

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (04/08)**

**BUTTER:** Grade AA closed at \$2.1200. The weekly average for Grade AA is \$2.0485 (+.1000).

**CHEESE:** Barrels closed at \$ 1.4175 and 40# blocks at \$ 1.4200. The weekly average for barrels is \$ 1.4335 (-.0155) and blocks, \$ 1.4345 (-.0335).

**NONFAT DRY MILK:** Grade A closed at \$0.6900. The weekly average for Grade A is \$0.7010 (-.0190).

**BUTTER HIGHLIGHTS:** Although spring holidays have ended, the butter prices continue rising. Some industry participants admit confusion over the sudden high trend in butter prices. However, some sources credit this strength in prices to buyers' purchases ahead of summer needs. At this point, the market undertone is unsettled. In the East, sales transactions are fair to good. In the Central region, the pace of retail sales is slower than the previous month. Demand from food service is steady. In the West, demand from retailers continues to be strong. Butter output is active throughout the country. Processors are focusing production on bulk butter, ahead of summer. Inventories are building into cold storage. According to the NASS *Dairy Products* report, U.S. butter production during February 2016 (unadjusted for the extra production day in February 2016), 171.2 million pounds, was 9.6% higher than February 2015, but 2.5% lower than January 2016. U.S. cumulative 2016 butter production through February is 346.9 million pounds, 3.3% higher than the same period last year. The Grade AA butter price at the CME Group on Friday closed at \$2.1200, up 16 cents from a week ago.

**CHEESE HIGHLIGHTS:** Across the nation, cheese manufacturers are very busy processing the seasonally increasing volume of milk available. In the Northeast, food service is at the forefront for buying interest. It seems to be a relaxed market as many buyers take the wait and see approach. Midwest processors report cheese plants are running at full capacity. Mozzarella and cheddar production are particularly strong. In addition, specialty cheese makers are capitalizing on available spot loads of milk below class, lowering their cost basis. Cold storage availability in the Midwest remains tight. In the West, there are strong sales into food service, but a decrease in commercial cheese demand. Industry contacts report cheese is moving, but not without some negotiation. In some cases, end users are working through their inventories in lieu of taking on more cheese. According to NASS *Dairy Products* report released this week,

unadjusted U.S. total cheese production in February 2016 was 956.2 million pounds, 7.8% higher than a year ago, but 4.7% below January this year. In CME Group trading Friday, barrels closed at \$1.4175, down \$0.0375 from last Friday and blocks closed at \$1.4200, down \$0.0500 from last Friday.

**FLUID MILK:** Milk production across the country is steady to higher as spring weather advances. The seasonal increases are pushing production of many dairy products. In the Midwest, some cheese makers with heavy milk supplies, wishing to sell extra milk, report that it can be difficult to find a buyer. Spot sales of milk are being offered below class prices. In the Pacific Northwest, Idaho, and Utah, milk intakes are more in balance with processing needs. In California, orders from bottlers are higher, with many educational institutions resuming classes after spring break. Overall bottling demand is steady in the Midwest. Milk bottling sales have advanced slightly in the East. In Arizona, condensed skim sales for ice cream manufacturing are picking up slowly. In the East, condensed skim and cream supplies are both substantial. Cream availability is steady to lower in the Midwest. In the West, cream demand from ice cream makers is growing, but much of the cream is still moving into butter manufacturing. Cream multiples for the week are 1.05-1.20 in the East, 1.15-1.24 in the Midwest and 1.03-1.24 in the West.

**DRY PRODUCTS:** The market tone for nonfat dry milk is weak. Prices for Central and Eastern low/medium heat NDM are unchanged to lower. Production is active and inventories are building at most locations. Central and Eastern high heat NDM prices dropped slightly at the top of the price range. Prices for both low/medium heat and high heat NDM are lower in the West with steady inventories. Central and Eastern dry buttermilk prices are unchanged. Interest is light outside of contracts. Western dry buttermilk prices are steady to lower. Interest is slow and inventories are building. The range of prices for dry whole milk narrowed this week. The market tone for dry whey is weak. Dry whey prices are steady in the West, steady to fractionally lower in the Central and East regions. Dry whey production is active and inventories are steady to higher. Animal feed dry whey prices and demand are steady. The price range for whey protein concentrate 34% contracted this week. Manufacturers report buyers are very sensitive to price depending on the end use of the WPC34%. Lactose prices are

**-CONTINUED ON PAGE 1A-**

## \*\*\*\*\*SPECIALS THIS ISSUE\*\*\*\*\*

ORGANIC DAIRY MARKET NEWS (PAGES 8-8A)  
FEBRUARY DAIRY PRODUCTS HIGHLIGHTS (PAGE 9)

DAIRY GRAPHS (G1-G4)  
NATIONAL RETAIL REPORT-DAIRY

**CME GROUP CASH TRADING**

COMMODITY	MONDAY APR 04	TUESDAY APR 05	WEDNESDAY APR 06	THURSDAY APR 07	FRIDAY APR 08	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4475 (-.0075)	\$1.4425 (-.0050)	\$1.4425 (N.C.)	\$1.4175 (-.0250)	\$1.4175 (N.C.)	:: (-.0375)	:: \$1.4335 (-.0155)
40# BLOCKS	\$1.4500 (-.0200)	\$1.4500 (N.C.)	\$1.4325 (-.0175)	\$1.4200 (-.0125)	\$1.4200 (N.C.)	:: (-.0500)	:: \$1.4345 (-.0335)
NONFAT DRY MILK GRADE A	\$.7175 (N.C.)	\$.7175 (N.C.)	\$.6900 (-.0275)	\$.6900 (N.C.)	\$.6900 (N.C.)	:: (-.0275)	:: \$.7010 (-.0190)
BUTTER GRADE AA	\$1.9600 (N.C.)	\$2.0025 (+.0425)	\$2.0800 (+.0775)	\$2.0800 (N.C.)	\$2.1200 (+.0400)	:: (+.1600)	:: \$2.0485 (+.1000)

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

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

steady to a touch higher. The market tone is firm and demand for lactose has been good, but a little lighter at the moment. Casein production is increasing and prices are near the lower levels of the last yearly period.

**ORGANIC DAIRY MARKET NEWS (DMN):** The U.S. weighted average advertised price of organic milk half gallons is \$4.10, up 3 cents from last week, but down 4 cents from a year ago. Organic milk gallons have a U.S. weighted average advertised price of \$4.93, 98 cents below one year ago, but 24 cents above last week. The U.S. weighted average price of 8 ounce organic cheese blocks is \$4.74, up 34 cents from last week. The U.S. weighted average price of 8 ounce organic cheese shreds is \$3.99, unchanged from both last week and a year ago. The U.S. weighted average price of 1 pound organic butter is \$4.99, down 24 cents from last week and down 50 cents from one year ago. A national organic dairy brand has an average national mailbox price paid to producers of \$36.60, derived from the 14 regional prices which range from a low of \$34.10 in the Midwest, Mideast and Colorado for organic milk, to a high of \$40.35 in New England for organic grass milk. In contrast, the most recently released monthly conventional milk mailbox price for December 2015 for all federal milk order areas was \$17.13. That was determined from area reports where the low was New Mexico at \$14.96 and the high was \$19.35 for Florida. California, not included in the federal milk order system, had a December 2015 mailbox milk price of \$15.19. Using the national average for conventional and organic milk as a basis, the national average organic milk price premium is \$19.47.

**INTERNATIONAL UPDATE (DMN):** At the April 5 GDT event #161, average prices ranged from 8.2% lower to 11.8% 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, \$3,203 +6.7%; butter, \$2,702 -2.0%; buttermilk powder, \$1,395 -8.2%; cheddar cheese, \$2,778 +10.5%; lactose, \$661 +6.2%; rennet casein, \$4,438 +11.8%; skim milk powder, \$1,721 +0.1%; sweet whey powder, n.a.; and whole milk powder, \$2,013 +1.5%.

**FEBRUARY 2016 DAIRY PRODUCTS HIGHLIGHTS (NASS):** Butter production was 171.2 million pounds, 9.6 percent above February 2015, but 2.5 percent below January 2016. American type cheese production totaled 368.2 million pounds, 4.9 percent above February 2015, but 8.2 percent below January 2016. Total cheese output (excluding cottage cheese) was 956.2 million pounds, 7.8 percent above February 2015, but 4.7 percent below January 2016. Nonfat dry milk production, for human food, totaled 144.9 million pounds, 3.9 percent below February 2015, but 5.7 percent above January 2016. Dry whey production, for human food, was 72.6 million pounds, 5.1 percent below February 2015, and 9.7 percent below January 2016. Ice cream, regular hard production totaled 60.1 million gallons, 2.5 percent above February 2015, and 5.4 percent above January 2016.

**NATIONAL RETAIL REPORT-DAIRY (DMN):** This week total conventional dairy ad numbers decreased 14% and organic dairy ad numbers decreased 27%. Conventional one-pound packages of butter, 16 oz. containers of cottage cheese, 8 oz. packages of cream cheese, and 32 oz. containers of yogurt all experienced decreases in ads by at least 40%. However, conventional one pound shred packages of cheese had a 355% increase in ads. Organic 8 oz. shred packages of cheese saw a 516% increase in ads. Milk was the highest advertised organic dairy commodity with an average price of \$3.22, a \$.59 decrease from last week. The average price for conventional yogurt in 4-6 ounce packages is \$.60, up \$.10 from last week. The average price

of 4-6 ounce conventional Greek yogurt is \$.96, up 1 cent from last week. Conventional yogurt ad numbers are up 2% from last week. The average price for organic yogurt in 4-6 ounce packages is \$1.22. Organic yogurt ads are down 30% from last week. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.42, down 27 cents from last week; 8 ounce shred cheese averaged \$2.27, down 9 cents from last week. Ads for 8 ounce organic shred cheese averaged \$3.99 and 8 ounce organic cheese blocks averaged \$4.74. Ads for conventional cheese are up 5%, and organic cheese ads doubled from last week. The price spread between organic and conventional half gallon milk is \$1.95. The price spread is the difference between national weighted average prices for organic, \$4.10, and conventional, \$2.15. Conventional milk ad numbers decreased 26% from last week while organic milk ad numbers decreased 12%.

**CME GROUP****MONDAY, APRIL 4, 2016**

CHEESE -- SALES: 1 CAR BARRELS @ \$1.4500; 1 CAR 40# BLOCKS @ \$1.4500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4475; 1 CAR 40# BLOCKS @ \$1.4600  
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$0.7175; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7150; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7300  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.9600; LAST OFFER UNCOVERED: NONE

**TUESDAY, APRIL 5, 2016**

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.4450, 1 @ \$1.4425; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4550  
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$0.7175; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7000; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 5 CARS GRADE AA: 1 @ \$1.9750, 1 @ \$1.9850, 1 @ \$1.9925, 1 @ \$2.0000, 1 @ \$2.0025; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0000; LAST OFFER UNCOVERED: NONE

**WEDNESDAY, APRIL 6, 2016**

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.4325  
 NONFAT DRY MILK -- SALES: 9 CARS GRADE A: 1 @ \$0.7175, 1 @ \$0.7100, 1 @ \$0.7075, 1 @ \$0.7050, 1 @ \$0.7025, 1 @ \$0.6975, 1 @ \$0.6950, 1 @ \$0.6925, 1 @ \$0.6900; LAST BID UNFILLED: 5 CARS GRADE A @ \$0.6900; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 21 CARS GRADE AA: 1 @ \$2.0300, 1 @ \$2.0400, 2 @ \$2.0500, 2 @ \$2.0525, 1 @ \$2.0600, 3 @ \$2.0625, 1 @ \$2.0650, 6 @ \$2.0700, 1 @ \$2.0775, 3 @ \$2.0800; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0650; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0850

**THURSDAY, APRIL 7, 2016**

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.4200, 1 @ \$1.4175; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4250; 1 CAR 40# BLOCKS @ \$1.4200  
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.6900; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.6900; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7000  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.0400; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1000

**FRIDAY, APRIL 8, 2016**

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4175; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.6900; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.7100  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.1200; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1600

**BUTTER MARKETS****NORTHEAST**

Cream supplies are ample with good volumes going to churns, keeping butter production on par with last week's activity levels. Domestic demand for butter is better than expected, with fair to good market transactions occurring. Moreover, sources credit the unexpected high trend in butter prices to end users' purchases ahead of summer needs. Bulk butter prices range 5 to 7 cents over the CME Group price, with various time frames and averages used. The market undertone remains unsettled. According to the *DMN National Retail Report-Dairy*, during the week of April 1-7, 2016, the U.S. weighted average advertised price for 1-pound butter was \$2.96, up 26 cents from the previous week and up 50 cents from a year ago. The weighted average butter price in the Northeast was \$3.37, up 38 cents from a week ago. Butter retail ads declined over 50% on a national base when compared to last week. The CME Group March 2016 monthly average price for Grade AA butter was \$1.9605, compared to \$1.7166 a year ago. The Grade AA butter price, at the CME Group, closed Tuesday \$2.0025, UP \$0.0525 from a week ago.

**DAIRY PRODUCTS:** According to NASS, U.S. unadjusted butter production for February 2016 totals 171.2 million pounds, up 9.6% from last year, but down 2.5% from a month ago. Butter output in the Atlantic region, unadjusted, totals 18.8 million pounds, up 0.2% from last year, but down 7.0% from a month ago.

**CENTRAL**

Despite passage of the spring holidays, the butter market continues to record price increases. Some market participants admit puzzlement over the recent price strength, especially in light of domestic prices being above international prices and stocks on hand registering higher the two previous years. The pace of retail sales is slower than the previous month, but food service interest is steady.

Sales into manufacturing accounts are unchanged. Cream availability is tighter in areas of the upper Midwest and fewer loads from the East are clearing into the Central region. Some churn operators indicate they were not in the spot cream market. Instead, they are concentrating on processing internal cream supplies. Bulk butter production is steady to higher as more butter volumes transition toward building bulk inventories. Producers are content to build inventories ahead of Q3/Q4. Some butter volumes are clearing to food service and retail packaging, especially for manufacturers with store brands. Bulk butter prices range from market to 6 cents over the market, with various time frames and averages used. The *DMN National Retail Report-Dairy* for March 28-April 1 noted the national weighted average advertised price for a 1 pound package of butter was \$2.96, \$0.26 above one week ago, and \$0.50 above one year ago. The weighted average prices in the Midwest and South Central regions are \$2.37 and \$2.68, respectively.

