

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (2/19)**

BUTTER: Grade AA closed at \$2.0550. The weekly average for Grade AA is \$2.0506 (-.0804).

CHEESE: Barrels closed at \$1.4800 and 40# blocks at \$1.4875. The weekly average for barrels is \$1.4706 (-.0004) and blocks, \$1.4894 (+.0074).

NONFAT DRY MILK: Grade A closed at \$.7400. The weekly average for Grade A is \$.7444 (-.0011).

BUTTER HIGHLIGHTS: Ample cream supplies continue to inspire active production at butter operations throughout the regions. Demand for domestic holiday butter needs is increasing, and expected to advance through the remainder of Q1. This week, retail butter promotions doubled, compared to the previous week's advertisements. Export butter demand is reasonably active, with some additional forward sales receiving price assistance. This week a cooperative export assistance program accepted requests for 2.315 million pounds of butter. For all regions, bulk butter prices are reported as ranging from 2 cents under to 6 cents over the market, based on CME Group prices and various indices. At the CME Group, Grade AA butter price on Friday closed at \$2.0550, down \$0.0550 from a week ago.

CHEESE HIGHLIGHTS: Cheese production is steady in the West, while full schedules are being run in the Northeast and Midwest. Some Midwest cheese manufacturers are acquiring extra milk below Class prices. Other manufacturers in the Midwest are opting to make more cheese than ideal rather than sell some available milk below Class. Inventories in the Northeast are steady to improving, while inventories are long for barrels and blocks, to a lesser extent, in the Midwest, and long for barrels in the West. In CME Group trading Friday, barrels closed at \$1.4800, even with last Friday and blocks closed at \$1.4875, down \$0.0025.

FLUID MILK: The Northeast, Mid-Atlantic and Southeast each experienced some interruptions of bottling and manufacturing milk shipments due to a winter storm early in the week. However, milk production across the regions was steady to higher. Manufacturers report ample, but not burdensome, milk volumes moving into production. Florida milk production is higher. Milk production in the Central region is steady to seasonally higher. Milk processors in the North Central region say dairy producers have maintained herd sizes through the winter and expect some expansion of milk cow numbers. California milk production is increasing, but at a slower rate than

expected. California Class 1 sales are steady to higher. Pacific Northwest milk production is slightly higher due to warmer temperatures improving cow comfort. Bottling demand is seasonally steady. Milk production is mostly steady in Idaho, Utah and New Mexico. Arizona milk production has increased. Several dairy operators in the state have added cows through purchase and internal herd growth. Cream supplies are readily available across the country. Multiples range from .98 to 1.20 in the West, 1.15 to 1.25 in the East, and 1.18 to 1.22 in the Central.

DRY PRODUCTS: Low/medium heat nonfat dry milk prices are steady to higher in the Central and East and mixed in the West. Active production in the U.S. and other global dairy centers and strong U.S. currency values continue to weigh upon each uptick in price. High heat nonfat dry milk prices are steady to higher and inventories are fair to tight. Prices for dry buttermilk are steady to higher in the Central and East, but steady to lower in the West. Dry buttermilk stocks are steady to building. Dry whole milk prices are unchanged in a weak market. The market for dry whey powder is stable, but prices are steady to slightly higher. Production is active and inventories are generally comfortable to building. Whey protein concentrate 34% prices jumped higher at the lower end of the range. A few processors note an increase in demand and inquiries from buyers. Lactose prices held steady with tight inventories at many manufacturers. Casein prices are unchanged. Spot market buying for casein is slow.

INTERNATIONAL DAIRY MARKET NEWS (DMN):
WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: The fact of increased milk production in the EU continues to be a challenge in terms of pricing and returns. Higher volumes are currently tending to move into butter, processed cheese and skim milk powder. The fact of skim milk powder being a top option, considering the factor of intervention pricing, reflects the struggle to market increased milk production in a global market with higher milk volumes in other regions as well. That also contributes to the overall lower prices prevailing for most dairy commodities within the EU.
EASTERN OVERVIEW: Eastern European milk production often faces a processing system less robust and efficient than many western European nations. The lower efficiency curtails margins to processors and in turn, affects producers. The option for handling increased milk volumes, moving the milk to other EU countries, adds transportation costs. While some Eastern

-CONTINUED ON PAGE 1A-

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

INTERNATIONAL DAIRY MARKET NEWS (PAGES 8-8B)
 DAIRY FUTURES (PAGE 9)
 NOVEMBER MAILBOX PRICES (PAGE 10)
 MARCH FEDERAL MARKET ORDER ADVANCED PRICES (PAGE 11)

JANUARY FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY (PAGE 12)
 DAIRY GRAPHS (G1-G2)
 NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY FEB 15	TUESDAY FEB 16	WEDNESDAY FEB 17	THURSDAY FEB 18	FRIDAY FEB 19	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	CME	\$1.4600 (-.0200)	\$1.4700 (+.0100)	\$1.4725 (+.0025)	\$1.4800 (+.0075)	:: (N.C.)	:: \$1.4706 (-.0004)
40# BLOCKS	CLOSED	\$1.4900 (N.C.)	\$1.4900 (N.C.)	\$1.4900 (N.C.)	\$1.4875 (-.0025)	:: (-.0025)	:: \$1.4894 (+.0074)
NONFAT DRY MILK GRADE A	FOR	\$.7575 (+.0200)	\$.7450 (-.0125)	\$.7350 (-.0100)	\$.7400 (+.0050)	:: (+.0025)	:: \$.7444 (-.0011)
BUTTER GRADE AA	HOLIDAY	\$2.0500 (-.0600)	\$2.0425 (-.0075)	\$2.0550 (+.0125)	\$2.0550 (N.C.)	:: (-.0550)	:: \$2.0506 (-.0804)

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/DAIRY

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

European processors are evaluating expansion and equipment upgrades, ensuring the long term supplies of milk needed to economically support the investments remains a matter under study. **OCEANIA OVERVIEW:** **Australian** milk production through December 2015 was down 0.2% for the current season and down 4.6% for the month. Lower production is attributed to dry conditions as well as tighter margins that affected feeding. Queensland is experiencing industry exits while in contrast, Western Australia milk volumes are growing with higher farmgate prices there. Processors feel they have more flexibility to adjust product mix as a result of the lower milk volumes overall. This has helped buffer the impact of lower commodity prices by optimizing returns. Cull cow numbers are higher. Factors are higher beef prices, relatively less expensive replacement stock, and margin pressures for producers. For example, hay fodder prices are higher and not expected to decline until winter. **New Zealand** pasture growth had been slowing, adversely affecting milk production. Rains within the past week are offering hope of improvement in pastures and production. Milk production has been trending up for many years and the current situation is regarded as an interruption of a trend expected to continue. In the interim, more cow culling is occurring to help producer margins. At the February 16 GDT event #158, average prices ranged from 11.5% lower to 1.5% 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, \$3,527 +1.5%; butter, \$2,834 -2.3%; buttermilk powder, \$1,496 -1.2%; cheddar cheese, \$2,535 -5.6%; lactose, \$574 0.0%; rennet casein, \$3,852 -11.5%; skim milk powder, \$1,762 -1.4%; sweet whey powder, n.a.; and whole milk powder, \$1,890 -3.7%.

NATIONAL RETAIL REPORT-DAIRY (DMN): The total volume of conventional dairy ads decreased 7%, but organic dairy ads increased 11% this week. For conventional dairy advertisements, Greek yogurt in 4-6 ounce containers had the largest volume of ads, followed by 48-64 ounce ice cream and 8 ounce blocks of cheese. Ads for 1# packages of butter decreased 25%, with an average weighted price of \$3.44 while ads for 1# organic butter increased 255% with an average price of \$4.99. The average price for conventional yogurt in 4-6 ounce packages is \$.53, up 4 cents from last week and up 2 cents from a year ago. The average price of 4-6 ounce conventional Greek yogurt is \$.95, up 3 cents from last week, but down 5 cents from a year ago. Conventional yogurt ad numbers are even with last week. Organic yogurt ads are up 149% from the previous week. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.32, up 10 cents from last week, but down 32 cents from a year ago; 8 ounce shred cheese averaged \$2.36, up 14 cents from last week, but 10 cents below one year ago. Organic 8 ounce blocks averaged \$4.46, while 8 ounce shred cheese averaged \$3.51. Advertisements for conventional cheese were down 6%, and organic cheese ads increased 142% from last week. The price spread between organic and conventional half gallon milk is \$1.47. The price spread is the difference between national weighted average prices for organic, \$4.01, and conventional, \$2.54. Conventional milk ads increased by 87% from last week, while organic ads decreased by 49%.

NOVEMBER MAILBOX PRICES (FMMO & CDFA): In November 2015, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$18.22 per cwt, up \$0.62 per cwt from the October 2015 average, but down \$4.80 per cwt from the November 2014 average. The component tests of producer milk in November 2015 were: butterfat, 3.87%; protein, 3.21%; and other solids, 5.74%. When compared to the previous month, the November Mailbox prices increased in all Federal milk order reporting areas except the Minnesota Federal milk order reporting area. Eastern Pennsylvania experienced

the greatest increase of \$0.97 per cwt while Minnesota experienced a decrease of \$0.04 per cwt. Averaged over all Federal milk reporting areas, the November 2015 Mailbox price increased an average of \$0.69 per cwt. Mailbox prices in November 2015 ranged from \$20.42 in Florida to \$16.46 in New Mexico.

MARCH FEDERAL MARKET ORDER ADVANCED PRICES (FMMO): Under the Federal milk order pricing system, the base Class I price for March 2016 is \$13.78 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$5.54 and the advanced butterfat pricing factor of \$2.4103. 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 increased \$0.14 per cwt when compared to the previous month of February 2016. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.10 per cwt, \$0.009 per gallon; reduced fat milk (2%), -\$0.08 per cwt, -\$0.007 per gallon; fat-free (skim milk), -\$0.29 per cwt, -\$0.025 per gallon. The advanced Class IV skim milk pricing factor is \$5.35. Thus, the Class II skim milk price for March 2016 is \$6.05 per cwt, and the Class II nonfat solids price is \$0.6722. The two-week product price averages for March 2016 are: butter \$2.1618, nonfat dry milk \$0.7684, cheese \$1.5158 and dry whey \$0.2426.

JANUARY FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY (FMMO): Handler reports of receipts and utilization under the Federal milk order system for January 2016 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During January, 12.175 billion pounds of milk were received from Federally pooled producers. This volume of milk is 2.0 percent higher than the January 2015 volume. Regulated handlers pooled 3.580 billion pounds of producer milk as Class I products, down 3.3 percent when compared to the previous year. Class I utilization decreased from last year in 9 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 29%, Class II = 11%, Class III = 46%, and Class IV = 13%. The weighted average statistical uniform price was \$14.92 per cwt, down \$1.39 from last month and down \$2.23 from last year.

