

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (1/22)**

**BUTTER:** Grade AA closed at \$2.1700. The weekly average for Grade AA is \$2.1438 (+.0293).

**CHEESE:** Barrels closed at \$1.4300 and 40# blocks at \$1.4600. The weekly average for barrels is \$1.4781 (-.0464) and blocks, \$1.4775 (-.0095).

**NONFAT DRY MILK:** Grade A closed at \$.7100. The weekly average for Grade A is \$.7263 (-.0142).

**BUTTER HIGHLIGHTS:** Butter output is active in the country. Heavy cream volumes continue to clear into butter churns in all regions. Production is mostly focused on bulk butter. Some print butter is being made to meet immediate needs, however, a major part of the current production is moving into cold storage. In the Central region, demand from retailers is light, but steady from food service. In the West, some butter manufacturers note a decent domestic demand. At this point, the butter market undertone is unsettled. Some buyers/end users are skeptical about spot price volatility and are waiting for lower prices ahead of the spring holiday purchases. On the other hand, some buyers/end users are eager to get their retail butter needs met in advance of the spring holidays. This week, a cooperative export assistance program accepted requests for 1.543 million pounds of butter. At the CME Group, Grade AA butter price on Friday closed at \$2.1700, down 8 cents from a week ago.

**CHEESE HIGHLIGHTS:** In the U.S., cheese production this week remains steady in the Northeast, but active in the Midwest and West. Readily available milk supplies are driving production volumes in the Midwest and West. In all regions cheese inventories are building, which is typical and expected in early Q1. Manufacturers in the West note small increases in cheese export activity and demand for barrels. The interest in barrels is welcome because supplies have been viewed as growing long. Cheese pricing in the EU weakened with concerns over continuing milk volumes and cheese export challenges resulting from global production volumes. At the CME Group, Barrels closed the week on Friday at \$1.4300, down \$0.0950 from last week's close and blocks closed at \$1.4600, down \$0.0350 from last week's close.

**FLUID MILK:** Milk production is steady to increasing at seasonal levels across most of the country. However, marginal drops in output are reported in a few areas. Fluid milk sales vary across the regions. Bottling orders in the East are strong, as a wintery snow storm

develops up and down the region. Milk transportation delays that are occurring are anticipated to grow into cancellations as the snow storm further develops. Sales into bottling moved lower in the Midwest as orders for specialty products declined. Meanwhile, Arizona reports steady to lower fluid sales, as sales picked up in the Pacific Northwest. Cream is available across the regions, with the majority of interest coming from butter manufacturers. Supplies in the Midwest are being augmented by loads from the Northeast and West. With the Super Bowl fast approaching, interest in sour cream type products and dips continues to rise.

**DRY PRODUCTS:** Prices for low/medium heat nonfat dry milk are steady to lower, in a weak market. Output is heavy. Overall, demand is light. Buyer interest is growing around Q3/Q4 contracts. Dry buttermilk prices are mostly unchanged. Demand is limited, as supplies build. Dry whole milk prices are mixed in an unsettled market. Domestic demand is light. The export market is active. Dry whey prices are mixed. Production is at seasonal levels. Contracts that cover January and/or Q1 needs are keeping inventories in the Central region below year end levels. Whey protein concentrate 34% prices are steady to higher. Demand is steady. Supplies are tight as a few plants shift to higher whey protein concentrations. Lactose prices are steady to higher, as the market firms. Interest is active in both the domestic and global markets. Casein prices are unchanged.

**NATIONAL RETAIL REPORT-DAIRY (DMN):** The conventional dairy ads volume decreased by 7%, while organic dairy ads increased by 2% when compared with the previous week. Some weekly ads are focused on the needs of Super Bowl viewers. Total ads for 16 ounce conventional sour cream increased by 13%, the average price is \$1.74, 9 cents above last week. Total ads for 16 ounce conventional cottage cheese increased by 27%, the average price is \$2.01, 24 cents above last week. This week, total advertisements for 1 pound of conventional butter decreased by 58%, while total ads for 1 pound of organic butter decreased by 24%. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.33, down 2 cents from last week; 8 ounce shred cheese averaged \$2.39, down 12 cents from last week. Organic 8 ounce block cheese averaged \$3.95, while 8 ounce shred cheese averaged \$3.82. Total advertisements for conventional cheese decreased by 20%, but organic cheese ads increased by 34% from last week. The average price for conventional

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NATIONAL RETAIL REPORT-DAIRY

**CME GROUP CASH TRADING**

COMMODITY	MONDAY JAN 18	TUESDAY JAN 19	WEDNESDAY JAN 20	THURSDAY JAN 21	FRIDAY JAN 22	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE	CME						
BARRELS		\$1.4975 (-.0275)	\$1.4950 (-.0025)	\$1.4900 (-.0050)	\$1.4300 (-.0600)	:- (-.0950)	:- \$1.4781 (-.0464)
40# BLOCKS	CLOSED	\$1.5000 (+.0050)	\$1.4800 (-.0200)	\$1.4700 (-.0100)	\$1.4600 (-.0100)	:- (-.0350)	:- \$1.4775 (-.0095)
NONFAT DRY MILK							
GRADE A	NO	\$.7425 (-.0075)	\$.7425 (N.C.)	\$.7100 (-.0325)	\$.7100 (N.C.)	:- (-.0400)	:- \$.7263 (-.0142)
BUTTER							
GRADE AA	TRADING	\$2.1325 (-.1175)	\$2.1325 (N.C.)	\$2.1400 (+.0075)	\$2.1700 (+.0300)	:- (-.0800)	:- \$2.1438 (+.0293)

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.USD.GOV/DAIRY](http://WWW.AMS.USD.GOV/DAIRY)

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

yogurt in 4-6 ounce packages is \$.55, up 6 cent from last week. The average price of 4-6 ounce conventional Greek yogurt is \$.97, up 4 cents from last week. The average price of 4-6 ounce organic yogurt is \$1.50, while organic Greek yogurt is \$1.05. Compared to the previous week, ad numbers for conventional yogurt decreased 9%, however, organic yogurt ads increased by 6%. The price spread between organic and conventional half gallon milk is \$2.08. The price spread is the difference between national weighted average prices for organic, \$3.65, and conventional, \$1.57. Conventional milk ads decreased by 20% from last week, while organic ads decreased by 10%.

**INTERNATIONAL DAIRY MARKET NEWS (DMN):**  
**WESTERN AND EASTERN EUROPE:** Northern European milk production is said to significantly exceed levels one year ago, but is slightly lower than a week ago due primarily to weather conditions. In this part of Europe, late year holidays tend to linger and this week is the first week of the year with most people fully back at work and retail dairy supply chains back in normal flows. November milk production is typically the lowest month in Europe. This November, milk production was an estimated 4.9% above November one year ago, exceeding 4.2% in October, the previous high. During the period January-November, 2015, the top increases in milk production over the same period of the prior year for EU countries are: Spain, 13.69%; Ireland, 12.87%; Luxembourg, 8.05%; and Belgium, 6.38%. The only decreases were: Greece, -1.63%; Sweden, -0.32%; and France, -0.03%. Overall higher levels of milk production than one year ago are expected to continue through the first months of 2016. Processors are facing the challenge of what to do with increased volumes of milk in a global situation of more milk from various sources seeking customers.

**OCEANIA OVERVIEW:** Hay has benefitted from rain which has mitigated the dry conditions in **Northern Australia**. This has resulted in increased paddock feed. The demand for purchased feed has lessened as a result. Baling is difficult in coastal areas as a result of continuing storms. Less hay is being shipped as a consequence of the rain's impact on growth. **Southern Australia** continues to have strong demand for hay following poor yields and an early end of the season, leaving supplies low. High demand is resulting in hay movements over some distances to secure enough feed to see producers through the summer. Hay exports remain significant in **Western Australia**. Trading is slow and the impact of recent fires in hay country remains to be determined. At the January 19 **GDT** event #156, average prices ranged from 7.8% lower to 2.7% higher from the prior event across categories. The change in all GDT price index from the previous event is -1.4%, the second decline during 2016. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,724 +2.4%; butter, \$3,162 -5.9%; buttermilk powder, \$1,620 +2.7%; cheddar cheese, \$2,867 -3.4%; lactose, \$579 -1.7%; rennet casein, \$4,405 -7.8%; skim milk powder, \$1,835 -3.2%; sweet whey powder, n.a.; and whole milk powder, \$2,188 -0.5%. The GDT results were preceded by lower futures prices. Some analysts say that the GDT results are in line with market expectations, specifically weak global demand for dairy products with increased production. November **New Zealand** milk production as reported by DCANZ was 2.980 million MT, down from 3.045 million MT during November 2014 but higher than 2.961 million MT two years ago.

**NOVEMBER MILK SALES ESTIMATES (FMO & CDFA):** During November 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.3% lower than November 2014. Estimated sales of total conventional fluid milk products decreased 0.2% from November 2014 and estimated sales of total organic fluid milk products decreased 0.9% from a year earlier.

**DECEMBER FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY (FMMO):** During December, 11.729 billion pounds of milk were received from Federally pooled producers. This volume of milk is 1.0% higher than the December 2014 volume. Regulated handlers pooled 3.601 billion pounds of producer milk as Class I products, down 0.3% when compared to the previous year. Class I utilization increased from last year in 6 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 31%, Class II = 9%, Class III = 49%, and Class IV = 11%. The weighted average statistical uniform price was \$16.31 per cwt, down \$0.94 from last month and down \$3.79 from last year.

**FEBRUARY FEDERAL ORDER ADVANCED PRICES (FMMO):** Under the Federal milk order pricing system, the base Class I price for February 2016 is \$13.64 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$5.91 and the advanced butterfat pricing factor of \$2.2678. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price. The base Class I price decreased \$2.40 per cwt when compared to the previous month of January 2016. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$2.22 per cwt, -\$0.191 per gallon; reduced fat milk (2%), -\$1.67 per cwt, -\$0.144 per gallon; fat-free (skim milk), -\$1.02 per cwt, -\$0.088 per gallon. The advanced Class IV skim milk pricing factor is \$5.47. Thus, the Class II skim milk price for February 2016 is \$6.17 per cwt, and the Class II nonfat solids price is \$0.6856. The two-week product price averages for February 2016 are: butter \$2.0442, nonfat dry milk \$0.7817, cheese \$1.5115 and dry whey \$0.2344.

**CME GROUP**

MONDAY, JANUARY 18, 2016  
CME Closed-No Trading

TUESDAY, JANUARY 19, 2016

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.5050, 1 @ \$1.4975; 1 CAR 40# BLOCKS @ \$1.5000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.5050  
NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.7500, 1 @ \$0.7450, 1 @ \$0.7425; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7400; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7450  
BUTTER -- SALES: 1 CAR GRADE AA @ \$2.1500; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.1000; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1325

WEDNESDAY, JANUARY 20, 2016

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.4800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4950; 1 CAR 40# BLOCKS @ \$1.5000  
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 @ \$2.0000; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.2000

THURSDAY, JANUARY 21, 2016

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4900; 1 CAR 40# BLOCKS @ \$1.4700  
NONFAT DRY MILK -- SALES: 12 CARS GRADE A: 3 @ \$0.7400, 1 @ \$0.7350, 1 @ \$0.7325, 1 @ \$0.7300, 2 @ \$0.7225, 1 @ \$0.7125, 3 @ \$0.7100; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
BUTTER -- SALES: 4 CARS GRADE AA: 2 @ \$2.1325, 1 @ \$2.1350, 1 @ \$2.1400; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.1400; LAST OFFER UNCOVERED: NONE

FRIDAY, JANUARY 22, 2016

CHEESE -- SALES: 6 CARS BARRELS: 1 @ \$1.4500, 1 @ \$1.4425, 1 @ \$1.4400, 1 @ \$1.4325, 2 @ \$1.4300; 1 CAR 40# BLOCKS @ \$1.4600; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.4300; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4500  
NONFAT DRY MILK -- SALES: 7 CARS GRADE A: 1 @ \$0.7200, 1 @ \$0.7225, 1 @ \$0.7200, 2 @ \$0.7150, 2 @ \$0.7100; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.7000; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7200  
BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$2.1500, 1 @ \$2.1600, 1 @ \$2.1700; LAST BID UNFILLED: 5 CARS GRADE AA @ \$2.1600; LAST OFFER UNCOVERED: NONE

**BUTTER MARKETS****NORTHEAST**

Butter production is fairly steady with the previous week's output levels, although cream offerings are lighter. Production runs are based largely upon the premise of replenishing butter stocks, as manufacturers consider sales beyond existing orders. Cream multiples in the region have increased slightly, but not enough to encourage heavier trading in the spot market. The current bulk butter prices for domestic sales are reported 4-7 cents over the market of the CME Group, with various time frames and averages used. Last week, butter left some puzzled as to the late in the week strength, which one source attributed to butter market psychology outpacing butter market fundamentals. However, upon the CME Group re-opening on Tuesday following Monday's holiday break, the butter price retreated sharply, \$0.1175, with a closing price of \$2.1325. That is, \$0.0975 above last Tuesday's close. The market undertone is unsettled. According to the *DMN National Retail Report-Dairy*, during the week of January 15-21, 2015, the U.S. weighted average advertised price for 1 pound butter was \$3.57, up 57 cents from a year ago and up 18 cents from the previous week. The weighted average butter price in the Northeast was \$3.65, compared to \$3.43 a week ago.

