

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (5/20)**

BUTTER: Grade AA closed at \$2.0700. The weekly average for Grade AA is \$2.0515 (+.0040).

CHEESE: Barrels closed at \$1.3550 and 40# blocks at \$1.3150. The weekly average for barrels is \$1.3555 (+.0635) and blocks, \$1.3010(+.0220).

NONFAT DRY MILK: Grade A closed at \$.8150. The weekly average for Grade A is \$.8010 (-.0050).

BUTTER HIGHLIGHTS: Although cream orders from Class II and Class III manufacturers are seasonally inching up, cream supplies are readily available for butter processing. Overall, butter inventories are building along seasonal trends. In the West and East, butter production remains active. In the Central region, butter churning is steady to marginally lower, as many processors continue microfixing bulk butter. Nationally, demands from retailers and food service are strong as the upcoming holiday weekend approaches. This week, bulk butter pricing throughout all regions is 1 cent under market to 10 cents above, based on the CME Group with various periods and averages used. The Grade AA butter price at the CME Group on Friday closed at \$2.0700, up 3.25 cents from a week ago.

CHEESE HIGHLIGHTS: The U.S. cheese market is mixed this week. Northeast market participants report rising production for cream cheese and Swiss varieties. Mozzarella and provolone inventories are building and demand is expected to decline as schools continue to close. Midwest cheese sales were active this week for many manufacturers. Processed cheese, in particular, is rising in interest. Central region cheese makers are running full schedules to manage the high farm level milk intakes. Milk is in relatively good balance with processing needs in the West. There are few export opportunities, but domestic retail demand is strong. Wednesday at the CME Group, barrels and 40# blocks both had substantial sales. After several weeks of downward pressure on the CME Group, barrels and 40# blocks both experienced weekly average price increases. In CME Group trading Friday, barrels closed at \$1.3550, up \$.0350 from last Friday and blocks closed at \$1.3150, up \$.0350.

FLUID MILK: Milk production varies this week across the different regions. The Northeast is reaching seasonal peaks while Southeast milk producers faced warm temperatures and tapering production. The North Central area reports little to no signs of slowing production. California farm level milk output has plateaued and

Arizona production is declining because of high temperatures. Pacific Northwest milk production continues to climb. Regardless of geographical region, bottling demand is decreasing. Educational institutions across the country are readjusting orders as they dismiss for the school year. However, California bottlers did report slightly higher requests from grocery stores and restaurants. Cream is readily available in the East. Demand for cream in the North Central area is flat. Cream handlers in this area are hopeful for warmer weather to spike interest in Class II cream into ice cream. Industry contacts in the South Central area are seeing moderate increases in cream demand. Overall, Central region manufacturers are optimistic for ice cream demand as schools dismiss and vacation season approaches. Demand for ice cream and frozen desserts are inching up in Arizona. Cream supply is mixed in the West. Some areas report plentiful supply while, in other pockets of the region, cream is tight.

DRY PRODUCTS: The low/medium nonfat dry milk market is firming. Prices are mixed and leaving some market participants perplexed. Large volumes of condensed skim are clearing into dryers across the nation. A few producers in the West are performing maintenance/repair work on their dryers this week, marginally affecting production. Inventories are steady to heavy. High heat nonfat dry milk production is intermittent through the country. Small amounts are being made outside of contractual needs. Inventories are comfortable to tight. The buttermilk market is mixed. Dryer schedules are active and production is steady. Industry contacts in the East and West report growing buttermilk sales to ice cream and frozen desert manufacturers. Central region producers continue waiting for warmer temperatures to spark ice cream makers' interest in buttermilk. The whey market is firming. Aggressive contracting and spot sales are helping whey sellers throughout the U.S. alleviate inventory pressures. Whey protein concentrate 34% prices are higher and the market is firm. WPC 34% is in short supply outside of contracts across the nation. Some manufacturers choose to produce higher protein concentrations in lieu of WPC 34%. U.S. lactose demand is strong in a firm market. Some Central and West buyers are searching for additional loads outside of contracts. Production is steady but may decline as cheese manufacturers consider slowing production to manage cheese inventory levels.

