,665	16.5%	\$3,146	-1.4%	\$3,130	2.3%	\$3,020	-2.1%	\$3,140	0.8%	\$3,314	6.7%
Buttermilk Powder		n.a.	\$1,578	1.2%	\$1,630	-0.6%		n.a.		n.a.		n.a.	\$1,586	1.0%
Cheddar	\$2,965	0.5%	\$2,958	0.2%	\$2,969	6.3%	\$2,963	4.2%		n.a.		n.a.	\$2,964	3.5%
Lactose		n.a.	\$594	11.4%		n.a		n.a.		n.a.		n.a.	\$594	11.4%
Rennet Casein	\$4,810	n.a.	\$4,708	5.1%	\$4,776	1.5%		n.a.		n.a.		n.a.	\$4,736	3.9%
Skim Milk Powder	\$1,887	-0.3%	\$1,878	-0.5%	\$1,900	0.4%	\$1,871	-2.3%	\$1,929	-3.6%	\$1,934	-2.9%	\$1,890	-0.8%
Sweet Whey Powder		n.a.		n.a.		n.a		n.a.		n.a.		n.a.		n.a.
Whole Milk Powder	\$2,219	-0.6%	\$2,186	-3.1%	\$2,184	-4.6%	\$2,264	-6.1%	\$2,241	-6.4%	\$2,270	-5.3%	\$2,210	-4.4%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 155 Recap - January 5, 2016													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Feb-16		Mar-16		Apr-16		May-16		Jun-16		Jul-16			
Anhydrous Milk Fat	\$1.6665	5.2%	\$1.6570	-2.4%	\$1.6407	-4.6%	\$1.6615	-0.4%	\$1.6289	-2.7%	\$1.6806	-2.9%	\$1.6529	-2.7%
Butter	\$1.4365	-19.2%	\$1.6624	16.5%	\$1.4270	-1.4%	\$1.4198	2.3%	\$1.3699	-2.1%	\$1.4243	0.8%	\$1.5032	6.7%
Buttermilk Powder		n.a.	\$0.7158	1.2%	\$0.7394	-0.6%		n.a.		n.a.		n.a.	\$0.7194	1.0%
Cheddar	\$1.3449	0.5%	\$1.3417	0.2%	\$1.3467	6.3%	\$1.3440	4.2%		n.a.		n.a.	\$1.3445	3.5%
Lactose		n.a.	\$0.2694	11.4%		n.a		n.a.		n.a.		n.a.	\$0.2694	11.4%
Rennet Casein	\$2.1818	n.a.	\$2.1355	5.1%	\$2.1664	1.5%		n.a.		n.a.		n.a.	\$2.1482	3.9%
Skim Milk Powder	\$0.8559	-0.3%	\$0.8519	-0.5%	\$0.8618	0.4%	\$0.8487	-2.3%	\$0.8750	-3.6%	\$0.8773	-2.9%	\$0.8573	-0.8%
Sweet Whey Powder		n.a.		n.a.		n.a		n.a.		n.a.		n.a.		n.a.
Whole Milk Powder	\$1.0065	-0.6%	\$0.9916	-3.1%	\$0.9907	-4.6%	\$1.0269	-6.1%	\$1.0165	-6.4%	\$1.0297	-5.3%	\$1.0024	-4.4%

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

CME GROUP, INC FUTURES

Selected settling prices

Month	12/24	12/25	12/28	12/29	12/30	12/31	01/01	01/04	01/05	01/06	01/07
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)											
DEC 15	14.48	NO TRADING	14.47	14.47	14.44						
JAN 16	13.34		13.69	13.56	13.61	13.56	NO TRADING	13.56	13.50	13.52	13.57
FEB 16	13.41		13.85	13.72	13.87	13.75		13.68	13.30	13.20	13.23
MAR 16	13.86		14.22	14.15	14.29	14.18		14.08	13.66	13.55	13.57
APR 16	14.25		14.54	14.45	14.58	14.54		14.44	14.09	14.01	14.06
MAY 16	14.53		14.82	14.77	14.88	14.85		14.81	14.43	14.39	14.40
JUN 16	14.98		15.15	15.11	15.22	15.20		15.15	14.77	14.71	14.70
JUL 16	15.50		15.63	15.62	15.70	15.65		15.56	15.24	15.13	15.09
AUG 16	15.90		16.12	16.03	16.10	16.11		16.04	15.69	15.57	15.57
SEP 16	16.17		16.28	16.35	16.43	16.35		16.33	16.00	15.93	15.87
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)											
DEC 15	15.74	NO TRADING	15.72	15.65	15.52						
JAN 16	13.51		13.51	13.38	13.38	13.38	NO TRADING	13.38	13.25	13.20	13.12
FEB 16	13.69		13.72	13.72	13.91	13.91		13.91	13.51	13.48	13.48
MAR 16	14.14		14.14	14.15	14.37	14.38		14.37	14.15	13.71	13.71
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)											
DEC 15	260.00	NO TRADING	259.03	259.03	257.09						
JAN 16	207.00		206.50	205.50	208.00	208.00	NO TRADING	205.48	205.00	204.03	203.65
FEB 16	207.00		207.00	206.25	210.00	214.00		209.00	206.55	206.03	205.50
MAR 16	206.50		206.03	206.03	211.00	213.48		209.00	206.50	206.58	206.03
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)											
DEC 15	78.65	NO TRADING	78.75	78.75	78.93						
JAN 16	80.13		79.23	78.65	78.65	78.65	NO TRADING	78.05	77.23	77.53	77.70
FEB 16	83.33		83.10	83.30	83.73	83.33		83.48	80.35	79.28	79.20
MAR 16	88.55		88.55	88.38	89.13	88.13		88.25	85.73	83.25	83.00
WHEY (Electronic-Traded) (¢/lb)											
DEC 15	23.60	NO TRADING	23.60	23.65	23.36						
JAN 16	23.30		23.50	23.50	23.70	23.70	NO TRADING	22.98	23.25	23.25	23.85
FEB 16	23.00		22.80	22.98	23.25	22.75		21.85	21.85	21.98	22.65
MAR 16	23.03		23.53	23.53	24.83	24.48		23.25	23.40	23.88	23.33
CHEESE CSC (Electronic-Traded) (\$/lb)											
DEC 15	1.57	NO TRADING	1.57	1.57	1.57						
JAN 16	1.48		1.52	1.51	1.51	1.51	NO TRADING	1.51	1.50	1.50	1.50
FEB 16	1.49		1.53	1.52	1.54	1.53		1.52	1.49	1.47	1.47
MAR 16	1.54		1.57	1.57	1.58	1.56		1.55	1.52	1.50	1.51
APR 16	1.58		1.60	1.59	1.60	1.59		1.59	1.55	1.54	1.55
MAY 16	1.60		1.62	1.62	1.62	1.62		1.63	1.58	1.58	1.58