**WEST**

Western butter makers say although production remains active, they have slowed the churns slightly since several of the big spring holidays have passed. Much of the production focus is now on making bulk butter. Cream is readily available for butter making, but processors are hesitant to buy extra loads of cream. Manufacturers are trying to manage the volumes of butter moving into inventories. Butter stocks are building none the less. Retail demand continues to be strong. Some retail private label customers are actively seeking out extra loads of bulk butter in an effort to assure coverage for needs later in the year. In addition, some industry contacts say a few new end users, who once used

**-CONTINUED ON PAGE 2A-**

**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>
April 2, 2016	1,9545 4,693,221	1,5237 11,968,483	1,5104 9,289,263	.2517 8,042,421	.7461 19,162,355

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

**-CONTINUED FROM PAGE 2-**

hydrogenated vegetable oils, are requesting butter instead. The DMN National Retail Report–Dairy for the week of April 1–7 found that the U.S. weighted average advertised price of 1 pound butter is \$2.96, up \$.26 from last week. The U.S. weighted average price was \$2.46 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$2.99. In the Northwest, the weighted average advertised price of 1 pound butter is \$2.74. According to the NASS *Dairy Products* report, U.S. butter production during February 2016 (unadjusted for the extra production day in February 2016), 171.2 million pounds, was 9.6% higher than February 2015, but 2.5% lower than January 2016. U.S. cumulative 2016 butter production through February is 346.9 million pounds, 3.3% higher than the same period last year. In the West, total February butter production was 82.7 million pounds, 13.6% higher than last year. According to the California Department of Food and Agriculture, February 2016 butter production was 51.0 million pounds, up 0.2% from a year ago. California year-to-date butter production through February is 103.8 million pounds, down 4.2% from 2015 butter production through February. Bulk butter pricing in the West this week is 3 cents under market to 2 cents above, based on the CME Group with various time frames and averages used. The CME Group March 2016 monthly average price for AA butter, \$1.9605, is down from the February monthly average of \$2.0840, but up from the March 2015 monthly average of \$1.7166. The Grade AA butter price at the CME Group on Wednesday closed at \$2.0800, up \$.1250 from a week ago.

**2016 U.S. Butter and Milkfat Exports (USDA-FAS)**

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
February Total	9.0	+ 61
TOTAL, JAN - FEB	14.7	+ 31
1 Mexico	11.1	+190
2 Canada	1.2	+ 60
3 Saudi Arabia	1.1	- 70
4 South Korea	0.2	- 34
5 Taiwan	0.1	- 15

## CHEESE MARKETS

## NORTHEAST

Milk volumes into cheese are backing full production schedules for both cheddar and mozzarella manufacturers. Existing price points are supporting movement of some cheese types. Food service leads buying interest. The market undertone is relaxed with buyers waiting to see where the market will level out. Wholesale cheese prices tied to last week's CME Group weekly average led to declines this week. Block and Munster prices fell \$0.0225, and barrels retreated \$0.0175. Domestic Swiss prices declined \$0.0800, resulting from lagging adjustments following Wednesday's Class III price release. The March 2016 DMN monthly average price for Northeast cheddar blocks was \$2.0357, compared to \$2.0941 one year ago. Processed 5# sliced average price is \$1.8933, compared to \$1.9806 one year ago. The CME Group March 2016 monthly average price for barrels was, \$1.4530, down compared to \$1.5290 a year ago; blocks' average price was \$1.4877, down from \$1.5549 a year ago. According to the DMN *National Retail Report-Dairy*, for April 1-7 2016, the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.29, 14 cents above the national average, but 19 cents lower than the previous week. The Southeast 8 oz. block cheese price was \$2.02, down 92 cents from the previous week. Tuesday's CME Group daily cash prices saw barrels close at \$1.4425, unchanged from a week ago; blocks closed at \$1.4500, down \$0.0200 from a week ago. This week, a cooperative export assistance program accepted requests for 152,119 pounds of cheese.

**DAIRY PRODUCTS:** According to NASS, unadjusted U.S. total cheese production in February 2016 was 956.2 million pounds, 7.8% higher than a year ago, but 4.7% less than the previous month. In the Atlantic region, total cheese production was 113.7 million pounds, 4.3% higher than a year ago, but 9.5% less than the previous month. The total unadjusted cheese production and percentage change from one year ago for individual Eastern states are New York 60.0 million pounds, +1.2%; Pennsylvania 32.5 million pounds, -4.1%; and Vermont 10.3 million pounds, +3.4%.

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

Cheddar 40# Block	:	1.8725-2.1575
Process 5# Sliced	:	1.6500-2.1300
Muenster	:	1.8925-2.2425
Grade A Swiss Cuts 10 - 14#	:	2.9750-3.2975

## MIDWEST

This being the flush time of year, milk available for cheese making is increasing. Spot sales of milk offered below class prices are reported. Some processors with heavy milk supplies, wishing to sell non committed milk, report that it can be difficult to find a buyer. Many Midwest cheese plants are operating at full capacity as a result of purchasing available spot milk. Domestic sales have been decent but export sales remain challenging. Awareness of tight cold storage availability weighs on the minds of a number of cheesemakers. Aging programs are well stocked. Mozzarella and cheddar production are particularly strong. Makers of specialty cheese, often made in relatively smaller plants than plants making commercial volumes of more common cheeses, particularly welcome the availability of discount milk to reduce the cost basis. The DMN *National Retail Report-Dairy* shows that April 1-7 Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$1.88, 48 cents lower than the national average, \$2.36. Midwest prices range from \$1.50 - \$2.50. One year ago the national price was \$2.39. For 8 ounce blocks, the Midwest average

price is \$1.85, 30 cents lower than the national average price, \$2.15. Midwest ads are priced from \$1.50 to \$2.00. Last year, the national price was \$2.31. Dairy Products (NASS) reports February 2016 U.S. total cheese production, 956.2 million pounds, was 7.8% more than a year ago but is 4.7% below January this year. Data for February 2016 is unadjusted for leap year. Cumulative total U.S. cheese production through February, 2016, was 5.1% greater than the same months of 2015. In Wisconsin, the highest producing cheese state in the region, cheese production for February 2016 compared with February 2015 was: total cheese, +8.7%; American, +7.8%; cheddar, +7.6%; total Italian, +7.8%; and mozzarella, +8.7%. For total cheese, American and cheddar, the percentage increase in Wisconsin production exceeded the national percentage. The CME Group March 2016 monthly average price for barrels, \$1.4530, is below \$1.4573 in February, and below \$1.5290 in March one year ago. Blocks' March average price, \$1.4877, is up from \$1.4744 in February, but down from \$1.5549 one year ago. In CME Group trading Wednesday, barrels closed at \$1.4425, down \$.0100 from last Wednesday, and blocks closed at \$1.4325, down \$.0275. These Wednesday closing prices invert the normal situation of blocks being priced a few cents above barrels.

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

Process American 5# Loaf	:	1.5425-1.9025
Brick And/Or Muenster 5#	:	1.8425-2.2675
Cheddar 40# Block	:	1.5700-1.9650
Monterey Jack 10#	:	1.8175-2.0225
Blue 5#	:	2.1100-3.0975
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6425-2.5825
Grade A Swiss Cuts 6 - 9#	:	2.4925-2.6100

## WEST

Western cheese makers say milk supplies are adequate for almost all of their processing needs. Cheese production continues to increase seasonally. A few cheese makers say mozzarella and provolone production is steady to higher with strong sales into food service. Some manufacturers note a slight decrease in commercial cheese demand. Cheese is moving, but it takes a little more work and in some cases price concessions to complete the transactions. End users seem to want to reduce their own inventories, rather than take on more cheese. Industry contacts say there is still a lot of cheese available. Barrel cheese stocks are heavy. While inventories of blocks of cheese are also long, they are more comfortable than barrels. The market tone is unsettled and a little bearish. The DMN *National Retail Report-Dairy* for the week of April 1-7 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.36, up \$.08 from last week, but down \$.03 from a year ago. Packs average \$2.04 in the Southwest and \$1.77 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.15, down \$.36 from last week, and down \$.16 from a year ago. Blocks average \$2.22 in the Southwest and \$1.48 in the Northwest this week. In the West, wholesale prices are down \$.0175 for process, and down \$.0225 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are down \$.0800 this week. This week, a cooperative export assistance program accepted requests for 152,119 pounds (69 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 12.361 million pounds of cheese in export markets. Dairy Products (NASS) reports total 2015

CONTINUE ON PAGE 3A



## CHEESE MARKETS

## CONTINUED FROM PAGE 3

U.S. cheese production, year to date through February, is 1.959 billion pounds, 5.1% above 2015. February 2016 U.S. total cheese production (unadjusted for the extra production day in February 2016), 956.2 million pounds, is 4.7% below January 2016. In the West, total cheese production for February 2016 was 419.0 million pounds, 2.1% less than January. For total cheese production and various types of cheese, February 2016 U.S. and West cheese production percent changes compared to February 2015 are as follows:

	U.S.	West
Total Cheese	+ 7.8%	+ 9.0%
American	+ 4.9%	+ 2.9%
Cheddar	+ 0.7%	- 4.2%
Total Italian	+ 9.2%	+14.4%
Mozzarella	+10.0%	+15.2%
Swiss	+ 2.6%	...

The CME Group March 2016 monthly average price for barrels, \$1.4530, is down from the February 2016 monthly average of 1.4573, and down from the monthly average of a year ago, \$1.5290. Blocks' March average price, \$1.4877, is up from the \$1.4744 February monthly average, but down from \$1.5549 one year ago. In CME Group trading Wednesday, barrels closed at \$1.4425, down \$.0100 from a week ago and blocks closed at \$1.4325, down \$.0275.

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

Process 5# Loaf	:	1.5575-1.8150
Cheddar 40# Block	:	1.5750-2.0200
Cheddar 10# Cuts	:	1.7550-1.9750
Monterey Jack 10#	:	1.7650-1.9250
Grade A Swiss Cuts 6 - 9#	:	2.5525-2.9825

## FOREIGN

Cheese production in the EU remains at higher levels than one year ago to accommodate milk intakes. Milk production is seasonally increasing and is above levels one year ago. The EU private storage scheme subsidizes cheese storage costs until market conditions are more favorable for sale. Implemented in October 2015, the program lasts until September 30, 2016, or until 100,000 MT have been entered into the program. Eurolait reports volumes entered into the program since February 2016 total 18.869 MT, with top nations utilizing the program including cheese from Italy, accounting for 11.743 MT; Sweden 2.126 MT; Ireland 2.000 MT; UK 1.751 MT; and Netherlands .796 MT. Wholesale domestic blue, gorgonzola, parmesan and Romano cheese prices decreased \$0.0225 following lower weekly average CME Group block prices, Swiss declined \$0.0800 following the Class III price adjustment last week, while the remaining prices are unchanged.

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

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2300	: 2.0375-3.5250*
Gorgonzola	: 3.6900-5.7400	: 2.5450-3.2625*
Parmesan (Italy)	: -0-	: 3.4275-5.5175*
Romano (Cows Milk)	: -0-	: 3.2275-5.3775*
Sardo Romano (Argentina)	: 2.8500-4.7800	: -0-
Reggianito (Argentina)	: 3.2900-4.7800	: -0-
Jarlsberg-(Brand)	: 2.9500-6.4500	: -0-
Swiss Cuts Switzerland	: -0-	: 3.0125-3.3350*
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

\* = Price change.

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

## BUTTER : CHEESE

	:	
04/04/16	25,594	: 95,028
04/01/16	25,316	: 94,825
CHANGE	278	: 203
% CHANGE	1	: 0

## 2016 U.S. Cheese and Curd Exports (USDA-FAS)

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
February Total	53.8	- 17
TOTAL, JAN - FEB	102.2	- 13
1 Mexico	34.9	+ 12
2 South Korea	14.3	- 47
3 Japan	11.0	- 27
4 Australia	5.4	- 4
5 Chile	3.4	+ 10

## 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	140	0	170	0	130
SOUTHEAST STATES	0	0	0	0	0	0

While temperatures and weather conditions vary in the Northeast and Mid-Atlantic regions, milk production is steady to increasing. Southeast farm level milk production is seeing seasonal gains, with noted increases in plant milk intakes. Sources report Florida's milk output is steady, with a slight downturn in some areas of the state. Milk bottling sales advanced slightly this week, resulting in a drop in export shipments, which totaled 140. According to the DMN *National Retail Report-Dairy*, for April 1-7, 2016, the U.S. weighted average advertised price for a gallon of milk was \$2.76, up 18 cents from last week and up 19 cents from a year ago. **Condensed skim** is very ample in the East. Regional balancing plants are sending significant volumes to drying. F.O.B. sale transactions are few. Most cash sales that occur usually trade with a considerable discount. The DMN March 2016 Northeast Class II condensed skim price was \$0.6746, compared to \$1.0452 a year ago. The class III condensed skim price was \$0.6461 compared to \$1.1841 a year ago. With last Wednesday's announcement of Class and Component Prices, the Class III skim milk price increased per hundredweight. This week, **cream multiples** range **1.05 to 1.20**. A source noted more than one offer to sell at flat market, as regional cream availability is substantial. With wintery conditions in parts of the region, cream suppliers hope for warmer temperatures that potentially spark added sales to ice cream. For butter production, cream usage is very active. The DMN March 2016 monthly average price for Northeast Class II cream was \$2.3082, compared to \$2.0655 a year ago. At the CME Group, Grade AA butter closed Wednesday at \$2.0800, up \$0.1250 from a week ago.

DAIRY PRODUCTS: According to NASS, production (unadjusted) of hard ice cream in the Atlantic region for February 2016 totaled 13.2 million gallons, 0.1% more than a year ago and 13.4% more than the previous month. U.S. yogurt production (unadjusted) for February 2016 totaled 434.4 million pounds, up 3.1% from a year ago and up 10.0% from the previous month.

## 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 - 2.0459-2.3382

F.O.B. producing plants: Upper Midwest - 2.2408-2.4161

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

Northeast - Class II - includes monthly formula prices - .20-.65

Northeast - Class III - spot prices - .15-.69

## MIDWEST

South Central milk production is managing week over week gains, although the increases are getting smaller compared to a few weeks ago. In the North Central, farm milk pickups continue to trend higher. Although weather throughout the region has been changeable, with freezing nighttime temperatures alternating with and relatively warm days, these issues have not impacted cow comfort. Sales into Class I processing are unchanged compared to last week. Retail specials vary by store chain from week to week, with features varying among gallons and one-half gallons, and among fat content. Overall bottling

demand is steady. Cream availability is steady to lower. With some Class II volume-based contracts stepping higher in April, this is accounting for some of the decrease in available cream. Multiples for Class II cream are higher on the bottom of the range, but unchanged on the top, 1.15 to 1.24. The DMN monthly average of the range price series for Upper Midwest Class II cream during June was \$2.4688, compared to \$2.9734 a year ago. The NASS *Dairy Products* report noted February unadjusted U.S. regular (hard) ice cream production totaled 60.1 million gallons, up 2.5 percent from last year. January-February U.S. production totals 117.2 million gallons, 2.6 percent above 2015 during the same time span. February unadjusted production in the Central region totaled 32.3 million gallons, 4.5 percent less than a year ago. Topsoil moisture conditions range from very short to surplus throughout the region. Fieldwork is delayed in the northern area as heavy rains arrived before fields could dry out from the last storm. In southern areas, some corn and sorghum planting is underway.