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CME GROUP CASH TRADING

| COMMODITY | MONDAY MAY 16 | TUESDAY MAY 17 | WEDNESDAY MAY 18 | THURSDAY MAY 19 | FRIDAY MAY 20 | :: WEEKLY CHANGE* | :: WEEKLY AVERAGE# |
|-----------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------------|
| CHEESE | | | | | | | |
| BARRELS | \$1.3300 (+.0100) | \$1.3500 (+.0200) | \$1.3625 (+.0125) | \$1.3800 (+.0175) | \$1.3550 (-.0250) | :: (+.0350) | :: \$1.3555 (+.0635) |
| 40# BLOCKS | \$1.2800 (N.C.) | \$1.2800 (N.C.) | \$1.3150 (+.0350) | \$1.3150 (N.C.) | \$1.3150 (N.C.) | :: (+.0350) | :: \$1.3010 (+.0220) |
| NONFAT DRY MILK | | | | | | | |
| GRADE A | \$.8100 (-.0050) | \$.7800 (-.0300) | \$.8000 (+.0200) | \$.8000 (N.C.) | \$.8150 (+.0150) | :: (N.C.) | :: \$.8010 (-.0050) |
| BUTTER | | | | | | | |
| GRADE AA | \$2.0375 (N.C.) | \$2.0375 (N.C.) | \$2.0525 (+.0150) | \$2.0600 (+.0075) | \$2.0700 (+.0100) | :: (+.0325) | :: \$2.0515 (+.0040) |

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.

Computed by Dairy Market News for international purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY

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

ORGANIC DAIRY MARKET NEWS (DMN): AMS reports March 2016 total organic milk products sales at 214 million pounds, up 1.6% from March last year. In addition, 2016 year to date sales show an increase, up 4.2% compared with year to date sales last year. Organic whole milk sales for March 2016 were 75 million pounds, a 9.3% increase compared with March last year. Year to date sales were 13.7% higher. Organic reduced fat milk sales for March 2016, 65 million pounds, were up 12.9% from sales a year earlier. The U.S. weighted average advertised price of organic milk gallons is \$4.05, \$1.73 below one year ago, and \$1.25 below last week. The U.S. weighted average advertised price of organic milk half gallons is \$3.78, down 22 cents from last week but up 28 cents from a year ago. Organic milk gallons have a weighted average advertised price of \$4.05, \$1.73 below one year ago, and \$1.25 below last week. The U.S. weighted average price of 4-6 ounce organic Greek yogurt is \$1.50, up 50 cents from last week and up 19 cents from a year ago. The U.S. weighted average price of 8 ounce organic cheese blocks is \$3.49, down 50 cents from last week and one year ago. Organic 1 pound butter has a U.S. weighted average price of \$5.66, down 22 cents from last week. The collective organic price for all products surveyed at the retail level saw a moderate decline of 19% compared to the previous organic report week.

NATIONAL RETAIL REPORT-DAIRY (DMN): This week, the total volume of conventional dairy ads decreased 9%, and organic dairy ads decreased 50%. For conventional dairy advertisements, ice cream in 48-64 ounce containers has the largest volume of ads followed by Greek yogurt in 4-6 ounce containers. Ads for 1 pound packages of butter decreased 44%, with a weighted average price of \$3.29, up \$.54 from last week. The weighted average price for 1 pound packages of organic butter is \$5.66, down \$.22 from a week ago. Organic sour cream in 16 ounce containers has the largest percentage increase among reported dairy items, an increase of 367%. The average price for conventional yogurt in 4-6 ounce packages is \$.50, down \$.25 from last week. The average price of 4-6 ounce conventional Greek yogurt is \$.95, up \$.03 from a week ago. Conventional yogurt ad numbers are down 23% from last week, while organic yogurt ads are up 43%. The average price for organic Greek yogurt in 4-6 ounce packages is \$1.50. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.32, up \$.20 from last week; 8 ounce shred cheese averaged \$2.23, up \$.05 from last week. Ad volume for conventional two pound blocks increased 36% with a weighted average price of \$5.42. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$3.49, down \$.50 from last week. The price spread between organic and conventional half gallon milk is \$2.58. The price spread is the difference between national weighted average prices for organic, \$3.78, and conventional, \$1.20. Conventional milk ad numbers increased 112% from last week while organic milk ad numbers decreased 58%.