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

DAIRY MARKET NEWS MONTHLY SUMMARY AND AVERAGES FOR DECEMBER 2015¹ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 48	::REPORT NUMBER 49	::REPORT NUMBER 50	::REPORT NUMBER 51	::REPORT NUMBER 52	:: 2015	: 2014
	::-----	::-----	::-----	::-----	::-----	:: Monthly	: Monthly
	:: DEC 01 - 04	:: DEC 07 - 11	:: DEC 14 - 18	:: DEC 21 - 25	:: DEC 28 - 31	:: Average	: Average
CHEESE							
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	:: 1.6150 - 1.9750	:: 1.6075 - 1.9675	:: 1.5750 - 1.9350	:: 1.5275 - 1.8875	:: 1.5275 - 1.8875	:: 1.7524	: 1.8627
-- Brick And/Or Muenster 5#	:: 1.9525 - 2.3775	:: 1.9225 - 2.3475	:: 1.8550 - 2.2800	:: 1.8075 - 2.2325	:: 1.7925 - 2.2175	:: 2.0806	: 2.2184
-- Cheddar 40# Block	:: 1.6800 - 2.0750	:: 1.6500 - 2.0450	:: 1.5825 - 1.9775	:: 1.5350 - 1.9300	:: 1.5200 - 1.9150	:: 1.7931	: 1.9197
-- Monterey Jack 10#	:: 1.9275 - 2.1325	:: 1.8975 - 2.1025	:: 1.8300 - 2.0350	:: 1.7825 - 1.9875	:: 1.7675 - 1.9725	:: 1.9456	: 2.0834
-- Blue 5#	:: 2.2200 - 3.2075	:: 2.1900 - 3.1775	:: 2.1225 - 3.1100	:: 2.0750 - 3.0625	:: 2.0600 - 3.0475	:: 2.6293	: 2.7672
-- Mozzarella 5 - 6#	:: 1.7525 - 2.6925	:: 1.7225 - 2.6625	:: 1.6550 - 2.5950	:: 1.6075 - 2.5475	:: 1.5925 - 2.5325	:: 2.1381	: 2.2984
-- Grade A Swiss Cuts 6 - 9#	:: 2.7775 - 2.8950	:: 2.7275 - 2.8450	:: 2.7275 - 2.8450	:: 2.7275 - 2.8450	:: 2.7275 - 2.8450	:: 2.7953	: 3.7080
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 40# Block	:: 1.9725 - 2.2575	:: 1.9425 - 2.2275	:: 1.8750 - 2.1600	:: 1.8275 - 2.1125	:: 1.8125 - 2.0975	:: 2.0306	: 2.1684
-- Process 5# Sliced	:: 1.7325 - 2.2125	:: 1.7250 - 2.2050	:: 1.6925 - 2.1725	:: 1.6450 - 2.1250	:: 1.6450 - 2.1250	:: 1.9299	: 2.0402
-- Muenster	:: 1.9925 - 2.3425	:: 1.9625 - 2.3125	:: 1.8950 - 2.2450	:: 1.8475 - 2.1975	:: 1.8325 - 2.1825	:: 2.0831	: 2.2259
-- Grade A Swiss Cuts 10 - 14#	:: 3.2600 - 3.5825	:: 3.2100 - 3.5325	:: 3.2100 - 3.5325	:: 3.2100 - 3.5325	:: 3.2100 - 3.5325	:: 3.3803	: 4.2930
WEST COAST (WSP, Delivered, LTL)							
-- Process 5# Loaf	:: 1.6300 - 1.8875	:: 1.6225 - 1.8800	:: 1.5900 - 1.8475	:: 1.5425 - 1.8000	:: 1.5425 - 1.8000	:: 1.7161	: 1.8315
-- Cheddar 40# Block	:: 1.6850 - 2.1300	:: 1.6550 - 2.1000	:: 1.5875 - 2.0325	:: 1.5400 - 1.9850	:: 1.5250 - 1.9700	:: 1.8231	: 1.9809
-- Cheddar 10# Cuts	:: 1.8650 - 2.0850	:: 1.8350 - 2.0550	:: 1.7675 - 1.9875	:: 1.7200 - 1.9400	:: 1.7050 - 1.9250	:: 1.8906	: 2.0484
-- Monterey Jack 10#	:: 1.8750 - 2.0350	:: 1.8450 - 2.0050	:: 1.7775 - 1.9375	:: 1.7300 - 1.8900	:: 1.7150 - 1.8750	:: 1.8706	: 2.0284
-- Grade A Swiss Cuts 6 - 9#	:: 2.8375 - 3.2675	:: 2.7875 - 3.2175	:: 2.7875 - 3.2175	:: 2.7875 - 3.2175	:: 2.7875 - 3.2175	:: 3.0116	: 3.9242
FLUID PRODUCTS							
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)							
-- Northeast - f.o.b	:: 3.7120 - 3.9150	:: 3.4250 - 3.7733	:: 2.6060 - 3.2575	:: 1.8000 - 2.5862	:: 1.8297 - 2.2364	:: 2.9461	: 2.2475
-- Upper Midwest - f.o.b	:: 3.5380 - 3.7700	:: 3.4538 - 3.7442	:: 2.9187 - 3.1793	:: 1.9656 - 2.3380	:: 1.8298 - 2.2771	:: 2.9399	: 2.3049
PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.							
-- Class II	:: 0.87 - 0.93	:: 0.87 - 0.93	:: 0.87 - 0.93	:: 0.60 - 0.80	:: 0.30 - 0.80	:: 0.8000	: 1.2386
-- Class III	:: 0.73 - 0.79	:: 0.63 - 0.66	:: 0.63 - 0.66	:: 0.40 - 0.53	:: 0.40 - 0.53	:: 0.6005	: 1.5318

DAIRY MARKET NEWS MONTHLY SUMMARY AND AVERAGES FOR DECEMBER 2015¹ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 48 ::	REPORT NUMBER 49 ::	REPORT NUMBER 50 ::	REPORT NUMBER 51 ::	REPORT NUMBER 52 ::	2015	2014
	::-----::	-----::	-----::	-----::	-----::	Monthly	Monthly
	:: DEC 01 - 04 ::	DEC 07 - 11	DEC 14 - 18	DEC 21 - 25	DEC 28 - 31	Average	Average
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	:: 0.8200 - 0.9400 ::	0.8000 - 0.9200	0.8000 - 0.8800	0.8000 - 0.8800	0.8000 - 0.8700	0.8509	1.1755
-- Mostly	:: 0.8500 - 0.8800 ::	0.8400 - 0.8800	0.8300 - 0.8700	0.8300 - 0.8700	0.8300 - 0.8600	0.8541	1.1639
-- High Heat	:: 0.9600 - 1.1800 ::	0.9000 - 1.1800	0.9000 - 1.1500	0.9000 - 1.1500	0.9000 - 1.1500	1.0366	1.3527
-- West (f.o.b.)							
-- Low/Medium Heat	:: 0.6825 - 0.8650 ::	0.6950 - 0.8500	0.7150 - 0.8500	0.7050 - 0.8800	0.6875 - 0.8600	0.7789	1.1567
-- Mostly	:: 0.7300 - 0.8175 ::	0.7425 - 0.7900	0.7600 - 0.7900	0.7500 - 0.7800	0.7325 - 0.7650	0.7662	1.1225
-- High Heat	:: 0.9100 - 1.1300 ::	0.8600 - 1.1300	0.8400 - 1.1200	0.8400 - 1.1000	0.8400 - 1.1000	0.9870	1.4328
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	:: 0.1800 - 0.2800 ::	0.1800 - 0.2800	0.1800 - 0.2800	0.1700 - 0.2800	0.1700 - 0.2800	0.2282	0.5234
-- Mostly	:: 0.1800 - 0.2425 ::	0.1800 - 0.2425	0.1900 - 0.2425	0.1800 - 0.2425	0.1850 - 0.2425	0.2128	0.5701
-- West (f.o.b.)	:: 0.2100 - 0.3100 ::	0.2100 - 0.3100	0.2100 - 0.3100	0.2100 - 0.3100	0.2100 - 0.3100	0.2600	0.5307
-- Mostly	:: 0.2200 - 0.2550 ::	0.2200 - 0.2550	0.2200 - 0.2600	0.2200 - 0.2600	0.2200 - 0.2600	0.2390	0.5423
-- Northeast (f.o.b.)	:: 0.2200 - 0.2800 ::	0.2200 - 0.2800	0.2200 - 0.2800	0.2200 - 0.2800	0.2200 - 0.2800	0.2500	0.6015
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 0.4550 - 0.6500 ::	0.4500 - 0.6500	0.4200 - 0.6500	0.4200 - 0.6500	0.4200 - 0.6800	0.5443	1.2452
-- Mostly	:: 0.4900 - 0.5700 ::	0.4900 - 0.5700	0.4900 - 0.5700	0.4900 - 0.5700	0.4900 - 0.5700	0.5300	1.2326
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.1500 - 0.1850 ::	0.1500 - 0.1850	0.1500 - 0.1850	0.1425 - 0.1850	0.1200 - 0.1800	0.1636	0.4526
BUTTERMILK (Min. 30% protein)							
-- Central And East (f.o.b.)	:: 0.8500 - 0.9500 ::	0.8500 - 0.9500	0.8100 - 0.8800	0.8100 - 0.8850	0.8100 - 0.8850	0.8684	1.0215
-- West (f.o.b.)	:: 0.8500 - 0.9500 ::	0.8500 - 0.9500	0.8200 - 0.9300	0.8200 - 0.9100	0.8200 - 0.9100	0.8816	1.0559
-- Mostly	:: 0.8700 - 0.9300 ::	0.8700 - 0.9300	0.8300 - 0.8600	0.8300 - 0.8600	0.8300 - 0.8600	0.8675	1.0527
DRY WHOLE MILK							
-- National (f.o.b.)	:: 1.2800 - 1.3500 ::	1.3000 - 1.5000	1.3000 - 1.4500	1.3000 - 1.4800	1.2400 - 1.4500	1.3670	1.5430
LACTOSE							
-- Central And West (f.o.b.)	:: 0.1400 - 0.2650 ::	0.1400 - 0.2650	0.1400 - 0.2650	0.1400 - 0.2650	0.1400 - 0.2650	0.2025	0.3552
-- Mostly	:: 0.1600 - 0.2150 ::	0.1600 - 0.2200	0.1600 - 0.2200	0.1700 - 0.2200	0.1700 - 0.2200	0.1914	0.3880
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 2.6500 - 3.3500 ::	2.6500 - 3.3500	2.6500 - 3.3500	2.6500 - 3.3500	2.6500 - 3.3500	3.0000	4.5000
-- Nonrestricted - Acid	:: 2.7000 - 3.5000 ::	2.7000 - 3.5000	2.7000 - 3.5000	2.7000 - 3.5000	2.7000 - 3.5000	3.1000	4.7000

¹ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CME GROUP AVERAGES FOR DECEMBER 2015