CME GROUP

MONDAY, FEBRUARY 15, 2016
CME CLOSED-NO TRADING

TUESDAY, FEBRUARY 16, 2016

CHEESE -- SALES: 4 CARS BARRELS @ \$1.4600; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.4800; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4700; 1 CAR 40# BLOCKS @ \$1.4900
NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.7400, 1 @ \$0.7500; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7575; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: 8 CARS GRADE AA: 2 @ \$2.0600, 1 @ \$2.0500, 1 @ \$2.0525, 4 @ \$2.0500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

WEDNESDAY, FEBRUARY 17, 2016

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.4900; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.4700; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: 6 CARS GRADE A: 2 @ \$0.7575, 3 @ \$0.7500, 1 @ \$0.7450; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7500
BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$2.0400, 1 @ \$2.0425; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0425; LAST OFFER UNCOVERED: NONE

THURSDAY, FEBRUARY 18, 2016

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.4900; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4725; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.5000
NONFAT DRY MILK -- SALES: 5 CARS GRADE A @ \$0.7350; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.7350; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7425
BUTTER -- SALES: 15 CARS GRADE AA: 2 @ \$2.0500, 1 @ \$2.0525, 3 @ \$2.0500, 7 @ \$2.0550, 1 @ \$2.0575, 1 @ \$2.0550; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0550; LAST OFFER UNCOVERED: NONE

FRIDAY, FEBRUARY 19, 2016

CHEESE -- SALES: 1 CAR BARRELS @ \$1.4800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.4875
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7400; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7500
BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0525; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1100

BUTTER MARKETS**NORTHEAST**

Heavy cream supplies are encouraging active churning at butter plants. The cream market is seeing some delays in the procurement of contractual loads by customers who note the declining butter market and expect to take advantage of potentially lower multiples. Overall, butter sales are somewhat slow in the domestic market. However, orders are expected to improve leading up to the Spring Holiday. Private label butter orders are good at some plants. Export demand is reasonably active, with some additional forward sales receiving price assistance. This week, a cooperative export assistance program accepted requests for 2.315 million pounds of butter. Northeast bulk butter is reported market to 5 over the CME Group price, with various time frames and averages used. According to the DMN *National Retail Report-Dairy*, during the week of February 12-18, 2016, the U.S. weighted average advertised price for 1 pound butter was \$3.29, down 33 cents from a year ago and down 3 cents from the previous week. The weighted average butter price in the Northeast was \$3.75, up 23 cents from a week ago. The Grade AA butter price, at the CME Group, closed Tuesday \$2.0500, down \$0.0850 from a week ago.

CENTRAL

Butter production in the Central region is active, with a few plants running close to capacity. Churn operators report cream availability is holding steady from last week. Spot cream loads from the West continue to clear into Central region churns. However, a few Class II operations are coming into the spot market ahead of butter makers. With the return of various seasonal milk shake flavors at fast food restaurants, Class II soft serve/shake production is steady to higher and generating additional spot cream interest. Butter sales picked up this week ahead of the spring holiday season. Sales into

consumer outlets for 1 pound quarters are higher. Bulk butter interest is steady to higher ahead of the spring holiday. Most butter makers are sticking with customary pricing on bulk and consumer-packaged butter varieties. Bulk butter prices reportedly range from market to 6 cents over the market, with various time frames and averages used. The DMN *National Dairy Retail Report-Dairy* for February 12-18 noted the national weighted average advertised price for a 1 pound package of butter was \$3.29, \$0.03 below one week ago and \$0.33 below one year ago. The weighted average prices in the Midwest and South Central regions are \$2.86 and \$1.85, respectively. The CME Group Grade AA butter market closed Wednesday at \$2.0425, down \$0.0825 from last Wednesday.

WEST

With cream readily available, western butter production is steady and active. Processors are not very eager to buy additional cream, and would rather make butter with the cream they already have contracted. Domestic retail butter demand is still good in advance of the Q1 holiday baking season. A few manufacturers are noting a fractional slowing of this demand and have begun to shift some butter production to bulk. According to a few manufacturers, butter inventories are building slightly. The DMN *National Retail Report-Dairy* for the week of February 12-18 found that the U.S. weighted average advertised price of 1 pound butter is \$3.29, down \$.03 from last week. The U.S. weighted average price was \$3.62 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter was \$1.66. In the Northwest the weighted average advertised price of 1 pound butter was \$3.00. This week, a cooperative export assistance program accepted requests for 2.315 million pounds of butter. Bulk butter pricing in the West this week is 2 cents under market to 3 cents above, based on the CME Group with various time frames and averages used. The Grade AA butter price at the CME Group on Wednesday closed at \$2.0425, down \$.0825 from a week ago.

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>
February 13, 2016	2.1514 4,916,851	1.4958 12,942,190	1.5074 9,673,471	.2375 7,297,070	.7631 15,856,830

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

CHEESE MARKETS

NORTHEAST

The cheese market is mixed. Last week, the weekly average price adjusted higher for both blocks and barrels. As a result, prices this week for Northeast cheddar and Muenster increased \$0.0150, and the process cheese price increased \$0.0150. Grade A Swiss cuts are unchanged. Tuesday's CME Group daily cash prices saw barrels close at \$1.4600, down \$0.0050 from a week ago; blocks closed at \$1.4900, up \$0.0200 from a week ago. Major cheese manufacturers tend to run full schedules. Inventories in general are steady to improving but the levels of increases are marginal for some based on volume of committed cheese moving through production. According to the *DMN National Retail Report-Dairy*, for February 12-18, 2016, the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.19, 3 cents less than the national average, but unchanged from the previous week. The Southeast 8 oz. block cheese price was \$2.21, 18 cents more than the previous week.

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

Cheddar 40# Block	:	1.8950-2.1800
Process 5# Sliced	:	1.6675-2.1475
Muenster	:	1.9150-2.2650
Grade A Swiss Cuts 10 - 14#	:	3.1525-3.4750

MIDWEST

Midwest cheese production is steady and milk supplies are in balance with cheese making needs. Manufacturers are running full schedules with the available milk. Some cheese makers are buying the occasional load of milk if they can get it at or below Class. While others say they would be willing to sell off an extra load of milk here and there to ease up a little on cheese making, they would rather make cheese in their own plants than sell the milk below Class. Domestic retail sales continue to be good, but demand for cheese used in manufacturing is a little slow. Inventories continue to be long, especially for cheese barrels and, to a lesser extent, for cheese blocks. The *DMN National Retail Report-Dairy* shows that February 12-18 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.06, 16 cents lower than the national average. Midwest prices range from \$1.66-\$2.50. One year ago, the national price was \$2.47. For 8 ounce blocks, the Midwest average price is \$2.16, 6 cents below the national average price. Midwest ads are priced from \$1.50-\$3.50. Last year, the national price was \$2.36. Midwestern wholesale prices are unchanged for Swiss cuts, but up \$.0150 for process and all other types. In CME Group trading Wednesday, barrels closed at \$1.4700, up \$.0050 from last Wednesday and blocks closed at \$1.4900, unchanged from last week.

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

Process American 5# Loaf	:	1.5675-1.9275
Brick And/Or Muenster 5#	:	1.8575-2.2825
Cheddar 40# Block	:	1.5850-1.9800
Monterey Jack 10#	:	1.8325-2.0375
Blue 5#	:	2.1250-3.1125
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6575-2.5975
Grade A Swiss Cuts 6 - 9#	:	2.6700-2.7875

WEST

Western cheese production continues to move along at a steady pace. Domestic consumer demand has been good and has not dropped off much since the Super Bowl. Cheese blocks are moving, but the market for cheese barrels is still softer than for blocks. Manufacturers say cheese inventories are tending to be long for barrels at both the manufacturers' and secondary markets' warehouses. The degree to which this becomes problematic is dependent on the ability to find a home for the extra cheese. A few processors say the regular spot sale goes a long way toward easing some of the pressure. Cheese export opportunities are still sluggish. The *DMN National Retail Report-Dairy* for the week of February 12-18 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.22, up \$.04 from last week, but down \$.25 from a year ago. Packs averaged \$2.24 in the Southwest and \$2.41 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.22, up \$.15 from last week, but down \$.14 from a year ago. Blocks averaged \$2.16 in the Southwest and \$2.36 in the Northwest this week. In the West, wholesale prices are up \$.0150 for process, cheddar block, cuts, and Monterey Jack. Prices are unchanged for Swiss cuts. This week, a cooperative export assistance program accepted requests for 1.613 million pounds of cheese. In CME Group trading Wednesday, barrels closed at \$1.4700, up \$.0050 from a week ago and blocks closed at \$1.4900, unchanged from last week.

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

Process 5# Loaf	:	1.5825-1.8400
Cheddar 40# Block	:	1.5900-2.0350
Cheddar 10# Cuts	:	1.7700-1.9900
Monterey Jack 10#	:	1.7800-1.9400
Grade A Swiss Cuts 6 - 9#	:	2.7300-3.1600

FOREIGN

Inventories of domestic foreign type cheese varieties are adequate and balanced. Demand is good, and steady. In Europe, hard cheese is heading into aging programs in expected volumes. U.S. wholesale domestic Swiss prices and imported cheese prices are unchanged. The remaining domestic foreign type cheese prices adjusted up \$0.0150 following the higher weekly average CME Group block price.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.0525-3.5400*
Gorgonzola	: 3.6900-5.8900	: 2.5600-3.2575*
Parmesan (Italy)	: -0-	: 3.4425-5.5325*
Romano (Cows Milk)	: -0-	: 3.2425-5.3925*
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-	: 3.1900-3.5125
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

* = Price change.

CONTINUE TO 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

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

	:	
02/15/16	18,327	: 92,771
02/01/16	14,496	: 91,963
CHANGE	3,831	: 808
% CHANGE	26	: 1

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	100	0	30	0	24
SOUTHEAST STATES	0	0	0	0	0	0

Over the past weekend into this week, the Northeast region experienced record cold conditions, snow, and freezing rain. On Monday, settings were similar in the Mid-Atlantic and Southeast as cold temperatures brought snow, rain, and accumulations of ice. Milk distribution saw interruptions of bottling and manufacturing pickups and deliveries. Regionally, milk production in the Northeast and Mid-Atlantic are seeing year over year increases. Manufacturers report ample, but not burdensome, milk volumes moving into production. Bottling sales increased for the week, but are expected to level off in both regions. Milk production volumes are steady in the Southeast. Only a few shipments cleared into manufacturing as the region saw an increase in Class I sales, prompted by a run on retail ahead of the region's wintery forecast. Sources report an overall increase in Florida milk production. Bottling orders are somewhat lighter to static, with cancellations being reported. Above average rainfall equates to reductions in tanker loads in some areas, as conditions distress cow comfort. The state exported 100 spot loads. According to the DMN *National Retail Report-Dairy*, for February 12-18, 2016, the U.S. weighted average advertised price for a gallon of milk was \$2.33, a \$1.11 decrease compared to a year ago, but up 2 cents from last week. Demand for **condensed skim** is slow to moderate, as existing supplies exceed demand. Subsequent to contractual deliveries, heavy volumes of condensed skim are primarily clearing to NDM production. Some brokers are finding it challenging to move condensed skim at an adequate margin when clearing loads to other regions. **Cream multiples** ranged **1.15-1.25**. Most f.o.b. cream transactions were in the mid to upper teens. Supplies are plentiful. Loads that some consider burdensome are being shopped in other regions. Some processors with surplus cream are opting to make butter rather than sell cream at low multiples. Buyer interest is growing to secure summer cream. At the CME Group, Grade AA butter closed Wednesday at \$2.0425, down \$0.0825 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 - 2.4507-2.6638

F.O.B. producing plants: Upper Midwest - 2.5146-2.5998

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

Northeast - Class II - includes monthly formula prices - .65-.86

Northeast - Class III - spot prices - .65-.75

MIDWEST

Milk production in the Central region is steady to seasonally higher. As calving progresses, milk handlers and processors are bracing for increasing milk intake volumes in the coming weeks. According to milk processors in the North Central area, dairy producers have maintained herd sizes throughout the winter. With strong dairy replacement numbers in the North Central, some expansion in milk cow numbers is expected. Class I sales are steady. In the DMN *National Retail Report-Dairy* for the week of February 12-18, the national average price for gallons of milk was \$2.33, \$1.11 lower than one year ago. In the Midwest and South Central, the current weekly average prices were both \$1.99. Sales into Class II are unchanged to somewhat higher. Milk marketers are finalizing orders of increasing volumes of condensed skim for March delivery into ice cream/mix facilities.