## WEST

In California, farm milk production is flat to slightly higher. Bottled milk sales are mixed. Orders from bottlers are higher as most educational institutions are back in session during this week. However, requests from grocery stores and food service have been slightly lower throughout the week. Sales into Class 3 are gradually rising as summer approaches. The lack of water for irrigation systems continues to be a concern for many farmers. According to the last snow survey, the snowpack in Sierra Nevada is below average at 77% of normal for this date. At this point, the quality of the alfalfa hay growing in the state is mostly fair to good. The March 4a price (butter/powder) in California is \$12.41, down 87 cents from the previous month and \$1.01 less from a year ago. This compares to the Federal Order Class IV price of \$12.74 for March. The March 4b price (cheese) is \$13.24, up 19 cents from the previous month, but down 73 cents from a year ago. This compares to the Federal Order Class III price for March at \$13.74. Arizona milk output is up, at the peak of spring flush. Daytime temperatures are starting to hit around 90 degrees. As a result, some producers are anticipating a little decline in the milk yields for the next few weeks. Some local processing plants are clearing milk volumes from nearby states. Bottled milk orders from retailers, food service and educational institutions are higher this week. Condensed skim sales for ice cream manufacturing are picking up slowly. In New Mexico, milk production continues rising. Favorable weather conditions are boosting cows' comfort. Some processing plants from nearby states are still clearing milk volumes from state's producers. Class I demand is steady to slightly lower as school pipelines are starting to be fulfilled. Condensed skim volumes moving into Class II are steady to higher. According to the DMN *National Retail Report-Dairy* for the week of April 1-7, the national weighted average advertised price for one gallon of milk is \$2.76, \$3.05 in the Southwest and \$2.29 in the Northwest. Pacific Northwest milk production is following seasonal trends. Some manufacturers suggest milk intakes are not showing a lot of year to year growth right now. Other processors say milk production seems to have hit a little plateau and is currently in good balance with manufacturing needs. Favorable weather is helping dry out cow paddocks and aiding in cow comfort. Bottling demand is returning to more typical patterns, as many educational institutions resuming classes after spring break. Milk intakes are balanced with

-CONTINUED ON PAGE 4A-

## FLUID MILK AND CREAM

**-CONTINUED FROM PAGE 4-**

processing needs in Utah and Idaho. In parts of the region, precipitation has made farms a little sloppy. In some cases, the mud and weather conditions have bumped somatic cell counts up a little or created other small production issues. Industry contacts expect many of these issues to subside as warmer temperatures come into the region. At this point, most of the western cream supplies are moving into butter manufacturing. The interest for cream from ice cream, frozen dessert, and aerated cream makers is steadily growing. In addition, some Class III processors are pulling moderate cream volumes. This week, multiples for all classes are steady to slightly higher, ranging from 1.03 to 1.24.



## 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 unchanged to lower and the market tone is weak. Variable contract prices followed movement of indices, while f.o.b. spot load prices moved lower. Manufacturers at some locations are faced with mounting low/medium heat NDM inventories as milk intakes climb seasonally. Buyers are looking for loads with price as the first consideration as availability is assumed to be immediate. Brokers are watching the market closely for the next opportunity to take on additional inventories. Market participants report blocks of loads are being offered from some manufacturers, with price discounts to the current market. Low/medium heat nonfat dry milk production is active at most locations throughout the Central region. Class III demand is helping alleviate some of the pressure on drying schedules, but plant operators indicate schedules are close to full. Inventories are building. Central high heat nonfat dry milk prices are unchanged to lower on a weak market. Manufacturers report light demand outside of contract obligations. Bakery accounts are receiving loads to complete orders for upcoming holidays. Production is intermittent and inventories are light as some producers report no spot load availability. The CME Group monthly average price for Grade A NDM during March was \$0.7413, compared to \$1.0108 a year ago. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during March was \$0.7778, compared to \$1.0788 a year ago. The March monthly average of the range price series for Central and East high heat was \$0.9724 compared to \$1.1785 a year ago. The NASS *Dairy Products* report noted U.S. human NDM unadjusted production during February 2016 in the Central region totaled 23.8 million pounds, 1.3 percent higher than one year ago.

**DAIRY PRODUCTS:** Total U.S. human NDM unadjusted production during February 2016 was 144.9 million pounds, 3.9 percent lower than last year. During January–February 2016, U.S. human NDM production totaled 281.9 million pounds, 10.7 percent less than the same time span in 2015. Total U.S. NDM human month ending stocks for February were 216.6 million pounds, 10.0 percent below a year ago.

**EAST:** In the East region, low/medium heat nonfat dry milk prices declined through the mostly series. Price adjustments developed from weekly f.o.b. spot sales and pricing indices, as the market drives prices lower. Manufacturers' low/medium heat NDM production runs are active, with heavy output, as milk intakes increase. Condensed skim sales outside of contracts are sluggish, and adds to NDM production output. Sources note that milk deliveries are experiencing short delays when unloading at some plants. Low/medium NDM holdings are substantial at most manufacturing plants and growing. With readily available supplies on hand, the market is seeing offers from brokers and traders, as well as offers from producers. High heat nonfat dry milk prices dropped slightly at the top of the range. Primarily, high heat NDM production runs are limited to accommodate low/medium heat NDM dryer usage. Inventories are adequate on most fronts, while managed around near-term customer needs. The March 2016 DMN monthly average for the Central/East low/medium heat nonfat dry milk range price series is \$0.7778 compared to \$1.0634 a year ago. Wednesday at the CME Group, Grade A NDM closed \$0.6900, down \$0.0250 from last Wednesday. The Foreign Agricultural Service (FAS), reports that February 2016 U.S. nonfat dry milk exports totaled 91.2 million pounds, a 16% increase from a year ago.

**DAIRY PRODUCTS:** According to NASS, the Atlantic region's production (unadjusted) of human nonfat dry milk in February 2016 totaled 27.3 million pounds, 1.9% less than a year ago and 6.9% less than the previous month. The February 2016 U.S. production (unadjusted) of skim milk powder, totaled 39.9 million pounds, 23.1% more than a year ago, but 22.1 less than the previous month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .7100 - .8325 MOSTLY: .7300 - .7800  
HIGH HEAT: .8500 - 1.0200

## NONFAT DRY MILK - WEST

Prices for low/medium heat nonfat dry milk (NDM) are lower on a weaker market. The usage of NDM for cheese fortification is active. However, the interest from the bakery sector is steadily waning. Some buyers/end users continue putting pressure on the market anticipating lower prices in the near future. Compared to the previous week, f.o.b. spot sales have been more active. Condensed skim loads moving into dryers are slightly lower as ice cream manufacturers are pulling moderate volumes. As a result, low/medium NDM production is steady to slightly lower this week. Inventories are steady. Prices for high heat nonfat dry milk are lower. The market undertone is weak. Demand is sluggish. Sales are sporadic, dictated by contractual requirements. Production has been irregular throughout the week. Inventories are mostly steady. The March 2016 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$0.7433 compared to \$1.0420 a year ago. The average for Western high heat nonfat dry milk is \$0.9708 compared to \$1.1750 a year ago.

**DAIRY PRODUCTS:** According to NASS, U.S. unadjusted production of human food nonfat dry milk during February 2016 totaled 144.9 million pounds, 3.9% lower than a year ago, but 5.7% above the previous month. The West region's unadjusted production totaled 93.8 million pounds, 5.7% lower than a year ago, but 14.1% above the previous month.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .6350 - .7850 MOSTLY: .7050 - .7475  
HIGH HEAT: .8200 - 1.0825

## CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
April 1	\$.7634	7,682,719
March 25	\$.7511	13,183,836

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

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
February Total	91.2	+ 16
TOTAL, JAN - FEB	185.7	+ 19
1 Mexico	86.2	+ 15
2 Philippines	32.0	+ 65
3 Indonesia	12.2	+ 41
4 Peru	10.6	+ 65
5 Vietnam	7.7	+ 310

-CONTINUED ON PAGE 5A-

## 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.

-CONTINUED FROM PAGE 5-

### DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices are unchanged. Interest is light out of contracts; however, contract volumes are moving seasonally higher shipments to some Class II operations. Central buyers report availability from western manufacturers is steady and some loads from the west continue to clear into the Central region at competitive prices. Dry buttermilk production is steady, following butter production trends; however, some condensed buttermilk volumes are clearing to regional Class II facilities. The DMN monthly average of the range price series for Central and East dry buttermilk during March was \$.7736, compared to \$.9374 a year ago. The NASS *Dairy Products* report noted U.S. dry buttermilk unadjusted production during February 2016 totaled 10.8 million pounds, 14.7 percent higher than a year ago. Total U.S. dry buttermilk month-ending stocks for February were 25.7 million pounds, 1.6 percent above last year.

EAST: Eastern dry buttermilk prices are steady. Dry buttermilk output is steady with elevated production at most butter operations, as butter making thrives. Producers' inventories are expanding. A number of buyers are comfortable with existing holdings, with no pressure to add to their inventories. Hence, f.o.b. spot activity is sluggish, as the market pushes for lower prices. Dry buttermilk has a steady to weak undertone.

DAIRY PRODUCTS: According to NASS, U.S. production (unadjusted) of dry buttermilk during February 2016 totaled 10.8 million pounds, 14.7% more than a year ago, but 5.2% less than the previous month. Month ending stocks were 25.7 million pounds, 1.6% more than a year ago and 19.9% more than the previous month.

F.O.B. CENTRAL/EAST: .7200 - .8125

### DRY BUTTERMILK - WEST

Prices for western dry buttermilk are steady to lower on the range and mostly series. The market undertone continues to be weak. Sales in the f.o.b. spot market have been slow throughout the week. Interest from end users to elaborate bakery products is declining. Production is ongoing, in line with the butter churning of the region. Inventories are building. The March 2016 Dairy Market News monthly average for the West dry buttermilk mostly series is \$0.7613 compared to \$0.8965 a year ago.

DAIRY PRODUCTS: According to NASS, U.S. unadjusted production of dry buttermilk during February 2016 totaled 10.8 million pounds, 14.7% higher than a year ago, but 5.2% lower than the previous month.

F.O.B. WEST: .6800 - .8000 MOSTLY: .6900 - .7900

### DRY WHOLE MILK - NATIONAL

Dry whole milk prices are mixed. Some spot sales pulled up the bottom of the range, while other sales pushed down the top of the range. Demand is sluggish. Some manufacturers expect an uptick in sales during the upcoming confectionery season. Production is irregular, mostly determined by contractual needs. Inventories are mixed throughout the country. The March 2016 Dairy Market News monthly average for the National price series for dry whole milk is \$1.2883 compared to \$1.3950 a year ago.

DAIRY PRODUCTS: According to NASS, U.S. unadjusted production of dry whole milk during February 2016 totaled 8.6 million pounds, 18.0% lower than a year ago and 13.1% below the previous month.

F.O.B. PRODUCING PLANT: 1.2000 - 1.3000

**WHEY, WPC 34%, LACTOSE & CASEIN**

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

**DRY WHEY - CENTRAL**

Central dry whey prices are unchanged to fractionally lower. The market tone is weak following several weeks of active cheese/dry whey production and light to moderate interest outside of contracts. Manufacturers have, in some cases, stepped back from making dry whey spot loads available. Resellers have put some offers in play, but report some sales are solidifying losses. Buyers are choosy and content to shop through multiple outlets. Dry whey production is active. With heavy milk supplies, discount priced spot loads of milk are helping defray production costs for some cheese vats, as well as the dry whey. Manufacturers' inventories are steady to higher. The DMN monthly average of the mostly price series for Central dry whey during March was \$0.2418, compared to \$0.4416 a year ago. The monthly average of the range price series for Central animal feed whey during March was \$0.1730, compared to \$0.3514 a year ago. February unadjusted dry whey (human) production in the Central region totaled 34.9 million pounds, 9.4 percent above a year ago. The NASS *Dairy Products* report noted U.S. total unadjusted dry whey production for February 2016 was 74.6 million pounds, down 4.3 percent from a year ago. January-February U.S. total dry whey production totals 157.8 million pounds, 2.8 percent ahead of the same time span in 2015. U.S. total dry whey month ending stocks for February were 75.8 million pounds, 21.1 percent higher than one year ago. Prices for animal feed dry whey are steady. Various manufacturers report their inventories are mixed as loads are built gradually from week to week. Demand is steady, however there currently is some crossover between animal and edible dry whey price series, thus offering end users opportunities to negotiate prices. Feed blenders' interest is light to moderate as many are working through stocks on hand. A few blenders report they have cut production rates of finished feed as they caught up with end of the month/first of the month orders.

F.O.B. CENTRAL: .1800 - .2925 MOSTLY: .2200 - .2600  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1250 - .2325

**DRY WHEY - NORTHEAST**

The Northeast dry whey price is unchanged to higher. Output is steady as cheese plants run full production schedules to handle seasonal milk receipts. Manufacturers report a slight drop in dry whey demand, which is leading to increases in stocks. The market undertone remains weak. The March 2016 DMN monthly average for Northeast dry whey was \$0.2560 compared to \$0.4820 one year ago. The Foreign Agricultural Service (FAS), reports that February 2016 U.S. dry whey exports totaled 29.5 million pounds, a 5% drop from a year ago. DAIRY PRODUCTS: According to NASS, February 2016 U.S. human food dry whey production (unadjusted) totaled 72.6 million pounds, 5.1% less than a year ago and 9.7% less than the previous month. The Atlantic region's production (unadjusted) of human food dry whey in February 2016 totaled 19.6 million pounds, 5.3% less than a year ago and 8.0% less than last month.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2200 - .2850

**DRY WHEY - WEST**

Western whey prices held steady this week. Dry whey production remains relatively stable and active. Manufacturers say their inventories are a little heavy, but not at the levels that create concerns. In effect, western processors are more apprehensive about whey stocks and production in other regions. Western dry whey is moving in domestic and export markets, but some processors say demand is flat.