INTERNATIONAL DAIRY MARKET NEWS UPDATE (DMN): At the May 17 GDT event #164, average prices ranged from 0.9% lower to 16.2% 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, \$3,340 +4.9%; butter, \$2,697 +3.8%; buttermilk powder, \$1,545 +16.2%; cheddar cheese, \$2,693 -0.8%; lactose, \$713 +3.9%; rennet casein, \$5,060 +0.3%; skim milk powder, \$1,658 -0.9%; and whole milk powder, \$2,252 +3.0%.

JUNE FEDERAL MILK ORDER ADVANCE CLASS

PRICES: Under the Federal milk order pricing system, the base Class I price for June 2016 is \$13.14 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$5.31 and the advanced butterfat pricing factor of \$2.2908. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price. The base Class I price decreased \$0.56 per cwt when compared to the previous month of May 2016. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$0.57 per cwt, -\$0.049 per gallon; reduced fat milk (2%), -\$0.66 per cwt, -\$0.057 per gallon; fat-free (skim milk), -\$0.77 per cwt, -\$0.066 per gallon. The advanced Class IV skim milk pricing factor is \$5.16. Thus, the Class II skim milk price for June 2016 is \$5.86 per cwt, and the Class II nonfat solids price is \$0.6511. The two-week product price averages for June 2016 are: butter \$2.0632, nonfat dry milk \$0.7469, cheese \$1.4477 and dry whey \$0.2522.

APRIL MILK PRODUCTION: Milk production in the 23 major States during April totaled 16.8 billion pounds, up 1.2 percent from April 2015. March revised production, at 17.2 billion pounds, was up 1.8 percent from March 2015. The March revision represented an increase of 7 million pounds or less than 0.1 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,948 pounds for April, 19 pounds above April 2015. This is the highest production per cow for the month of April since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.65 million head, 21,000 head more than April 2015, and 4,000 head more than March 2016.

APRIL FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY: Handler reports of receipts and utilization under the Federal milk order system for April 2016 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During April, more than 12.0 billion pounds of milk were received from Federally pooled producers. This volume of milk is 22.8 percent higher than the April 2015 volume. Regulated handlers pooled 3.400 billion pounds of producer milk as Class I products, down 0.1 percent when compared to the previous year. Class I utilization decreased in 4 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 28%, Class II = 13%, Class III = 44%, and Class IV = 15%. The weighted average statistical uniform price was \$14.41 per cwt, up \$0.01 from last month but down \$1.81 from last year.

CME GROUP

MONDAY, MAY 16, 2016

CHEESE -- SALES: 1 CAR BARRELS @ \$1.3300; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3300; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.8000, 1 @ \$0.8050, 1 @ \$0.8100; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.8075; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8150
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0450

TUESDAY, MAY 17, 2016

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.3325, 1 @ \$1.3375, 1 @ \$1.3400, 1 @ \$1.3500; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3500; 1 CAR 40# BLOCKS @ \$1.2800; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3600
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.7800; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.7750; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.7900
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0300; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0550

WEDNESDAY, MAY 18, 2016

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.3575, 1 @ \$1.3625, 2 @ \$1.3600; 10 CARS 40# BLOCKS: 2 @ \$1.2800, 1 @ \$1.3000, 2 @ \$1.3150, 1 @ \$1.3050, 3 @ \$1.3100, 1 @ \$1.3025; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3625; 1 CAR 40# BLOCKS @ \$1.3100; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.3700; 2 CARS 40# BLOCKS @ \$1.3200
 NONFAT DRY MILK -- SALES: 5 CARS GRADE A: 2 @ \$0.8000, 1 @ \$0.7900, 1 @ \$0.7925, 1 @ \$0.8000; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7850; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8000
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0525; LAST OFFER UNCOVERED: NONE

THURSDAY, MAY 19, 2016

CHEESE -- SALES: 1 CAR BARRELS @ \$1.3800; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3800; LAST OFFER UNCOVERED: 2 CARS 40# BLOCKS @ \$1.3200
 NONFAT DRY MILK -- SALES: 13 CARS GRADE A @ \$0.8000; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7900; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8050
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0600; LAST OFFER UNCOVERED: NONE

FRIDAY, MAY 20, 2016

CHEESE -- SALES: 10 CARS BARRELS: 5 @ \$1.3800, 1 @ \$1.3700, 2 @ \$1.3675, 1 @ \$1.3600, 1 @ \$1.3550; 3 CARS 40# BLOCKS: 1 @ \$1.3175, 2 @ \$1.3150; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3400; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.3150
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8150; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8250
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0700; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS**NORTHEAST**