Cheese makers are hesitant to take in more milk as commodity cheese orders trend lower, unless spot milk pricing offers an advantage. Spot milk prices for the week range from \$2.50 under to flat Class. Cream availability is unchanged from last week, with ample volumes clearing through the spot market. A few market participants noted that Class II buyers tended to contract lower cream volumes for Q1, compared to the previous year. Some relate this to the strong Q4 butterfat market when cream prices were comparatively high. This has also resulted in fairly active week to week cream spot sales as end users use the spot market to fulfill near term needs. Cream multiples are steady to lower, ranging from 1.18 to 1.22.

WEST

In California, farm milk production is increasing, but milk processors indicate the rate of increase is slower than what was expected. This may be an aftereffect of less than optimal feeding patterns throughout the winter as well as the result of stress on herds from recent rainstorms. Some processors indicate they've received spot milk volumes from plants taking down time for repair and maintenance projects. Class I sales are steady to higher. Processors in Arizona indicate milk intakes are increasing both on week to week and on year to year bases. Several dairy operators within the state have expanded incrementally throughout the last year through purchases of dairy animals and through internal herd growth. Milk pooled on the Arizona Order 131 totaled 432.4 million pounds in January 2016. Class I utilization was 107.7 million pounds and accounted for 24.9 percent of producer milk. The uniform price was \$14.50 per cwt. The uniform price was \$1.74 below last month, and \$1.54 below the same month last year. This week, Class I sales were variable through the week as handlers modified orders, but net weekly sales were steady. Milk production in New Mexico is steady overall. Milk supplies clearing into the state from various sellers are unchanged. Class I demand within the state shifted higher, but sales to bottlers in the Southeast area stepped lower. Milk sales into hard ice cream, soft serve, and ice cream mix production are steady to lower, while sales into Class III plants increased as some maintenance projects were completed and operating schedules returned normal. According to the DMN *National Retail Report-Dairy* for the week of February 12-18, the national weighted average advertised price for one gallon of milk is \$2.33, \$2.17 in the Southwest and \$2.49 in the Northwest. Some Pacific Northwest milk processors are noting a slight uptick in milk intakes. The recent warm temperatures have improved cow comfort. In addition, rains over the last month have eased drought conditions in some parts of the region. Pastures are starting to grow and green up. The Western snowpack is generally plentiful and the spring streamflow forecasts are currently at or above average for the upcoming season. Farmers are hopeful this trend continues and there is sufficient water for irrigation needs this growing season. Bottling demand is seasonally steady for milk in the Pacific Northwest. Utah and Idaho milk production is mostly steady. Temporary fluctuations in temperature, rain and other factors in cow comfort will edge production up or down, but dairy analysts report there has not been much decline through the course of the winter. Although the winter snow pack is generally good across the region, there is some concern of lower spring and summer runoff along the eastern slopes of the northern Rockies. Throughout the West region, spot cream volumes are available. Although interest from frozen dessert/ice cream manufacturers is increasing seasonally, some churn operators report that they are interested in building butter stocks ahead of Q3, when cream available from farm milk intakes tends to decrease. Multiples for all classes are steady, ranging from .98 to 1.20.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Central low/medium heat nonfat dry milk prices are unchanged to higher as some contract pricing adjusted to changes in variable indices. The market continues to look, though, for a measure of support from which to rebuild on a long term basis. However, active production in the U.S. and other global dairy centers and strong U.S. currency values continue to weigh upon each uptick in price. Following that pattern, an early in the week price rally on the CME Group trading site did not hold through midweek. Low/medium heat NDM production is active throughout the Central region. Some manufacturers are diverting condensed buttermilk away from the dryers to allow more time for NDM production. Inventories are building. High heat nonfat dry milk prices, Central, are unchanged to higher. Both offers and interest within the f.o.b. spot market are light, but bakery accounts are pulling upon Q1 contracts. Production is scheduled at intervals, between low/medium heat runs. Inventories are light.

EAST: Eastern low/medium heat nonfat dry milk prices are steady to higher. Manufacturers' dryer schedules are processing heavy condensed skim supplies. In turn, low/medium heat NDM stocks are building. Spot market trading is light to fair. Customer contracts are being fulfilled. High heat nonfat dry milk market show prices move higher, specifically, at the bottom of the range. Production is irregular as heavy condensed skim supplies require increasing low/medium heat nonfat dryer time. Demand is light, with limited sales currently being reported in the region. Stocks are sufficient for near-term customer needs. Wednesday at the CME Group, Grade A NDM closed \$0.7450, down \$0.0050 from last Wednesday.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .7400 - .8500 MOSTLY: .7600 - .8200
 HIGH HEAT: .9500 - 1.1500

NONFAT DRY MILK - WEST

Prices for low/medium nonfat dry milk are unchanged in the mostly series. Manufacturers' production volumes are at seasonal levels, as current production schedules are active. Inventories of NDM are adequate for current demand. Sources indicate a slight uptick in export interest, as global prices exert pressure. Movement is light in the spot market this week. Seasonal interest in NDM is developing for bakery and confectionary accounts. A few producers are opting to make milk protein products over NDM. The high heat NDM prices are steady to higher. Plant production is intermittent. Inventories are fair to tight, as some manufacturers note being sold out.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .6825 - .8100 MOSTLY: .6950 - .7600
 HIGH HEAT: .8400 - 1.0950

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
February 12	\$.7767	7,758,298
February 5	\$.7797	7,954,560

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 unchanged to higher. The market tone is mixed as butterfat and nonfat solids values fluctuate. End users give different accounts of availability within the Central region. Some indicate dry buttermilk loads are readily available. Others report they have only occasional access to f.o.b. spot loads from preferred manufacturers. On the production side, several manufacturers are selling condensed buttermilk into Class II to save dryer time for clearing condensed skim. Dry buttermilk inventories are generally steady to building.

EAST: The price for dry buttermilk inched higher at the top of the range on light f.o.b. spot transactions. The East region churning rates are linked to active buttermilk drying at some of the butter plants. Major producers' inventories are adequate. Increasing ice cream manufacturing is drawing more condensed buttermilk and reducing the need to dry. Overall, demand is light to fair and along expected levels. In general, the market undertone is steady.

F.O.B. CENTRAL/EAST: .7400 - .8600

DRY BUTTERMILK - WEST

Prices for Western dry buttermilk are steady through the mostly series. Dryer schedules are actively clearing dry buttermilk. Manufacturers' dry buttermilk stocks are steady to building. Buyer interest is light to moderate outside of contracts. Demand is expected to pick up seasonally, as ice cream interest continues to build.

F.O.B. WEST: .7600 - .8500 MOSTLY: .8000 - .8200

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged. Lower price trends in various offshore auctions continue to undercut domestic dry whole milk pricing. The market undertone is weak. Production is intermittent as manufacturers strive to limit production. Manufacturers are diverting milk volumes into other dry products, such as NDM or SMP, to help manage dry whole milk holdings. With recent sales to offshore accounts, inventories are less burdensome, but above near term contract fulfillment needs.

F.O.B. PRODUCING PLANT: 1.0000 - 1.5200

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Prices for Central dry whey are unchanged to higher on the range and mostly price series. The market undertone is steady. End users indicate f.o.b. offers are less frequent, potentially signaling more comfortable inventories on hand at manufacturers. Offers from resellers are steady. Cheese production is unchanged at most locations despite slower sales related to push back from East Coast customers. Dry whey production is steady. Contract fulfillment is taking a portion of regular weekly dry whey production, but, with light demand from the offshore markets, inventories are building incrementally. Prices for animal feed dry whey are steady on light trading. Manufacturers indicate their inventories are comfortable. On blended feed sales, some producers noted increasing competition from competitors on a regional basis as some brand owners try to extend sales reach. Overall blended feed demand is active as calving is ongoing in the Southwest and California.

F.O.B. CENTRAL: .2000 - .2750 MOSTLY: .2250 - .2600
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER : .1400 - .2150

DRY WHEY - NORTHEAST

Prices for dry whey moved higher on both ends of the range. The bulk of dry whey production is tied to contract needs. Availability in the Northeast is limited with those looking for additional product having to look outside the region. The switching of some production from whey to WPC has reduced spot offerings. The current undertone conveys a firming market.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A : .2475 - .2800

DRY WHEY - WEST

The western whey market is steady, but prices moved slightly higher on the bottom end of the range series. A few processors responded to various market signals and pushed for higher prices. Some manufacturers are reporting committed or comfortable inventories, while others in the industry say inventories are building. Whey production is active. A few manufacturers made block sales into export markets.

NONHYGROSCOPIC: .2300 - .3350 MOSTLY: .2300 - .2700

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

The lower end of both the range and mostly price series jumped higher this week as a number of processors started asking for higher prices. A few manufacturers had used the previous lower prices to clear blocks of inventory. Some manufacturers state their inventories are tight, or at least committed. A few processors note an increase in demand and inquiries from buyers. Production is down a little as a few manufacturers continue to make higher protein concentrations rather than WPC34%.

F.O.B. EXTRA GRADE 34% PROTEIN: .5500 - .6900 MOSTLY: .5500 - .6100

LACTOSE - CENTRAL AND WEST

Lactose prices held steady this week on relatively light trading. Manufacturers say they are getting inquiries from a variety of potential buyers and a few customers are requesting to move up load shipment dates. But in many cases, the requests are proving difficult to fill due to the tight inventories at many manufacturers. A number of processors are being selective on the bids accepted and are able to ask for prices at the upper end of the price series. Production is generally steady at many individual processors.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1800 - .3100 MOSTLY: .1800 - .2500

CASEIN - NATIONAL

Casein prices are steady this week. Spot market buying interest is slow in Oceania and the EU. More volumes are moving through contracts. While GDT Event 158 pricing declined, there was low activity, leading to a thin market, which caused some observers to discount the overall significance of the results.