**CENTRAL**

Central butter production is active as cream is readily available from sources within and outside the region. Churn operators continue to bring in cream loads from the East and West coasts, as well as from points in between. Food service orders are unchanged. Sales into retail outlets are light, although some orders have improved since the yearend holidays. Manufacturers indicate orders stretching through the spring holidays are limited as buyers may be waiting for price movement ahead of those purchases. Bulk and some print production runs are heading to storage. The butter market showed

volatility during the last few trading days, with some daily price changes over 9 cents making market participants unsure of when to reenter the market. The *DMN National Dairy Retail Report-Dairy* for January 15-21 noted the national weighted average advertised price for a 1 pound package of butter was \$3.57, up \$0.18 from both one week and \$0.57 from one year ago. The weighted average prices in the Midwest and South Central regions, respectively, are \$3.00 and \$3.07. Bulk butter prices are steady, ranging from 4 cents under to 7 cents over the market, based on CME Group prices and various indices. The CME Group Grade AA butter market closed Wednesday at \$2.1325, up 3.25 cents from last Wednesday.

**WEST**

Western butter makers are actively churning with available cream. The majority of production is focused on bulk butter with some print butter produced to meet immediate needs. Manufacturers say there is decent domestic consumer demand. Buyers are eager to get their retail butter needs met in advance of the spring holidays. As a result, the butter market is experiencing a higher price trend than in previous years. Many buyers seem comfortable with current market prices. Butter inventories are building slowly, which is typical for this time of year. The American Butter Institute reported new grading standards will take effect at the CME Group next month. After February 1<sup>st</sup>, sellers may be able to provide a Certificate of Analysis as an acceptable document for delivered loads of butter in the spot market. The *DMN National Retail Report-Dairy* for the week of January 15-21 found that the U.S. weighted average advertised price of 1 pound butter is \$3.57, up \$.18 from last week, and up \$.57 from one year ago. In the Southwest, the weighted average advertised price of 1 pound butter was \$2.99. There were no retail prices reported for surveyed stores in the Northwest this week.

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

<u>WEEK ENDING</u>	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
January 16, 2016	2,0427 4,693,400	1,4769 12,510,813	1,5432 11,285,012	2351 7,787,782	7857 12,258,024

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

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This week, a cooperative export assistance program accepted requests for 1.543 million pounds of butter. 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. The Grade AA butter price at the CME Group on Wednesday closed at \$2.1325, up \$.0325 from a week ago.

## CHEESE MARKETS

## NORTHEAST

Cheese production is mostly steady. Cheese inventories are building under fair domestic demand. Interest for mozzarella is fair to good for this time of year. Pizza promotions are noted, prompted by the NFL playoffs. Wintery conditions, from an anticipated heavy snow storm, may well impact retail purchase patterns in the region. Cheese yields remain solid, with fat and protein at typical seasonal levels. This week, wholesale cheese prices continue to firm. Cheddar and Muenster increased fractionally, \$0.0075, while processed cheese prices increased \$0.0225. Grade A Swiss prices are unchanged. According to the DMN *National Retail Report-Dairy*, for January 15-21, 2016, the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.33, 2 cents less than the national average, but unchanged from the previous week. The Southeast 8 oz. block cheese price was \$2.43, 23 cents more than the previous week. Tuesday's CME Group daily cash prices saw barrels close at \$1.4975, down \$0.0250 from a week ago; blocks closed at \$1.5000, up \$0.0100 from last Tuesday.

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

Cheddar 40# Block	:	1.9025-2.1875
Process 5# Sliced	:	1.7225-2.2025
Muenster	:	1.9225-2.2725
Grade A Swiss Cuts 10 - 14#	:	3.1700-3.4925

## MIDWEST

Midwest cheese makers indicate a slowdown in commercial cheese sales following the winter holidays. Although demand is lighter, domestic consumer requests for retail cheese packages, deli and food service, are still relatively strong. Milk supplies are readily available and cheese production is active. Some processors are selling extra loads of milk where they can, often at prices near Class. Other manufacturers are running full production schedules to use as much of the dairy solids as possible. Cheese inventories are building, which is typical for early Q1 activity, and most cheese makers are not very concerned about rising inventories at this point in time. The DMN *National Retail Report-Dairy* shows that January 15-21 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.22, 29 cents lower than the national average. Midwest prices range from \$1.66-\$2.50. One year ago, the national price was \$2.54. For 8 ounce blocks, the Midwest average price is \$2.24, 11 cents below the national average price. Midwest ads are priced from \$1.79-\$2.99. Last year, the national price was \$2.33. Midwestern wholesale prices are unchanged for Swiss cuts, but up \$.0225 for process and up \$.0075 for all other types. This week, a cooperative export assistance program accepted requests for 766,547 million pounds of cheese. In CME Group trading Wednesday, barrels closed at \$1.4950, down \$.0250 from last Wednesday and blocks closed at \$1.4800, down \$.0150.

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

Process American 5# Loaf	:	1.6225-1.9825
Brick And/Or Muenster 5#	:	1.8650-2.2900
Cheddar 40# Block	:	1.5925-1.9875
Monterey Jack 10#	:	1.8400-2.0450
Blue 5#	:	2.1325-3.1200
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6650-2.6050
Grade A Swiss Cuts 6 - 9#	:	2.6875-2.8050

## WEST

Readily available milk is pushing western cheese production. Cheese making is active as processors work to use the available milk. Although the overall market tone suggests weakness, some manufacturers are encouraged by several indicators. With export opportunities being limited this last year, cheese makers have relied on strong domestic consumer demand to help support the market. Cheese marketers are encouraged by the continuing good retail demand, which appears to be holding up through the Super Bowl buying period. In addition, a few manufacturers have seen small increases in cheese export activity and demand for cheese barrels. These processors are hoping this is a sign of improvements to come. Cheese supplies are exceeding demand and adding to already long inventories. Some growth of inventories is expected at this time of year, and processors are watching the market closely to manage stocks. The DMN *National Retail Report-Dairy* for the week of January 15-21 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.51, up \$.34 from last week, but down \$.03 from a year ago. Packs averaged \$2.39 in the Southwest and \$2.46 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.35, up \$.16 from last week, and up \$.02 from a year ago. Blocks averaged \$2.30 in the Southwest and \$2.38 in the Northwest this week. In the West, wholesale prices are up \$.0225 for process, and up \$.0075 for cheddar block, cuts, and Monterey jack. Prices are unchanged for Swiss cuts. This week, a cooperative export assistance program accepted requests for 766,547 million pounds of cheese. In CME Group trading Wednesday, barrels closed at \$1.4950, down \$.0250 from a week ago and blocks closed at \$1.4800, down \$.0150.

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

Process 5# Loaf	:	1.6375-1.8950
Cheddar 40# Block	:	1.5975-2.0425
Cheddar 10# Cuts	:	1.7775-1.9975
Monterey Jack 10#	:	1.7875-1.9475
Grade A Swiss Cuts 6 - 9#	:	2.7475-3.1775

## CHEESE MARKETS

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## FOREIGN TYPE CHEESE

In the EU, pricing of cheese manufactured in member countries has weakened this week. A primary factor is concern over continuing strong milk supplies and weak pricing for skim milk powder as an outlet for milk. This leads to greater likelihood of higher milk volumes going into cheese. Milk production volumes in a number of member countries are up from year ago levels. Concerns over sales competition from global cheese supplies, coupled with currency factors, also add to uncertainty as to how the increased cheese volumes will find sales in the global marketplace. In the U.S., Domestic Swiss prices are unchanged and the remaining domestic foreign type cheese prices adjusted up \$0.0075.

## WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK

DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	2.6400-5.3800	2.0600-3.5475*
Gorgonzola	3.6900-5.8900	2.5675-3.2650*
Parmesan (Italy)	-0-	3.4500-5.5400*
Provolone (Italy)	-0-	2.1025-2.3550*
Romano (Cows Milk)	-0-	3.2500-5.4000*
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.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKSBUTTER : CHEESE

		:
01/18/16	12,328	: 91,395
01/01/16	7,658	: 93,970
CHANGE	4,670	: -2,575
% CHANGE	61	: -3



## FLUID MILK AND CREAM

## EAST

## SPOT SHIPMENTS OF GRADE A MILK INTO OR OUT OF FLORIDA &amp; SOUTHEASTERN STATES

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	25	0	0	125	0
SOUTHEAST STATES	0	0	0	0	0	0

The snow storm expected to move up the coast and add to the region's current wintry conditions will likely force a solid run on milk at retail outlets. The region, in general, is seeing robust demand from bottling facilities, as retail sales are strong. Northeast and Mid-Atlantic milk production is steady to increasing. Production has eased significantly at some balancing plants as milk supplies detour to Class I production. Manufacturers expect further disruptions, due to milk delays, as wintry conditions progress. Milk production in the Southeast is increasing, albeit supplies are circumventing manufacturing with strong pulls from Class I processors. To help meet current demand, milk supplies are being brought in from other outlets. Handlers expect aggressive growth in Florida's milk production over the next few weeks, as current daytime temperatures settle in the 50s. Sales to Class I are steady with some decline from last week. An anticipated snow storm is pressuring bottling. Milk exports totaled 25 loads in the f.o.b. spot market this week. According to the *DMN National Retail Report-Dairy*, for January 15-21, 2016, the U.S. weighted average advertised price for a gallon of milk was \$2.62, a 30 cent decline compared to a year ago, but up 8 cents from last week. **Condensed skim** supplies remain fairly heavy. Class II demand is showing some weakness as most manufacturers match production with contracted supplies. Heavy condensed skim volumes continue to clear to Class IV production. **Cream multiples** this week ranged **1.17-1.23**. Cream is moderate to plentiful as current market conditions determine available levels. Along with increasing milk supplies, contributing to overall availability is heavy volumes of standardized cream from bottling. At the CME Group, Grade AA butter closed Wednesday at \$2.1325, up \$0.0325 from a week ago.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES:

## SPOT PRICES OF CLASS II CREAM, DOLLARS PER LB. BUTTERFAT:

F.O.B. producing plants: Northeast - 2.4740-2.6008

F.O.B. producing plants: Upper Midwest - 2.4317-2.6431

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

Northeast - Class II - includes monthly formula prices - .70-.90

Northeast - Class III - spot prices - .44-.64

## MIDWEST

Milk production throughout the Central region is steady with last week. Transportation between plants improved as weather in the region hasn't impacted roads. Sales into bottling accounts shifted lower as production of some specialty products comes to an end. Bottled milk features are helping to clear milk at retail outlets. The *National Dairy Report-Dairy* shows milk gallons for the week of 1/15-1/21 in the South Central advertised at \$2.22, \$0.40 below the national average. Interest in manufacturing milk varies. Some cheese plant operators report they are only handling milk from their patrons. This is a result of demand for some cheese varieties trending lower. Prices for spot milk loads range from \$1.00 under

Class to \$.75 over, with additional spot loads being offered over the weekend. Cream availability is steady within the region and is being augmented by spot loads clearing into the Central region from the West and Northeast regions. Ice cream producers are taking in some cream to keep lines running. Manufacturers of dips are using additional cream loads to prepare orders for retail outlets ahead of the Super Bowl weekend. The range of multiples for Central region Class II cream narrowed, 1.15-1.25

## WEST

California farm level milk output is up. However, some producers are anticipating a slight drop in production due to the bad weather forecasted for the rest of the week. Most balancing plants are running at full capacity. Class 1 demand from the retail and food service sectors is steady to higher. Interest for Class 2 is even. Milk production is still rising in Arizona. The weather has been advantageous for milking cows. Class I sales are steady to lower. Manufacturing milk volumes moving into Class IV are higher. Condensed skim processing is steady and supplies are sufficient. Milk pooled on the Arizona Order 131 totaled 424.7 million pounds in December 2015. Class I utilization accounted for about 27.2% of producer milk. The uniform price was \$16.24, \$1.04 below last month and \$3.18 below one year ago. Dairy farmers of New Mexico continue replenishing their milking cow numbers. This week, farm level milk production is steady to lower. As a result, manufacturing milk volumes are decreasing. Some balancing plants are running below capacity. Class I demand has become stable as the school and retail orders have flattened. Sales into Class II and Class III are lower. According to the *DMN National Retail Report-Dairy* for the week of January 15-21, the national weighted average advertised price for one gallon of milk is \$2.62, \$2.83 in the Southwest and \$2.50 in the Northwest. In the Pacific Northwest, steady rains over the last week have led to muddy dairy paddocks and have suppressed milk production slightly. Milk components are increasing. Bottling demand has picked up following the winter holidays. Consumers continue to have increased interest in higher fat content milk. Utah and Idaho milk production is following seasonal patterns. Milk intakes have rebounded as temperatures climbed from the previous cold streak several weeks ago. Industry contacts say parts of the region have received precipitation in excess of water needs for the coming growing season. Processors say there is plenty of milk for manufactured products. Milk pooled on Pacific Northwest Order 124 totaled 738.6 million pounds in December 2015. Class I utilization accounted for about 23.5% of producer milk. The uniform price was \$15.68, \$1.00 below last month and \$3.19 below one year ago. In the West, cream continues to clear into butter churns. In addition, some processors are actively using cream supplies to make sour cream and dips as the Super Bowl approaches. Multiples for all classes are lower, ranging from .98 to 1.16. At the CME Group, Grade AA butter price on Wednesday closed at \$2.1325, up 3.25 cents from a week ago.