COMMODITY	::REPORT NUMBER 48::		REPORT NUMBER 49::		REPORT NUMBER 50::		REPORT NUMBER 51::		REPORT NUMBER 52::		2015 *	2014 *
	::-----::		-----::		-----::		-----::		-----::		Monthly	Monthly
	:: DEC 1 - 4		DEC 7 - 11		DEC 14 - 18		DEC 21 - 24		DEC 28 - 31		Average	Average
BUTTER*												
-- GRADE AA												
--Monday	::		::	2.9000	::	2.0700	::	2.0175	::	2.0175	::	:
--Tuesday	::	2.9000	::	2.8400	::	2.0700	::	2.0350	::	2.0175	::	:
--Wednesday	::	2.9050	::	2.7900	::	2.0775	::	2.0425	::	2.0650	::	:
--Thursday	::	2.9050	::	2.3000	::	2.0675	::	2.0375	::	2.0800	::	:
--Friday	::	2.9025	::	2.2000	::	2.0600	::	1	::	1	::	2.3318 : 1.7633
--Weekly Average**	::	2.9025	::	2.6060	::	2.0690	::	2.0331	::	2.0450	::	:
CHEESE*												
-- BARRELS												
--Monday	::		::	1.4700	::	1.4400	::	1.4500	::	1.4700	::	:
--Tuesday	::	1.5150	::	1.5000	::	1.4350	::	1.4200	::	1.4700	::	:
--Wednesday	::	1.4950	::	1.5000	::	1.4100	::	1.4200	::	1.4800	::	:
--Thursday	::	1.5125	::	1.4875	::	1.4100	::	1.4300	::	1.5300	::	:
--Friday	::	1.4850	::	1.4225	::	1.4500	::	1	::	1	::	1.4638 : 1.5305
--Weekly Average**	::	1.5095	::	1.4760	::	1.4290	::	1.4300	::	1.4875	::	:
-- 40# BLOCKS												
--Monday	::		::	1.4950	::	1.4475	::	1.4400	::	1.4300	::	:
--Tuesday	::	1.5600	::	1.5000	::	1.4375	::	1.4100	::	1.4300	::	:
--Wednesday	::	1.5250	::	1.4750	::	1.4100	::	1.4000	::	1.4500	::	:
--Thursday	::	1.5525	::	1.4675	::	1.4100	::	1.4050	::	1.5075	::	:
--Friday	::	1.5175	::	1.4450	::	1.4400	::	1	::	1	::	1.4616 : 1.5938
--Weekly Average**	::	1.5445	::	1.4765	::	1.4290	::	1.4138	::	1.4544	::	:
NONFAT DRY MILK*												
-- GRADE A												
--Monday	::		::	0.7800	::	0.7925	::	0.7600	::	0.7475	::	:
--Tuesday	::	0.7800	::	0.7500	::	0.7700	::	0.7600	::	0.7425	::	:
--Wednesday	::	0.8000	::	0.7525	::	0.7800	::	0.7600	::	0.7500	::	:
--Thursday	::	0.8050	::	0.7575	::	0.7800	::	0.7600	::	0.7550	::	:
--Friday	::	0.7875	::	0.7725	::	0.7650	::	1	::	1	::	0.7685 : 1.0506
--Weekly Average**	::	0.7820	::	0.7625	::	0.7775	::	0.7600	::	0.7488	::	:

1 CME Group closed

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

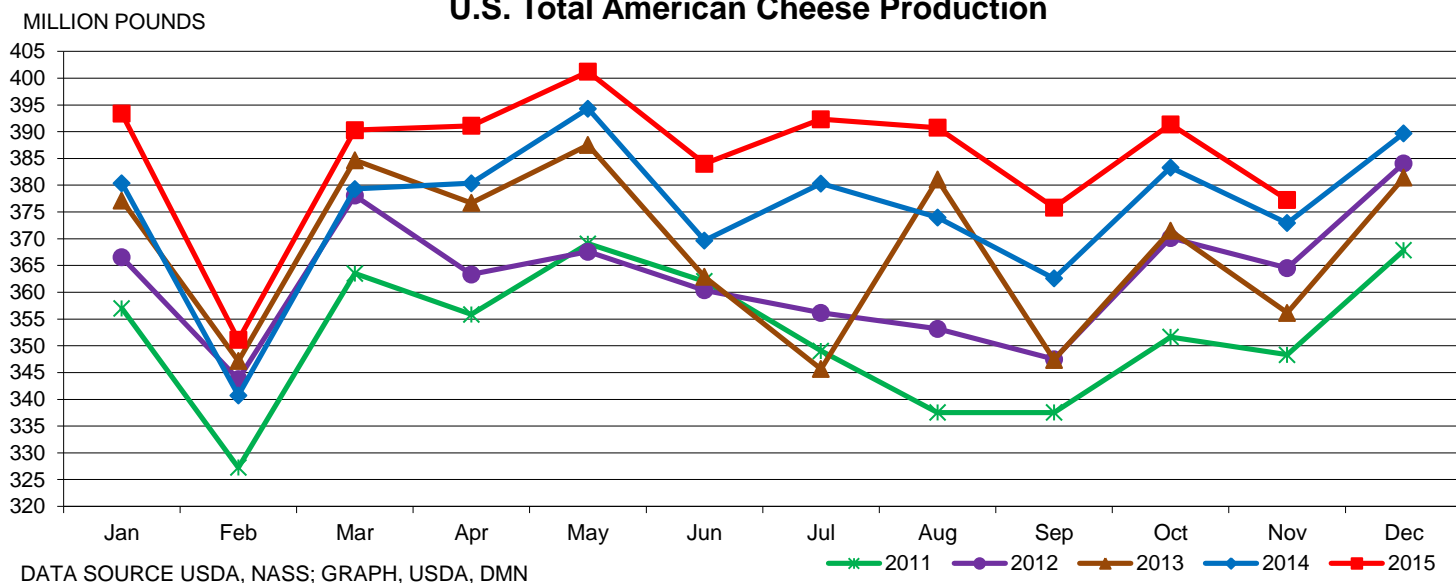
November 2015 Dairy Products Highlights

Butter production was 150.8 million pounds, 4.4 percent above November 2014, and 2.2 percent above October 2015. **American type cheese** production totaled 377.3 million pounds, 0.3 percent below November 2014, and 3.6 percent below October 2015. **Total cheese** output (excluding cottage cheese) was 975.7 million pounds, 0.6 percent above November 2014, but 2.2 percent below October 2015. **Nonfat dry milk** production, for human food, totaled 126.1 million pounds, 16.9 percent below November 2014 but 6.7 percent above October 2015. **Dry whey** production, for human food, was 80.2 million pounds, 13.9 percent above November 2014, and 8.5 percent above October 2015. **Ice cream, regular hard** production totaled 53.7 million gallons, 0.1 percent above November 2014, but 12.7 percent below October 2015.

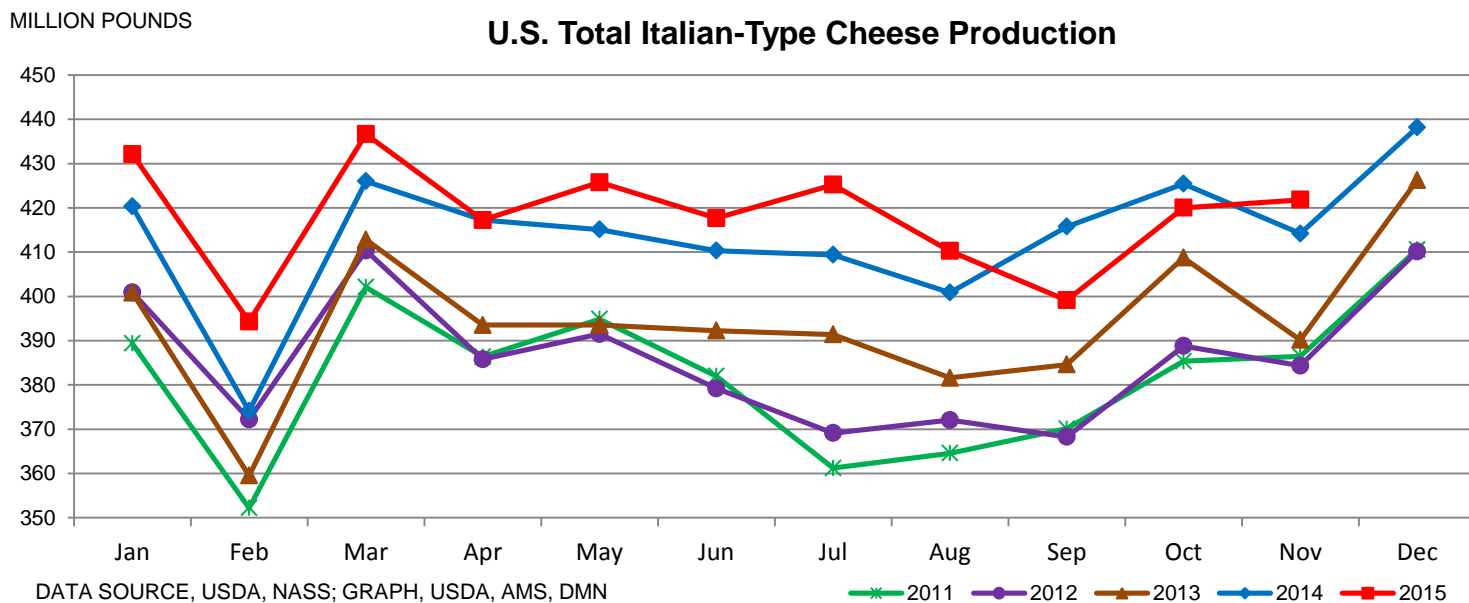
Production of Dairy Products									
Product	Nov 2015	Change from			Product	Nov 2015	Change from		
		Nov 2014	Oct 2015	Year to Date ¹			Nov 2014	Oct 2015	Year to Date ¹
	(1,000 lbs)	(percent)				(1,000 lbs)	(percent)		
Butter	150,827	4.4	2.2	-0.9	Yogurt (plain and flavored)	342,617	7.0	-10.2	-0.1
Cheese					Dry whey, human food	80,240	13.9	8.5	---
American types ²	377,265	-0.3	-3.6	2.5	Dry whey, animal feed	1,664	59.8	-0.6	---
Cheddar	266,375	2.0	-4.7	2.7	Dry whey, total ⁸	81,904	14.6	8.3	11.2
Other American	110,890	-5.6	-0.8	---	Reduced lactose & minerals				
Brick & Muenster	16,088	17.1	-3.9	---	Human food	2,778	187.6	-1.3	---
Cream & Neufchatel	79,322	-1.0	-7.0	---	Animal feed	2,550	-49.9	-18.4	---
Hispanic	21,452	7.7	-1.4	---	Lactose, human food & animal feed	81,068	-7.5	-3.9	-7.4
Total Italian types	421,823	-0.5	0.4	1.8	Whey protein concentrate				
Mozzarella	329,850	-2.0	1.9	0.7	Human food ⁹	40,260	-12.4	-1.3	---
Other Italian	91,973	5.1	-4.4	---	Animal feed ⁹	242	-65.9	-10.7	---
Swiss	25,157	5.9	-5.1	---	Total ⁹	40,502	-13.2	-1.3	-7.8
All other types	34,606	14.8	-3.0	---	25.0-49.9 percent ¹⁰	15,279	-37.3	-5.5	---
Total	975,713	0.6	-2.2	2.3	50.0-89.9 percent ¹⁰	25,223	13.1	1.4	---
Cottage cheese, curd ³	27,868	2.9	-14.8	---	Whey protein isolates ¹¹	8,399	26.6	2.4	---
Cottage cheese, cream ⁴	22,417	3.4	-16.1	2.0					
Cottage cheese, lowfat ⁵	24,979	-1.4	-14.7	-1.7					
Dry buttermilk	7,922	-10.5	6.4	---					
Dry whole milk	5,818	-3.5	11.4	---	Frozen products				
Milk protein conc. (MPC), total ⁶	8,626	67.0	-26.0	---	Ice cream, regular hard	53,692	0.1	-12.7	-1.6
Nonfat dry milk (NDM), human	126,091	-16.9	6.7	4.1	Ice cream, lowfat, hard	12,999	-9.5	-18.5	---
Skim milk powders (SMP) ⁷	44,147	44.1	11.1	-19.2	Ice cream, lowfat, soft	12,008	3.3	-13.3	---
Sour cream	123,063	2.1	2.9	1.1	Ice cream, lowfat, total	25,007	-3.7	-16.1	5.8
					Sherbet, hard	2,524	-6.1	-16.3	-4.1
					Frozen yogurt, total	4,115	-6.7	-20.4	-0.5
Manufacturers' Stocks, End of Month ¹²									
Product	Nov 2015	Nov 2014	Oct 2015		Product	Nov 2015	Nov 2014	Oct 2015	
	(1,000 lbs)	(percent)				(1,000 lbs)	(percent)		
Dry whey, human food	64,643	0.6	11.4		Whey protein concentrate				
Dry whey, animal feed	2,260	174.3	-3.6		Human food ⁹	73,171	23.3	0.0	
Reduced lactose & minerals—human & animal ¹³	8,174	-7.7	-14.8		Animal feed ⁹	1,018	-18.6	-14.6	
Lactose, human food & animal feed	123,747	-0.3	-0.2		Total ⁹	74,189	22.5	-0.2	
Dry buttermilk	10,940	-52.9	-1.4		25.0-49.9 percent ¹⁰	29,633	2.5	-6.2	
Nonfat dry milk, human food	200,524	-8.4	11.3		50.0-89.9 percent ¹⁰	44,556	40.7	4.2	
					Whey protein isolates ¹¹	16,161	42.4	1.4	