Industry contacts describe the market tone as becoming weaker in the upcoming months. The DMN monthly average of the mostly price series for West dry whey during March was \$0.2491 compared to \$0.2500 one month ago and \$0.4442 a year ago. NASS reports that February 2016 U.S. human whey production (unadjusted for the extra production day in February 2016), 72.6 million pounds, is down 5.1% from a year ago, and down 9.7% from January 2016. The Western region produced 18.2 million pounds of edible dry whey during February, down 24.2% from last year, and down 16.3% from January. Month ending stocks for U.S. human whey, at 74.2 million pounds, are 20.1% higher than one year ago but 9.4% lower than January 2016.

NONHYGROSCOPIC: .2300 - .2800

MOSTLY: .2300 - .2600

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
February Total	29.5	- 5
TOTAL, JAN - FEB	59.1	- 3
1 China	13.3	- 17
2 Canada	8.1	+2
3 Mexico	6.1	- 25
4 Japan	5.5	+14
5 Philippines	4.3	- 28

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey protein concentrate 34% prices are mixed. While the price range contracted this week, the mostly price series expanded. Manufacturers report end users are sensitive to prices depending on the use of WPC34%. In some cases, buyers are balking at prices in the upper part of the range, while other buyers do not hesitate at all. Currently, some manufacturers report a few end users are switching back to other protein sources, such as nonfat dry milk, or are looking for lower prices for WPC34%. Other industry contacts say WPC34% demand is good, especially for specific brands. End users that are seeking these desired brands seem interested in getting coverage for current needs and are willing to pay more for the WPC34%. While production remains steady for most manufacturers, a few processors continue to make higher protein concentrations in lieu of WPC34%. Inventories are generally tight across the industry. The March 2016 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$0.5852 compared to \$0.5750 one month ago and \$1.0031 one year ago. NASS reports U.S. production of WPC (25.0-49.9% protein) during February 2016 (unadjusted for the extra production day in February 2016) totaled 15.5 million pounds, 8.0% lower than one year ago. Year to date WPC34% production through February is 30.6 million pounds, 25.1% less than a year ago. Manufacturers' end-of-month stocks totaled 28.9 million pounds, 5.8% lower than one year ago, but 2.6% more than January 2016.

F.O.B. EXTRA GRADE 34% PROTEIN: .5400 - .7300 MOSTLY: .5700 - .6500

**-CONTINUED ON PAGE 6A-**

**WHEY, WPC 34%, LACTOSE & CASEIN**

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

**-CONTINUED FROM PAGE 6-**

**LACTOSE - CENTRAL AND WEST**

Lactose prices are steady to a touch higher. A few spot sales pushed the top end of the range up a quarter of a cent. The bottom of the mostly price series moved up a half-cent. Manufacturers continue to report tight inventories, especially for 100 and 200 mesh. Stocks of 40 mesh are getting tighter also. Lactose production is steady. Demand for lactose has been good, but a few processors suggest it is a little lighter at the moment. The lull is helping some manufacturers get caught up on current orders and build a small cushion in the warehouse. The market tone for lactose remains firm. The March 2016 Dairy Market News average of the mostly price series for Central and West lactose was \$0.2280, compared to \$0.2166 one month ago and \$0.2472 one year ago. NASS's Dairy Products report shows U.S. lactose production during February 2016 (unadjusted for the extra production day in February 2016) totaled 82.7 million pounds, a 2.9% increase from one year ago. Year to date lactose production through February is 167.3 million pounds, 1.8% less than a year ago. Month ending stocks, at 118.4 million pounds, are 11.7% lower than one year ago, but 2.6% higher than January 2016.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1800 - .3525 MOSTLY: .2100 - .2600

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
February Total	44.1	+ 13
TOTAL, JAN - FEB	86.7	+ 20
1 New Zealand	19.3	+ 122
2 China	13.6	+ 18
3 Mexico	11.4	+ 15
4 Japan	8.2	+ 75
5 Indonesia	6.3	+ 53

**CASEIN - NATIONAL**

Casein markets are seeing increasing production. Prices are near the lower levels of the last yearly period, with domestic price declines in Acid casein this week to move closer to international pricing. Rennet casein prices are steady to lower. GDT event 161 earlier this week shows contract pricing for June and July contracts of rennet casein as strengthening.

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: 2.0000 - 2.9000  
ACID: 2.1600 - 2.9500

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
03/19/2016	57.9	3,637.0	60.4	3,537.8

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)**

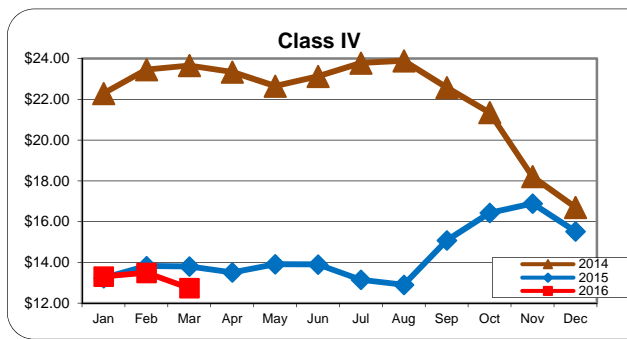
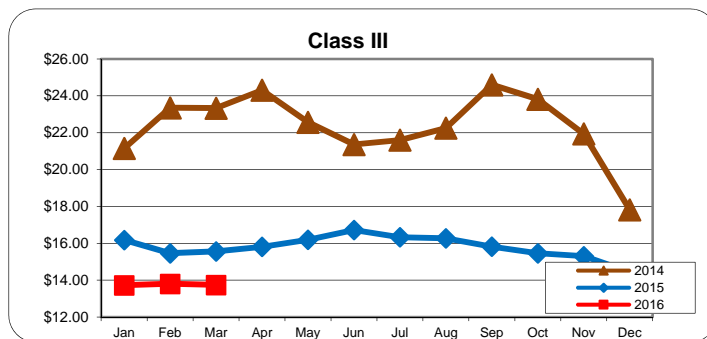
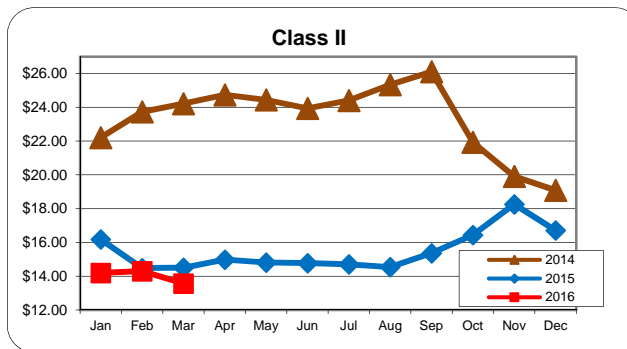
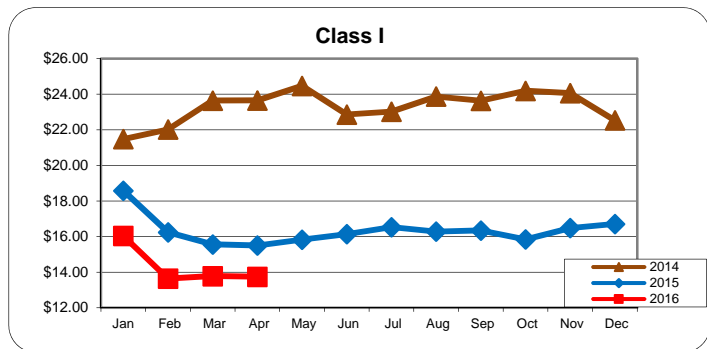
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
2014	21.15	23.35	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	13.78	13.74								
II	14.19	14.30	13.57									
III	13.72	13.80	13.74									
IV	13.31	13.49	12.74									

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."



## ORGANIC DAIRY FLUID OVERVIEW

**Keeping Organic Milk Regional and Local.** Processing and selling organic milk and dairy products within the region of originating dairy farms has at least two benefits. First, it improves efficiency because bulky fluid milk needs to travel fewer miles from farm to processor. This lowers costs and yields better economic returns. The second reason is related to marketing. Consumers are increasingly selecting products produced closer to home. Regionally or locally produced and processed organic milk is increasingly in demand.

Organic grass-fed milk is a fast growing segment of the organic milk sector. Consumer demand for organic grass-fed milk and products is challenging the ability of organic processors and brands to keep products in supermarket coolers.

Thus, the news this week that a national organic dairy brand selling 100% grass-fed organic milk has added double digit numbers of new grass-fed organic dairy producers to boost production of grass-fed organic milk, is welcome. Cows producing this grass-fed milk do not consume any supplemental grains such as corn or soybeans. This increase in numbers of contracted organic grass-fed milk producers, represents slightly over a one fourth increase in contracted organic grass-fed producers for this brand.

This grouping of grass-fed organic producers is located in New York and Pennsylvania. Processing efficiencies are gained from a new milk route created to accommodate these producers, running 125 miles from Gillet, Pennsylvania to Canastota, New York. The organic milk is then trucked to a certified organic processing facility in New York before being sent to food stores in the region, with labels identifying the milk as either regional or in some cases, the state of production.

There is strong competition in that region among organic brands to sign 100% grass-fed organic producers to contracts. That makes accomplishing a 25% plus increase in contracted organic grass-fed milk by contracting with producers located in a way to create an efficient milk route, especially noteworthy. This enhances the national processors' goal of creating regional distribution systems where organic milk is produced, bottled and distributed in the originating region. This minimizes miles of trucking milk from farm to table as well as supporting local communities. This newer trend is a change from a number of years ago when the organic dairy sector was still in the initial growth phase and processors were scrambling to get organic milk into stores. During that earlier period, there were situations where for example, organic milk processed in Idaho was then trucked as far as Miami to retail stores, or organic milk from Wisconsin was trucked to Washington, DC or Los Angeles to keep store coolers full.

**Organic Milk Pay Prices.** Organic milk farm pay prices are established by contract between individual producers and processors, often for one year terms, or occasionally longer. Contract prices thus vary among brands and by regions. Conventional milk pay prices typically adjust monthly following calculations based on certain factors. A significant selling point in convincing conventional dairy producers to undertake the 3 year conversion process to become certified organic, is to expand awareness of greater pay prices an organic processor can receive above conventional milk pay prices.

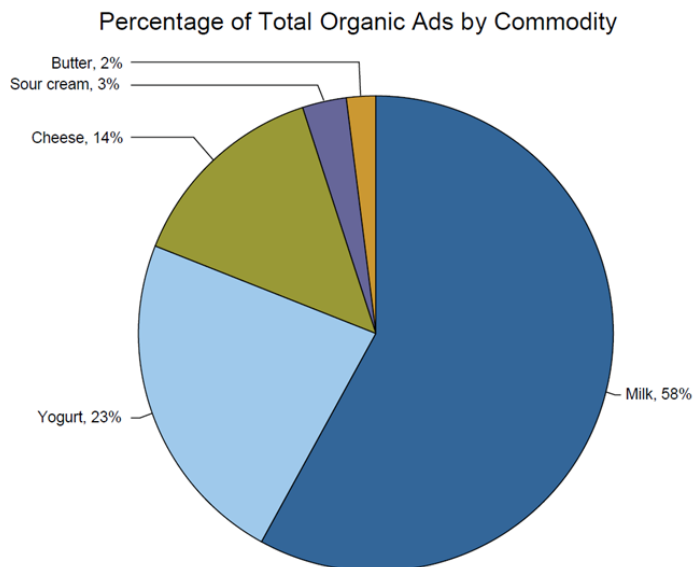
A national organic dairy brand which has elected to make organic milk pay prices public, sets prices separately for each of 14 regions based on geography and/or whether the organic milk is 100% grass-fed or not. The processor's average mailbox price nationally is \$36.60, derived from the 14 regional prices which range from a low of \$34.10 in the Midwest, Mideast and Colorado for organic milk, to a high of \$40.35 in New England for organic grass-fed milk.

In contrast, the most recently released monthly conventional milk mailbox price for December 2015 for all federal milk order areas was \$17.13. That was determined from area reports where the low was New Mexico at \$14.96 and the high was \$19.35 for Florida. California, not included in the federal milk order system, had a December 2015 mailbox milk price of \$15.19.

Clearly there is a premium paid for organic milk. Using the national average for conventional and organic milk as a basis, the national average organic milk price premium is \$19.47. This difference results in organic dairy producers receiving more than twice as much as conventional dairy producers for milk coming from the respective dairy farms. As this information becomes more widely understood, organic dairy processors believe transitioning into organic dairy will increase at an increasing rate.

## ORGANIC DAIRY RETAIL OVERVIEW

**Organic Dairy Overview.** This week, organic milk accounts for 58% of organic dairy ads, organic yogurt 23%, organic cheese 14%, organic sour cream 3%, and organic butter 2%. Total organic ads declined 27% compared to the previous report week. Organic cheese saw the largest percentage change in ads, increasing 100% over the previous reporting period. The Northeast recorded the largest volume of organic ads, followed by the Southwest region.



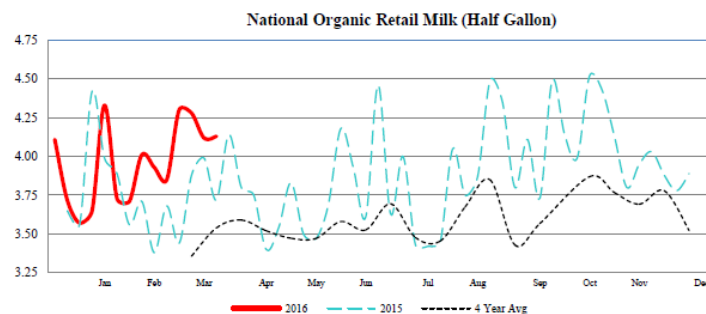
Data source/graph USDA Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from April 8-14, 2016 identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

Complete results of this weekly survey providing additional graphs, tables and regional delineation, follow at the end of Dairy Market News, or can be accessed at:

<http://www.ams.usda.gov/market-news/retail-dairy-market-news>

**Organic Milk Half Gallons.** The U.S. weighted average advertised price of organic milk half gallons is \$4.10, up 3 cents from last week, but down 4 cents from a year ago. Ads appeared in the Northeast, Midwest, South Central, Southwest, and Hawaii regions.



Data source/graph USDA/AMS/Dairy Market News

**Organic Milk Gallons.** The U.S. weighted average advertised price of organic milk gallons is \$4.93, 98 cents below one year ago, but 24 cents above last week. Ads appeared in the Midwest and Northwest regions.

**Organic Milk 8 Ounce UHT.** The U.S. weighted average advertised price of organic 8 ounce UHT milk is \$0.96, down 4 cents from a year ago and 7 cents from last week. Ads appeared in the Northeast, and Southeast regions.

## CONTINUED FROM PAGE -8-

**8 Ounce Block Organic Cheese.** The U.S. weighted average price of 8 ounce organic cheese blocks is \$4.74, up 34 cents from last week. Ads appeared in the Southwest, Northwest, and Alaska regions.