## NONFAT DRY MILK, BUTTERMILK &amp; WHOLE MILK

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

## NONFAT DRY MILK - CENTRAL AND EAST

**CENTRAL:** Central low/medium heat nonfat dry milk prices are lower on an unsettled market. Recent price announcements from offshore auctions undermined any inkling of this market entering steady to firm territory, according to market participants. Through Wednesday of this week at the CME Group, NDM prices are unchanged to lower. However, there is growing interest from the broker/trader community in extending some contracts into Q3/Q4 as downside risks appear to be manageable. Low/medium heat NDM production at all regional plants is very active as some cheese plant operators push back on discretionary milk loads. Low/medium heat NDM inventories are building steadily. High heat NDM prices are unchanged on light interest outside of contracts. Manufacturers indicate drying schedules include high heat NDM production on an intermittent basis, and inventories are light.

**EAST:** Prices for low/medium heat nonfat dry milk are lower in the mostly series, on relatively light f.o.b. spot trading. Dryer schedules had been rather active at most nonfat dry milk producing plants. However, a recent snow storm and reports of another one developing, leading into this weekend, have pressured bottlers to add to their milk receipts. As a result, East manufacturers of NDM are realizing a modest falloff in NDM output. Buying interest is light to moderate, as market participants in general are comfortable with shopping the market for the lowest prices available. Sources note NDM inquiries are predominately from brokers. Producers' stocks are fairly balanced, with supplies being built around current and future needs. High heat NDM prices are steady. Production is intermittent. High heat NDM availability is adequate for customer needs. Spot market acquisitions are limited. The market undertone is steady.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .7500 - .8700 MOSTLY: .8000 - .8300  
 HIGH HEAT: .9000 - 1.1500

## NONFAT DRY MILK - WEST

Low/medium heat nonfat dry milk (NDM) prices are mostly steady. The market undertone remains unsettled. Trade activity in the f.o.b. spot market has been flat throughout the week. Buyer demand is mixed. NDM interest for baking is waning. However, NDM use for processing Class II end uses is picking up slightly. Exports to Mexico are active. Production is steady to higher as processors work through seasonally heavy milk supplies. Inventories are unchanged. High heat nonfat dry milk prices are steady. The market undertone is unsettled. Sales in the spot market are intermittent. Production is irregular, determined by contractual needs. Inventories are steady.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .6850 - .8300 MOSTLY: .7200 - .7625  
 HIGH HEAT: .8400 - 1.1000

## CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
January 15	\$.8054	5,831,541
January 8	\$.8041	5,443,499

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

## DRY BUTTERMILK - CENTRAL AND EAST

**CENTRAL:** Central dry buttermilk prices are steady to lower on moderate interest. Unsettled NDM prices continue to put pressure on dry buttermilk pricing. Manufacturers report buyers from the bakery sector are slow to purchase ahead of the spring holiday baking season. It is also a little early for a push on salad dressing mixes. Dry buttermilk production is active at several plants as cream volumes clear into butter. Several churn operators indicate their usual competition for cream from Class II has been minimal so far this year. Dry buttermilk inventories are steady to building, but manufacturers indicate their holdings are not burdensome at this time.

**EAST:** Prices for dry buttermilk are steady to lower. Manufacturers are actively producing dry buttermilk to handle the solids that seasonal butter output is generating. Inventories are mixed. Some producers' holdings are building as supplies exceed current demand. Sales into bakery and dry mixes are at seasonal levels. This week, spot trading in the region is sluggish, as the market is relatively quiet. Sources have suggested that stronger demand for dry buttermilk holiday baking needs is still a few weeks away. The market undertone is weak.

F.O.B. CENTRAL/EAST: .7800 - .8600

## DRY BUTTERMILK - WEST

Spot prices for dry buttermilk are unchanged. The market undertone remains weak as supply is above immediate needs. Interest from buyers/end users is light to moderate. Demand from ice cream manufacturers is active. Production is steady to higher, in line with western butter production. Inventories are steady to building.

F.O.B. WEST: .8000 - .8700 MOSTLY: .8200 - .8400

## DRY WHOLE MILK - NATIONAL

Dry whole milk prices are mixed. Spot sales have been slow throughout the week. Domestic demand is light. The market undertone continues to be unsettled. Exports are active. According to some industry participants, there are sufficient volumes of condensed milk for processing. However, dry whole milk manufacturing has been irregular. Inventories are mixed. This week, a cooperative export assistance program accepted requests for 110,231 pounds of dry whole milk.

F.O.B. PRODUCING PLANT: 1.1400 - 1.4000



**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**

In the Central region, dry whey prices shifted lower. Several manufacturers are pushing through some sales to export, which necessitated lower prices to compensate for transportation. End users and resellers have some contracts in place to cover January and/or Q1 needs. The periodic fulfillment of these contracts is keeping inventories below year end levels, but many manufacturers want to keep holdings in check. In some cases, end users are trying to extend their buying into Q3/Q4, but these efforts have fallen short of expectations in most cases. At this time, few manufacturers are ready to tie up future production at a fixed price. Offers based on various market indices have a better chance of catching the attention of manufacturers. Some resellers are adding to current holdings as they view the downside risk as minimum. End users in the blended feed market sector report their near-term needs are steady to somewhat higher as ongoing availability of higher protein and fat powders require more dry whey for producing feed with standardized protein values. Dry whey production in the Central region is active. Due to some changes in how milk volumes are being handled on a plant to plant basis within the region, a few plant operators report their daily farm milk intakes are higher, prompting production of additional cheese vats and dry whey. Animal feed dry whey prices are unchanged to higher on moderate trading. A few producers report they have reinstated customary pricing on animal feed whey. Production is light as most plants are running well.

F.O.B. CENTRAL: .1800 - .2700 MOSTLY: .2000 - .2450  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1425 - .2050

**DRY WHEY - NORTHEAST**

Prices for dry whey are steady to higher. Some contacts report a slight firmness in the Northeast dry whey market. Production rates vary amongst regional dry whey producing plants. Inventories are generally in close balance. Domestic dry whey demand is fair. Some contacts suggest the current market's direction is temporary and may likely retreat during the typical slow period of February. The market undertone is unsettled.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2500 - .2775

**DRY WHEY - WEST**

Western whey prices are unchanged for the week. Spot sale activity was relatively quiet and volumes of dry whey cleared mostly through regular contracts. Production is steady. Some contacts report production is up a little from the previous year and has returned to pre-holiday levels. Processors say their inventories are stable and slightly tight. Industry contacts suggest the market is stabilizing.

NONHYGROSCOPIC: .2200 - .3100 MOSTLY: .2200 - .2600

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices for whey protein concentrate 34% are steady to higher, with the bottom of the mostly price series stepping up. Although a few spot sales have prices anchored at the bottom of the price range, there is a growing gap between the price of those sales and other spot sales. Some buyers seem to be searching for WPC34% with specific characteristics and are willing to pay more. Demand is steady and a few processors say they have heard from brokers looking for more loads of WPC34%. Manufacturers report their inventories are tight. Although production is generally steady, a few manufacturers have shifted their production to higher whey protein concentrations.

F.O.B. EXTRA GRADE 34% PROTEIN: .4900 - .6800 MOSTLY: .5300 - .5800

**LACTOSE - CENTRAL AND WEST**

Lactose prices were steady to higher this week. The top end of the mostly price series stepped up another cent as manufacturers continue to push for stronger prices in the spot market. Processors report tight inventories and in some cases are adjusting delivery schedules in order to meet buyer requests. A few lactose producers report taking calls from brokers across the country and buyers from around the world looking for loads of lactose. Some buyers and sellers seem interested in getting Q2 agreements in place early. Manufacturers say lactose production is steady. The market tone is stable to firming.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1400 - .2650 MOSTLY: .1800 - .2400

**CASEIN - NATIONAL**

Casein prices are unchanged this week. While there is believed to be an undertone of weakness, the low volume of current activity left prices unchanged. Many potential buyers are in no rush and sellers are comfortable with inventories. Contracts for Q2 are in negotiations.

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	2016 WEEKLY DAIRY COWS	2016 CUMULATIVE DAIRY COWS	2015 WEEKLY DAIRY COWS	2015 CUMULATIVE DAIRY COWS
01/02/2016	43.5	2,951.0	48.2	2,854.5

WEBSITE: [http://www.ams.usda.gov/mnreports/sj\\_ls714.txt](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)**

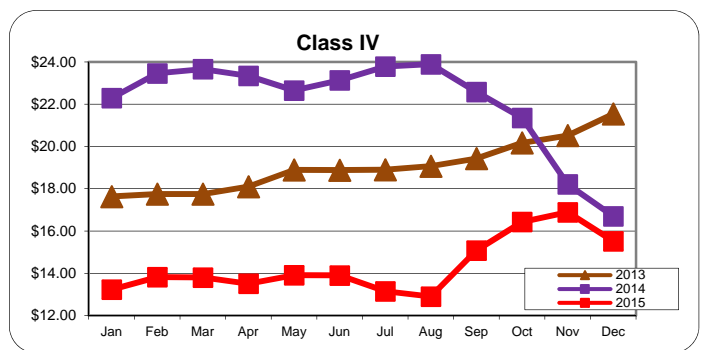
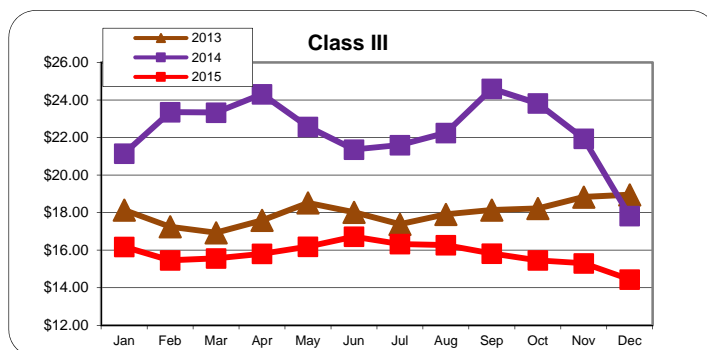
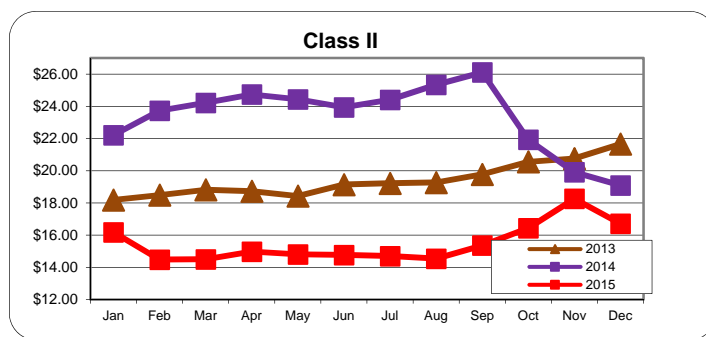
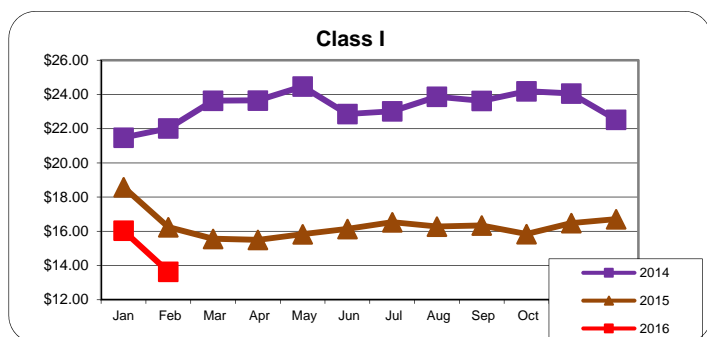
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
2014	21.15	23.35	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	13.64										
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](http://www.ams.usda.gov/DairyMarketingStatistics); then select "Prices"; and then select "Principal Pricing Points."

## INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered January 11 - 22, 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 European milk production is said to significantly exceed levels one year ago, but is slightly lower than a week ago due primarily to weather conditions. In this part of Europe, late year holidays tend to linger and this week is the first week of the year with most people fully back at work and retail dairy supply chains back in normal flows. November milk production is typically the lowest month in Europe. This November, milk production was an estimated 4.9% above November one year ago, exceeding 4.2% in October, the previous high. During the period January-November, 2015, the top increases in milk production over the same period of the prior year for EU countries are: Spain, 13.69%; Ireland, 12.87%; Luxembourg, 8.05%; and Belgium, 6.38%. The only decreases were: Greece, -1.63%; Sweden, -0.32%; and France, -0.03%. Overall higher levels of milk production than one year ago are expected to continue through the first months of 2016. Processors are facing the challenge of what to do with increased volumes of milk in a global situation of more milk from various sources seeking customers.

one-quarter of the volume of SMP sold into intervention during all of 2015 went into intervention. It should not be overlooked that notwithstanding the fact of intervention, sales of SMP from manufacturers favored by some customers keep a price range above intervention pricing. Eurostat reports that January-November EU production of SMP is 8.6% above the same period in the prior year. The top three January-November 2015 export destinations for EU manufactured SMP and percent change from January-November of the previous year are: Algeria, -23%; Egypt, +25%; and China, -21%.

1.25% BUTTERFAT: 1,700 - 1,800

**SWEET WHEY POWDER:** Whey prices weakened slightly. Demand for whey overall is quiet, with more activity in food grade whey than feed. Manufacturers would like more export sales but that is proving to be challenging. Sales competition from other dairy proteins remains a factor.

NONHYGROSCOPIC: 500 - 725

**BUTTER/BUTTEROIL:** Butter prices have declined. This is a lower demand season and prices reflect that fact. Bulk butter demand for future delivery is increasing while immediate term demand for bulk butter is low. Export opportunities are being pursued. Eurostat reports that January-October EU production of butter is 4.3% above the same period in the prior year. The top two January-November 2015 export destinations for EU manufactured butter and percent change from January-November of the previous year are: USA, +99%; and Saudi Arabia, +55%.

82% BUTTERFAT: 2,850 - 3,100  
99% BUTTERFAT: 3,500 - 3,975

**WHOLE MILK POWDER (WMP):** Whole milk powder prices moved lower. Demand is weak and sales are mostly from contracts. Pressure is felt from supplies and prices in Oceania. Eurostat reports that January-October EU production of WMP is 4.7% below the same period in the prior year. The top three January-November 2015 export destinations for EU manufactured WMP and percent change from January-November of the previous year are: Oman, +19%; Algeria, -50%; and Nigeria, -21%.

26% BUTTERFAT: 2,100 - 2,250

**SKIM MILK POWDER (SMP):** Skim milk powder prices weakened. Production is at a high level, higher than recent weeks. With little demand for increased production, intervention sales have increased from last week and prices have softened. Intensified preparations are underway by some manufacturers to add to the flow of SMP able to be sold into intervention. During the first two weeks of 2016, slightly over

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered January 11 - 22, 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:** Hay has benefitted from rain which has mitigated the dry conditions in Northern Australia. This has resulted in increased paddock feed. The demand for purchased feed has lessened as a result. Baling is difficult in coastal areas as a result of continuing storms. Less hay is being shipped as a consequence of the rain's impact on growth. Southern Australia continues to have strong demand for hay following poor yields and an early end of the season, leaving supplies low. High demand is resulting in hay movements over some distances to secure enough feed to see producers through the summer. Hay exports remain significant in Western Australia. Trading is slow and the impact of recent fires in hay country remains to be determined. At the January 19 GDT event #156, average prices ranged from 7.8% lower to 2.7% higher from the prior event across categories. The change in all GDT price index from the previous event is -1.4%, the second decline during 2016. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,724 +2.4%; butter, \$3,162 -5.9%; buttermilk powder, \$1,620 +2.7%; cheddar cheese, \$2,867 -3.4%; lactose, \$579 -1.7%; rennet casein, \$4,405 -7.8%; skim milk powder, \$1,835 -3.2%; sweet whey powder, n.a.; and whole milk powder, \$2,188 -0.5%. The GDT results were preceded by lower futures prices. Some analysts say that the GDT results are in line with market expectations, specifically weak global demand for dairy products with increased production. November milk production as reported by DCANZ was 2.980 million MT, down from 3.045 million MT during November 2014 but higher than 2.961 million MT two years ago.

**BUTTER:** Butter prices in Oceania declined at the top of the price range. Competition in export markets is a significant factor in trimming higher butter prices. Additionally, this is historically a time when butter demand is weaker. Butter prices in the latest GDT event realized the second greatest overall percentage decline, also reflecting these factors. March butter contracts had a 14.3% price decline while subsequent contracts had some upside.

82% BUTTERFAT: 2,900 - 3,150

**SKIM MILK POWDER (SMP):** Skim milk powder prices weakened at the top of the price range while the bottom remained steady, in part reflecting the influence of intervention in the EU. A weaker price outcome in GDT event 156 this week reflects the impact of heavier supplies looking for buyers. There

is growing concern with the increasing global milk supplies even with some hot weather impact in Oceania mitigating volumes there.

1.25% BUTTERFAT: 1,725 - 1,900

**CHEDDAR CHEESE:** Prices for cheddar cheese are lower in Oceania. This week's GDT event realized lower prices in all contracts. Pricing is reflective of concerns over growing global milk supplies and the impact that will have on prices.

39% MAXIMUM MOISTURE: 2,825 - 3,100

**WHOLE MILK POWDER (WMP):** Whole milk powder prices are unchanged. The most recent GDT event yielded slightly lower prices for the March contract but higher prices for the remaining contracts. WMP is New Zealand's major export. Future export contracts are being developed and manufacturing of WMP is somewhat tied to contracts more than seeking spot sales. Manufacturers are comfortable with current inventories.

26% BUTTERFAT: 2,000 - 2,200

**Exchange rates for selected foreign currencies:  
January 18, 2016**

.0715 Argentina Peso	.0085 Japan Yen
.6871 Australian Dollar	.0549 Mexican Peso
.6868 Canadian Dollar	.6451 New Zealand Dollar
1.0894 Euro	.2441 Poland Zloty
.0148 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0549) = 18.2149 Mexican Pesos. Source: "Wall Street Journal"

## INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 156 Recap - January 19, 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	n.a.	\$3,750	2.8%	\$3,732	3.0%	\$3,653	0.4%	\$3,700	2.4%	\$3,754	1.2%	\$3,724	2.4%	
Butter	n.a.	\$3,140	-14.3%	\$3,155	0.3%	\$3,206	2.4%	\$3,205	6.1%	\$3,275	4.3%	\$3,162	-5.9%	
Buttermilk Powder	n.a.	\$1,620	3.5%	\$1,620	-0.6%	n.a.		n.a.		n.a.		\$1,620	2.7%	
Cheddar	n.a.	\$2,815	-5.2%	\$2,859	-3.8%	\$2,928	-1.2%	n.a.		n.a.		\$2,867	-3.4%	
Lactose	n.a.	\$579	-1.7%	n.a.		n.a.		n.a.		n.a.		\$579	-1.7%	
Rennet Casein	n.a.	\$4,585	-6.5%	\$4,325	-8.4%	n.a.		n.a.		n.a.		\$4,405	-7.8%	
Skim Milk Powder	\$1,771	-6.3%	\$1,843	-2.2%	\$1,806	-5.5%	\$1,811	-3.6%	\$1,895	-1.7%	\$1,985	2.6%	\$1,835	-3.2%
Sweet Whey Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Whole Milk Powder	n.a.	\$2,097	-3.7%	\$2,209	0.9%	\$2,305	1.8%	\$2,297	2.4%	\$2,465	9.1%	\$2,188	-0.5%	

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

US\$/Pound	Global/Dairy Trading (gDT) Event 156 Recap - January 19, 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	n.a.	\$1.7010	2.8%	\$1.6928	3.0%	\$1.6570	0.4%	\$1.6783	2.4%	\$1.7028	1.2%	\$1.6892	2.4%	
Butter	n.a.	\$1.4243	-14.3%	\$1.4311	0.3%	\$1.4542	2.4%	\$1.4538	6.1%	\$1.4855	4.3%	\$1.4343	-5.9%	
Buttermilk Powder	n.a.	\$0.7348	3.5%	\$0.7348	-0.6%	n.a.		n.a.		n.a.		\$0.7348	2.7%	
Cheddar	n.a.	\$1.2769	-5.2%	\$1.2968	-3.8%	\$1.3281	-1.2%	n.a.		n.a.		\$1.3005	-3.4%	
Lactose	n.a.	\$0.2626	-1.7%	n.a		n.a.		n.a.		n.a.		\$0.2626	-1.7%	
Rennet Casein	n.a.	\$2.0797	-6.5%	\$1.9618	-8.4%	n.a.		n.a.		n.a.		\$1.9981	-7.8%	
Skim Milk Powder	\$0.8033	-6.3%	\$0.8360	-2.2%	\$0.8192	-5.5%	\$0.8215	-3.6%	\$0.8596	-1.7%	\$0.9004	2.6%	\$0.8324	-3.2%
Sweet Whey Powder	n.a.	n.a.		n.a		n.a.		n.a.		n.a.		n.a.		
Whole Milk Powder	n.a.	\$0.9512	-3.7%	\$1.0020	0.9%	\$1.0455	1.8%	\$1.0419	2.4%	\$1.1181	9.1%	\$0.9925	-0.5%	

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



## CME GROUP, INC FUTURES

Selected settling prices

Month	01/08	01/11	01/12	01/13	01/14	01/15	01/18	01/19	01/20	01/21
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
JAN 16	13.68	13.72	13.72	13.74	13.76	13.78	NO TRADING	13.75	13.75	13.74
FEB 16	13.55	13.45	13.56	13.68	13.98	14.18		13.72	13.68	13.74
MAR 16	13.86	13.75	13.74	13.90	13.99	14.16		13.76	13.66	13.68
APR 16	14.30	14.13	14.05	14.11	14.21	14.28		13.88	13.83	13.83
MAY 16	14.66	14.50	14.42	14.50	14.60	14.69		14.30	14.28	14.25
JUN 16	14.90	14.83	14.78	14.85	14.95	15.07		14.75	14.69	14.66
JUL 16	15.15	15.12	15.12	15.20	15.28	15.40		15.12	15.05	15.06
AUG 16	15.54	15.50	15.52	15.61	15.65	15.75		15.58	15.52	15.53
SEP 16	15.82	15.81	15.85	15.88	15.94	16.00		15.92	15.85	15.85
OCT 16	15.93	15.93	15.90	16.02	16.05	16.14		16.01	15.98	15.98
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
JAN 16	13.14	13.25	13.20	13.33	13.42	13.42	NO TRADING	13.28	13.28	13.28
FEB 16	13.48	13.48	13.43	13.59	14.16	14.43		13.80	13.81	13.86
MAR 16	13.71	13.71	13.71	13.90	14.36	14.86		14.26	13.90	13.95
APR 16	14.08	14.08	14.08	14.08	14.83	15.25		14.54	14.06	13.96
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
JAN 16	204.50	204.50	204.50	207.50	209.00	210.95	NO TRADING	206.10	205.63	206.93
FEB 16	207.00	207.00	208.20	213.20	223.20	235.03		225.03	216.00	219.03
MAR 16	206.78	206.78	207.18	212.18	222.18	234.75		224.75	217.98	220.45
APR 16	207.65	207.80	208.58	213.58	223.58	234.93		224.93	217.78	220.03
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
JAN 16	77.58	77.68	77.95	78.00	78.10	78.10	NO TRADING	78.23	78.23	78.23
FEB 16	78.88	78.93	78.75	79.60	80.05	79.13		78.00	78.03	76.63
MAR 16	82.45	82.00	81.48	82.33	83.00	82.60		79.50	79.10	78.00
APR 16	86.98	86.45	84.75	86.15	86.43	86.18		82.50	80.88	79.50
WHEY (Electronic-Traded) (¢/lb)										
JAN 16	24.08	23.90	23.83	23.88	23.75	23.98	NO TRADING	23.93	23.93	23.75
FEB 16	23.00	22.83	22.75	22.75	22.98	22.95		22.83	23.03	23.03
MAR 16	23.25	23.05	23.10	23.03	23.03	23.03		23.25	23.25	23.38
APR 16	24.00	23.08	23.28	23.33	23.33	23.25		23.25	23.03	23.85
CHEESE CSC (Electronic-Traded) (\$/lb)										
JAN 16	1.51	1.51	1.52	1.52	1.52	1.52	NO TRADING	1.52	1.52	1.52
FEB 16	1.50	1.49	1.50	1.51	1.54	1.56		1.52	1.51	1.52
MAR 16	1.53	1.53	1.52	1.54	1.55	1.56		1.52	1.51	1.51
APR 16	1.57	1.57	1.56	1.56	1.56	1.57		1.53	1.53	1.53
MAY 16	1.61	1.60	1.59	1.60	1.60	1.61		1.57	1.57	1.56
JUN 16	1.63	1.63	1.63	1.63	1.63	1.64		1.61	1.61	1.60

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

## November Milk Sales

During November 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.3 percent lower than November 2014. Estimated sales of total conventional fluid milk products decreased 0.2 percent from November 2014 and estimated sales of total organic fluid milk products decreased 0.9 percent from a year earlier.