¹ 2015 cumulative as percent change of 2014 cumulative. ² Includes Cheddar, Colby, Monterey and Jack. ³ Mostly used for processing into cream or lowfat cottage cheese. ⁴ Fat content 4 percent or more. ⁵ Fat content less than 4 percent. ⁶ Dry milk protein concentrate, 40-89.9 percent. ⁷ Includes protein standardized and blends. ⁸ Excludes all modified dry whey products. ⁹ Whey protein concentrate, 25.0 to 89.9 percent. ¹⁰ Whey protein concentrate, human and animal. ¹¹ Whey protein isolates, 90.0 percent or greater. ¹² Stocks held by manufacturers at all points and in transit. ¹³ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. **Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Dairy Products*, (January 2016).

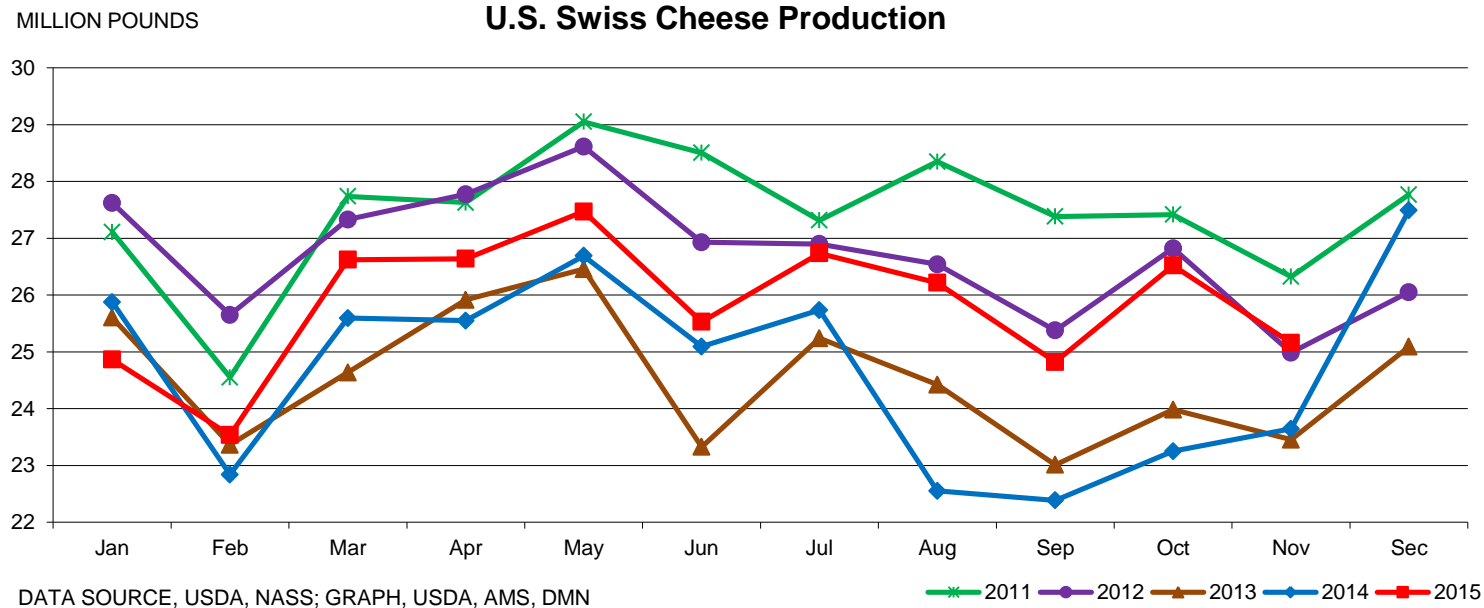
U.S. Total American Cheese Production



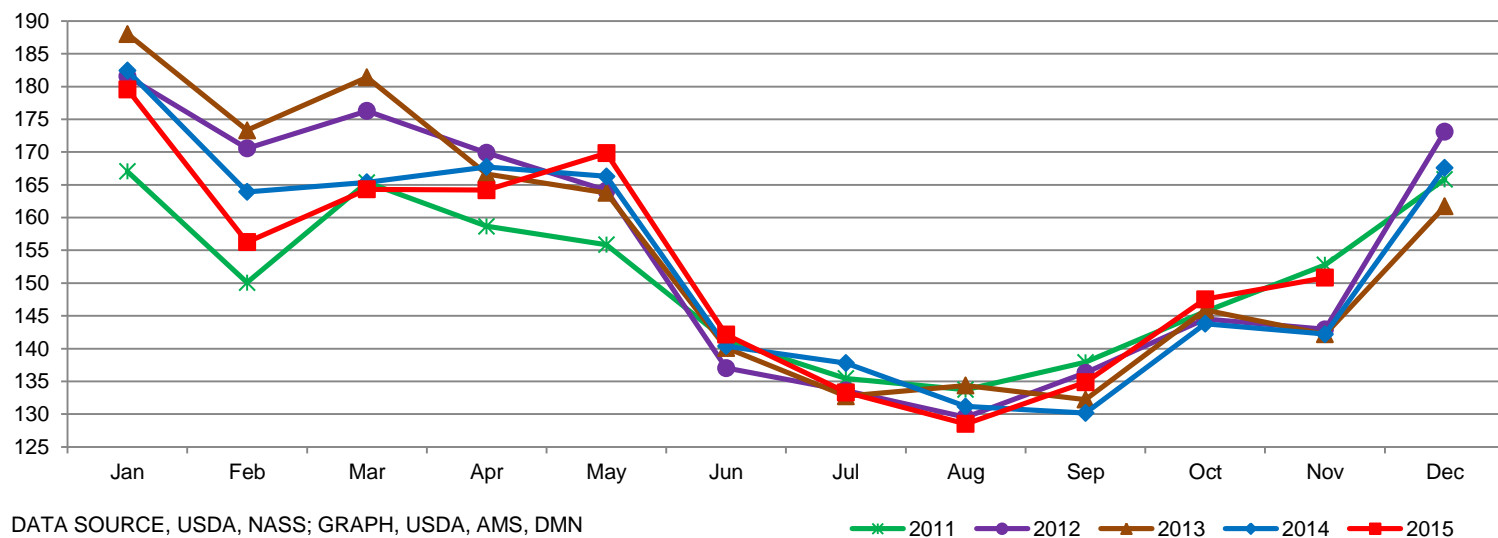
U.S. Total Italian-Type Cheese Production