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: 2.5000 - 3.3500
ACID: 2.7300 - 3.5000

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

	2016 WEEKLY	2016	2015 WEEKLY	2015
<u>WEEK ENDING</u>	<u>DAIRY COWS</u>	<u>CUMULATIVE DAIRY COWS</u>	<u>DAIRY COWS</u>	<u>CUMULATIVE DAIRY COWS</u>
01/30/2016	65.1	3,212.3	64.7	3,114.7

WEBSITE: http://www.ams.usda.gov/mnreports/sj_ls714.txt

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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

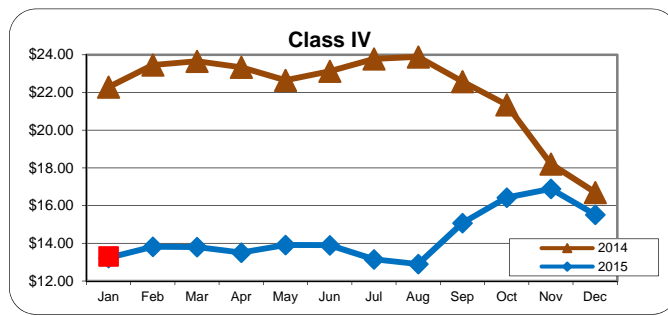
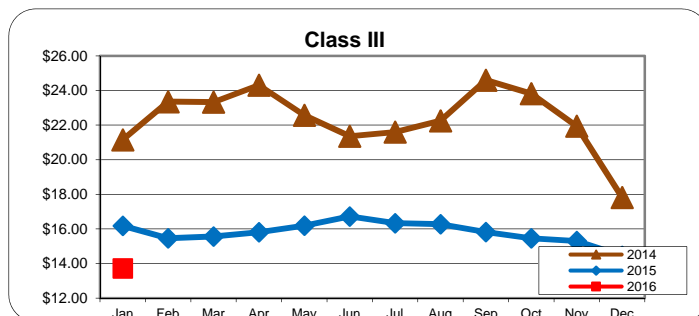
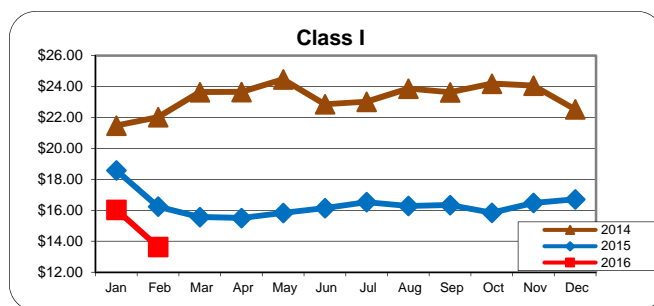
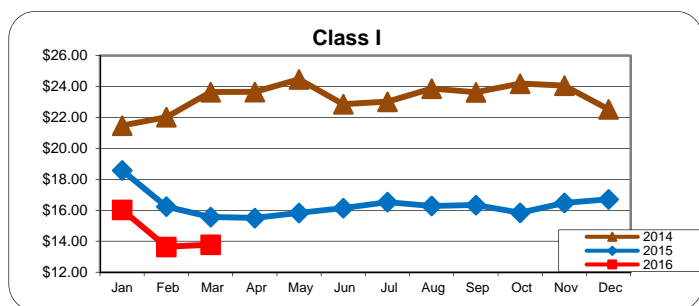
CLASS IV MILK PRICES (3.5%)

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%)

[illegible]

1/ Specific order differentials to be added to this base price can be found by going to: www.ams.usda.gov/DairyMarketingStatistics; then select "Prices"; and then select "Principal Pricing Points."



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered February 8 - 19, 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: The fact of increased milk production in the EU continues to be a challenge in terms of pricing and returns. Higher volumes are currently tending to move into butter, processed cheese and skim milk powder. The fact of skim milk powder being a top option, considering the factor of intervention pricing, reflects the struggle to market increased milk production in a global market with higher milk volumes in other regions as well. That also contributes to the overall lower prices prevailing for most dairy commodities within the EU.

BUTTER/BUTTEROIL: Butter prices are steady to slightly lower. The current Western Europe price range is below the range one year ago, which was 3,525 – 3,975. Butteroil prices are unchanged. The current Western Europe price range is below the range one year ago, which was 4,100– 4,625. Packaged butter demand in the EU is steady. Demand is expected to increase in coming weeks as spring religious holidays approach. Pricing negotiations for contracts are underway. Manufacturers are comfortable with being able to meet the demand. Bulk butter demand is weaker, which is resulting in more industrial cream moving into other uses. January-November 2015 butter production in the EU-28 is 4.3% greater than the same period of 2014.

82% BUTTERFAT: 2,850 - 3,050
99% BUTTERFAT: 3,500 - 3,975

SKIM MILK POWDER (SMP): Skim milk powder prices are steady to slightly higher at the upper end of the price range for higher quality SMP demand. Demand for specific product from certain manufacturers supports slightly elevated top of range prices. Overall buying interest is slow. Buyers expect intervention to keep prices stable and supplies are more than ample, leading to downstream users having less interest in maintaining their own inventories. Buying is restrained on internal EU markets as well as world markets. The current Western Europe price range is below the range one year ago, which was 2,325 – 2,675. Total intervention purchases February 1-7, 2016 were the highest level of any week of 2016 so far: 7,296 MT. That brought 2016 intervention purchases for the first 5 weeks of the year to 29,812 MT compared to 40,281 MT for all of 2015. January-November 2015 SMP production in the EU-28 is 8.6% greater than the same period of 2014.

1.25% BUTTERFAT: 1,700 - 1,825

SWEET WHEY POWDER: Whey prices are steady to slightly lower. The current Western Europe price range is below the range one year ago, which was 975 – 1,200. Lower prices reflect weaker feed whey demand while food quality whey has steady demand with some export interest.

NONHYGROSCOPIC: 500 - 700

WHOLE MILK POWDER (WMP): Whole milk powder prices are steady to slightly higher. Demand is slow and EU destinations represent the greatest demand. The current Western Europe price range is below the range one year ago, which was 2,800 – 3,200. Globally markets still work to adjust to the China effect. High volumes of WMP purchases by China several years ago helped move prices up. This incentivized WMP production. The more recent lower interest by China in WMP is still being absorbed by markets.

26% BUTTERFAT: 2,100 - 2,300

EASTERN OVERVIEW: Eastern European milk production often faces a processing system less robust and efficient than many western European nations. The lower efficiency curtails margins to processors and in turn, affects producers. The option for handling increased milk volumes, moving the milk to other EU countries, adds transportation costs. While some Eastern European processors are evaluating expansion and equipment upgrades, ensuring the long term supplies of milk needed to economically support the investments remains a matter under study.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered February 8 - 19, 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: Australian milk production through December 2015 was down 0.2% for the current season and down 4.6% for the month. Lower production is attributed to dry conditions as well as tighter margins that affected feeding. Queensland is experiencing industry exits while in contrast, Western Australia milk volumes are growing with higher farmgate prices there. Processors feel they have more flexibility to adjust product mix as a result of the lower milk volumes overall. This has helped buffer the impact of lower commodity prices by optimizing returns. Cull cow numbers are higher. Factors are higher beef prices, relatively less expensive replacement stock, and margin pressures for producers. For example, hay fodder prices are higher and not expected to decline until winter. **NEW ZEALAND** pasture growth had been slowing, adversely affecting milk production. Rains within the past week are offering hope of improvement in pastures and production. Milk production has been trending up for many years and the current situation is regarded as an interruption of a trend expected to continue. In the interim, more cow culling is occurring to help producer margins. At the February 16 GDT event #158, average prices ranged from 11.5% lower to 1.5% 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, \$3,527 +1.5%; butter, \$2,834 -2.3%; buttermilk powder, \$1,496 -1.2%; cheddar cheese, \$2,535 -5.6%; lactose, \$574 0.0%; rennet casein, \$3,852 -11.5%; skim milk powder, \$1,762 -1.4%; sweet whey powder, n.a.; and whole milk powder, \$1,890 -3.7%.

BUTTER: Butter prices weakened this week. The current price range is below the range one year ago, which was 3,600 – 4,100. Current pricing reflects lower regional butter demand where much butter currently produced is being consumed domestically, cream is increasingly going to other uses, and export sales are slower. At the February 16 GDT event #158, NZ butter averaged \$2,840/MT for April contracts, -1.4% from the prior event. Butter for all regions and contracting periods averaged \$2,834/MT, -2.3%. New Zealand AMF prices averaged \$3,536/MT for April contracts, +1.4% from the prior event. For all contracting periods, the AMF price average was \$3,527/MT, +1.5%.

82% BUTTERFAT: 2,800 - 3,200

SKIM MILK POWDER (SMP): Skim milk powder prices are unchanged and the market is weak. Intervention in the EU is frequently commented upon as a factor in keeping Oceania prices in a relative relationship to EU SMP prices. The current Oceania price range is below the range one year ago, which was 2,500 – 2,900. Current pricing at the upper end of the price range tends to represent smaller volumes of higher spec specific origin Australian product, which commands a small premium. With volumes of older SMP in storage, current production in this weak market is low. At the February 16 GDT event 158, SMP for all regions and contracting periods averaged \$1,762 per MT, -1.4%. For trading in contract period 2, April, prices averaged \$1,759, -3.2% from the prior event.

1.25% BUTTERFAT: 1,725 - 1,900

CHEDDAR CHEESE: Cheddar pricing weakened, more at the bottom of the price range than the top. Spot pricing is more reflected at the bottom levels. Higher pricing is more supported by long term commitments and relationships with preferred sources. Manufacturing schedules are steady. The current Oceania price range is below the range one year ago, which was 3,400 – 4,000. At the February 16 GDT event 158, NZ cheddar for all regions and contracting periods averaged \$2,535 per MT, -5.6%. For trading in contract period 2, April, prices averaged \$2,560, -9.6% from the prior event.

39% MAXIMUM MOISTURE: 2,500 - 3,200

WHOLE MILK POWDER (WMP): Pricing is weaker. There is discussion about New Zealand production being more significant than had been expected, which is weighing on markets. A small but growing market is sales at retail in 1kg sachets. Some supermarkets have created store displays piled with the product, in demand domestically as well as from tourists who carry it when traveling to Asia. The current Oceania price range is below the range one year ago, which was 2,900 – 3,500. At the February 16 GDT event 158, WMP for all regions and contracting periods averaged \$1,890 per MT, -3.7%. For trading in contract period 2, April, prices averaged \$1,862, -3.9% from the prior event.

26% BUTTERFAT: 1,835 - 2,100

**Exchange rates for selected foreign currencies:
February 15, 2016**

.0677 Argentina Peso	.0087 Japan Yen
.7139 Australian Dollar	.0531 Mexican Peso
.7229 Canadian Dollar	.6648 New Zealand Dollar
1.1155 Euro	.2537 Poland Zloty
.0147 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0531) = 18.8324 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 158 Recap - February 16, 2016													
	Contract 1 Mar-16		Contract 2 Apr-16		Contract 3 May-16		Contract 4 Jun-16		Contract 5 Jul-16		Contract 6 Aug-16		All Contracts	
Anhydrous Milk Fat	n.a.		\$3,536	1.4%	\$3,516	1.9%	\$3,527	1.6%	\$3,524	1.1%	\$3,496	0.0%	\$3,527	1.5%
Butter	n.a.		\$2,840	-1.4%	\$2,810	-3.9%	\$2,820	-3.1%	\$2,925	0.9%	\$2,955	-0.2%	\$2,834	-2.3%
Buttermilk Powder	n.a.		\$1,500	-0.3%	\$1,485	-3.6%	n.a.		n.a.		n.a.		\$1,496	-1.2%
Cheddar	n.a.		\$2,560	-9.6%	\$2,548	-1.2%	\$2,499	-14.3%	n.a.		n.a.		\$2,535	-5.6%
Lactose	n.a.		\$574	0.0%	n.a.		n.a.		n.a.		n.a.		\$574	0.0%
Rennet Casein	n.a.		\$3,806	-12.8%	\$3,950	-8.8%	n.a.		n.a.		n.a.		\$3,852	-11.5%
Skim Milk Powder	\$1,835	4.9%	\$1,759	-3.2%	\$1,754	0.6%	\$1,765	-0.8%	\$1,760	-1.9%	\$1,787	-0.1%	\$1,762	-1.4%
Sweet Whey Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Whole Milk Powder	n.a.		\$1,862	-2.9%	\$1,893	-4.1%	\$1,928	-4.5%	\$1,911	-5.0%	\$2,043	-17.8%	\$1,890	-3.7%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 158 Recap - February 16, 2016													
	Contract 1 Mar-16		Contract 2 Apr-16		Contract 3 May-16		Contract 4 Jun-16		Contract 5 Jul-16		Contract 6 Aug-16		All Contracts	
Anhydrous Milk Fat	n.a.		\$1.6039	1.4%	\$1.5948	1.9%	\$1.5998	1.6%	\$1.5985	1.1%	\$1.5858	0.0%	\$1.5998	1.5%
Butter	n.a.		\$1.2882	-1.4%	\$1.2746	-3.9%	\$1.2791	-3.1%	\$1.3268	0.9%	\$1.3404	-0.2%	\$1.2855	-2.3%
Buttermilk Powder	n.a.		\$0.6804	-0.3%	\$0.6736	-3.6%	n.a.		n.a.		n.a.		\$0.6786	-1.2%
Cheddar	n.a.		\$1.1612	-9.6%	\$1.1558	-1.2%	\$1.1335	-14.3%	n.a.		n.a.		\$1.1499	-5.6%
Lactose	n.a.		\$0.2604	0.0%	n.a.		n.a.		n.a.		n.a.		\$0.2604	0.0%
Rennet Casein	n.a.		\$1.7264	-12.8%	\$1.7917	-8.8%	n.a.		n.a.		n.a.		\$1.7473	-11.5%
Skim Milk Powder	\$0.8324	4.9%	\$0.7979	-3.2%	\$0.7956	0.6%	\$0.8006	-0.8%	\$0.7983	-1.9%	\$0.8106	-0.1%	\$0.7992	-1.4%
Sweet Whey Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Whole Milk Powder	n.a.		\$0.8446	-2.9%	\$0.8587	-4.1%	\$0.8745	-4.5%	\$0.8668	-5.0%	\$0.9267	-17.8%	\$0.8573	-3.7%