Estimated Total U.S. Sales of Fluid Milk Products, November 2015, with Comparisons <sup>1,4</sup>				
Product Name	Sales		Change from: <sup>2</sup>	
	Sep	Year to Date	Previous Year	Year to Date
	(million pounds)		(percent)	
Conventional Production Practice				
Whole Milk	1,162	12,535	5.0	4.1
Flavored Whole Milk	51	523	10.6	7.0
Reduced Fat Milk (2%)	1,316	14,509	-3.3	-6.7
Low Fat Milk (1%)	585	6,551	-0.1	6.5
Fat-Free Milk (Skim)	420	4,836	-10.9	-10.4
Flavored Fat-Reduced Milk	335	3,402	8.9	1.9
Buttermilk	48	469	5.8	6.1
Other Fluid Milk Products	46	99	-4.5	-5.3
Total Fat-Reduced Milk <sup>3</sup>	2,657	29,298	-2.6	-3.7
Total Conventional Milk Products	3,964	42,924	-0.2	-1.4
Organic Production Practice				
Whole Milk	70	741	12.4	9.4
Reduced Fat Milk (2%)	59	664	3.3	-1.7
Low Fat Milk (1%)	34	404	-11.7	-6.6
Fat-Free Milk (Skim)	27	318	-12.5	-14.4
Flavored Fat-Reduced Milk	8	94	-27.3	-17.5
Other Fluid Milk Products	0	2	----	----
Total Fat-Reduced Milk <sup>3</sup>	129	1,480	-6.9	-7.1
Total Organic Milk Products	199	2,223	-0.9	-2.3
Total Fluid Milk Products	4,163	45,147	-0.3	-1.4

<sup>1</sup> These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. <sup>2</sup> Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. <sup>3</sup> Both conventional and organic fat-reduced milk categories are total of reduced fat, lowfat, skim and flavored fat-reduced milk. <sup>4</sup> The California Department of Food and Agriculture (CDFA) clarified reporting instructions starting in July 2015, for packaged product moving plant to plant prior to ultimate distribution. This improved the accuracy of current numbers, but makes current year to prior years less accurate, and will overstate any year over year decrease in sales. Report contact: Daniel Manzoni, Daniel.manzoni@ams.usda.gov or 202-720-2352

Packaged Sales of Total Fluid Milk Products in Federal Milk Orders and California, November 2015, with Comparisons <sup>1</sup>					
Marketing Area	Order Number	Sales		Change from: <sup>2</sup>	
		Oct	Year to Date	Previous Year	Year to Date
		(million pounds)		(percent)	
Northeast	001	707	7,713	0.3	-0.4
Appalachian	005	276	2,970	1.6	-0.3
Florida	006	231	2,492	2.7	0.2
Southeast	007	382	4,147	0.8	-1.0
Upper Midwest	030	317	3,435	-2.1	-3.1
Central	032	355	3,791	-0.8	-2.5
Mideast	033	457	4,975	-1.1	-1.1
Pacific Northwest	124	171	1,828	-0.5	-1.4
Southwest	126	375	4,057	-0.7	0.5
Arizona	131	92	989	2.4	-1.8
California <sup>3</sup>	---	467	5,133	-2.1	-4.3
All Orders (Total)		3,362	36,402	0.0	-1.0
All Areas (Total)		3,830	41,535	-0.3	-1.4

<sup>1</sup> These figures are representative of the consumption of total fluid milk products in the respective area; see footnote <sup>3</sup> above for the products included. <sup>2</sup> Percent changes, as well as sales volumes, are shown on an unadjusted basis. <sup>3</sup> See footnote <sup>4</sup> in the above table regarding California sales.

**Source:** U.S. Department of Agriculture. California Department of Food and Agriculture.

## FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, DECEMBER 2015

**Highlights.** Handler reports of receipts and utilization under the Federal milk order system for December 2015 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During December, 11.729 billion pounds of milk were received from Federally pooled producers. This volume of milk is 1.0 percent higher than the December 2014 volume. Regulated handlers pooled 3.601 billion pounds of producer milk as Class I products, down 0.3 percent when compared to the previous year. Class I utilization increased from last year in 6 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 31%, Class II = 9%, Class III = 49%, and Class IV = 11%. The weighted average statistical uniform price was \$16.31 per cwt, down \$0.94 from last month and down \$3.79 from last year.

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

Federal Milk Order Marketing Area <sup>1</sup>	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I		Utilization of Producer Milk in All Classes <sup>3</sup>				Uniform Price <sup>2</sup>
		Total	Change from Prev. Year	Total	Change from Prev. Year	Class I	Class II	Class III	Class IV	
		(million lbs)	(percent)	(million lbs)	(percent)	(percent) <sup>3</sup>				(\$ per cwt)
Northeast (Boston)	001	2,192.2	0.5	778.9	-3.6	36	21	26	17	17.27
Appalachian (Charlotte)	005	503.3	3.9	338.7	2.3	67	14	6	13	18.68
Florida (Tampa)	006	238.1	0.3	202.9	0.9	85	10	3	1	20.99
Southeast (Atlanta)	007	456.8	4.7	340.0	0.2	74	13	7	6	19.34
Upper Midwest (Chicago)	030	3,079.0	7.4	308.2	-1.2	10	1	88	1	14.86
Central (Kansas City)	032	1,329.1	-1.4	422.1	-0.9	32	8	49	11	15.75
Mideast (Cleveland)	033	1,575.0	-5.7	547.5	0.4	35	11	37	18	16.13
Pacific Northwest (Seattle)	124	738.6	1.8	173.3	-1.7	23	6	43	28	15.68
Southwest (Dallas)	126	1,191.9	-4.8	373.2	2.7	31	5	59	4	16.51
Arizona (Phoenix)	131	424.7	3.9	115.6	5.2	27	11	28	34	16.24
ALL MARKET AVERAGE OR TOTAL <sup>3</sup>		11,728.7	1.0	3,600.5	-0.3	31	9	49	11	16.31

<sup>1</sup> Names in parentheses are the major city in the principal pricing point of the market.

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

<sup>3</sup> Totals may not add to 100 percent due to rounding.

Report Contact: Randal Stoker, [randal.stoker@usda.gov](mailto:randal.stoker@usda.gov) or 202-690-1932.

## FEDERAL MILK ORDER ADVANCE PRICES, FEBRUARY

**Base Class I Price:** Under the Federal milk order pricing system, the base Class I price for February 2016 is \$13.64 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$5.91 and the advanced butterfat pricing factor of \$2.2678. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I Price

**Comparison to Previous Month:** The base Class I price decreased \$2.40 per cwt when compared to the previous month of January 2016. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$2.22 per cwt, -\$0.191 per gallon; reduced fat milk (2%), -\$1.67 per cwt, -\$0.144 per gallon; fat-free (skim milk), -\$1.02 per cwt, -\$0.088 per gallon

**Class II Price Information:** The advanced Class IV skim milk pricing factor is \$5.47. Thus, the Class II skim milk price for February 2016 is \$6.17 per cwt, and the Class II nonfat solids price is \$0.6856.

**Product Price Averages:** The two-week product price averages for February 2016 are: butter \$2.0442, nonfat dry milk \$0.7817, cheese \$1.5115 and dry whey \$0.2344.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <sup>1/2/</sup>

Federal Milk Order Marketing Area <sup>3/</sup>	Order Number	February 2016		
		Class I Price (3.5%)	Class I Skim Milk Price	Class I Butterfat Price
		<u>\$ per cwt.</u>	<u>\$ per cwt.</u>	<u>\$ per pound</u>
Northeast (Boston) <sup>4/</sup>	001	16.89	9.16	2.3003
Appalachian (Charlotte) <sup>5/</sup>	005	17.04	9.31	2.3018
Florida (Tampa) <sup>6/</sup>	006	19.04	11.31	2.3218
Southeast (Atlanta) <sup>7/</sup>	007	17.44	9.71	2.3058
Upper Midwest (Chicago) <sup>8/</sup>	030	15.44	7.71	2.2858
Central (Kansas City) <sup>9/</sup>	032	15.64	7.91	2.2878
Mideast (Cleveland) <sup>10/</sup>	033	15.64	7.91	2.2878
Pacific Northwest (Seattle) <sup>11/</sup>	124	15.54	7.81	2.2868
Southwest (Dallas) <sup>12/</sup>	126	16.64	8.91	2.2978
Arizona (Phoenix)	131	15.99	8.26	2.2913
All-Market Average		16.53	8.80	2.2967

<sup>1/</sup> To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk.

<sup>2/</sup> Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

<sup>3/</sup> Names in parentheses are the major city in the principal pricing point of the markets.

<sup>4/</sup> Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25, and Washington, DC, minus \$0.25.

<sup>5/</sup> Class I prices at other cities are: Knoxville, minus \$0.20 and Louisville, minus \$1.10.

<sup>6/</sup> Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40.

<sup>7/</sup> Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40.

<sup>8/</sup> Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

<sup>9/</sup> Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

<sup>10/</sup> Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

<sup>11/</sup> Class I prices at other cities are: Portland, same; and Spokane, same.