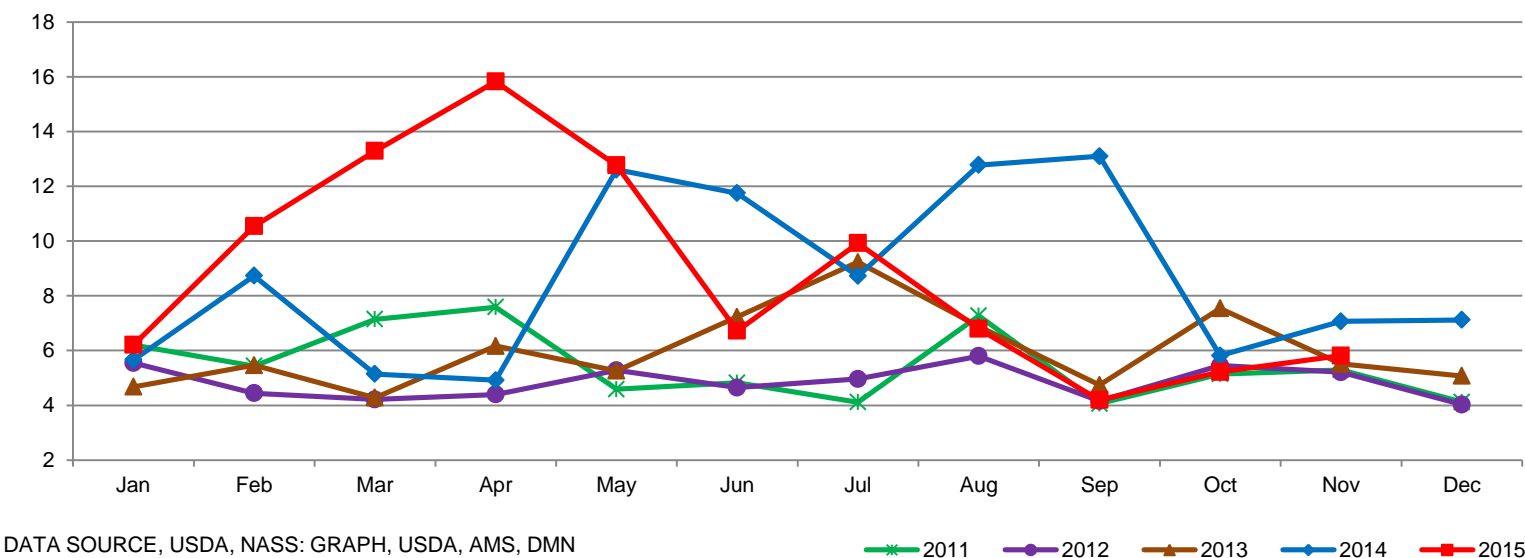
U.S. Swiss Cheese Production



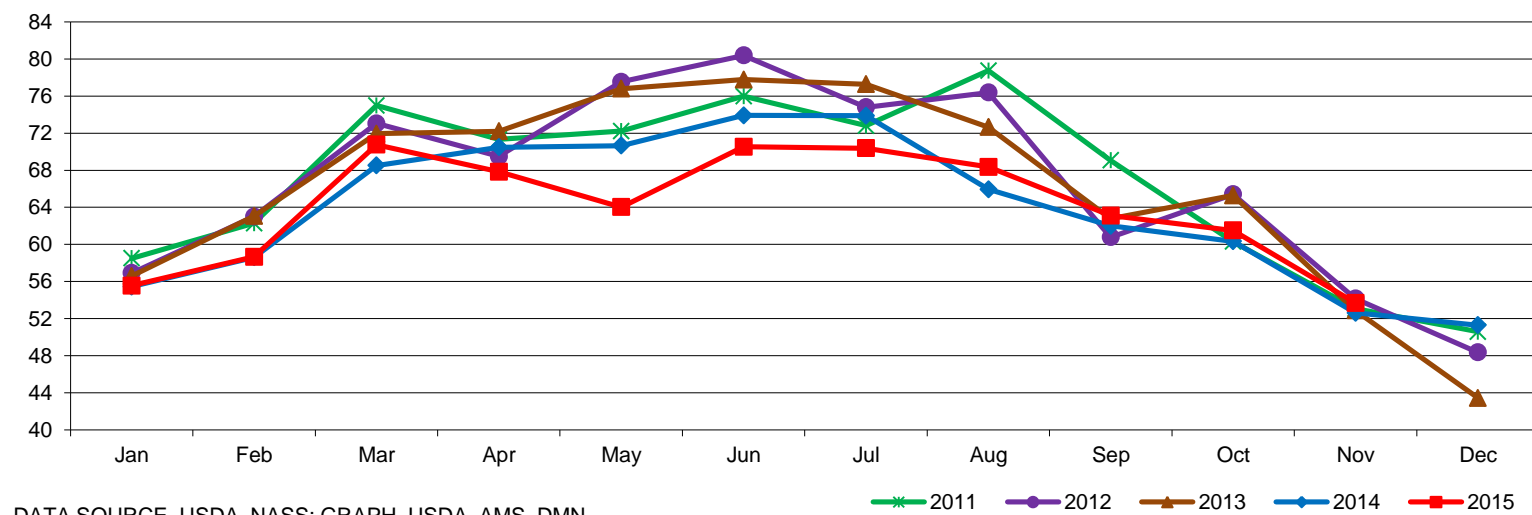
MILLION POUNDS

U.S. Butter Production

MILLION POUNDS

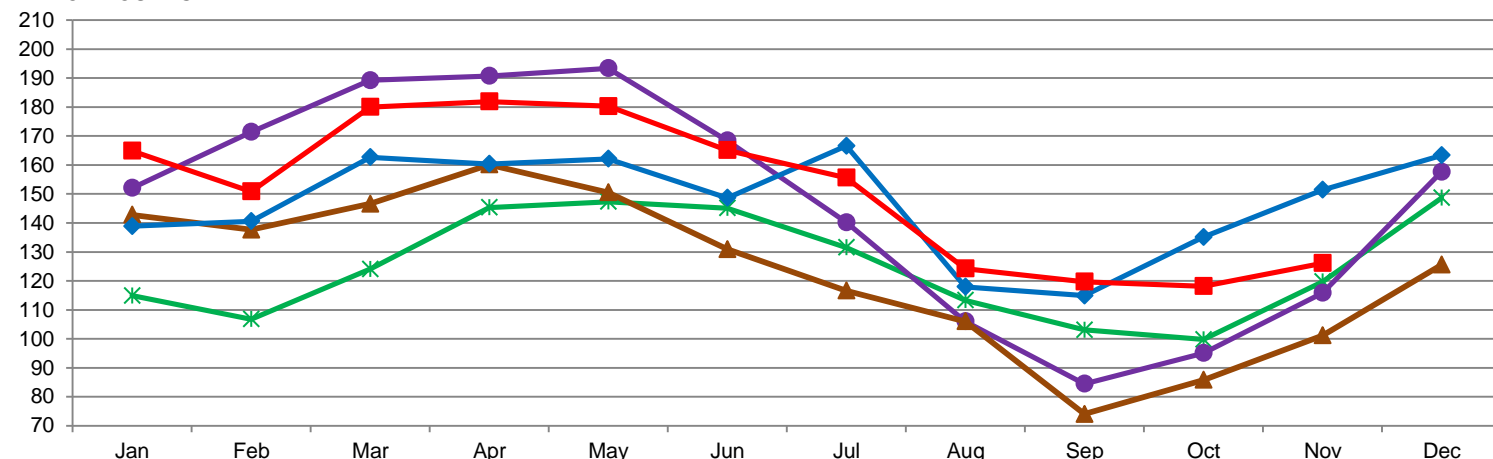
U.S. Dry Whole Milk Production

MILLION GALLONS

U.S. Regular Hard Ice Cream Production

U.S. Nonfat Dry Milk (NDM) Production, Human

MILLION POUNDS

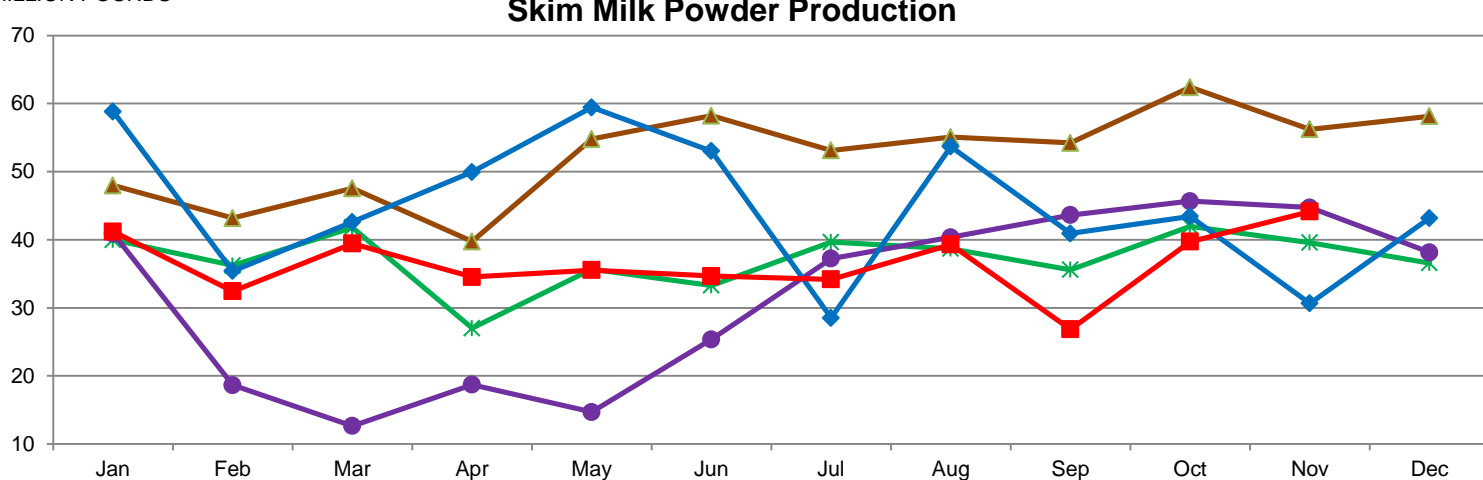


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

* 2011
 ● 2012
 ▲ 2013
 ◆ 2014
 ■ 2015

Skim Milk Powder Production

MILLION POUNDS

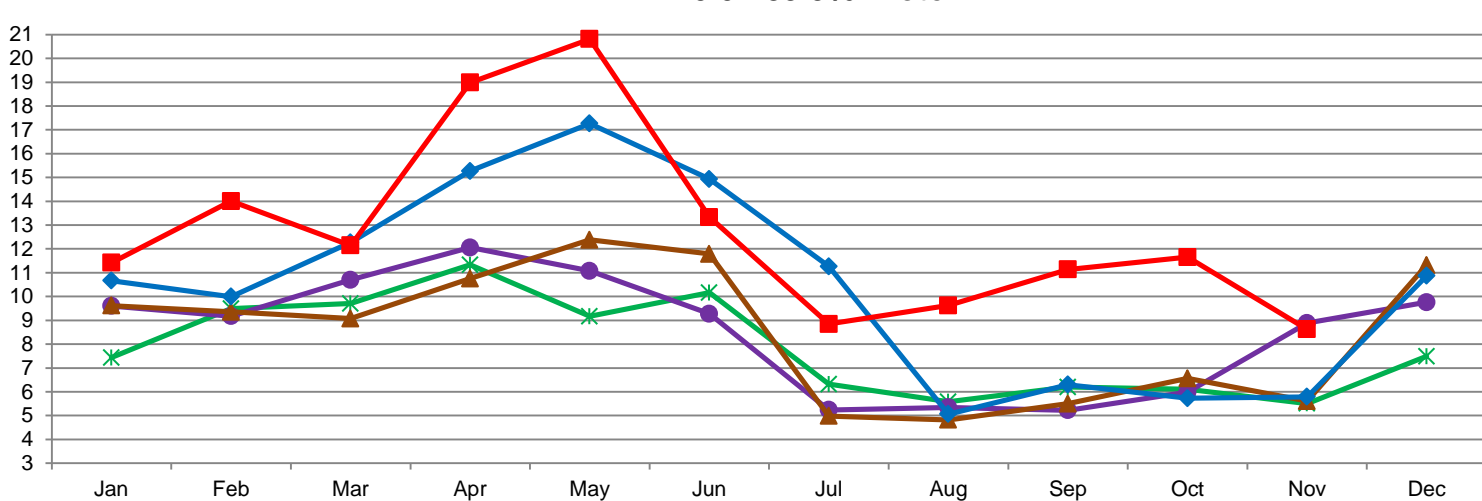


DATA SOURCE, USDA, NASS, GRAPH, USDA, AMS, DMN

* 2011
 ● 2012
 ▲ 2013
 ◆ 2014
 ■ 2015

U.S. Milk Protein Concentrate Production, 40.0 - 89.9% Protein

MILLION POUNDS

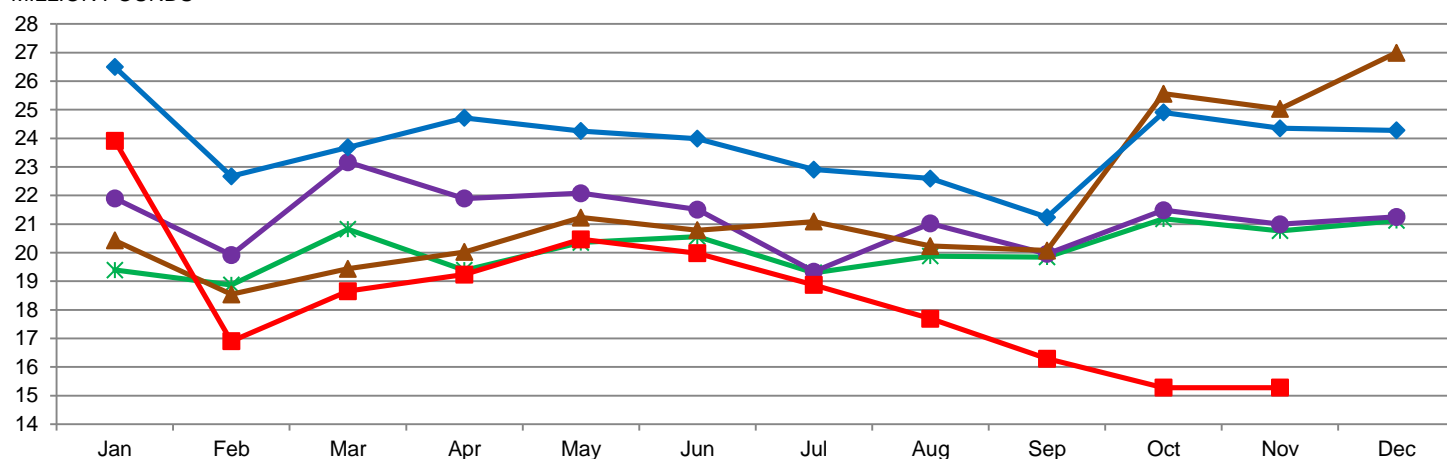


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

* 2011
 ● 2012
 ▲ 2013
 ◆ 2014
 ■ 2015

U.S. Total Dry WPC Production, Human and Animal, 25.0 - 49.9% Protein

MILLION POUNDS

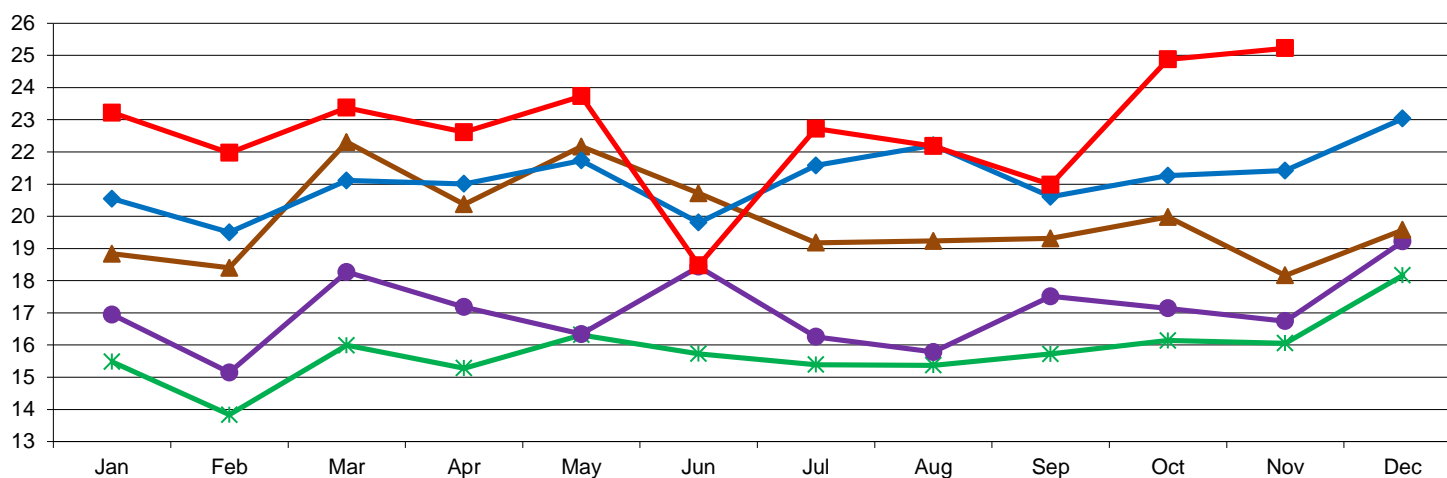


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

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