Northeast butter production centers largely on heavy milk intakes moving into manufacturing. Although production schedules are full at some plants, manufacturers are content in building inventories at this time. This period affords the building of stocks prior to summer's high temperatures that reduce butterfat component levels. Orders from the food service sector have grown for upcoming holiday weekend needs. Differences between domestic and foreign butter prices continue to contribute to imported butterfat, although butterfat imports dropped sharply compared to last month. Demand for cream from Class II and Class III products is steady to higher due to warmer conditions and pre-holiday production of aerated cream and cream cheese. Prices for bulk butter range 5 cents to 8 cents over the market, based on the CME Group with various time frames and averages used. Tuesday's CME Group cash trading saw Grade AA butter close at \$2.0375, down \$0.0100 from a week ago. According to the *DMN National Retail Report-Dairy*, for May 13-19, 2016, the national weighted average advertised price for 1-pound butter was \$2.75, down 14 cents from a year ago and 16 cents from last week. The Northeast butter price was \$2.77, a 35 cents decline from the previous week. Southeast butter was priced at \$2.82, an increase of 29 cents compared to a week ago.

CENTRAL

Butter production is steady to fractionally lower this week. Many producers report either pulling bulk butter out of the freezers or purchasing bulk butter for microfixing. Cream is still readily available and butter makers are facing few to no obstacles finding spot loads of cream. A handful of manufacturers are responding to requests for cream from ice cream makers. This is limiting their butter production slightly. Interest from food service and retail is

strong. Many manufacturers feel that demand is characteristic for this time of year. Industry participants seem comfortable with current inventory levels. Others are working hard to build stocks for Q3 and Q4. Bulk butter prices reportedly range from market to 10 cents over the market, with various time frames and averages used. The market undertone is steady. The *DMN National Retail Report-Dairy* for May 13-19 noted the national weighted average advertised price for a 1 pound package of butter was \$2.75, \$0.16 below one week ago, and \$0.14 below one year ago. The weighted average price in the South Central region is \$2.40 with a price range of \$1.89-\$2.55. Prices in the Midwest region for 1 pound packages of butter range from \$1.99-\$2.50 with a weighted average price of \$2.27. Wednesday at the CME Group, Grade AA butter closed at \$2.0525, unchanged from last Wednesday.

WEST

Western butter making remains active. Cream is generally available for almost all processing needs, but is a little tight in some areas. However butter makers report multiples are in a position where it is neither very attractive to buy extra cream, nor is it very advantageous to sell the cream. As a result, butter manufacturers are steadily churning and inventories are building along seasonal trends. Industry contacts say domestic demand remains sound. Bulk and print butter are moving steadily through existing contracts. A few manufacturers report they are getting regular inquiries for spot loads of butter, but are hesitant to release the butter and short themselves for committed sales later in the year. The *DMN National Retail Report-Dairy* for the week of May 13-19 found that the U.S. weighted average advertised price of 1 pound butter is \$2.75, down \$.16 from last week. The U.S. weighted average price was \$2.89 one

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

| WEEK ENDING | BUTTER | CHEESE 40# BLOCKS | CHEESE BARRELS 38% MOISTURE | DRY WHEY | NDM |
|--------------|---------------------|----------------------|--------------------------------|--------------------|---------------------|
| May 14, 2016 | 2,0521 3,023,421 | 1,4179 14,340,189 | 1,4218 10,623,959 | .2533 9,853,947 | .7508 20,066,230 |

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

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year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$2.39, with a range of \$1.99-\$2.50. In the Northwest, the weighted average advertised price of 1 pound butter is \$3.57, with a range of \$1.79-\$3.99. Bulk butter pricing in the West this week is 1 cent 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 \$2.0525, unchanged from a week ago.