<sup>12/</sup> Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

## 2015 MONTHLY AVERAGES

AREA and PRODUCT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
<hr/>													
CME GROUP <sup>1</sup>													
BUTTER - DAILY TRADING													
GRADE AA	1.5714	1.7293	1.7166	1.7937	1.9309	1.9065	1.9056	2.1542	2.6690	2.4757	2.8779	2.3318	2.0886
CHEESE - DAILY TRADING													
BARRELS	1.4995	1.4849	1.5290	1.6135	1.6250	1.6690	1.6313	1.6689	1.5840	1.6072	1.5305	1.4638	1.5756
40# BLOCKS	1.5218	1.5382	1.5549	1.5890	1.6308	1.7052	1.6659	1.7111	1.6605	1.6674	1.6176	1.4616	1.6103
NONFAT DRY MILK - DAILY TRADING													
GRADE A	.9898	1.1067	1.0108	.9415	.9226	.8734	.7622	.7329	.9045	.9333	.7822	.7685	.8940
DAIRY MARKET NEWS <sup>2</sup>													
CHEESE													
WISCONSIN													
PROCESS AMERICAN 5# LOAF	1.7814	1.7713	1.8031	1.8828	1.9085	1.9564	1.9021	1.9650	1.8805	1.8774	1.8161	1.7524	1.8581
BRICK AND/OR MUENSTER 5#	2.1171	2.1172	2.1441	2.1653	2.2064	2.2980	2.2405	2.3004	2.2648	2.2549	2.2120	2.0806	2.2001
CHEDDAR 40# BLOCKS	1.8184	1.8185	1.8566	1.8778	1.9189	2.0105	1.9530	2.0129	1.9773	1.9674	1.9245	1.7931	1.9107
MONTEREY JACK 10#	1.9821	1.9822	2.0091	2.0303	2.0714	2.1630	2.1055	2.1654	2.1298	2.1199	2.0770	1.9456	2.0651
BLUE 5#	2.6659	2.6660	2.6928	2.7141	2.7551	2.8467	2.7893	2.8491	2.8135	2.8036	2.7607	2.6293	2.7488
MOZZARELLA 5 - 6#	2.1971	2.1972	2.2241	2.2259	2.2639	2.3555	2.2980	2.3579	2.3223	2.3124	2.2695	2.1381	2.2635
GRADE A SWISS CUTS 6 - 9#	3.6856	3.5247	3.1152	2.8536	2.7528	2.7565	2.7827	2.8186	2.8773	2.8480	2.8382	2.7953	2.9707
NORTHEAST													
CHEDDAR 40# BLOCKS	2.0671	2.0672	2.0941	2.1153	2.1564	2.2480	2.1905	2.2504	2.2148	2.2049	2.1620	2.0306	2.1501
PROCESS 5# SLICED	1.9589	1.9488	1.9806	2.0603	2.0860	2.1339	2.0796	2.1425	2.0580	2.0549	1.9936	1.9299	2.0356
MUENSTER	2.1246	2.1234	2.1466	2.1678	2.2089	2.3005	2.2430	2.3029	2.2673	2.2574	2.2145	2.0831	2.2033
GRADE A SWISS CUTS 10 - 14#	4.2706	4.1097	3.7002	3.4386	3.3378	3.3415	3.3677	3.4036	3.4623	3.4330	3.4232	3.3803	3.5557
WEST													
PROCESS 5# LOAF	1.7501	1.7388	1.7668	1.8466	1.8723	1.9201	1.8658	1.9288	1.8442	1.8411	1.7798	1.7161	1.8225
CHEDDAR 40# BLOCKS	1.8796	1.8745	1.8866	1.9078	1.9489	2.0405	1.9830	2.0429	2.0073	1.9974	1.9545	1.8231	1.9455
CHEDDAR 10# CUTS	1.9471	1.9420	1.9541	1.9753	2.0164	2.1080	2.0505	2.1104	2.0748	2.0649	2.0220	1.8906	2.0130
MONTEREY JACK 10#	1.9271	1.9220	1.9341	1.9553	1.9964	2.0880	2.0305	2.0904	2.0548	2.0449	2.0020	1.8706	1.9930
GRADE A SWISS CUTS 6 - 9#	3.9019	3.7409	3.3315	3.0699	2.9690	2.9727	2.9989	3.0349	3.0936	3.0643	3.0545	3.0116	3.1870
FLUID PRODUCTS													
CLASS II CREAM													
NORTHEAST - F.O.B.	1.8316	2.0242	2.0655	2.0709	2.2627	2.4973	2.8390	3.0588	3.5154	3.3639	3.7246	2.9461	2.6833
UPPER MIDWEST - F.O.B.	1.8332	2.0689	2.0660	2.1587	2.3302	2.4688	2.7777	3.0569	3.5285	3.2629	3.5671	2.9399	2.6716
CONDENSED SKIM - NORTHEAST - F.O.B.													
CLASS II	1.0343	1.0295	1.0452	0.9661	0.8538	0.7943	0.7370	0.7817	0.8086	0.9088	0.9492	0.8000	0.8924
CLASS III	1.1900	1.1579	1.1841	1.0570	0.8523	0.8784	0.8565	0.8793	0.9440	0.8817	0.8005	0.6005	0.9402

1 Monthly averages are a simple average of all the closes during the month.

2 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.

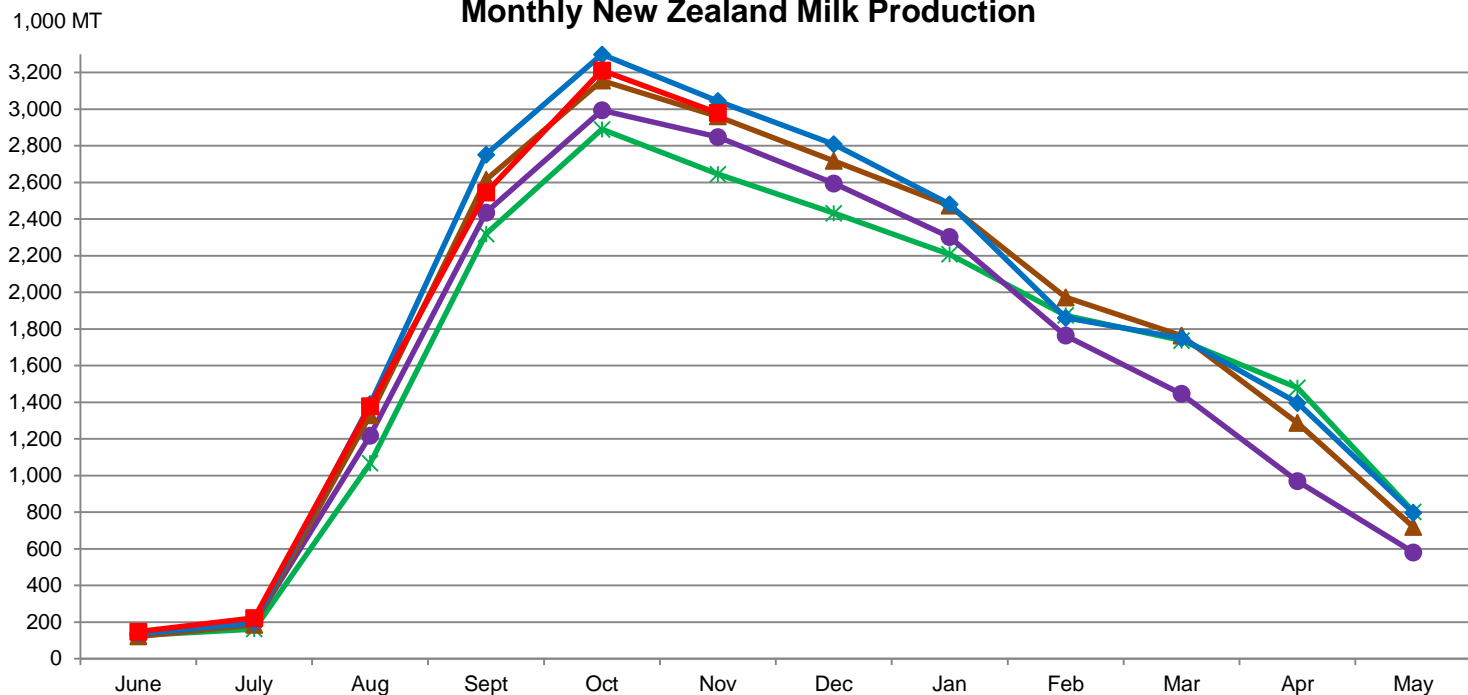


## 2015 MONTHLY AVERAGES

AREA and PRODUCT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
<hr/>													
DAIRY MARKET NEWS, CONTINUED <sup>2</sup>													
DRY PRODUCTS													
NONFAT DRY MILK													
CENTRAL/EAST - LOW/MEDIUM HEAT	1.0478	1.0707	1.0634	0.9825	0.9665	0.9448	0.8539	0.7817	0.8879	1.0004	0.8923	0.8509	0.9452
-- MOSTLY	1.0358	1.0750	1.0788	1.0059	0.9735	0.9414	0.8583	0.7643	0.8769	0.9790	0.8724	0.8541	0.9430
CENTRAL/EAST - HIGH HEAT	1.1831	1.1745	1.1785	1.1677	1.1494	1.1097	1.0375	0.9643	1.0054	1.1235	1.0925	1.0366	1.1019
WEST - LOW/MEDIUM HEAT	1.0381	1.0600	1.0489	0.9747	0.9476	0.9064	0.8115	0.7288	0.8549	0.9449	0.8168	0.7789	0.9093
-- MOSTLY	0.9998	1.0475	1.0420	0.9660	0.9516	0.9361	0.8203	0.7121	0.8425	0.9326	0.8138	0.7662	0.9025
WEST - HIGH HEAT	1.1583	1.1355	1.1750	1.1334	1.1075	1.0489	1.0048	0.8741	0.9185	1.0456	1.0280	0.9870	1.0514
WHEY POWDER													
CENTRAL -	0.5138	0.5061	0.4616	0.4405	0.4302	0.4113	0.3632	0.2576	0.2265	0.2243	0.2238	0.2282	0.3573
-- MOSTLY	0.5305	0.4782	0.4416	0.4251	0.4129	0.3773	0.3364	0.2462	0.2044	0.2045	0.2105	0.2128	0.3400
WEST -	0.5016	0.4838	0.4513	0.4415	0.4436	0.4338	0.3982	0.2848	0.2388	0.2405	0.2553	0.2600	0.3694
-- MOSTLY	0.4715	0.4513	0.4442	0.4409	0.4295	0.4164	0.3936	0.2864	0.2185	0.2127	0.2308	0.2390	0.3529
NORTHEAST - EXTRA AND GRADE A	0.5584	0.5139	0.4820	0.4666	0.4529	0.4240	0.3873	0.3123	0.2496	0.2357	0.2271	0.2500	0.3800
WHEY PROTEIN CONCENTRATE													
CENTRAL AND WEST	1.1516	1.0807	1.0334	0.9720	0.9318	0.8658	0.8085	0.6465	0.5937	0.5806	0.5611	0.5443	0.8142
-- MOSTLY	1.1727	1.0970	1.0031	0.9439	0.9103	0.8620	0.7863	0.6473	0.5610	0.5333	0.5313	0.5300	0.7982
ANIMAL FEED													
CENTRAL - MILK REPLACER	0.4294	0.4013	0.3514	0.3109	0.2804	0.2586	0.2330	0.2064	0.1793	0.1501	0.1651	0.1636	0.2608
DRY BUTTERMILK													
CENTRAL/EAST	0.8606	0.8871	0.9374	0.9264	0.9118	0.8868	0.8430	0.7846	0.8692	0.9138	0.9072	0.8684	0.8830
WEST	0.9747	0.9027	0.8897	0.9263	0.8563	0.8256	0.8043	0.7577	0.7879	0.8889	0.9064	0.8816	0.8668
-- MOSTLY	0.9840	0.8993	0.8965	0.8775	0.8433	0.8175	0.7914	0.7561	0.7936	0.8898	0.9071	0.8675	0.8603
DRY WHOLE MILK													
NATIONAL	1.4515	1.3995	1.3950	1.2882	1.3138	1.2336	1.1928	1.1381	1.2455	1.2867	1.3008	1.3670	1.3010
LACTOSE													
CENTRAL AND WEST	0.3279	0.3087	0.2823	0.2587	0.2423	0.2361	0.2176	0.2024	0.2077	0.2030	0.2001	0.2025	0.2408
-- MOSTLY	0.3210	0.2870	0.2472	0.2370	0.2354	0.2170	0.1995	0.1912	0.1893	0.1850	0.1851	0.1914	0.2238
CASEIN													
RENNET	3.8588	3.8250	3.8023	3.5750	3.5750	3.5409	3.2000	3.1429	3.1250	3.0119	3.0000	3.0000	3.3881
ACID	4.1175	4.0500	4.0273	3.7523	3.7250	3.6818	3.2500	3.2500	3.2500	3.1143	3.1000	3.1000	3.5349

<sup>2</sup> 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.