U.S. Total Dry WPC Production, Human and Animal, 50.0 - 89.9% Protein

MILLION POUNDS

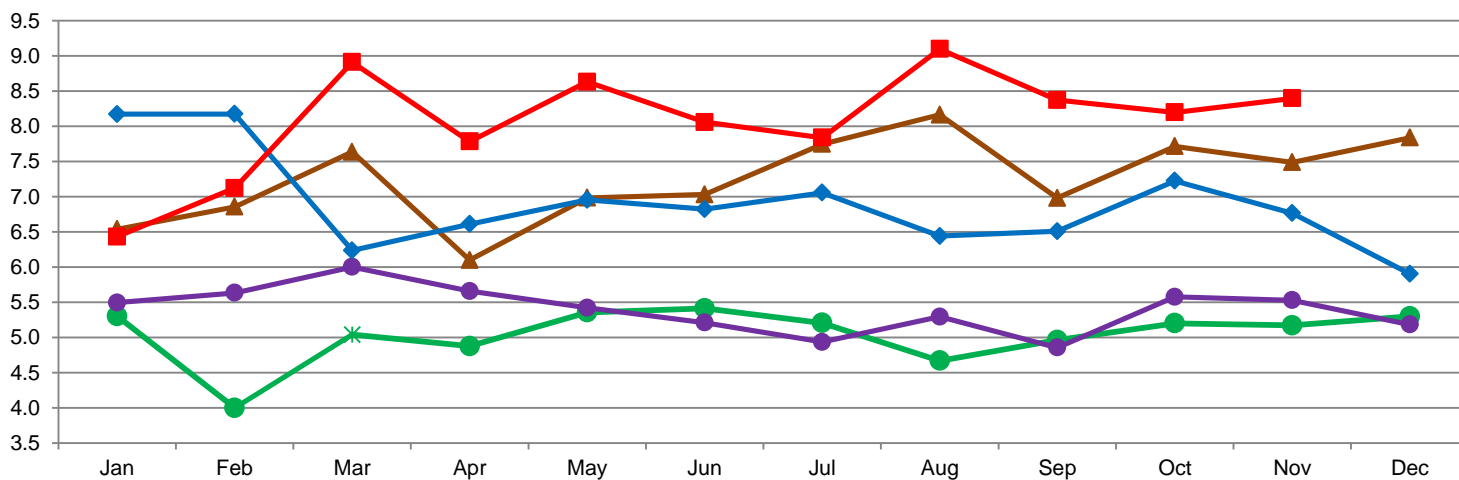


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

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

U.S. Whey Protein Isolate Production

MILLION POUNDS



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

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



Dairy Market News Branch

Agricultural
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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

Volume 83- Number 1

Issued Weekly

Friday, January 8, 2016

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 01/08/2016 to 01/14/2016

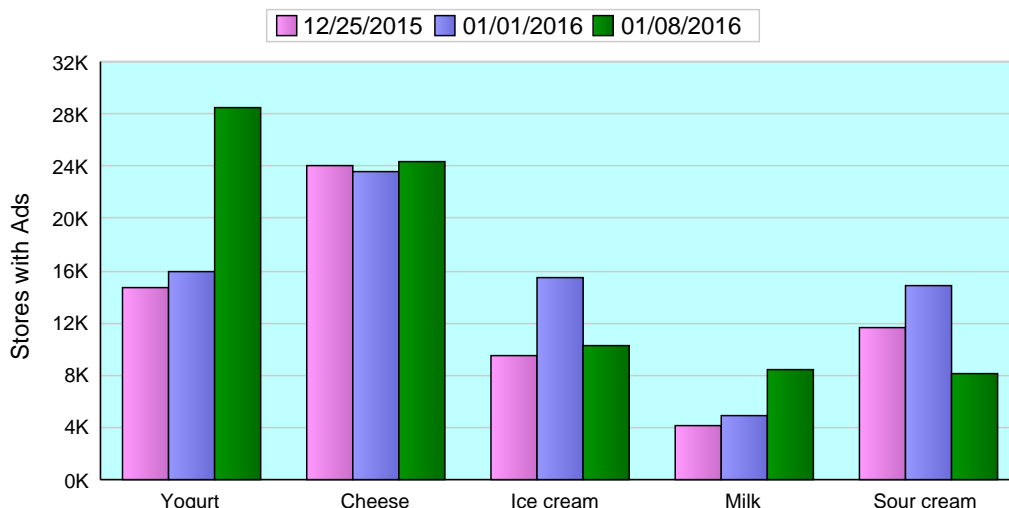
The volume of dairy ads advanced this week from the recent holiday decline. Organic dairy ads compared to conventional ads had the larger increase, 127% over the previous week. The top three regions posting organic dairy ads were the Midwest, South Central, and Southeast. Conventional dairy ads grew 78%, compared to the previous week, while conventional butter ads posted the largest change, about 21 times more ads than the previous week's number.