2016 U.S. Butter Imports (USDA-FAS)

| | 2016 Imports (Million Lb.) | % Change From 1 Year Ago | % of Yearly Quota |
|------------------|-------------------------------|-----------------------------|----------------------|
| April Quota | 0.7 | - 71.7 | 4.3 |
| TOTAL, JAN – APR | | | |
| High Tier | 11.2 | + 375.9 | ... |
| Quota | 5.0 | - 40.0 | 32.4 |

CHEESE MARKETS

NORTHEAST

The CME Group weekly average block and barrel prices are trending lower, as prices have dipped three consecutive weeks. Accordingly, this week wholesale selling prices for 40# cheddar and Muenster decreased \$0.0475 and process 5# sliced decreased \$0.0550. Swiss cuts prices are unchanged. In general, cheese manufacturing duplicates continuing increases in area milk production. Swiss cheese production in the Northeast has increased and cheese makers are building stocks. Mozzarella and provolone inventories are building, as current demand is good, but expected to decline with the completion of the school year approaching. Leading up to Memorial Day, cream cheese output is steady to increasing. According to the *DMN National Retail Report-Dairy*, for May 13-19, 2016, the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.24, 12 cents more than the national average price and 9 cents more than a week ago. The Southeast 8 oz. block cheese price was \$1.90, 29 cents less than the previous week. Tuesday's CME Group Daily cash prices saw barrels close at \$1.3500, up \$0.0600 from last week. Blocks closed at \$1.2800, \$0.0075 higher than a week ago.

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

| | | |
|-----------------------------|---|---------------|
| Cheddar 40# Block | : | 1.6850-1.9700 |
| Process 5# Sliced | : | 1.4925-1.9725 |
| Muenster | : | 1.7050-2.0550 |
| Grade A Swiss Cuts 10 - 14# | : | 2.9850-3.3075 |

MIDWEST

Cheese vats remain full throughout the Central region. Many manufacturers report running full schedules to manage high fluid milk intakes. Recent downward price trends on the CME Group have resulted in increasing sales for a group of industry contacts. However, barrels saw an increase in price on the CME Group the last few days. Some speculate this could be a result of an increase in demand for processed cheeses used for grilling. A large quantity of storage facilities are at or near capacity. Recent strength in sales has helped free up space in inventories for a few industry participants. Contracts continue to be filled, but several manufacturers report little demand outside of contracts. Overall, it is a mixed market. The *DMN National Retail Report-Dairy* shows that May 13-19 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.03, 15 cents lower than the national average. Midwest prices range from \$1.25-\$2.50. One year ago, the national price was \$2.43. For 8 ounce blocks, the Midwest average price is \$1.89, 23 cents below the national average price. Midwest ads are priced from \$1.25-\$2.49. Last year, the national price was \$2.39. Midwestern wholesale prices are unchanged for Swiss cuts, but down \$.0550 for process, and down \$.0475 for all other types. This week, a cooperative export assistance program accepted requests for 1.186 million pounds of cheese. So far this year, the program has accepted requests to assist in the sale of 20.194 million pounds of cheese. In CME Group trading Wednesday, barrels closed at \$1.3625, up \$.0625 from last Wednesday and blocks closed at \$1.3150, up \$.0150.

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

| | | |
|---|---|---------------|
| Process American 5# Loaf | : | 1.3850-1.7450 |
| Brick And/Or Muenster 5# | : | 1.6550-2.0800 |
| Cheddar 40# Block | : | 1.3825-1.7775 |
| Monterey Jack 10# | : | 1.6300-1.8350 |
| Blue 5# | : | 1.9225-2.9100 |
| Mozzarella 5 - 6# (Low Moisture, Part Skim) | : | 1.4550-2.3950 |
| Grade A Swiss Cuts 6 - 9# | : | 2.5025-2.6200 |

WEST

Cheese production schedules are near full capacity. Western cheese makers report milk is in relatively good balance with processing needs. Pockets that are a little tight are finding extra milk within the region to round out production schedules. Strong domestic retail cheese demand is continuing while export opportunities are light. A few industry contacts are anticipating a slowdown of mozzarella demand as schools begin to close for summer breaks. In addition, demand for process cheese is starting to pick up a little as summer approaches. The market tone is a little unsettled. Cash cheese prices have slid to levels not seen in several years and inventories are still long. The *DMN National Retail Report-Dairy* for the week of May 13-19 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.18, down \$.06 from last week, and down \$.25 from a year ago. Packs average \$2.05 in the Southwest and \$2.50 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.12, up \$.01 from last week, but down \$.27 from a year ago. Blocks average \$2.72 in the Southwest and \$2.50 in the Northwest this week. In the West, wholesale prices are down \$.0550 for process, and down \$.0475 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged this week. In CME Group trading Wednesday, barrels closed at \$1.3625, up \$.0625 from a week ago and blocks closed at \$1.3150, up \$.0150.