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

CME GROUP, INC FUTURES

Selected settling prices

Month	02/05	02/08	02/09	02/10	02/11	02/12	02/15	02/16	02/17	02/18
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
FEB 16	13.83	13.78	13.81	13.78	13.88	13.87	NO TRADING	13.84	13.83	13.84
MAR 16	13.96	13.87	13.96	13.97	14.01	14.06		13.90	13.87	13.88
APR 16	13.96	13.93	14.01	14.03	14.06	14.11		13.91	13.85	13.87
MAY 16	14.15	14.12	14.12	14.15	14.16	14.19		14.10	14.01	14.05
JUN 16	14.63	14.54	14.50	14.56	14.51	14.50		14.45	14.34	14.41
JUL 16	15.02	14.98	14.94	14.96	14.91	14.95		14.86	14.76	14.77
AUG 16	15.41	15.38	15.31	15.35	15.32	15.29		15.24	15.15	15.18
SEP 16	15.71	15.67	15.57	15.60	15.60	15.64		15.51	15.41	15.47
OCT 16	15.86	15.82	15.77	15.77	15.79	15.80		15.72	15.67	15.75
NOV 16	15.85	15.84	15.78	15.77	15.81	15.81		15.74	15.74	15.78
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
FEB 16	13.36	13.36	13.36	13.36	13.40	13.40	NO TRADING	13.40	13.40	13.40
MAR 16	14.07	14.00	13.97	13.97	13.97	13.76		13.76	13.71	13.71
APR 16	14.19	14.02	14.02	14.02	14.02	13.76		13.76	13.57	13.57
MAY 16	14.23	14.18	14.01	14.01	14.01	13.86		13.86	13.75	13.75
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
FEB 16	216.50	216.50	215.98	215.98	215.88	214.58	NO TRADING	213.73	213.00	212.95
MAR 16	220.78	218.00	216.50	216.50	216.50	213.25		209.25	209.00	209.00
APR 16	223.00	221.78	218.00	218.00	216.75	214.98		211.00	207.50	210.00
MAY 16	222.03	222.38	219.00	217.78	217.00	214.98		211.15	209.50	210.40
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
FEB 16	76.10	76.03	75.90	76.25	76.78	76.78	NO TRADING	77.00	76.93	77.00
MAR 16	79.48	79.25	78.60	79.50	80.48	79.00		80.25	79.50	79.28
APR 16	79.95	78.75	78.90	79.95	81.00	79.15		82.05	80.25	80.50
MAY 16	80.58	79.50	79.50	80.70	82.03	80.18		83.00	81.38	81.75
WHEY (Electronic-Traded) (¢/lb)										
FEB 16	24.38	24.00	24.00	24.00	24.70	24.70	NO TRADING	24.70	24.65	24.75
MAR 16	24.05	23.98	24.20	24.20	24.48	24.48		24.48	24.48	24.75
APR 16	24.23	24.05	24.25	24.53	25.40	25.40		25.40	25.40	25.50
MAY 16	24.88	24.88	25.00	25.23	25.90	25.90		25.90	25.90	26.00
CHEESE CSC (Electronic-Traded) (\$/lb)										
FEB 16	1.52	1.52	1.52	1.52	1.52	1.53	NO TRADING	1.52	1.52	1.52
MAR 16	1.54	1.53	1.54	1.54	1.54	1.54		1.53	1.53	1.53
APR 16	1.53	1.53	1.54	1.54	1.54	1.54		1.53	1.52	1.52
MAY 16	1.56	1.55	1.55	1.55	1.55	1.55		1.54	1.53	1.53
JUN 16	1.59	1.59	1.59	1.59	1.59	1.59		1.58	1.57	1.57
JULY 16	1.63	1.63	1.63	1.63	1.62	1.62		1.62	1.61	1.61

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

Mailbox Milk Prices for Selected Reporting Areas in Federal Milk Orders and California, November 2015, With Comparisons

In November 2015, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$18.22 per cwt, up \$0.62 per cwt from the October 2015 average, but down \$4.80 per cwt from the November 2014 average. The component tests of producer milk in November 2015 were: butterfat, 3.87%; protein, 3.21%; and other solids, 5.74%. When compared to the previous month, the November Mailbox prices increased in all Federal milk order reporting areas except the Minnesota Federal milk order reporting area. Eastern Pennsylvania experienced the greatest increase of \$0.97 per cwt while Minnesota experienced a decrease of \$0.04 per cwt. Averaged over all Federal milk reporting areas, the November 2015 Mailbox price increased an average of \$0.69 per cwt. Mailbox prices in November 2015 ranged from \$20.42 in Florida to \$16.46 in New Mexico.

Reporting Area ¹	Mailbox Milk Price ²		
	November 2014	October 2015	November 2015
	<i>(dollars per hundredweight)</i>		
New England States ³	24.06	19.29	20.15
New York	23.00	17.95	18.89
Eastern Pennsylvania ⁴	22.99	18.06	19.03
Appalachian States ⁵	24.58	18.83	19.72
Southeast States ⁶	25.11	18.92	19.68
Southern Missouri ⁷	24.69	19.35	19.97
Florida	26.43	19.76	20.42
Western Pennsylvania ⁸	22.99	18.27	19.09
Ohio	23.00	18.09	18.95
Indiana	22.42	16.99	17.95
Michigan	22.04	16.78	17.34
Wisconsin	23.76	17.85	18.03
Minnesota	23.85	17.63	17.59
Iowa	23.61	17.35	17.72
Illinois	23.87	17.98	18.45
Corn Belt States ⁹	22.21	16.70	17.45
Western Texas ¹⁰	21.87	16.71	17.41
New Mexico	20.80	15.55	16.46
Northwest States ¹¹	21.81	17.35	18.18
All Federal Order Areas ¹²	23.02	17.60	18.22
California ¹³	20.26	15.82	16.36

¹ Areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders.

² Net pay prices received by dairy farmers for milk. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are weighted averages of the prices reported for all orders receiving milk from the reporting area and are reported at the average butterfat tests. Prices include, for the most part, the assessment under the Cooperatives Working Together (CWT) program.

³ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

⁴ Includes all counties to the east of those listed in ⁸.

⁵ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

⁶ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi.

⁷ Includes the counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these.

⁸ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these.

⁹ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in ⁷.

¹⁰ Includes all counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby.

¹¹ Includes Oregon and Washington.

¹² Weighted average of prices for all selected reporting areas.

¹³ Calculated by California Department of Food and Agriculture, and published at

<http://cdfa.ca.gov/dairy/uploader/docs/MailBox%20Data%202014.pdf>

Report Contact: Randal Stoker, randal.stoker@usda.gov or 202-690-1932

FEDERAL MILK ORDER ADVANCE CLASS PRICES, MARCH

Base Class I Price: Under the Federal milk order pricing system, the base Class I price for March 2016 is \$13.78 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$5.54 and the advanced butterfat pricing factor of \$2.4103. 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 increased \$0.14 per cwt when compared to the previous month of February 2016. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.10 per cwt, \$0.009 per gallon; reduced fat milk (2%), -\$0.08 per cwt, -\$0.007 per gallon; fat-free (skim milk), -\$0.29 per cwt, -\$0.025 per gallon.

Class II Price Information: The advanced Class IV skim milk pricing factor is \$5.35. Thus, the Class II skim milk price for March 2016 is \$6.05 per cwt, and the Class II nonfat solids price is \$0.6722.

Product Price Averages: The two-week product price averages for March 2016 are: butter \$2.1618, nonfat dry milk \$0.7684, cheese \$1.5158 and dry whey \$0.2426.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION ^{1 2}

Federal Milk Order Marketing Area ³	Order Number	March 2016		
		Class I Price (3.5%)	Class I Skim Milk Price	Class I Butterfat Price
		<i>\$ per cwt</i>	<i>\$ per cwt</i>	<i>\$ per pound</i>
Northeast (Boston) ⁴	001	17.03	8.79	2.4428
Appalachian (Charlotte) ⁵	005	17.18	8.94	2.4443
Florida (Tampa) ⁶	006	19.18	10.94	2.4643
Southeast (Atlanta) ⁷	007	17.58	9.34	2.4483
Upper Midwest (Chicago) ⁸	030	15.58	7.34	2.4283
Central (Kansas City) ⁹	032	15.78	7.54	2.4303
Mideast (Cleveland) ¹⁰	033	15.78	7.54	2.4303
Pacific Northwest (Seattle) ¹¹	124	15.68	7.44	2.4293
Southwest (Dallas) ¹²	126	16.78	8.54	2.4403
Arizona (Phoenix)	131	16.13	7.89	2.4338
All-Market Average		16.67	8.43	2.4392

¹ 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.

² 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.

³ Names in parentheses are the major city in the principal pricing point of the markets.

⁴ 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.

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

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

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

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

⁹ 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.

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

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

¹² 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.

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, JANUARY 2016

Highlights. Handler reports of receipts and utilization under the Federal milk order system for January 2016 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During January, 12.175 billion pounds of milk were received from Federally pooled producers. This volume of milk is 2.0 percent higher than the January 2015 volume. Regulated handlers pooled 3.580 billion pounds of producer milk as Class I products, down 3.3 percent when compared to the previous year. Class I utilization decreased from last year in 9 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 29%, Class II = 11%, Class III = 46%, and Class IV = 13%. The weighted average statistical uniform price was \$14.92 per cwt, down \$1.39 from last month and down \$2.23 from last year.