### Monthly New Zealand Milk Production

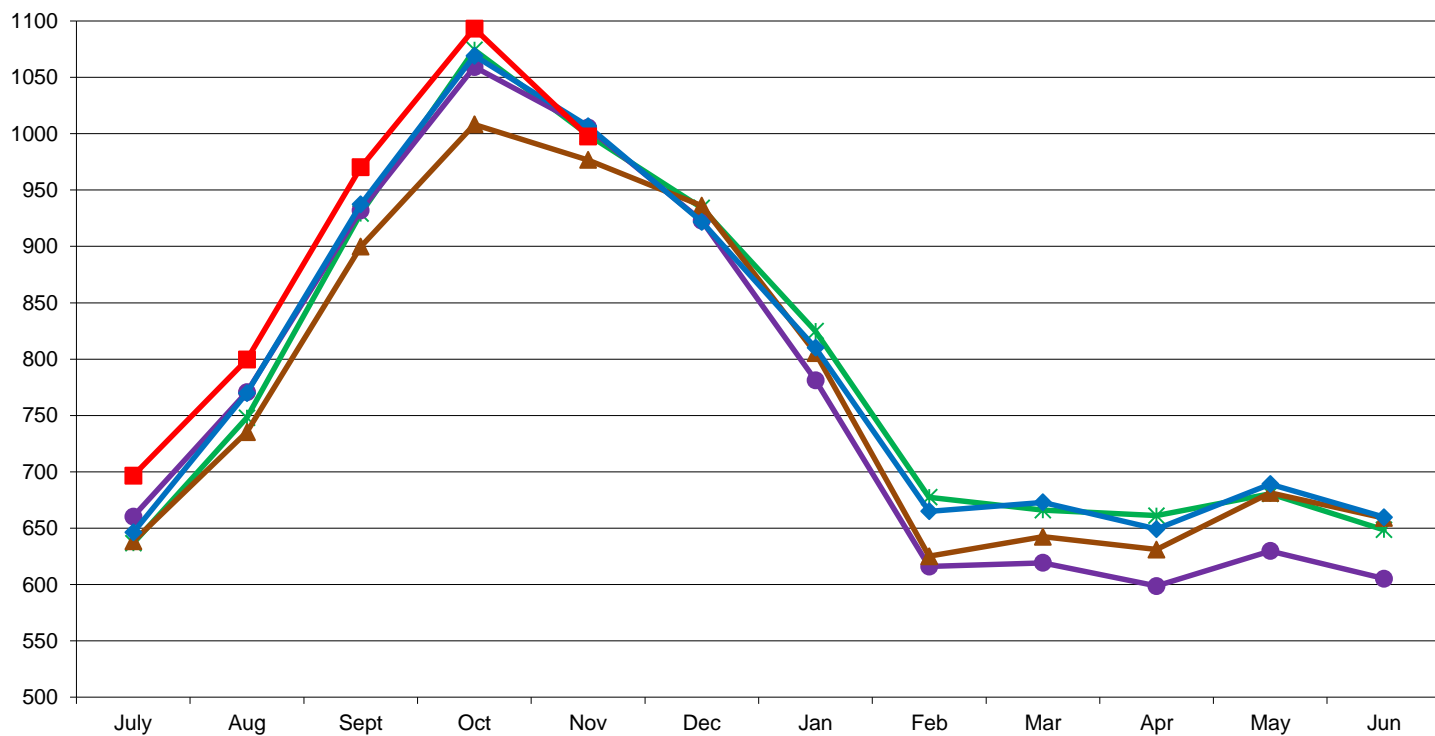


DATA SOURCE, DCANZ; GRAPH, USDA, AMS, DMN

✖ 2011-12    ● 2012-13    ▲ 2013-14    ◆ 2014-15    ■ 2015-16

MILLION LITRES

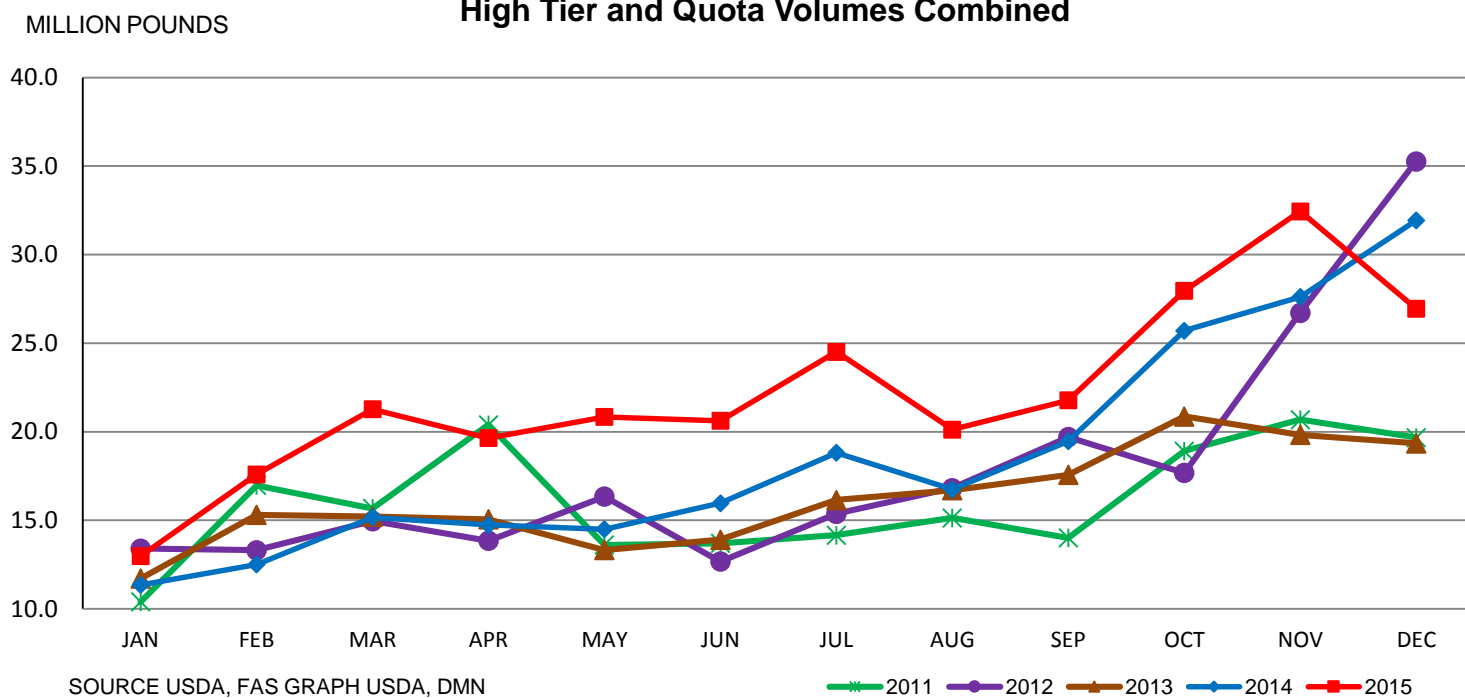
### Monthly Australian Milk Production



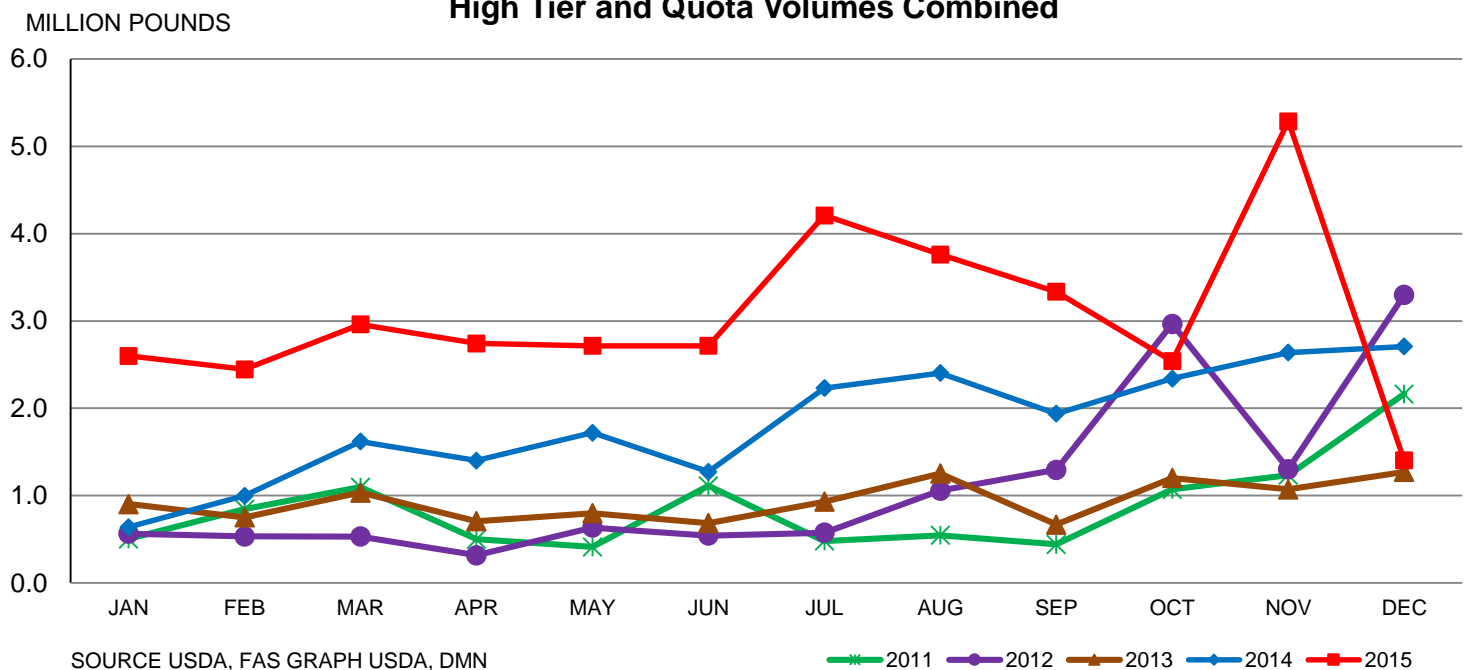
DATA SOURCE, DAIRY AUSTRALIA LTD.; GRAPH, USDA, AMS, DMN

✖ 2011-12    ● 2012-13    ▲ 2013-14    ◆ 2014-15    ■ 2015-16

### Total U.S. Cheese Imports High Tier and Quota Volumes Combined



### Total U.S. Butter Imports High Tier and Quota Volumes Combined





## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Retail Report-Dairy

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

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### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 01/22/2016 to 01/28/2016

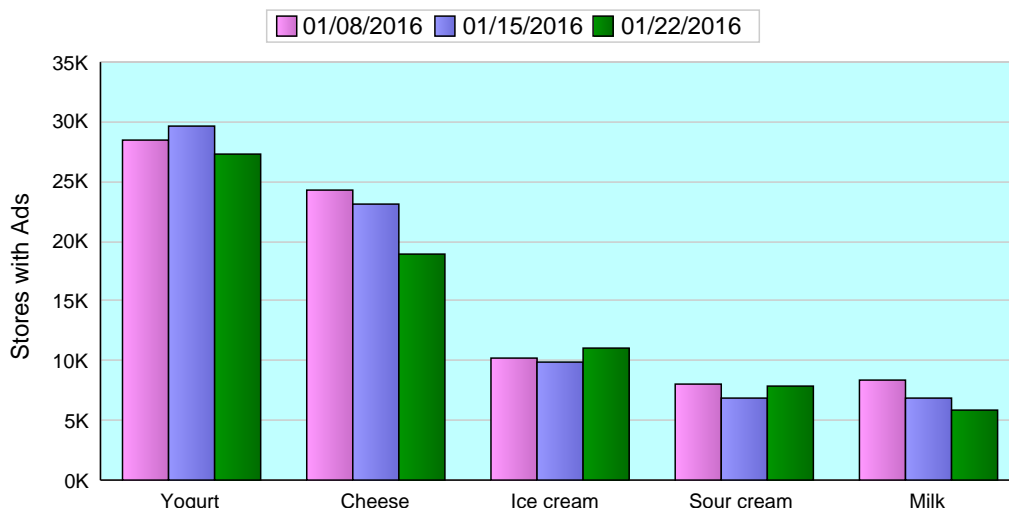
The conventional dairy ads volume decreased by 7%, while organic dairy ads increased by 2% when compared with the previous week. Some weekly ads are focused on the needs of Super Bowl viewers. Total ads for 16 ounce conventional sour cream increased by 13%, the average price is \$1.74, 9 cents above last week. Total ads for 16 ounce conventional cottage cheese increased by 27%, the average price is \$2.01, 24 cents above last week. This week, total advertisements for 1 pound of conventional butter decreased by 58%, while total ads for 1 pound of organic butter decreased by 24%.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.33, down 2 cents from last week; 8 ounce shred cheese averaged \$2.39, down 12 cents from last week. Organic 8 ounce block cheese averaged \$3.95, while 8 ounce shred cheese averaged \$3.82. Total advertisements for conventional cheese decreased by 20%, but organic cheese ads increased by 34% from last week.