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

| | | |
|---------------------------|---|---------------|
| Process 5# Loaf | : | 1.4000-1.6575 |
| Cheddar 40# Block | : | 1.3875-1.8325 |
| Cheddar 10# Cuts | : | 1.5675-1.7875 |
| Monterey Jack 10# | : | 1.5775-1.7375 |
| Grade A Swiss Cuts 6 - 9# | : | 2.5625-2.9925 |

FOREIGN

Global Trade Atlas (GTA) indicates the U.S. cheese export percentage change for January-March 2016 compared to 2015 is down 18%. GTA also reports cheese import percentage changes for January-March 2016 compared with 2015 for the main importing countries as: China +40%; Russia +18%; Japan +12%; United States +31%; and Thailand +18%. In the U.S., wholesale domestic blue, gorgonzola, parmesan and Romano cheese prices decreased \$0.0475 following lower weekly average CME Group block prices, Swiss cuts Switzerland and the remaining prices are unchanged.

CHEESE MARKETS

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

| VARIETY | NEW YORK | |
|--------------------------|---------------|----------------|
| | IMPORTED | DOMESTIC |
| Blue | 2.6400-5.2300 | 1.8500-3.3375* |
| Gorgonzola | 3.6900-5.7400 | 2.3575-3.0750* |
| Parmesan (Italy) | -0- | 3.2400-5.3300* |
| Romano (Cows Milk) | -0- | 3.0400-5.1900* |
| Sardo Romano (Argentine) | 2.8500-4.7800 | -0- |
| Reggianito (Argentine) | 3.2900-4.7800 | -0- |
| Jarlsberg-(Brand) | 2.9500-6.4500 | -0- |
| Swiss Cuts Switzerland | -0- | 3.0225-3.3450 |
| 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 | |
|----------|-----------------|----------|
| | | : |
| 05/16/16 | 28,935 | : 96,786 |
| 05/01/16 | 28,011 | : 95,173 |
| CHANGE | 924 | : 1,613 |
| % CHANGE | 3 | : 2 |

2016 U.S. Cheese Imports (USDA-FAS)

| | 2016 Imports (Million Lb.) | % Change From 1 Year Ago | % of Yearly Quota |
|------------------|-------------------------------|-----------------------------|----------------------|
| April Quota | 16.3 | + 7.6 | 5.5 |
| TOTAL, JAN - APR | | | |
| High Tier | 22.6 | + 94.7 | ... |
| Quota | 75.6 | + 28.5 | 25.3 |

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 | 160 | 0 | 160 | 0 | 105 |
| SOUTHEAST STATES | 0 | 0 | 0 | 0 | 0 | 4 |

Northeast milk production volumes are heavy and gaining traction as the region nears seasonal peak. Class I demand shows some decline as universities move toward completing the spring term. Farm milk production in the Mid-Atlantic region is steadily increasing around the spring flush. Class I demand is steady. Manufacturing milk supplies remain heavy with most plants operating full. Milk handlers in the Southeast expressed that milk production volumes are tapering. Bottling sales are flat. Auxiliary manufacturing plants are receiving moderate to heavy milk supplies. Florida's milk production showed a slight uptick. Fluctuations in output are expected the next few weeks as temperatures loom in the high 80s to low 90s, with rising humidity. Bottling sales are down, with more declines anticipated as area schools and colleges dismiss over the next 3 weeks. The state's export milk shipments in the f.o.b. spot market are 160 loads this week, unchanged from last week. According to the *DMN National Retail Report-Dairy*, for May 13-19, 2016, the U.S. weighted average advertised price for a gallon of milk was \$2.27, down 2 cents from last week and down 45 cents from a year ago. Northeast gallons of milk are priced at \$2.51, up 1 cent from the last week. Heavily discounted transactions continue to occur when trading Eastern **condensed skim** in f.o.b. spot markets. Sales are usually to all Classes and primarily out of region. The bulk of condensed skim supplies are clearing to Class IV processing. This week's cream market saw East multiples attempt to edge higher, but without much traction. As a result, **cream multiples** for all Classes range **1.05-1.20**, unchanged from the previous week. In general, the market is seeing a repeat of last week, with cream supplies readily available. Yogurt sales are good and prompting active production in the Northeast. Cream into cream cheese production is steady as plants maintain 7 day work schedules. The CME Group, Grade AA butter price closed at \$2.0525 on Wednesday, unchanged 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 - 2.1499-2.4570