Price and Pool Statistics for Federal Milk Order Marketing Areas for the Month of January 2016

Federal Milk Order Marketing Area ¹	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I		Utilization of Producer Milk in All Classes ³				Uniform Price ²
		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) ³				(\$ per cwt)
Northeast (Boston)	001	2,253.1	1.5	761.4	-4.4	34	24	24	18	15.52
Appalachian (Charlotte)	005	492.1	1.6	346.7	0.2	70	12	4	13	17.03
Florida (Tampa)	006	247.9	-0.3	209.6	-2.2	85	9	1	5	19.34
Southeast (Atlanta)	007	472.1	2.1	343.8	-3.6	73	13	5	9	17.60
Upper Midwest (Chicago)	030	3,256.4	4.7	297.7	-6.1	9	2	85	4	13.95
Central (Kansas City)	032	1,375.1	-3.5	418.9	-3.7	30	10	48	12	14.38
Mideast (Cleveland)	033	1,704.8	0.9	548.5	-1.9	32	20	30	17	14.60
Pacific Northwest (Seattle)	124	748.5	29.0	165.0	-6.0	22	5	41	31	14.15
Southwest (Dallas)	126	1,192.6	-8.6	380.1	-3.1	32	8	56	4	15.35
Arizona (Phoenix)	131	432.4	5.3	107.7	-2.8	25	11	27	37	14.50
ALL MARKET AVERAGE OR TOTAL³		12,175.0	2.0	3,579.6	-3.3	29	11	46	13	14.92

¹ Names in parentheses are the major city in the principal pricing point of the market.

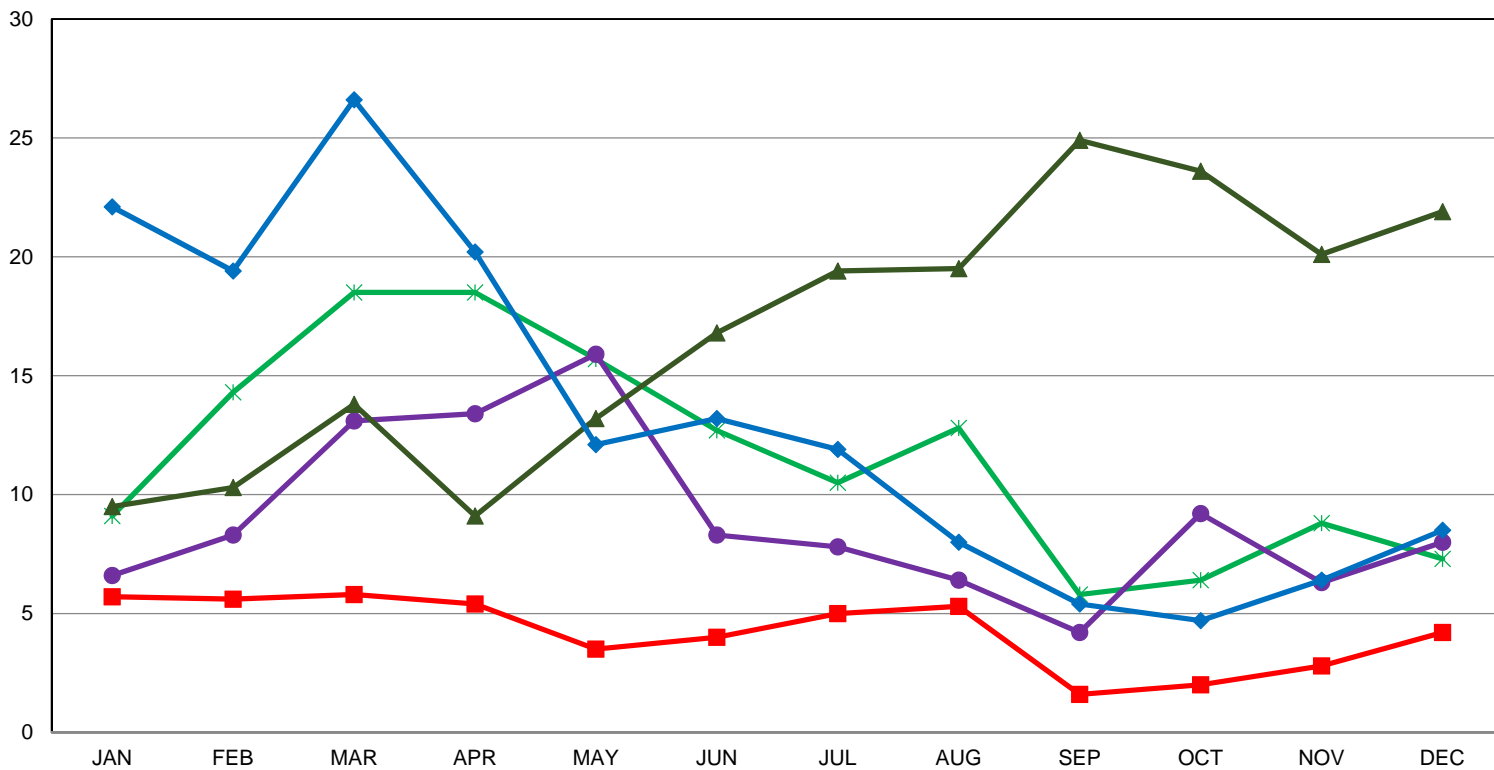
² Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

³ Totals may not add to 100 percent due to rounding.

Report Contact: Randal Stoker, randal.stoker@usda.gov or 202-690-1932.