The average price for conventional yogurt in 4-6 ounce packages is 48 cents, down 1 cent from last week, but up 1 cent from a year ago. The average price of 4-6 ounce conventional Greek yogurt is \$.94, down 1 cent from last week and 2 cents lower than a year ago. Conventional yogurt ad numbers increased 96% from last week. Organic yogurt ads this week are about 7 times more than the previous week's.

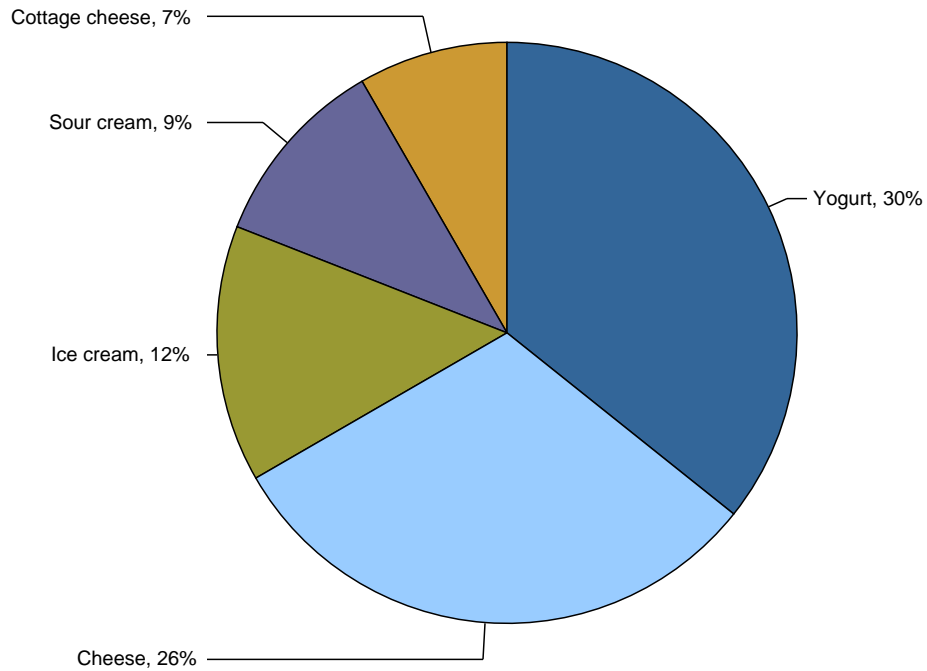
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.19, up 18 cents from last week, but down 14 cents from a year ago; 8 ounce shred cheese averaged \$2.17, down 7 cents from last week while 37 cents below one year ago. Advertisements for both conventional and organic cheeses increased from last week, 81% and 204% respectively.

The price spread between organic and conventional half gallon milk is \$1.89. The price spread is the difference between national weighted average prices for organic, \$3.72, and conventional, \$1.83. Conventional milk ads increased by 88% from last week, while organic ads increased by 78%.