F.O.B. producing plants: upper Midwest - 2.2523-2.4775

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

Northeast - Class II - includes monthly formula prices - .20-.63

Northeast - Class III - spot prices - .15-.55

MIDWEST

The cool weather has been very conducive to high production and components here in the North Central area. Farm level milk production shows little to no signs of slowing. Warm temperatures in the South Central area are affecting cow comfort. Milk production continues to climb, but at smaller increments. Classes have ended for the majority of universities in the region. Bottlers have reported a noticeable drop in orders because of this. They are anticipating even stronger declines as the school year for other educational institutions comes to an end. Spot loads of milk can be found at \$2.00 to \$4.00 under class. In the North Central area, cream demand is flat. There is

a plentiful supply of cream spot loads on the market. Until warmer weather arrives, manufacturers do not expect the cream supply to tighten. However, a handful of manufacturers have seen a small uptick in demand for cream. Industry participants speculate this is because ice cream manufacturers are preparing for warmer temperatures. Hot temperatures in the South Central area may have manufacturers experiencing slight increases in cream demand. Overall, manufacturers are optimistic for ice cream demand as schools let out and vacation season approaches. Multiples for cream are steady to lower this week, 1.10 to 1.21. The *DMN National Retail Report-Dairy* for May 13-19 noted the national weighted average advertised price for one gallon of milk was \$2.27, down \$0.02 from a week ago, and \$0.45 lower than a year ago. The weighted average regional prices in the Midwest and South Central regions were \$2.20 and \$2.48, respectively. Farmers have made great progress planting corn in the South Central area. In some cases, corn planting is complete. Over half of this year's planned soybean crop has been planted. Below normal temperatures in the North Central area had farmers concerned about freeze damage to crops already in the ground. Farmers have made significant progress with planting for a handful of crops and are hoping for warmer temperatures to support growth.

WEST

In California, farm level milk output has plateaued after a four-week downward trend. The current dry weather is promoting cows' comfort, according to some industry participants. Sales into Class I are steady to lower. Many K-12 school districts are readjusting orders as the end of semester approaches. However, requests from grocery stores and restaurants are slightly higher this week. Condensed skim sales into Class 2 and Class 4a (butter/powder) are active, as prices remain relatively low. In Arizona, milk output continues trending lower. Higher temperatures, averaging 105 degrees, are increasing heat stress on dairy herds. Class I sales are lower as most educational institutions concluded courses recently. Condensed skim sales into Class II are steady to higher as demands for ice cream and frozen desserts are inching up. Cottonseed planting is almost done in Arizona. Milk pooled on the Arizona Order 131 totaled 445.2 million pounds in April 2016. Class I utilization accounted for about 23.3% of producer milk. The uniform price was \$13.82, \$0.02 below last month and \$1.43 below one year ago. In New Mexico, farm milk production is steady on the top of the seasonal peak. Bottled milk requests from educational institutions are trending lower as most public K-12 schools will finish courses during next week. Requests from retailers and food services remain steady. Manufacturing milk volumes moving to cheese processing plants are steady. Condensed skim loads moving into NDM manufacturing are slightly lower as some dryers are performing maintenance/repair works. New Mexico is between the first and second cutting of fair/good quality alfalfa hay. According to the *DMN National Retail Report-Dairy* for the week of May 13-19, the national weighted average advertised price for one gallon of milk is \$2.27, down 2 cents from last week and 45 cents from a year ago. The weighted average regional prices in the Southwest and Northwest are \$1.95, and \$1.79, respectively. Warmer temperatures in the Pacific Northwest are aiding cow comfort and pushing milk production upward along seasonal trends. Bottling demand is near normal for this time of year, and manufacturers are