MILLION POUNDS

U.S. Butter and Milkfat Exports

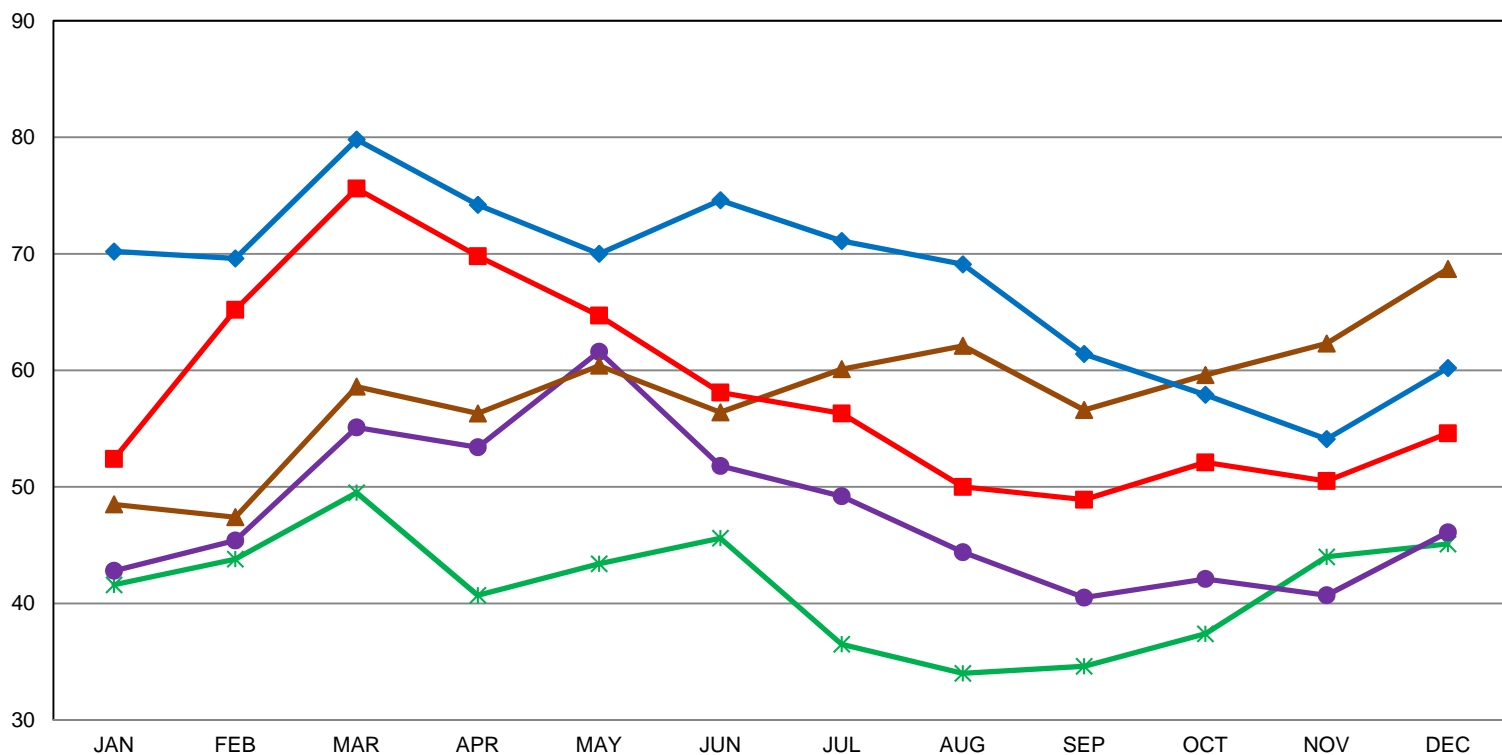


GRAPH, USDA, DMN; SOURCE, USDA,FAS

* 2011 ● 2012 ▲ 2013 ◆ 2014 ■ 2015

MILLION POUNDS

U. S. Cheese Exports

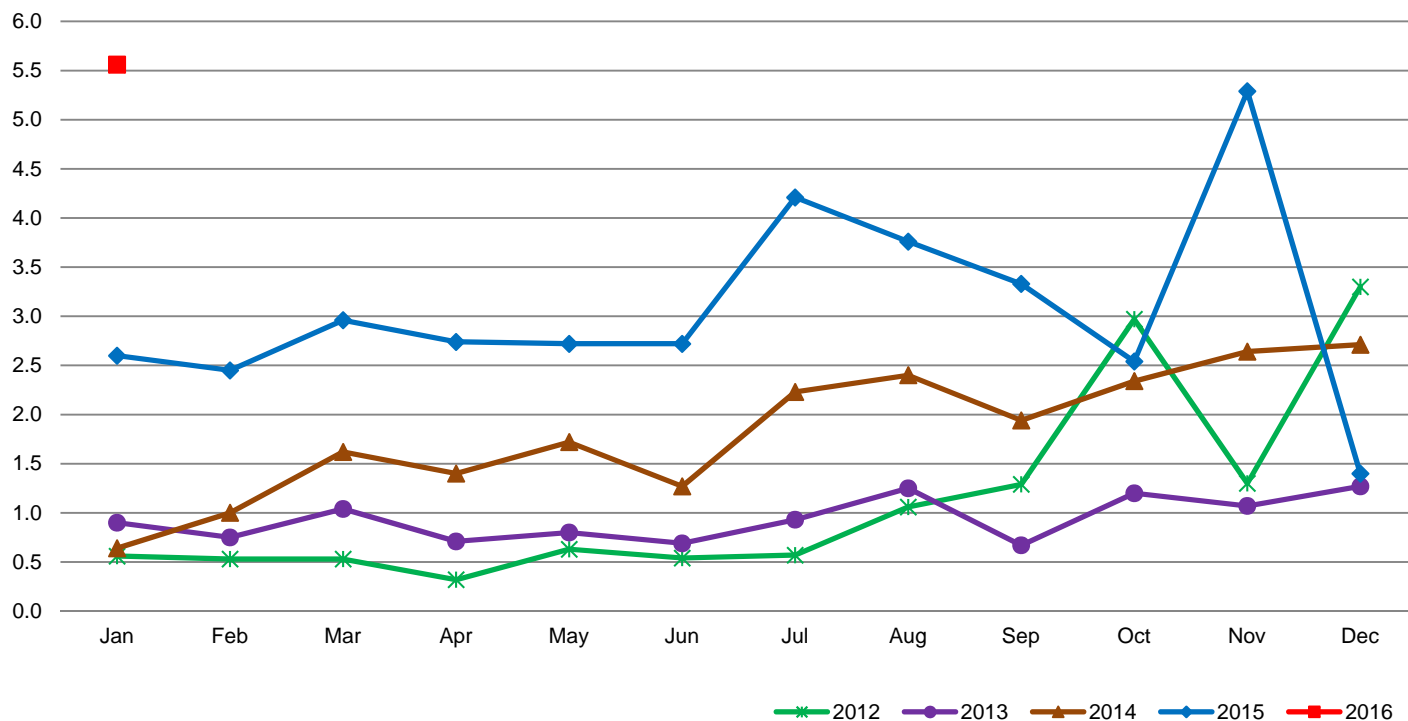


GRAPH USDA, DMN; SOURCE USDA,FAS

* 2011 ● 2012 ▲ 2013 ◆ 2014 ■ 2015

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

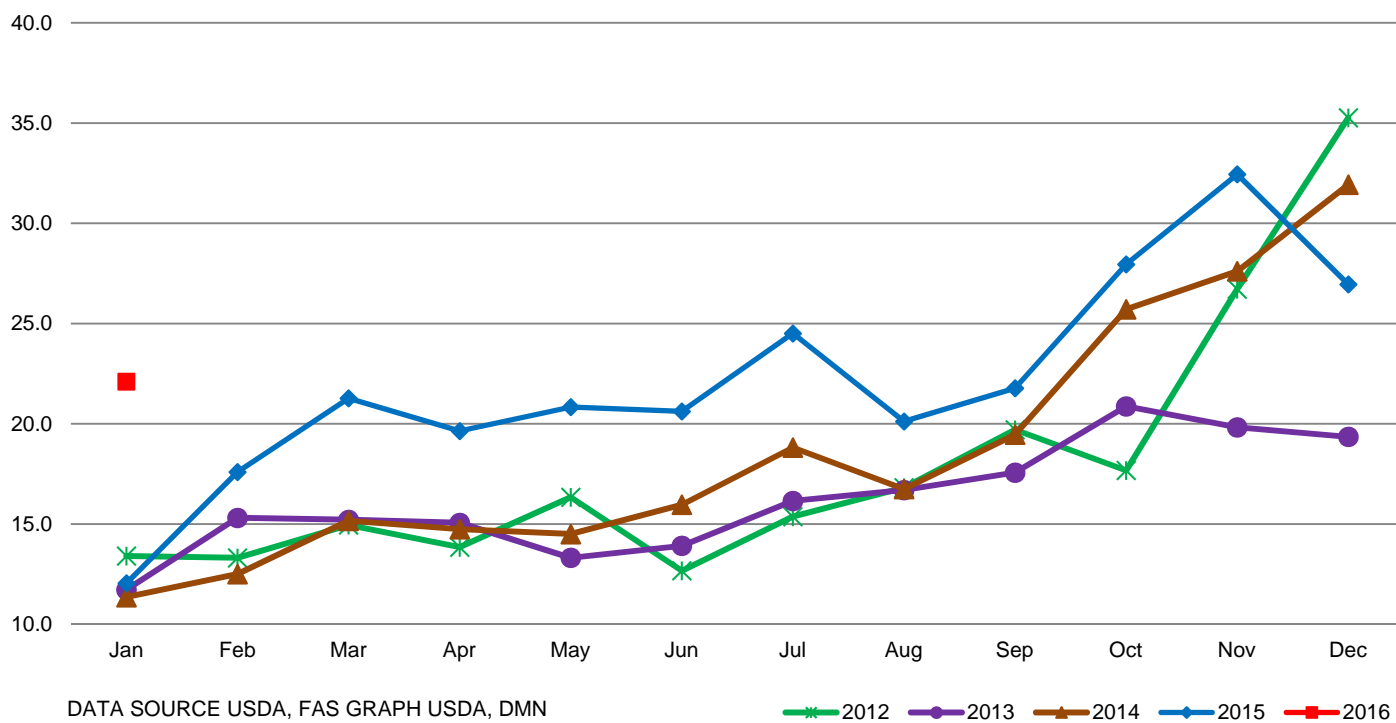
MILLION POUNDS



DATA SOURCE, USDA, FAS; GRAPH, USDA, DMN

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

MILLION POUNDS



DATA SOURCE USDA, FAS GRAPH USDA, DMN



Dairy Market News Branch

Agricultural
Marketing
Service

National Retail Report-Dairy

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

Volume 83- Number 7

Issued Weekly

Friday, February 19, 2016

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 02/19/2016 to 02/25/2016

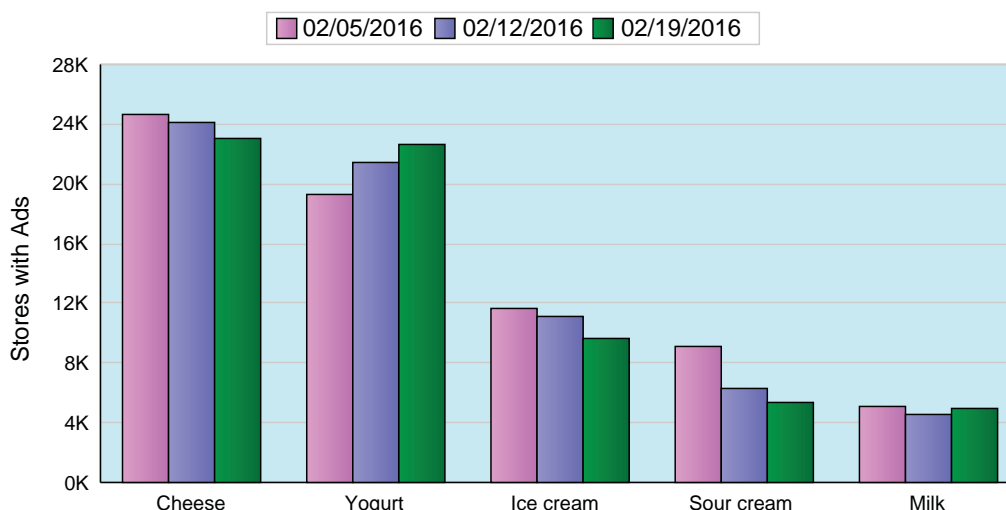
The total volume of conventional dairy ads decreased 7%, but organic dairy ads increased 11% this week. For conventional dairy advertisements, Greek yogurt in 4-6 ounce containers had the largest volume of ads, followed by 48-64 ounce ice cream and 8 ounce blocks of cheese. Ads for 1# packages of butter decreased 25%, with an average weighted price of \$3.44 while ads for 1# organic butter increased 255% with an average price of \$4.99.

The average price for conventional yogurt in 4-6 ounce packages is \$.53, up 4 cents from last week and up 2 cents from a year ago. The average price of 4-6 ounce conventional Greek yogurt is \$.95, up 3 cents from last week, but down 5 cents from a year ago. Conventional yogurt ad numbers are even with last week. Organic yogurt ads are up 149% from the previous week.

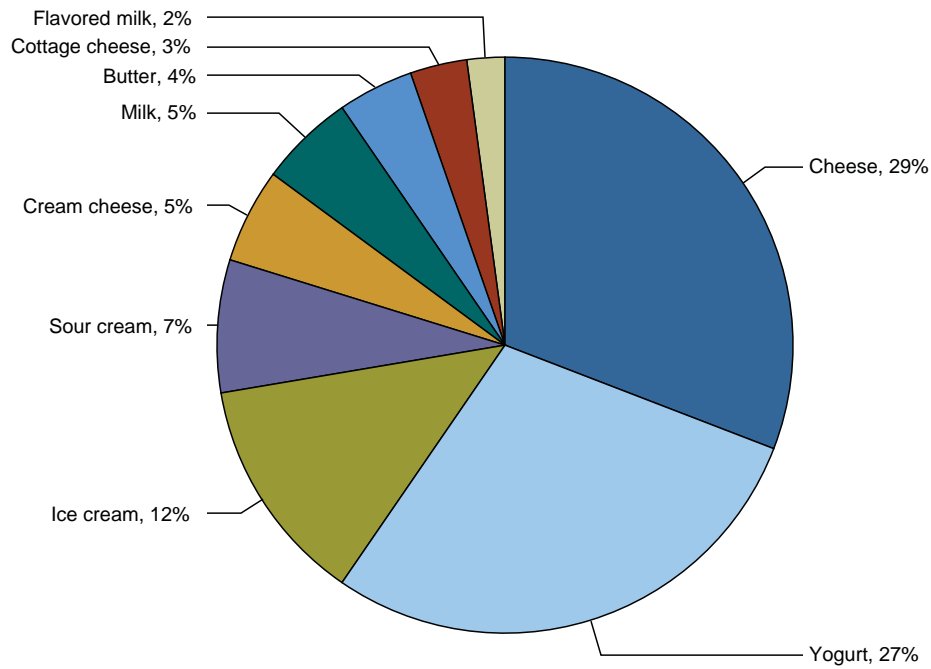
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.32, up 10 cents from last week, but down 32 cents from a year ago; 8 ounce shred cheese averaged \$2.36, up 14 cents from last week, but 10 cents below one year ago. Organic 8 ounce blocks averaged \$4.46, while 8 ounce shred cheese averaged \$3.51. Advertisements for conventional cheese were down 6%, and organic cheese ads increased 142% from last week.

The price spread between organic and conventional half gallon milk is \$1.47. The price spread is the difference between national weighted average prices for organic, \$4.01, and conventional, \$2.54. Conventional milk ads increased by 87% from last week, while organic ads decreased by 49%.