**8 Ounce Shred Organic Cheese.** The U.S. weighted average price of 8 ounce organic cheese shreds is \$3.99, unchanged from both last week and a year ago. Ads appeared in the Southeast, Midwest, and South Central regions.

**32 Ounce Organic Yogurt.** The U.S. weighted average price of 32 ounce organic yogurt is \$2.86, up 36 cents from a year ago but down 73 cents from last week. Ads appeared in the Northeast, Southeast, Southwest, and Northwest regions.

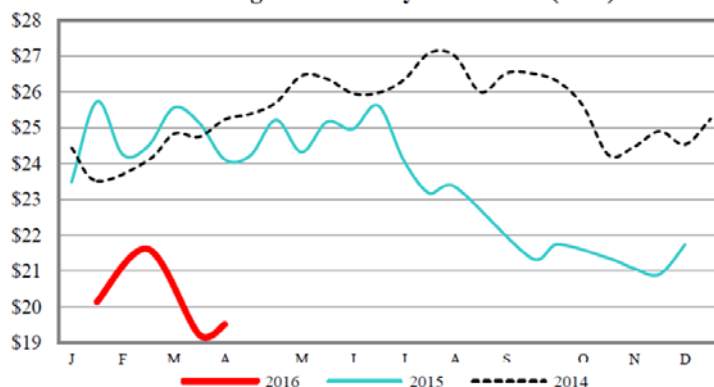
**4-6 Ounce Organic Yogurt.** The U.S. weighted average price of 4-6 ounce organic yogurt is \$1.22, up 32 cents from a year ago. Ads appeared in the Northeast and Southwest regions.

**1 Pound Organic Butter.** The U.S. weighted average price of 1 pound organic butter is \$4.99, down 24 cents from last week and down 50 cents from one year ago. Ads appeared only in the South Central region.

**Organic Feed Grains.** Organic grains traded lighter on light demand. Forward contracts for 2016 organic crops are still being negotiated, with growers showing little interest in contracting at current bid offers. Feed mills are exiting the market due to storage constraints. Imports and a strong U.S. dollar continue to impact trade activity involving domestic organic corn, soybeans, and wheat, adding a strong possibility for carryover into new crop. Food grade corn and soybean trade is inactive. Feed grade soybean trades are limited, with slightly higher undertones on light demand. Soybean meal traded steady to slightly lower on light demand. Trade activity involving roasted soybeans, soybean oil, oats and barley was too limited to trend. Steady to slightly lower undertones were noted. Trade activity involving HRS, SRW, and HRW was too limited to trend, but steady to slightly higher undertones were noted.

**Organic Feed Grains.** Organic grains traded lighter on light demand. Forward contracts for 2016 organic crops are still being negotiated, with growers showing little interest in contracting at current bid offers. Feed mills are exiting the market due to storage constraints. Imports and a strong U.S. dollar continue to impact trade activity involving domestic organic corn, soybeans, and wheat, adding a strong possibility for carryover into new crop. Food grade corn and soybean trade is inactive. Feed grade soybean trades are limited, with slightly higher undertones on light demand. Soybean meal traded steady to slightly lower on light demand. Trade activity involving roasted soybeans, soybean oil, oats and barley was too limited to trend. Steady to slightly lower undertones were noted. Trade activity involving HRS, SRW, and HRW was too limited to trend, but steady to slightly higher undertones were noted.

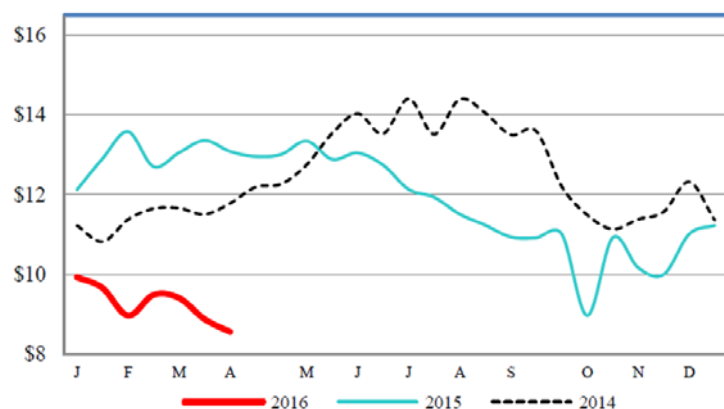
National Organic Feed Soybean Prices (\$/bu)



Data source/graph USDA Livestock, Poultry &amp; Grain Market News

Additional livestock and grain market news information is available at: [www.ams.usda.gov/LSMarketNews](http://www.ams.usda.gov/LSMarketNews)

National Organic Feed Corn Prices (\$/bu)



Data source/graph USDA Livestock, Poultry &amp; Grain Market News

## February 2016 Dairy Products Highlights

**Butter** production was 171.2 million pounds, 9.6 percent above February 2015, but 2.5 percent below January 2016. **American type cheese** production totaled 368.2 million pounds, 4.9 percent above February 2015, but 8.2 percent below January 2016. **Total cheese** output (excluding cottage cheese) was 956.2 million pounds, 7.8 percent above February 2015, but 4.7 percent below January 2016. **Nonfat dry milk** production, for human food, totaled 144.9 million pounds, 3.9 percent below February 2015, but 5.7 percent above January 2016. **Dry whey** production, for human food, was 72.6 million pounds, 5.1 percent below February 2015, and 9.7 percent below January 2016. **Ice cream, regular hard** production totaled 60.1 million gallons, 2.5 percent above February 2015, and 5.4 percent above January 2016.

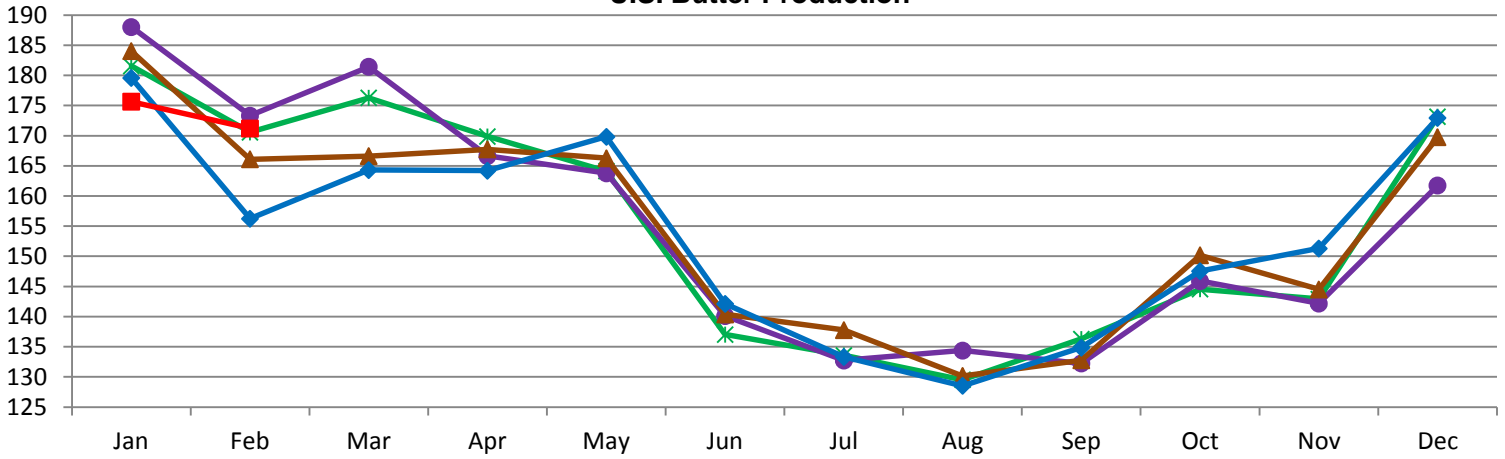
Production of Dairy Products									
Product	Feb 2016	Change from			Product	Feb 2016	Change from		
		Feb 2015	Jan 2016	Year to Date <sup>1</sup>			Feb 2015	Jan 2016	Year to Date <sup>1</sup>
	(1,000 lbs)	(percent)				(1,000 lbs)	(percent)		
Butter	171,206	9.6	-2.5	3.3	Yogurt (plain and flavored)	434,358	3.1	10.0	3.9
Cheese					Dry whey, human food	72,627	-5.1	-9.7	---
American types <sup>2</sup>	368,157	4.9	-8.2	2.9	Dry whey, animal feed	1,937	40.0	-31.6	---
Cheddar	258,172	0.7	-12.9	1.2	Dry whey, total <sup>8</sup>	74,564	-4.3	-10.5	2.8
Other American	109,985	16.0	5.3	---	Reduced lactose & minerals				
Brick & Muenster	14,135	9.7	-5.6	---	Human food	2,336	-1.2	-22.1	---
Cream & Neufchatel	64,552	20.7	-6.5	---	Animal feed	2,653	-14.7	-10.9	---
Hispanic	20,584	7.7	5.8	---	Lactose, human food & animal feed	82,687	2.9	-2.3	-1.8
Total Italian types	430,687	9.2	-1.0	5.6	Whey protein concentrate				
Mozzarella	341,222	10.0	1.3	5.0	Human food <sup>9</sup>	36,696	-4.7	-5.6	---
Other Italian	89,465	6.2	-9.0	---	Animal feed <sup>9</sup>	202	-43.7	4.7	---
Swiss	24,136	2.6	-12.2	---	Total <sup>9</sup>	36,898	-5.1	-5.5	-11.7
All other types	33,915	3.1	-6.1	---	25.0-49.9 percent <sup>10</sup>	15,545	-8.0	3.3	---
Total	956,166	7.8	-4.7	5.1	50.0-89.9 percent <sup>10</sup>	21,353	-2.8	-11.1	---
Cottage cheese, curd <sup>3</sup>	31,755	7.1	1.2	---	Whey protein isolates <sup>11</sup>	8,007	12.4	-8.9	---
Cottage cheese, cream <sup>4</sup>	25,107	6.8	5.6	9.2					
Cottage cheese, lowfat <sup>5</sup>	29,297	2.3	2.4	0.6					
Dry buttermilk	10,817	14.7	-5.2	---	Frozen products				
Dry whole milk	8,647	-18.0	-13.1	---	Ice cream, regular hard	60,130	2.5	5.4	2.6
Milk protein conc. (MPC), total <sup>6</sup>	16,799	20.0	5.7	---	Ice cream, lowfat, hard	14,474	-10.7	0.3	---
Nonfat dry milk (NDM), human	144,895	-3.9	5.7	-10.7	Ice cream, lowfat, soft	15,079	-1.6	33.5	---
Skim milk powders (SMP) <sup>7</sup>	39,934	23.1	-22.1	19.8	Ice cream, lowfat, total	29,553	-6.3	14.9	-8.3
Sour cream	100,760	7.0	-2.1	1.7	Sherbet, hard	3,146	-3.3	27.8	-10.4
					Frozen yogurt, total	6,402	-2.1	55.2	-3.3

Manufacturers' Stocks, End of Month <sup>12</sup>							
Product	Feb 2016	Feb 2015	Jan 2016	Product	Feb 2016	Feb 2015	Jan 2016
	(1,000 lbs)	(percent)			(1,000 lbs)	(percent)	
Dry whey, human food	74,153	20.1	-9.4	Whey protein concentrate			
Dry whey, animal feed	1,634	92.9	-19.4	Human food <sup>9</sup>	64,515	-0.1	0.7
Reduced lactose & minerals—human & animal <sup>13</sup>	7,413	-25.6	0.8	Animal feed <sup>9</sup>	567	-33.7	-56.0
Lactose, human food & animal feed	118,405	-11.7	2.6	Total <sup>9</sup>	65,082	-0.5	-0.4
Dry buttermilk	25,679	1.6	19.9	25.0-49.9 percent <sup>10</sup>	28,914	-5.8	2.6
Nonfat dry milk, human food	216,553	-10.0	-4.4	50.0-89.9 percent <sup>10</sup>	36,168	4.0	-2.7
				Whey protein isolates <sup>11</sup>	16,355	39.1	-1.8