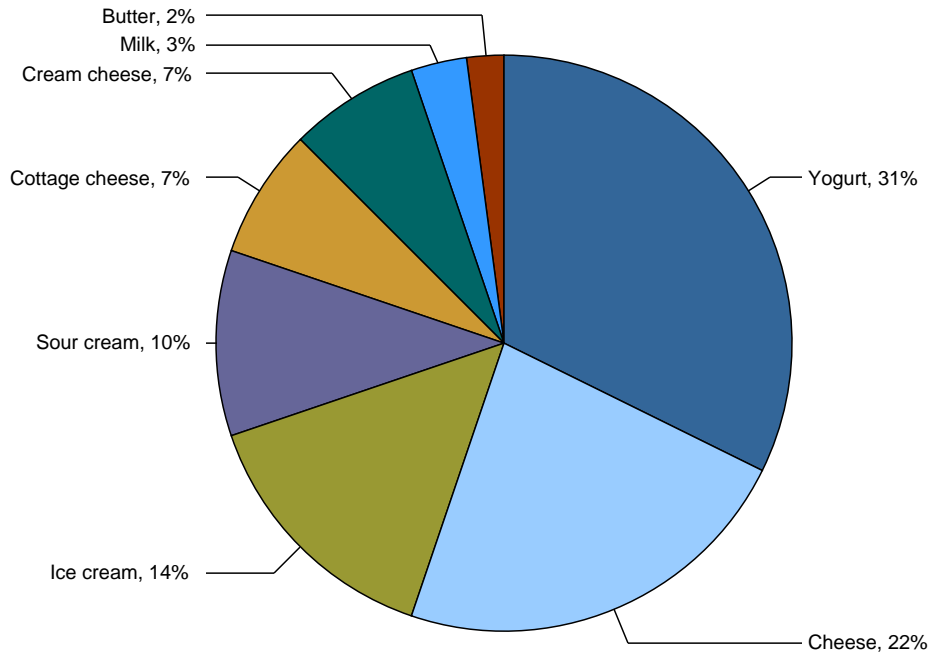
The average price for conventional yogurt in 4-6 ounce packages is \$.55, up 6 cent from last week. The average price of 4-6 ounce conventional Greek yogurt is \$.97, up 4 cents from last week. The average price of 4-6 ounce organic yogurt is \$1.50, while organic Greek yogurt is \$1.05. Compared to the previous week, ad numbers for conventional yogurt decreased 9%, however, organic yogurt ads increased by 6%.

The price spread between organic and conventional half gallon milk is \$2.08. The price spread is the difference between national weighted average prices for organic, \$3.65, and conventional, \$1.57. Conventional milk ads decreased by 20% from last week, while organic ads decreased by 10%.

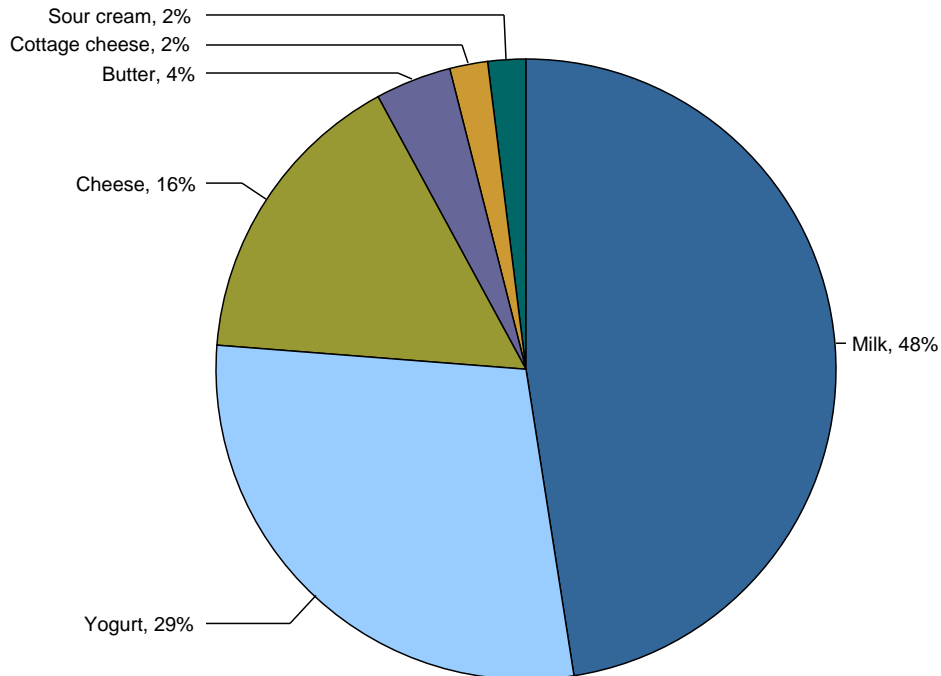
Top 5 Commodities Featured



Percentage of Total Conventional Ads by Commodity



Percentage of Total Organic Ads by Commodity







## 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 #	1602	3.20	3859	3.57	3673	3.32
Cheese	Natural Varieties	8 oz block	8997	2.33	8977	2.35	6858	2.50
Cheese	Natural Varieties	1 # block	662	3.69	2656	3.53	1020	3.89
Cheese	Natural Varieties	2 # block	274	6.98	918	5.35	861	6.40
Cheese	Natural Varieties	8 oz shred	7686	2.39	7895	2.51	12435	2.56
Cheese	Natural Varieties	1 # shred	236	3.38	1891	3.13	1874	4.08
Cottage cheese		16 oz	5494	2.01	4317	1.77	3212	1.96
Cream cheese		8 oz	5349	1.94	4030	1.83	8220	1.76
Flavored milk	All fat tests	half gallon	114	1.88	495	1.63	544	2.56
Flavored milk	All fat tests	gallon	175	3.29	271	2.89	238	3.25
Ice cream		48-64oz	11084	3.08	9779	3.26	13050	3.24
Milk	All fat tests	half gallon	186	1.57	1088	2.21	824	2.18
Milk	All fat tests	gallon	2289	2.75	2091	2.62	1484	3.40
Sour cream		16 oz	7736	1.74	6850	1.65	12577	1.78
Yogurt	Greek	4-6 oz	14261	.97	17423	.93	16418	.99
Yogurt	Greek	32 oz	1104	3.88	2789	4.13	1450	3.79
Yogurt	Yogurt	4-6 oz	7498	.55	4712	.49	3956	.52
Yogurt	Yogurt	32 oz	2398	2.06	2875	2.05	582	2.35

## REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.49-4.99	913	3.25	3.79	61	3.79	1.99	98	1.99
Cheese	Natural Varieties	8 oz block	1.50-3.00	2626	2.33	1.88-3.50	2157	2.81	1.77-2.50	1262	1.96
Cheese	Natural Varieties	1 # block	3.99-5.99	144	4.99				2.99	98	2.99
Cheese	Natural Varieties	8 oz shred	1.50-3.59	1853	2.48	1.88-3.50	1267	3.26	1.77-2.99	1436	2.23
Cheese	Natural Varieties	1 # shred							2.99-3.33	167	3.13
Cottage cheese		16 oz	1.99-3.00	1009	2.14	1.50-2.63	2269	2.26	1.25-2.50	900	1.85
Cream cheese		8 oz	1.50-2.50	939	1.92	2.00-2.38	2269	2.03	1.49-2.00	988	1.78
Flavored milk	All fat tests	gallon							2.99-3.49	175	3.29
Ice cream		48-64oz	2.50-4.99	2947	3.02	2.49-3.49	2227	2.86	2.00-3.99	1883	3.14
Milk	All fat tests	half gallon							0.99	69	.99
Milk	All fat tests	gallon	3.99-4.99	272	4.49	2.50	1083	2.50	2.99	81	2.99
Sour cream		16 oz	1.25-2.29	2005	1.81	1.50-2.00	1982	1.83	1.25-2.00	895	1.66
Yogurt	Greek	4-6 oz	0.75-1.25	4368	1.00	0.83-1.00	2706	.96	0.69-1.00	3215	.92
Yogurt	Greek	32 oz	3.99-4.99	269	4.21				3.69	588	3.69
Yogurt	Yogurt	4-6 oz	0.49-0.75	1726	.54	0.50	2566	.50	0.50-1.25	924	.67
Yogurt	Yogurt	32 oz	1.99	202	1.99	1.99	508	1.99	1.89-3.69	1280	2.08

Wtd Avg - Simple weighted average



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 #	2.99-3.69	297	3.26	2.99	63	2.99	2.99-3.99	166	3.36
Cheese	Natural Varieties	8 oz block	1.49-2.00	906	1.80	1.67-2.69	866	2.03	1.67-2.99	1030	2.44
Cheese	Natural Varieties	1 # block				2.99-3.98	351	3.29	3.99	69	3.99
Cheese	Natural Varieties	2 # block				6.99	167	6.99	6.99	105	6.99
Cheese	Natural Varieties	8 oz shred	1.49-2.50	1400	2.00	1.67-1.99	923	1.90	1.67-2.50	680	2.24
Cheese	Natural Varieties	1 # shred							3.99	69	3.99
Cottage cheese		16 oz	0.99-1.99	641	1.46	1.00-1.99	331	1.46	1.25-2.69	309	1.99
Cream cheese		8 oz	1.99	429	1.99	1.49-1.99	451	1.76	1.55-2.49	273	2.00
Flavored milk	All fat tests	half gallon	1.88	114	1.88						
Ice cream		48-64oz	1.88-4.99	1644	3.58	2.49-3.29	1359	2.82	2.49-3.50	825	2.94
Milk	All fat tests	half gallon	1.88	114	1.88						
Milk	All fat tests	gallon	1.99-2.99	343	2.38	2.39-2.49	483	2.42			
Sour cream		16 oz	1.00-1.99	1212	1.51	0.99-2.49	1165	1.79	1.25-2.00	466	1.65
Yogurt	Greek	4-6 oz	0.77-1.00	1415	.91	0.79-1.50	1080	1.20	0.75-1.00	1435	.90
Yogurt	Greek	32 oz				3.99	244	3.99			
Yogurt	Yogurt	4-6 oz	0.50	742	.50	0.48-0.88	986	.62	0.50	551	.50
Yogurt	Yogurt	32 oz	1.99-2.50	241	2.14	2.00	62	2.00	2.00	105	2.00

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 #	3.50-3.99	4	3.75			
Cheese	Natural Varieties	8 oz block	1.99-3.00	62	2.72	2.50-3.00	88	2.74
Cheese	Natural Varieties	2 # block	5.99	2	5.99			
Cheese	Natural Varieties	8 oz shred	1.99-3.98	42	2.81	2.50-3.00	85	2.74
Cottage cheese		16 oz	1.50	11	1.50	2.39	24	2.39
Ice cream		48-64oz	3.49-3.99	40	3.76	3.00-5.99	159	4.13
Milk	All fat tests	half gallon				2.98	3	2.98
Milk	All fat tests	gallon				4.99	27	4.99
Sour cream		16 oz	1.50	11	1.50			
Yogurt	Greek	4-6 oz	1.00-1.25	11	1.20	1.00-1.25	31	1.22
Yogurt	Greek	32 oz				3.99	3	3.99
Yogurt	Yogurt	4-6 oz				0.69	3	.69

## 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

Wtd Avg - Simple weighted average



Butter		1 #	288	5.21	380	5.16	274	3.99
Cheese	Natural Varieties	8 oz block	532	3.95	177	3.99		
Cheese	Natural Varieties	8 oz shred	532	3.82	615	3.55		
Cottage cheese		16 oz	119	3.00				
Milk	All fat tests	half gallon	1480	3.65	2459	3.57	137	3.99
Milk	All fat tests	gallon	189	6.99	105	6.99		
Milk	All fat tests	8 oz UHT	1629	.96	1119	.96	1946	1.00
Sour cream		16 oz	114	1.99				
Yogurt	Greek	4-6 oz	1732	1.05	1293	1.33	1279	1.21
Yogurt	Yogurt	4-6 oz	3	1.50	430	1.50		
Yogurt	Yogurt	32 oz	221	3.99	121	2.49	884	3.92

## 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	69	4.99
Cheese	Natural Varieties	8 oz block							3.50	180	3.50
Cheese	Natural Varieties	8 oz shred							3.50	180	3.50
Cottage cheese		16 oz							3.00	119	3.00
Milk	All fat tests	half gallon	3.49-4.99	688	4.12	4.25	90	4.25	2.95	588	2.95
Milk	All fat tests	gallon	6.99	84	6.99						
Milk	All fat tests	8 oz UHT	0.92-1.00	1086	.96	0.92-1.00	122	.96			
Yogurt	Greek	4-6 oz	0.88	108	.88	1.00	184	1.00	1.00	387	1.00
Yogurt	Yogurt	32 oz	3.99	221	3.99						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	114	4.99				5.59	105	5.59
Cheese	Natural Varieties	8 oz block				3.99	178	3.99	3.99-4.99	174	4.39
Cheese	Natural Varieties	8 oz shred				3.99	178	3.99	3.99	174	3.99
Milk	All fat tests	half gallon	3.99	114	3.99						
Milk	All fat tests	gallon							6.99	105	6.99
Milk	All fat tests	8 oz UHT				1.00	178	1.00	0.75-1.00	243	.93
Sour cream		16 oz	1.99	114	1.99						
Yogurt	Greek	4-6 oz	1.00	351	1.00	1.00-1.25	691	1.13			



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
Yogurt	Greek	4-6 oz	1.25	11	1.25			
Yogurt	Yogurt	4-6 oz				1.50	3	1.50

#### 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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United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

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