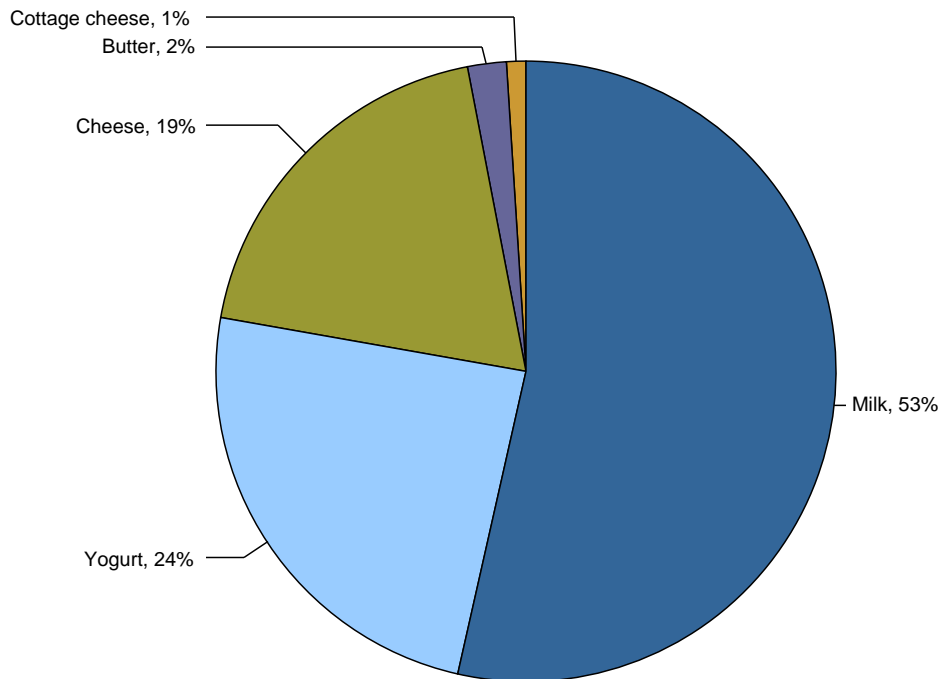
Top 5 Commodities Featured



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 #	1339	3.39	64	3.00	1710	3.00
Cheese	Natural Varieties	8 oz block	8854	2.19	3407	2.01	6270	2.33
Cheese	Natural Varieties	1 # block	1461	3.92	2618	4.05	1862	4.25
Cheese	Natural Varieties	2 # block	1529	5.81	1610	5.84	1412	7.88
Cheese	Natural Varieties	8 oz shred	8931	2.17	3425	2.24	8340	2.54
Cheese	Natural Varieties	1 # shred	1642	3.77	1340	3.44	1591	4.28
Cottage cheese		16 oz	6228	1.98	3479	2.01	4491	2.25
Cream cheese		8 oz	3550	1.60	4636	1.52	3103	1.97
Egg nog		quart	84	2.50				
Egg nog		half gallon						
Flavored milk	All fat tests	half gallon	1083	2.27	120	1.00	105	3.79
Flavored milk	All fat tests	gallon	295	3.54	248	2.81	310	3.88
Ice cream		48-64oz	10190	3.04	4752	2.82	7649	3.11
Milk	All fat tests	half gallon	852	1.83	377	1.36	2093	2.37
Milk	All fat tests	gallon	2285	2.54	1291	2.25	1193	2.92
Sour cream		16 oz	7997	1.57	5744	1.55	5910	1.73
Yogurt	Greek	4-6 oz	15902	.94	7135	.95	16906	.96
Yogurt	Greek	32 oz	2497	4.05	624	5.19	1347	4.19
Yogurt	Yogurt	4-6 oz	6096	.48	3997	.49	8504	.47
Yogurt	Yogurt	32 oz	1659	2.06	1573	1.94	450	2.70

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 #	2.88-4.49	659	3.43	3.50	87	3.50			
Cheese	Natural Varieties	8 oz block	1.77-3.50	1970	2.33	1.79-2.50	3101	2.20	1.50-2.50	1955	1.89
Cheese	Natural Varieties	1 # block				3.49	184	3.49	3.99-5.99	218	4.73
Cheese	Natural Varieties	2 # block							4.49	98	4.49
Cheese	Natural Varieties	8 oz shred	1.29-3.00	2087	2.19	1.79-2.50	3017	2.19	1.50-2.50	1367	1.94
Cheese	Natural Varieties	1 # shred	3.99	235	3.99	3.49	184	3.49	3.33-3.99	375	3.78
Cottage cheese		16 oz	1.66-2.50	1938	2.16	1.00-2.50	1902	2.04	1.25-2.39	378	1.70
Cream cheese		8 oz	1.39-2.39	1132	1.82	1.50-2.39	858	1.99	0.89-1.50	826	.99
Egg nog		quart	2.50	84	2.50						
Flavored milk	All fat tests	half gallon	1.99-2.99	230	2.36				1.00-3.00	721	1.99
Flavored milk	All fat tests	gallon							2.50	53	2.50
Ice cream		48-64oz	1.99-3.99	2290	2.70	2.50-3.99	4163	3.16	2.50-3.33	1258	3.01
Milk	All fat tests	half gallon	3.49	126	3.49				1.00-1.25	221	1.14
Milk	All fat tests	gallon	1.99-3.69	309	2.98				1.88-2.99	1083	2.23

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
Sour cream		16 oz	1.29-2.00	1771	1.73	0.99-2.50	3299	1.53	1.00-2.00	614	1.40
Yogurt	Greek	4-6 oz	0.80-1.00	4078	.98	0.80-1.00	3148	.90	0.69-1.25	3617	.90
Yogurt	Greek	32 oz	3.99-5.49	977	4.54	5.49	61	5.49	3.00-3.69	707	3.57
Yogurt	Yogurt	4-6 oz	0.49-0.60	2175	.51	0.50	1562	.50	0.25-0.50	1095	.42
Yogurt	Yogurt	32 oz	1.99-2.50	376	2.27				1.89	588	1.89

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 #	2.49-3.49	397	2.98				3.99	166	3.99
Cheese	Natural Varieties	8 oz block	1.49-2.79	864	2.08	2.25-2.99	518	2.60	1.79-2.99	408	2.36
Cheese	Natural Varieties	1 # block	3.99-4.29	293	4.07	2.99-3.99	766	3.73			
Cheese	Natural Varieties	2 # block	6.99	372	6.99	4.99-5.99	410	5.39	4.99-5.99	584	5.38
Cheese	Natural Varieties	8 oz shred	1.49-2.50	1313	2.09	1.59-2.99	391	2.59	1.79-2.50	697	2.34
Cheese	Natural Varieties	1 # shred	3.99	219	3.99	2.99-3.99	629	3.68			
Cottage cheese		16 oz	1.00-2.50	578	1.51	1.00-1.99	558	1.46	1.25-2.69	869	2.25
Cream cheese		8 oz	0.99-2.00	349	1.47	1.19	178	1.19	1.50-2.00	207	1.83
Flavored milk	All fat tests	half gallon							3.49	105	3.49
Flavored milk	All fat tests	gallon	3.69	162	3.69				3.99	69	3.99
Ice cream		48-64oz	2.49-3.99	855	3.25	1.88-3.49	938	2.94	3.00-3.99	537	3.23
Milk	All fat tests	half gallon				1.00-1.49	361	1.33	2.50-2.69	138	2.60
Milk	All fat tests	gallon	1.88-3.69	397	2.28	1.99-3.99	346	3.12	2.49	105	2.49
Sour cream		16 oz	1.00-2.09	659	1.34	0.99-1.99	1039	1.57	1.29-2.00	593	1.65
Yogurt	Greek	4-6 oz	0.69-1.00	1591	.92	0.79-1.25	2263	.99	0.88-1.00	1170	.99
Yogurt	Greek	32 oz	4.99	54	4.99	3.00-3.99	488	3.50	3.99	210	3.99
Yogurt	Yogurt	4-6 oz	0.39-0.50	563	.48	0.50	178	.50	0.34-0.50	463	.45
Yogurt	Yogurt	32 oz	2.50	118	2.50	1.69	178	1.69	2.00-2.50	394	2.13

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 #	3.50-4.50	30	4.43			
Cheese	Natural Varieties	8 oz block	2.50-3.50	34	3.32	2.50	4	2.50
Cheese	Natural Varieties	2 # block	6.99-7.49	38	7.35	7.99	27	7.99
Cheese	Natural Varieties	8 oz shred	2.50-3.79	55	3.50	2.50	4	2.50
Cottage cheese		16 oz	2.50	5	2.50			
Flavored milk	All fat tests	half gallon				3.99	27	3.99
Flavored milk	All fat tests	gallon	3.59	11	3.59			
Ice cream		48-64oz	3.50-4.00	37	3.85	3.50-4.99	112	4.20
Milk	All fat tests	half gallon	4.99	6	4.99			
Milk	All fat tests	gallon	3.59	11	3.59	5.29	34	5.29
Sour cream		16 oz	2.14-2.50	10	2.21	3.08	12	3.08

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
Yogurt	Greek	4-6 oz	1.50	28	1.50	1.00-1.07	7	1.03
Yogurt	Yogurt	4-6 oz	0.60	9	.60	0.50-0.69	51	.60
Yogurt	Yogurt	32 oz	2.98-3.00	5	2.99			

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 #	222	4.99				
Cheese	Natural Varieties	8 oz block	290	3.50	276	3.49	84	3.99
Cheese	Natural Varieties	8 oz shred	1611	3.43	105	3.99	84	3.99
Cheese	Natural Varieties	1 # shred			244	7.99		
Cottage cheese		16 oz	121	3.49				
Cream cheese		8 oz						
Egg nog		quart			221	4.59		
Milk	All fat tests	half gallon	4098	3.72	2452	4.11	1029	3.56
Milk	All fat tests	gallon			214	5.99		
Milk	All fat tests	8 oz UHT	1186	.93	300	.90	2677	1.00
Sour cream		16 oz	114	1.99	244	2.49		
Yogurt	Greek	4-6 oz	1828	1.08	357	1.00	1639	1.02
Yogurt	Greek	32 oz	536	3.85			189	4.99
Yogurt	Yogurt	4-6 oz					114	1.00
Yogurt	Yogurt	32 oz						

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 #	4.99	108	4.99						
Cheese	Natural Varieties	8 oz shred	3.50	84	3.50	3.50	184	3.50	2.99-3.99	823	3.22

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
Milk	All fat tests	half gallon	3.69-4.99	501	4.20	2.99-4.49	1276	4.26	2.95-4.29	1073	3.27
Milk	All fat tests	8 oz UHT	0.92	627	.92				1.00	81	1.00
Yogurt	Greek	4-6 oz	1.00	72	1.00	1.00-1.25	304	1.10	1.00	235	1.00
Yogurt	Greek	32 oz	3.49-5.99	322	4.74	2.50	214	2.50			

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	114	4.99						
Cheese	Natural Varieties	8 oz block	3.49-3.50	290	3.50						
Cheese	Natural Varieties	8 oz shred	3.49-3.99	415	3.66				3.99	105	3.99
Cottage cheese		16 oz	3.49	121	3.49						
Milk	All fat tests	half gallon	2.99-3.49	564	3.21	2.79-4.25	456	3.62	2.99	187	2.99
Milk	All fat tests	8 oz UHT	0.88	162	.88	1.00	178	1.00	0.83-1.00	138	.92
Sour cream		16 oz	1.99	114	1.99						
Yogurt	Greek	4-6 oz	1.00	429	1.00	1.00-1.50	785	1.16			

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	3.49	11	3.49	4.99-5.97	30	5.09
Yogurt	Greek	4-6 oz				1.00	3	1.00

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



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