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

MILLION POUNDS

## U.S. Butter Production

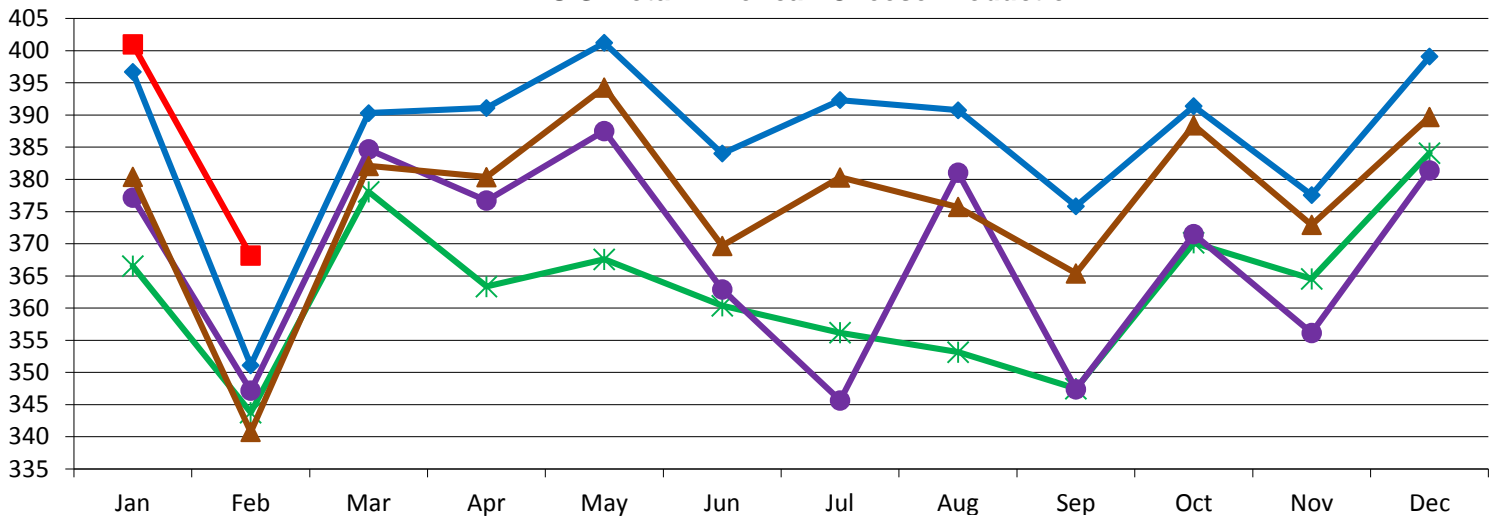


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2012 2013 2014 2015 2016

MILLION POUNDS

## U.S. Total American Cheese Production

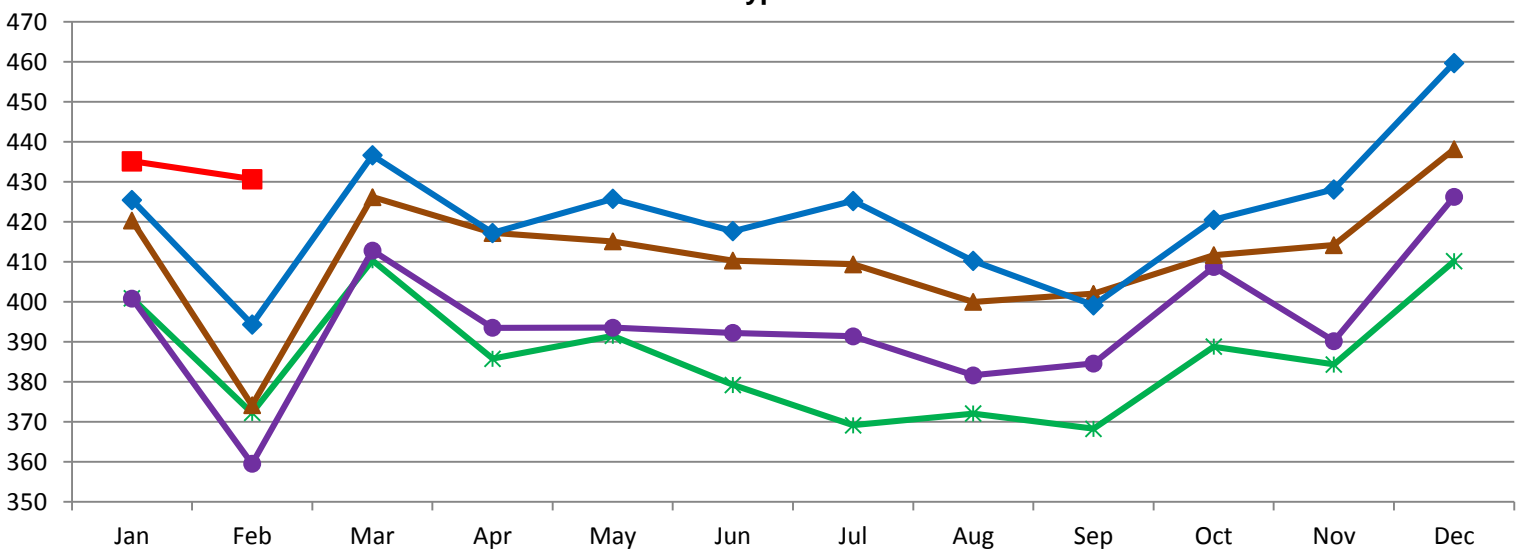


DATA SOURCE USDA, NASS; GRAPH, USDA, DMN

Aug Sep Oct Nov Dec  
2012 2013 2014 2015 2016

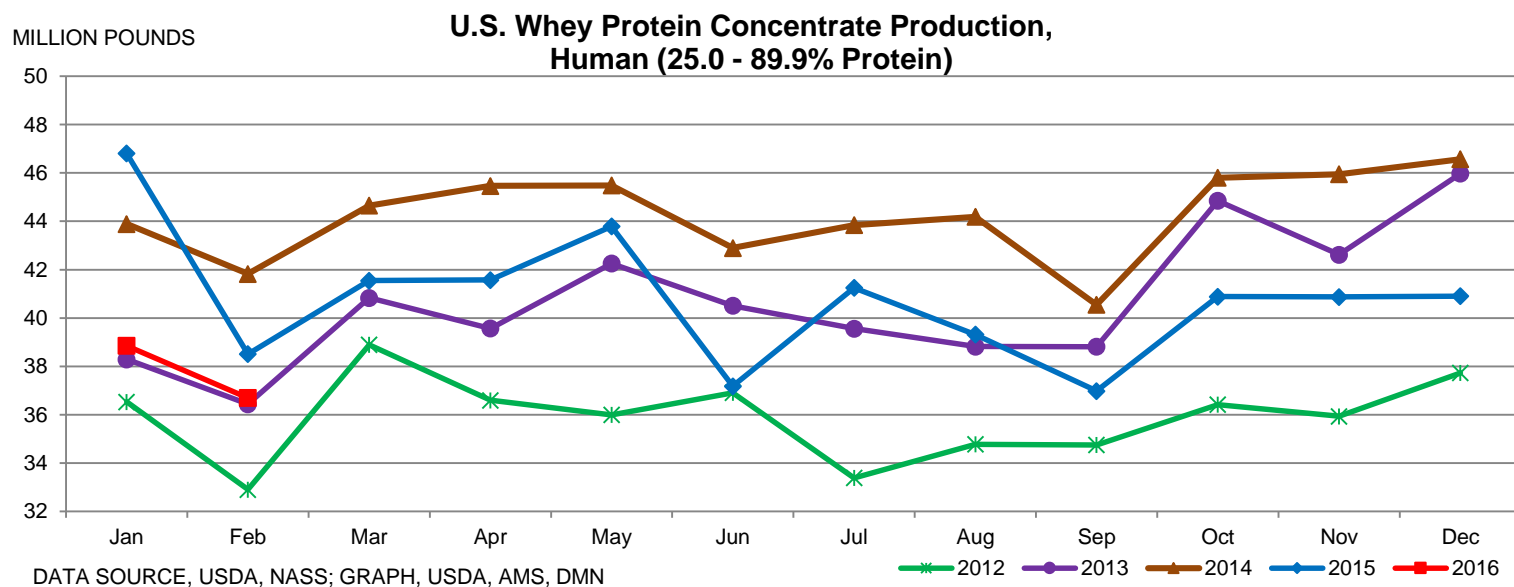
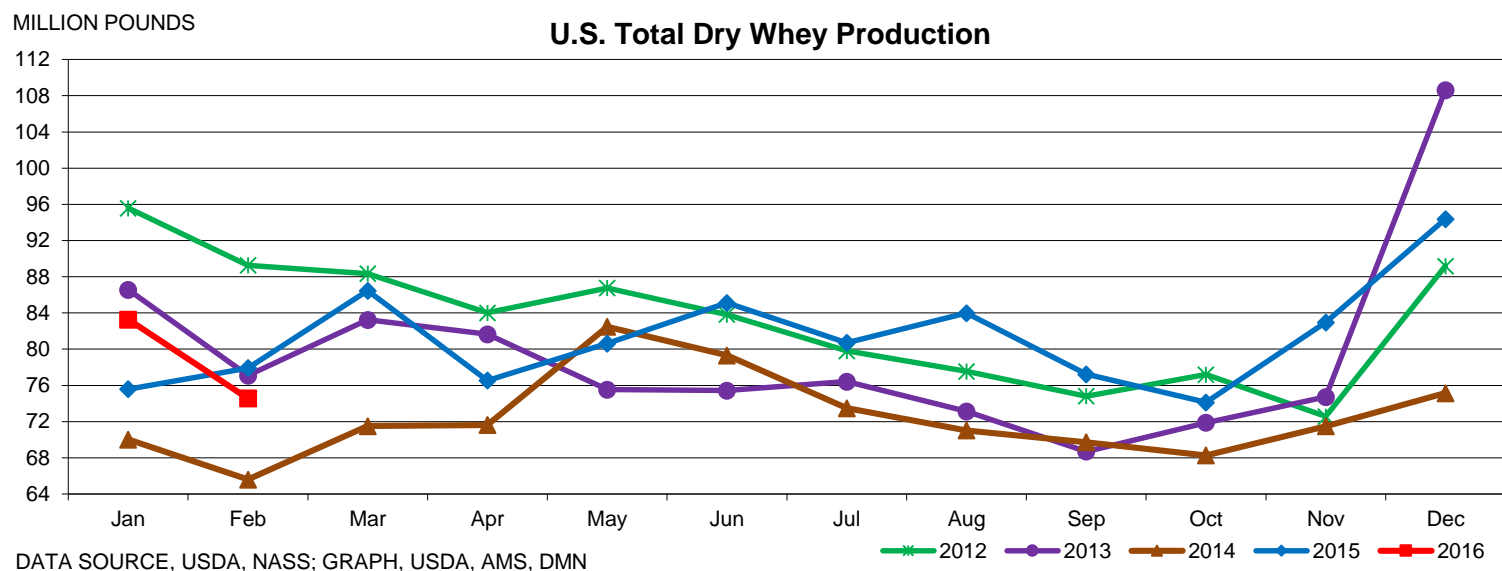
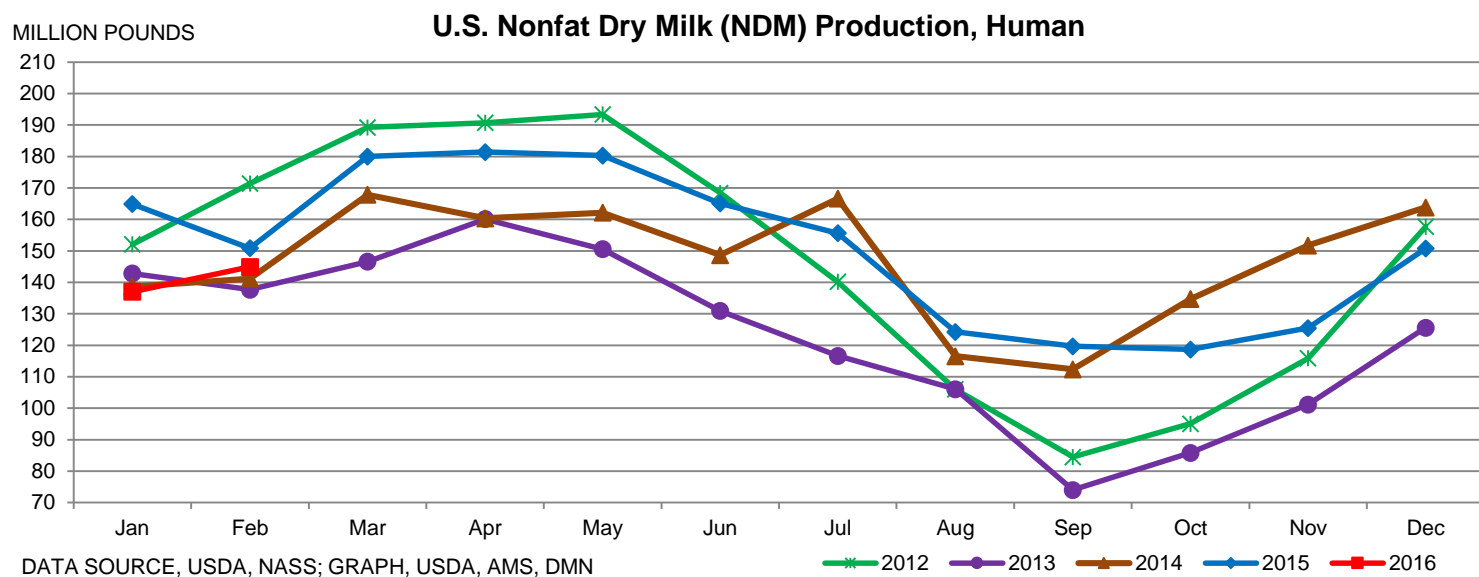
MILLION POUNDS