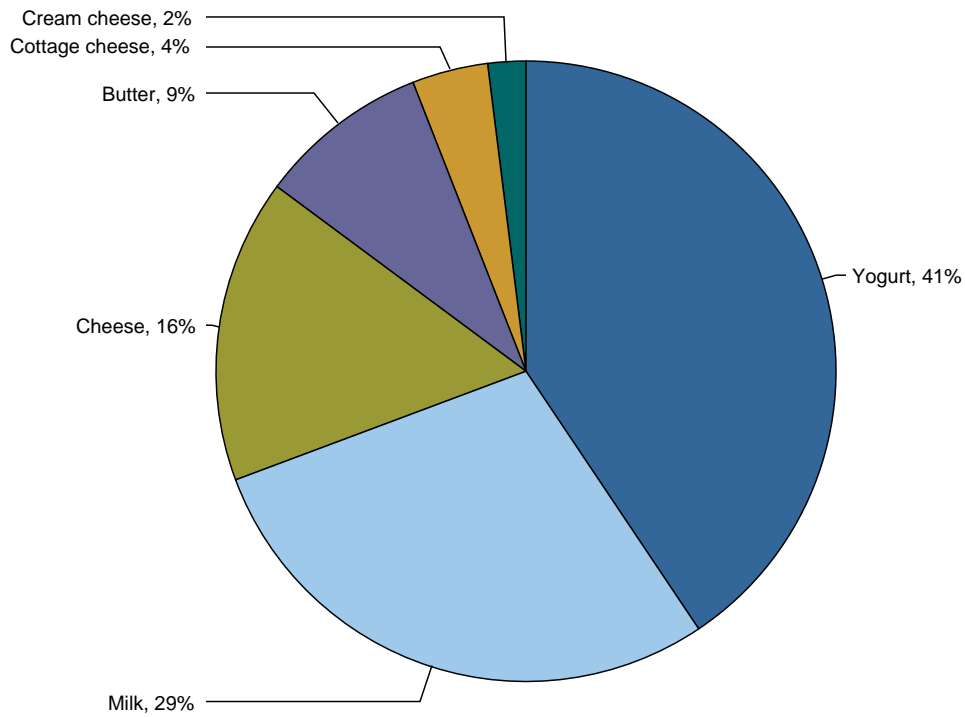
Top 5 Commodities Featured



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 #	3017	3.44	4024	3.29	6892	3.18
Cheese	Natural Varieties	8 oz block	6713	2.32	8909	2.22	5840	2.64
Cheese	Natural Varieties	1 # block	2714	3.22	3777	3.95	1888	4.13
Cheese	Natural Varieties	2 # block	1403	6.92	190	6.04	1557	7.86
Cheese	Natural Varieties	8 oz shred	7478	2.36	7807	2.22	9954	2.46
Cheese	Natural Varieties	1 # shred	3822	3.37	3073	3.83	1445	3.91
Cheese		8 oz shred	147	2.75				
Cottage cheese		16 oz	1981	2.24	3568	1.83	2934	1.84
Cream cheese		8 oz	4152	1.75	4863	1.96	4192	1.94
Flavored milk	All fat tests	half gallon	996	1.77	1058	1.71	278	2.50
Flavored milk	All fat tests	gallon	251	2.58	413	2.84	769	2.69
Ice cream		48-64oz	9641	3.15	11134	3.03	10718	3.29
Milk	All fat tests	half gallon	1003	2.54	296	1.06	1132	2.01
Milk	All fat tests	gallon	2620	2.37	1640	2.33	2963	2.71
Sour cream		16 oz	5424	1.69	6187	1.72	6978	1.66
Yogurt	Greek	4-6 oz	12126	.95	13330	.92	12410	1.00
Yogurt	Greek	32 oz	628	4.26	913	4.43	1876	4.70
Yogurt	Yogurt	4-6 oz	6629	.53	4862	.49	6891	.51
Yogurt	Yogurt	32 oz	1329	2.06	1579	2.76	617	2.28

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 #	2.49-4.79	946	3.54	2.99-3.50	1267	3.43			
Cheese	Natural Varieties	8 oz block	1.66-2.99	1530	2.30	2.00-2.50	1481	2.43	1.99-2.99	1016	2.35
Cheese	Natural Varieties	1 # block	3.99	135	3.99	2.99	184	2.99	2.99-3.79	458	3.40
Cheese	Natural Varieties	2 # block	6.99	202	6.99	6.99	508	6.99	6.99	586	6.99
Cheese	Natural Varieties	8 oz shred	1.66-2.75	1497	2.31	2.00-3.29	1708	2.54	1.99-2.99	1229	2.38
Cheese	Natural Varieties	1 # shred	3.99	100	3.99	2.99-3.49	271	3.15	2.99-4.99	1512	3.66
Cheese		8 oz shred	2.75	147	2.75						
Cottage cheese		16 oz	1.99-2.99	958	2.53	1.50	87	1.50	1.99	107	1.99
Cream cheese		8 oz	1.50-2.50	1204	1.82	1.50-2.00	1504	1.67	1.29-2.00	535	1.70
Flavored milk	All fat tests	half gallon	1.99-2.00	360	1.99				1.00-1.99	384	1.14
Flavored milk	All fat tests	gallon							2.69	119	2.69
Ice cream		48-64oz	1.99-3.89	2008	2.66	1.99-5.50	2955	3.24	2.88-3.99	1417	3.24
Milk	All fat tests	half gallon	1.99-4.99	576	3.58				0.99-1.00	400	1.00
Milk	All fat tests	gallon	1.99-2.50	389	2.07	2.50	1083	2.50	2.50	119	2.50
Sour cream		16 oz	1.29-2.99	1248	1.72	1.50-2.00	1775	1.83	1.49-1.66	484	1.52
Yogurt	Greek	4-6 oz	0.88-1.25	2120	1.02	0.85-1.00	3072	.93	0.75-1.25	2709	.89

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Greek	32 oz	4.29-5.00	337	4.71						
Yogurt	Yogurt	4-6 oz	0.40-0.90	1370	.55	0.50-0.60	1902	.55	0.50	771	.50
Yogurt	Yogurt	32 oz	2.00-2.50	314	2.23				1.88-2.00	332	1.92

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	172	2.99	3.99	274	3.99	2.99-3.00	358	3.00
Cheese	Natural Varieties	8 oz block	1.33-2.50	1251	2.09	1.99-2.50	785	2.33	1.25-2.99	556	2.40
Cheese	Natural Varieties	1 # block	2.49-3.99	732	3.20	2.49-3.49	1070	2.99	3.99	135	3.99
Cheese	Natural Varieties	2 # block							5.99	105	5.99
Cheese	Natural Varieties	8 oz shred	1.49-2.78	1664	2.14	1.99-2.99	952	2.44	1.25-2.99	394	2.45
Cheese	Natural Varieties	1 # shred	1.96-3.99	934	3.15	2.49-3.49	870	2.99	3.99	135	3.99
Cottage cheese		16 oz	1.79	62	1.79	1.49-2.50	381	1.85	2.00-2.50	350	2.09
Cream cheese		8 oz	1.59-2.00	291	1.89	1.99	178	1.99	1.50-2.00	358	1.60
Flavored milk	All fat tests	half gallon	2.29	74	2.29	2.49	178	2.49			
Flavored milk	All fat tests	gallon	2.19-2.88	132	2.47						
Ice cream		48-64oz	1.99-5.99	1356	3.47	2.50-3.49	1179	3.04	2.99-4.49	537	3.29
Milk	All fat tests	gallon	1.69-3.29	766	2.33	1.99-2.39	263	2.29			
Sour cream		16 oz	1.25-1.79	527	1.56	0.99-2.00	993	1.46	1.50-2.00	337	1.84
Yogurt	Greek	4-6 oz	0.75-1.25	1793	.97	0.88-1.25	1033	.95	0.88-1.25	1328	.99
Yogurt	Greek	32 oz	4.99	54	4.99				2.99-3.99	235	3.44
Yogurt	Yogurt	4-6 oz	0.40-0.50	746	.49	0.48-0.60	1208	.52	0.40-0.60	572	.52
Yogurt	Yogurt	32 oz				1.99	244	1.99	2.00	394	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
Cheese	Natural Varieties	8 oz block	2.50	2	2.50	2.50-3.99	92	3.45
Cheese	Natural Varieties	2 # block	7.99	2	7.99			
Cheese	Natural Varieties	8 oz shred	2.98	3	2.98	2.50-2.99	31	2.93
Cottage cheese		16 oz	2.50	2	2.50	3.49	34	3.49
Cream cheese		8 oz	1.79	21	1.79	2.00-2.25	61	2.14
Ice cream		48-64oz	3.29-4.00	34	3.77	2.99-4.79	155	4.20
Milk	All fat tests	half gallon				2.98-3.49	27	3.43
Sour cream		16 oz	2.00	2	2.00	2.00-2.69	58	2.40
Yogurt	Greek	4-6 oz	1.00-1.50	30	1.47	0.99-1.25	41	1.23
Yogurt	Greek	32 oz	3.50	2	3.50			
Yogurt	Yogurt	4-6 oz	0.60-1.25	33	1.15	0.44	27	.44
Yogurt	Yogurt	32 oz	2.50	21	2.50	2.99	24	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 #	429	4.99	121	4.99	118	4.99
Cheese	Natural Varieties	8 oz block	295	4.46	126	4.84		
Cheese	Natural Varieties	8 oz shred	453	3.51	183	3.99		
Cottage cheese		16 oz	193	3.68				
Cream cheese		8 oz	72	2.50			59	3.19
Milk	All fat tests	half gallon	1030	4.01	2150	3.71	2405	3.71
Milk	All fat tests	gallon	258	6.86	242	6.98	221	6.98
Milk	All fat tests	8 oz UHT	84	1.00	292	1.00		
Sour cream		16 oz			167	2.99	59	4.49
Yogurt	Greek	4-6 oz	207	1.25	206	1.25	1152	1.23
Yogurt	Greek	32 oz	331	5.49	105	4.49	528	6.56
Yogurt	Yogurt	4-6 oz	173	1.50	182	.99	59	.60
Yogurt	Yogurt	32 oz	1017	2.59	300	3.52		

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	84	4.99				4.99	69	4.99
Cheese	Natural Varieties	8 oz block	3.49	108	3.49						
Cheese	Natural Varieties	8 oz shred	3.49	108	3.49						
Cottage cheese		16 oz	3.99	72	3.99						
Cream cheese		8 oz	2.50	72	2.50						
Milk	All fat tests	half gallon	4.99	294	4.99						
Milk	All fat tests	gallon	6.99	84	6.99				6.49	69	6.49
Milk	All fat tests	8 oz UHT	1.00	84	1.00						
Yogurt	Greek	4-6 oz				1.00	101	1.00	1.49	106	1.49
Yogurt	Yogurt	4-6 oz							1.67	110	1.67
Yogurt	Yogurt	32 oz				2.79	184	2.79	2.50	362	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	276	4.99						
Cheese	Natural Varieties	8 oz block	4.69-4.99	126	4.84				5.39	61	5.39
Cheese	Natural Varieties	8 oz shred	2.99-3.99	240	3.32				3.99	105	3.99
Cottage cheese		16 oz	3.49	121	3.49						
Milk	All fat tests	half gallon	2.50-3.49	255	2.94				2.99-4.49	461	3.98
Milk	All fat tests	gallon							6.99	105	6.99
Yogurt	Greek	32 oz				2.80-6.49	331	5.49			
Yogurt	Yogurt	4-6 oz	1.19	63	1.19						
Yogurt	Yogurt	32 oz	2.50	351	2.50	2.79	120	2.79			

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon	3.29-4.99	20	4.06			

REGIONAL DEFINITIONS

As used in this report, regions include the following states:

NORTHEAST U.S.	Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New jersey, New York, Pennsylvania, Rhode Island and Vermont
SOUTHEAST U.S.	Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia
MIDWEST U.S.	Iowa, Illinois, Indiana, Kentucky, Michigan, Minnesota, North Dakota, Nebraska, Ohio, South Dakota and Wisconsin
SOUTH CENTRAL U.S.	Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas
SOUTHWEST U.S.	Arizona, California, Nevada and Utah
NORTHWEST U.S.	Idaho, Montana, Oregon, Washington, and Wyoming
ALASKA	Alaska
HAWAII	Hawaii
NATIONAL	Continental United States



Dairy Market News

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

Volume 83 Report #07

February 19, 2016

GENERAL NUMBER

(608)557-7000

Elizabeth Frederick

(608) 557-7002

Elizabeth.Frederick@AMS.USDA.GOV

EAST

Daniel Johnson

(608) 557-7006

Daniel.Johnson@AMS.USDA.GOV

CENTRAL

Janet Linder

(608) 557-7003

Janet.Linder@AMS.USDA.GOV

SOUTHWEST

Angel Teran

(608) 557-7011

Angel.Teran@AMS.USDA.GOV

NORTHWEST/MOUNTAIN

Mike Bandli

(608) 557-7010

Mike.Bandli@AMS.USDA.GOV

ACTING NATIONAL SUPERVISOR

Janet Linder

(608) 557-7003

Janet.Linder@AMS.USDA.GOV

ORGANIC/INTERNATIONAL

Eric Graf

(608) 557-7005

Eric.Graf@AMS.USDA.GOV

INTERNET ADDRESS

www.ams.usda.gov/market-news/dairy

MARKET NEWS PORTAL

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

RECORDED INFORMATION SYSTEM

(608) 557-7000

FAX

(608) 819-0629

USDA, Dairy Market News

4600 American Parkway, STE 106

Madison, WI 53718-8334