### U.S. Total Italian-Type Cheese Production



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

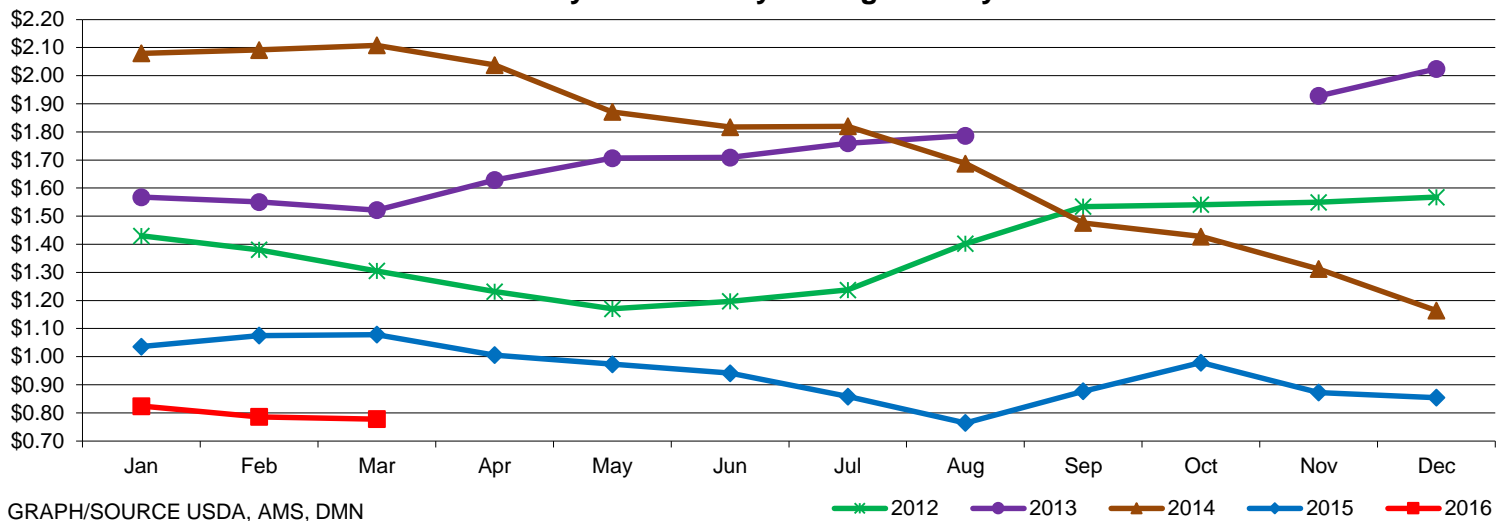
2012 2013 2014 2015 2016





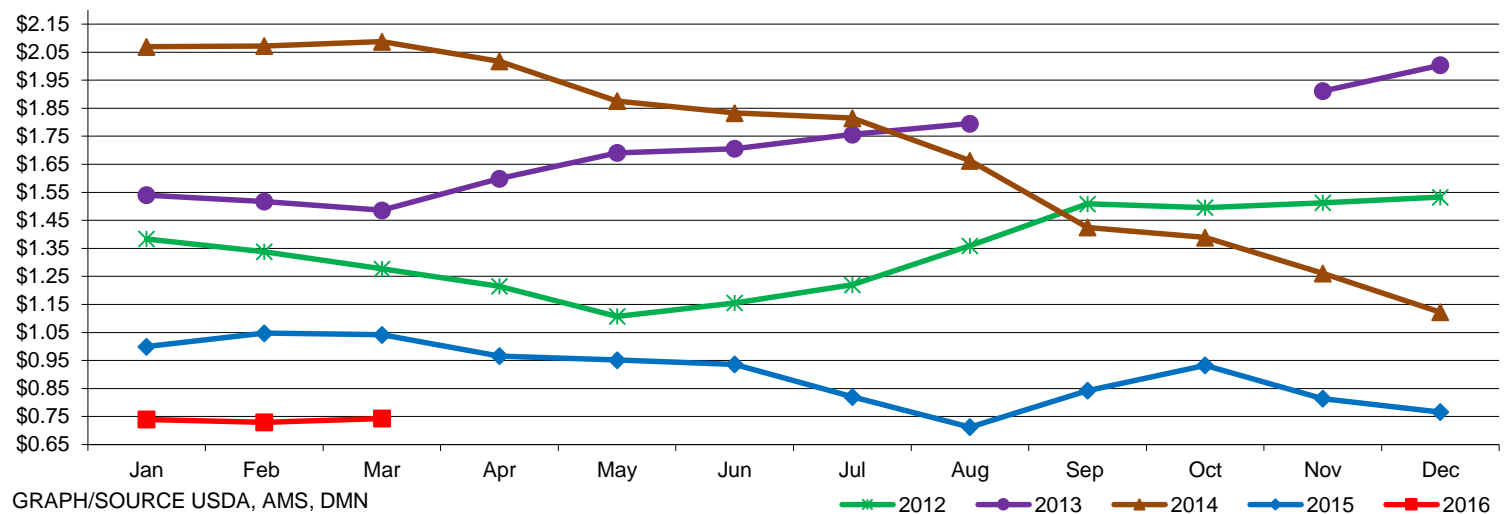
PER POUND

**Central & East Low/Medium Heat  
Nonfat Dry Milk Monthly Average Mostly Prices**



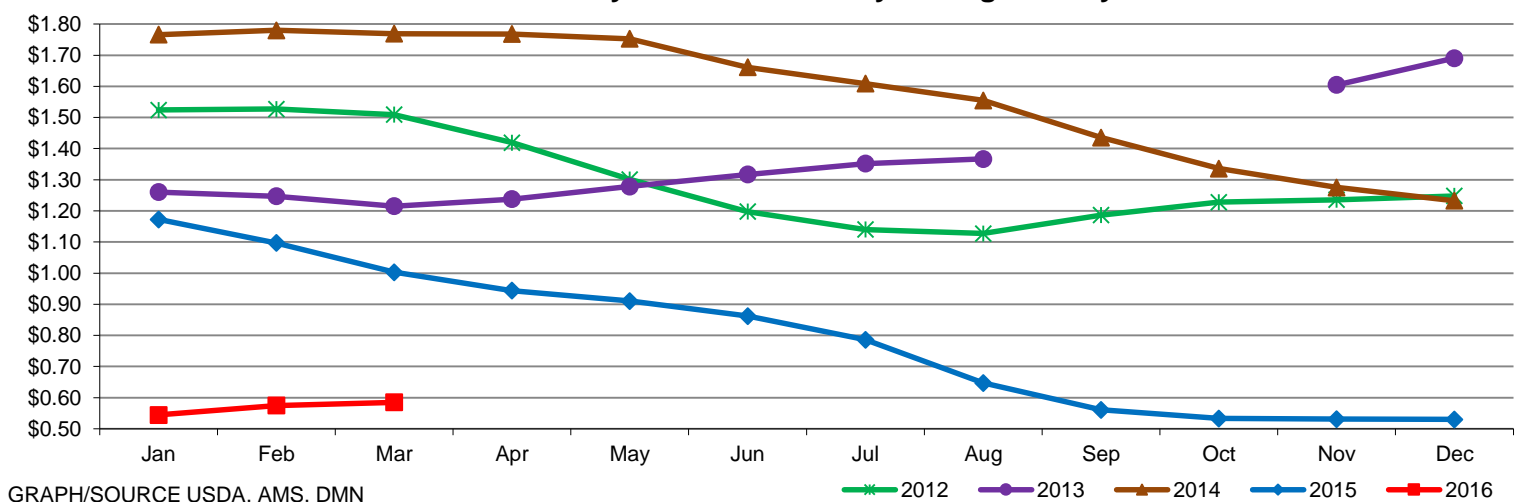
PER POUND

### Western Low/Medium Heat Nonfat Dry Milk Monthly Average Mostly Prices

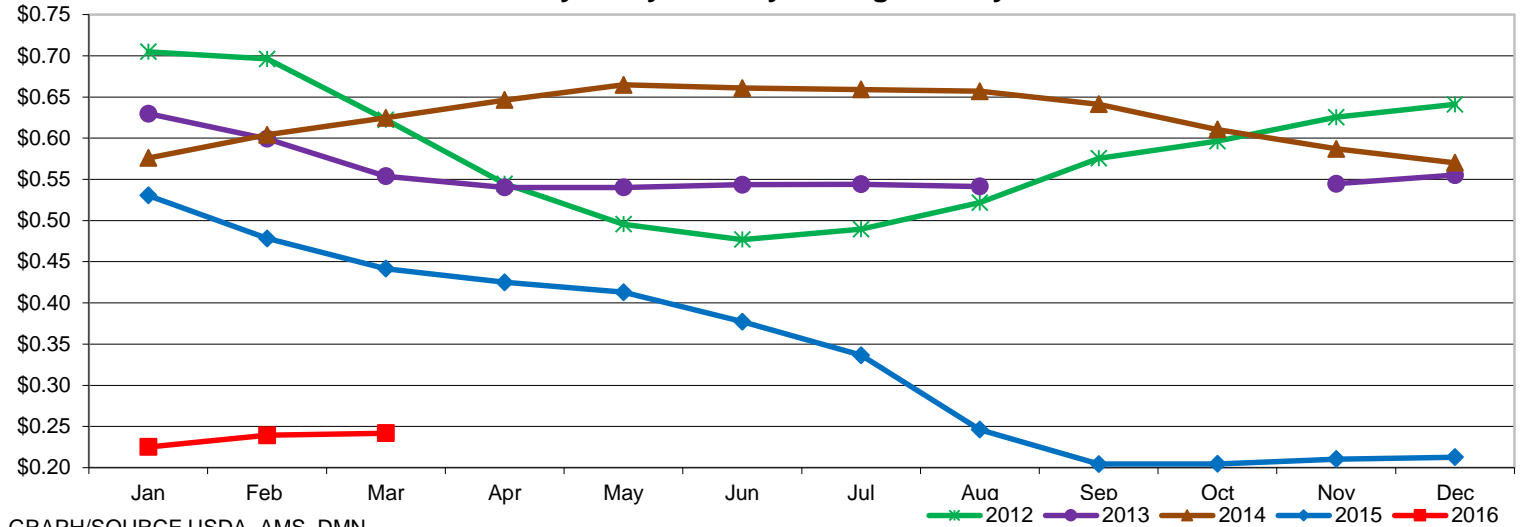


PER POUND

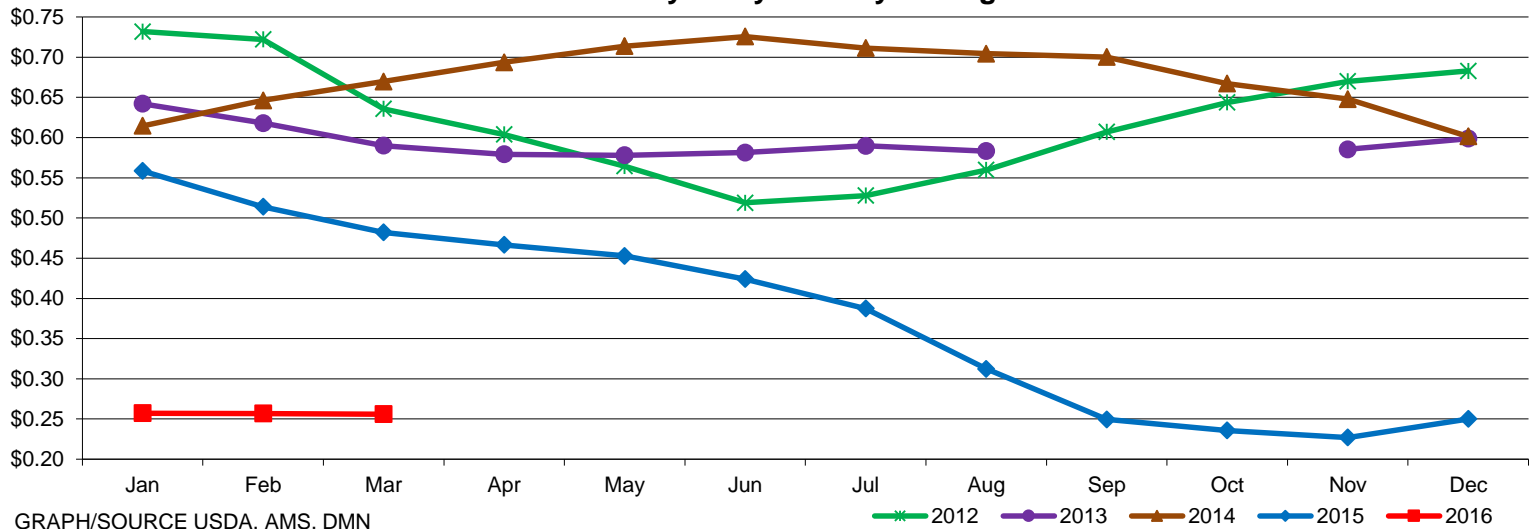
### Central & West Dry WPC 34% Monthly Average Mostly Prices



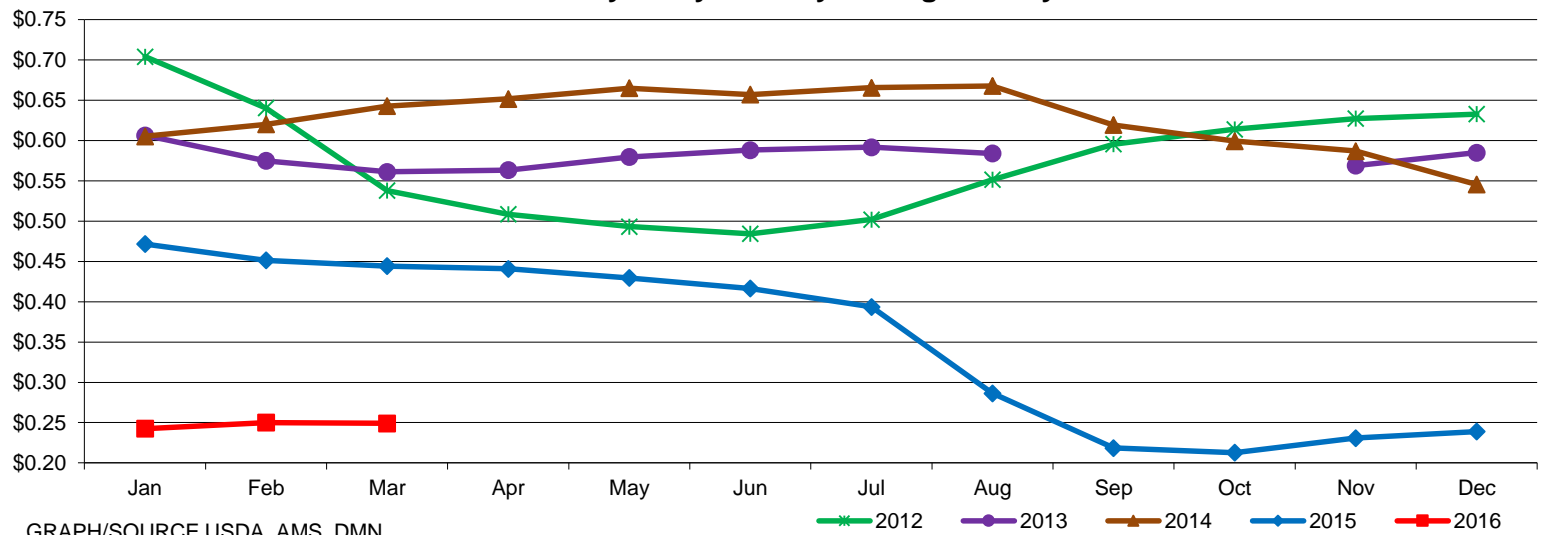
PER POUND

**Central Dry Whey Monthly Average Mostly Prices**

PER POUND

**Northeastern Dry Whey Monthly Average Prices**

PER POUND

**Western Dry Whey Monthly Average Mostly Prices**



## 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/dybretil.pdf>

Volume 83- Number 14

Issued Weekly

Friday, April 8, 2016

### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 04/08/2016 to 04/14/2016

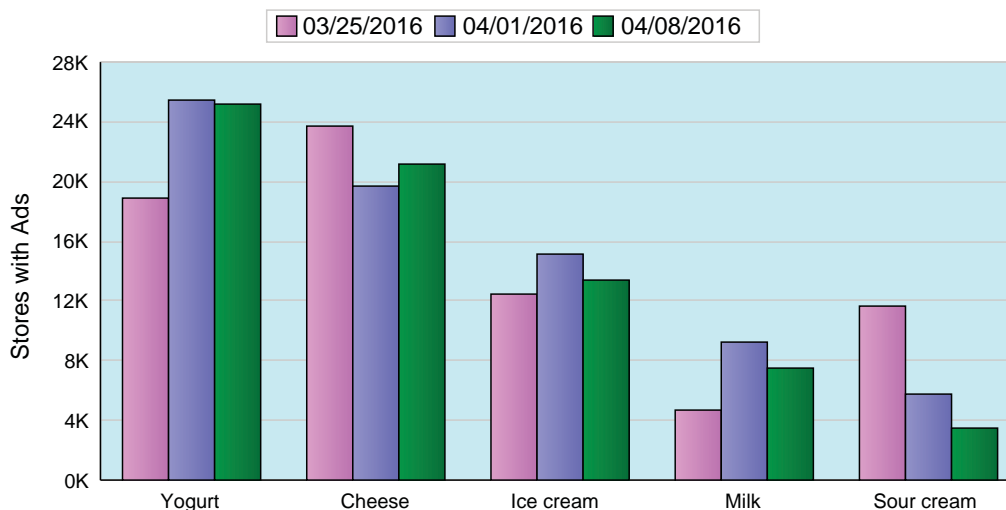
This week total conventional dairy ad numbers decreased 14% and organic dairy ad numbers decreased 27%. Conventional one-pound packages of butter, 16 oz. containers of cottage cheese, 8 oz. packages of cream cheese, and 32 oz. containers of yogurt all experienced decreases in ads by at least 40%. However, conventional one pound shred packages of cheese had a 355% increase in ads. Organic 8 oz. shred packages of cheese saw a 516% increase in ads. Milk was the highest advertised organic dairy commodity with an average price of \$3.22, a \$.59 decrease from last week.

The average price for conventional yogurt in 4-6 ounce packages is \$.60, up \$.10 from last week. The average price of 4-6 ounce conventional Greek yogurt is \$.96, up 1 cent from last week. Conventional yogurt ad numbers are up 2% from last week. The average price for organic yogurt in 4-6 ounce packages is \$1.22. Organic yogurt ads are down 30% from last week.

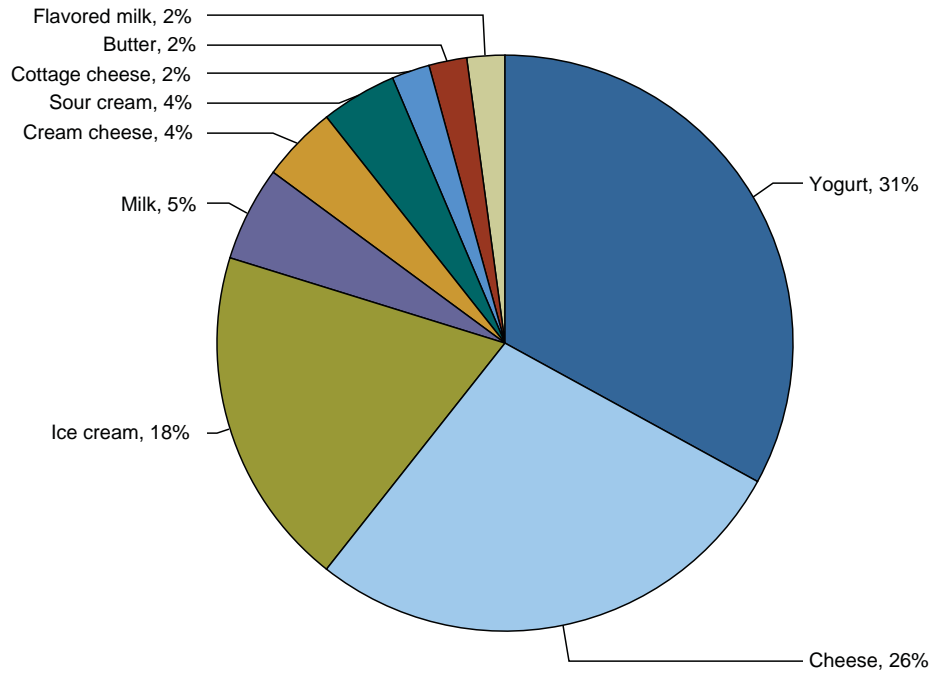
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.42, down 27 cents from last week; 8 ounce shred cheese averaged \$2.27, down 9 cents from last week. Ads for 8 ounce organic shred cheese averaged \$3.99 and 8 ounce organic cheese blocks averaged \$4.74. Ads for conventional cheese are up 5%, and organic cheese ads doubled from last week.

The price spread between organic and conventional half gallon milk is \$1.95. The price spread is the difference between national weighted average prices for organic, \$4.10, and conventional, \$2.15. Conventional milk ad numbers decreased 26% from last week while organic milk ad numbers decreased 12%.

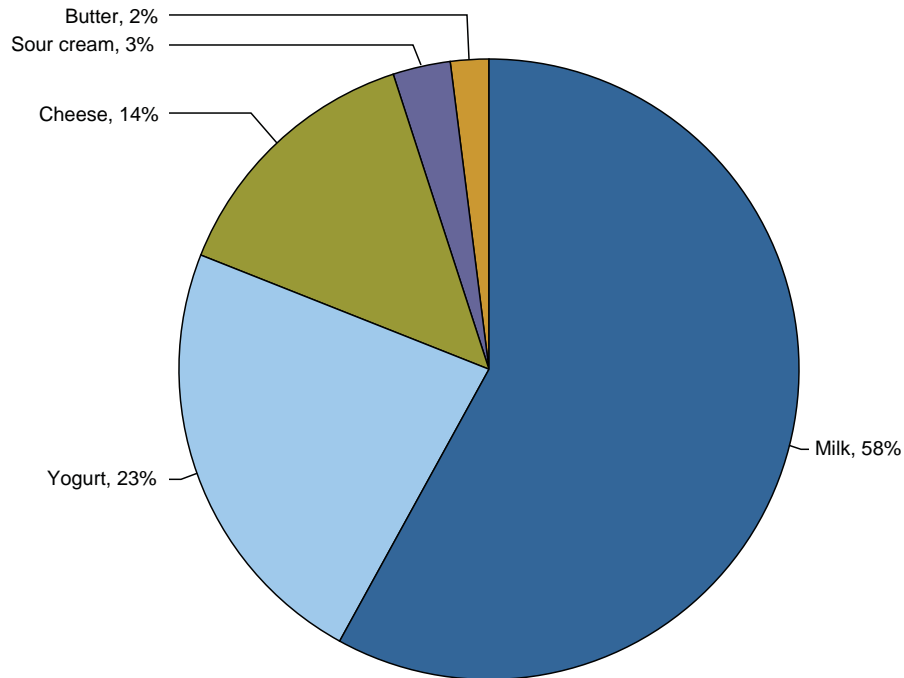
Top 5 Commodities Featured



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 #	1741	3.05	5121	2.96	6026	2.81
Cheese	Natural Varieties	8 oz block	7901	2.42	7313	2.15	4554	2.40
Cheese	Natural Varieties	1 # block	1675	3.12	640	3.62	1644	3.47
Cheese	Natural Varieties	2 # block	1059	6.67	1670	6.20	774	7.36
Cheese	Natural Varieties	8 oz shred	7903	2.27	9218	2.36	6192	2.35
Cheese	Natural Varieties	1 # shred	1592	3.09	350	2.77	1193	3.08
Cottage cheese		16 oz	1809	2.35	5586	1.87	2836	2.07
Cream cheese		8 oz	3367	1.97	5629	1.59	7054	1.58
Flavored milk	All fat tests	half gallon	656	2.56	732	1.73	110	1.00
Flavored milk	All fat tests	gallon	985	3.35	704	2.46	316	2.59
Ice cream		48-64oz	13420	3.22	14012	3.13	5925	3.14
Milk	All fat tests	half gallon	695	2.15	945	1.67	605	1.82
Milk	All fat tests	gallon	2803	2.42	3796	2.76	2525	2.80
Sour cream		16 oz	3321	1.81	5393	1.66	3045	1.64
Yogurt	Greek	4-6 oz	12665	.96	14086	.95	11008	1.00
Yogurt	Greek	32 oz	2997	4.79	2289	3.89	944	4.37
Yogurt	Yogurt	4-6 oz	7541	.60	6011	.50	5746	.47
Yogurt	Yogurt	32 oz	489	2.37	829	2.68	1051	2.64

## REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-3.00	1343	2.92						
Cheese	Natural Varieties	8 oz block	1.77-3.99	3172	2.35	2.00-2.99	1337	2.82	1.99-3.50	1170	2.38
Cheese	Natural Varieties	1 # block	3.99	135	3.99	2.50-3.79	424	3.37	2.99	247	2.99
Cheese	Natural Varieties	2 # block							5.99-6.99	228	6.53
Cheese	Natural Varieties	8 oz shred	1.77-3.59	2498	2.23	2.00-2.50	1227	2.37	1.99-2.50	1447	2.19
Cheese	Natural Varieties	1 # shred	3.99	100	3.99	2.50	90	2.50	2.99-3.99	363	3.31
Cottage cheese		16 oz	1.66-2.00	940	1.94	1.99	64	1.99			
Cream cheese		8 oz	1.25-2.50	1375	1.92	2.00-2.29	797	2.02	1.66-2.50	517	2.07
Flavored milk	All fat tests	half gallon	2.99	304	2.99				0.99-3.00	352	2.19
Flavored milk	All fat tests	gallon				4.99	84	4.99	2.50	69	2.50
Ice cream		48-64oz	1.97-4.99	3837	2.77	1.99-5.55	3365	3.82	0.80-3.50	2219	2.95
Milk	All fat tests	half gallon	2.28	62	2.28	1.00-3.99	304	2.81	1.00-1.50	229	1.26
Milk	All fat tests	gallon	2.50-3.69	309	3.14	2.50	1083	2.50	1.69-2.50	607	1.92
Sour cream		16 oz	0.79-2.49	1787	1.72	1.28-2.00	259	1.46	1.50-1.68	299	1.61
Yogurt	Greek	4-6 oz	0.75-1.25	3338	1.00	0.99-1.00	3621	1.00	0.50-1.00	1498	.90
Yogurt	Greek	32 oz	3.99-4.98	680	4.67	3.49	87	3.49	3.50-4.98	990	4.71
Yogurt	Yogurt	4-6 oz	0.45-2.00	3637	.65	0.44-0.50	2333	.49	0.50	180	.50

Wtd Avg - Simple weighted average





National Retail Report - Dairy Vol 83 - No. 14  
Friday, April 8, 2016 - Page 4

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	2.39-2.49	177	2.46						

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	51	2.99	3.50	246	3.50	3.50	61	3.50
Cheese	Natural Varieties	8 oz block	1.50-2.99	850	2.23	1.88-3.00	928	2.26	1.88-2.50	358	2.38
Cheese	Natural Varieties	1 # block	1.25-2.99	234	2.44	2.88-3.99	514	3.09	2.99	121	2.99
Cheese	Natural Varieties	2 # block				7.99	178	7.99	4.99-7.99	621	6.33
Cheese	Natural Varieties	8 oz shred	1.25-2.99	1044	2.10	1.88-3.00	1098	2.33	1.88-3.00	551	2.60
Cheese	Natural Varieties	1 # shred	2.99	160	2.99	2.88-2.99	692	2.97	2.99-3.00	187	2.99
Cottage cheese		16 oz				2.29-3.49	663	2.99	2.00	105	2.00
Cream cheese		8 oz	1.75-2.00	133	1.85	1.67-1.99	490	1.83			
Flavored milk	All fat tests	gallon	1.88-1.99	201	1.95	1.99-3.99	604	3.61			
Ice cream		48-64oz	1.99-5.50	1198	3.40	1.88-4.99	1689	3.16	2.49-4.99	981	3.16
Milk	All fat tests	half gallon							0.99	66	.99
Milk	All fat tests	gallon	1.88-3.69	366	2.49	1.89-3.49	294	2.57	1.79	138	1.79
Sour cream		16 oz	1.25-1.69	183	1.40	1.99-2.99	766	2.31			
Yogurt	Greek	4-6 oz	0.69-1.00	946	.91	0.79-1.00	1750	.97	0.60-1.00	1446	.86
Yogurt	Greek	32 oz	4.98	973	4.98	4.99	244	4.99			
Yogurt	Yogurt	4-6 oz	0.40-0.89	399	.61	0.40-0.99	790	.58	0.50-1.67	166	1.24
Yogurt	Yogurt	32 oz	2.00	54	2.00	2.50	114	2.50	1.99-2.50	127	2.23

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	13	3.91	3.99	27	3.99
Cheese	Natural Varieties	8 oz block	3.00	21	3.00	2.49-3.50	65	3.02
Cheese	Natural Varieties	2 # block	5.98-7.29	32	6.89			
Cheese	Natural Varieties	8 oz shred				2.50-3.50	38	3.39
Cottage cheese		16 oz				2.50-2.89	37	2.86
Cream cheese		8 oz	3.98	28	3.98	2.00	27	2.00
Flavored milk	All fat tests	gallon				4.99	27	4.99
Ice cream		48-64oz	3.98-4.00	39	3.99	3.29-5.99	92	4.96
Milk	All fat tests	half gallon				4.29	34	4.29
Milk	All fat tests	gallon	2.98	3	2.98	4.97	3	4.97
Sour cream		16 oz				2.50	27	2.50
Yogurt	Greek	4-6 oz	0.70-1.60	62	1.21	1.00	4	1.00
Yogurt	Greek	32 oz	6.28	8	6.28	5.99-6.28	15	6.22
Yogurt	Yogurt	4-6 oz	0.59-0.60	9	.59	0.50	27	.50
Yogurt	Yogurt	32 oz	2.39-2.99	17	2.78			



## 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 #	114	4.99	555	5.23	90	5.49
Cheese	Natural Varieties	8 oz block	307	4.74	420	4.40		
Cheese	Natural Varieties	8 oz shred	425	3.99	69	3.99	59	3.99
Cheese	Natural Varieties	1 # shred	244	5.99				
Cottage cheese		16 oz			114	3.00		
Ice cream		48-64oz			1083	4.00		
Milk	All fat tests	half gallon	2130	4.10	3503	4.13	165	4.14
Milk	All fat tests	gallon	524	4.93	448	4.69	1128	5.91
Milk	All fat tests	8 oz UHT	1231	.96	539	1.03	69	1.00
Sour cream		16 oz	180	3.49	310	2.02		
Yogurt	Greek	4-6 oz			1360	1.28		
Yogurt	Greek	32 oz			289	5.49		
Yogurt	Yogurt	4-6 oz	833	1.22			59	.99
Yogurt	Yogurt	32 oz	710	2.86	543	3.59	214	2.50

## REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz shred				3.99	210	3.99	3.99	137	3.99
Milk	All fat tests	half gallon	3.97-4.99	756	4.14				3.79-4.79	389	4.25
Milk	All fat tests	gallon							3.99-5.99	458	4.92
Milk	All fat tests	8 oz UHT	0.92-1.00	1170	.96	1.00	61	1.00			
Sour cream		16 oz							3.49	180	3.49
Yogurt	Yogurt	4-6 oz	1.50	253	1.50						
Yogurt	Yogurt	32 oz	2.49	255	2.49	2.49	227	2.49			



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	114	4.99						
Cheese	Natural Varieties	8 oz block				4.49	244	4.49	5.69	61	5.69
Cheese	Natural Varieties	8 oz shred	3.99	78	3.99						
Cheese	Natural Varieties	1 # shred				5.99	244	5.99			
Milk	All fat tests	half gallon	2.99-3.99	351	3.59	3.98-4.49	631	4.24			
Milk	All fat tests	gallon							4.99	66	4.99
Yogurt	Yogurt	4-6 oz				0.58-1.50	580	1.10			
Yogurt	Yogurt	32 oz				3.50	167	3.50	3.99	61	3.99

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz block	5.99	2	5.99			
Milk	All fat tests	half gallon				5.97	3	5.97

#### 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 #14

April 8, 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

Amy Schmitz

(608) 557-7004

Amy.L.Schmitz@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](http://www.ams.usda.gov/market-news/dairy)

## MARKET NEWS PORTAL

[www.marketnews.usda.gov/mnp/da-home](http://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