-CONTINUED ON PAGE 4A-

FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

preparing for more milk to be available for processing when school sessions end. Industry contacts report milk intakes are in balance with bottling and processing needs. Much of the winter snowpack melted earlier than usual, however above average precipitation this last winter has reservoirs at near normal levels. Adequate moisture and warm temperatures are prompting farmers to start harvesting forages. Milk pooled on Pacific Northwest Order 124 totaled 580.7 million pounds in April 2016. Class I utilization accounted for about 26.3% of producer milk. The uniform price was \$13.67, unchanged from last month and \$1.19 below one year ago. Utah and Idaho contacts say there is no shortage of milk. Ample milk intakes are pushing processing to near full schedules. Industry contacts report some milk moving between Idaho and Utah. Extra loads of milk are available at the Class III price or slightly below, and there is a market for all milk produced. Manufacturers are anticipating a bump in available milk as schools close for the summer break. Cream supplies are readily available for processing in some areas of the West. However, cream remains tight in other areas of the region. Moderate to heavy cream volumes continue clearing into butter churning. Demands for cream from ice cream and frozen dessert manufacturers are higher as the summer season approaches. This week, multiples for all classes are steady, ranging from 1.06 to 1.22.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices for low/medium heat nonfat dry milk in the Central region are steady to higher. Industry contacts feel that prices are firming. Production for low/medium heat nonfat dry milk is steady. The low end of the price range reflects 3-6 month old loads manufacturers are moving. Fresh nonfat dry milk is selling at a higher price point and several producers report strong sales. Other manufacturers report little success moving stocks outside of contracts at the current price point. Monday and Tuesday CME Group saw some resistance to rising NDM prices. However, Wednesday NDM prices increased \$.0200. Overall, the nonfat dry milk market is mixed. Inventories are steady to building. Exports are rising as industry participants report growing interest from the international markets. Central high heat NDM prices are steady to higher in a quiet market. Manufacturers are producing very little high heat outside of contractual needs. Some processors report comfortable inventories while others feel stocks are tight.

EAST: In the East region, low/medium heat nonfat dry milk prices are steady to higher in the mostly price series. Higher milk production in the region is resulting in more condensed skim available for drying. While active condensed skim sales decrease overall drying activity at several East region plants, production remains steady at increased levels. Producers' stocks are adequate to heavy. As the NDM market firms, some market participants are puzzled as to the current trend. Thus, as light to moderate trading occurs, some users and traders are waiting for a more defined market trend that communicates supply/demand fundamentals. Some sources suggest that current market prices prompt increased resell activity. Low/medium heat NDM customer commitments are clearing as contracted. International market interest is good, primarily to Mexico. The market undertone is steady to firm. High heat prices are steady to higher. In most cases, intermittent production is moving to customers. However, this week high heat NDM runs are given attention by manufacturers who are increasing stocks, as supplies in the region are tight. The market undertone is steady to unsettled.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7500 - .8300 MOSTLY: .7600 - .8000
HIGH HEAT: .8900 - .9700

NONFAT DRY MILK - WEST

Prices for low/medium heat nonfat dry milk (NDM) are mixed on the range, but slightly higher on the mostly series. These prices are following upward movements in various indices. The market undertone is steady to firm. Sales in the f.o.b. spot market are moving well, according to some brokers. Demand from cheese manufacturers is good, but is light to moderate from bakers. A few producers are performing maintenance/repair work on their dryers. However, production has been marginally affected. Low/medium heat NDM manufacturing continues active in many processing plants as moderate to heavy condensed skim volumes continue clearing into dryers. Inventories are mixed throughout the region. In some processing plants, inventories are committed throughout the end of 2016. Prices for high heat nonfat dry milk are higher on the bottom on the range, but steady on the top. High heat processing is sporadic, based on contractual needs. Inventories continue to be tight outside contracts.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7250 - .8300 MOSTLY: .7600 - .8000
HIGH HEAT: .8700 - .9700

CALIFORNIA MANUFACTURING PLANTS - NDM

| WEEK ENDING | PRICE | TOTAL SALES |
|-------------|---------|-------------|
| May 13 | \$.7306 | 15,274,342 |
| May 6 | \$.7297 | 16,679,454 |

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

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk production is steady this week in reaction to active butter making. The low end of the price range moved up this week, as industry contacts report less spot load interest. However, there is a plentiful supply of buttermilk on the market, bringing down the top end of the price series. Sales are reportedly mixed. Some manufacturers report little interest outside of contracts while others are seeing increases in sales. Industry participants speculate that a large portion of buttermilk sales is going to international buyers. Buttermilk moving into ice cream is still slow in the Central region. Manufacturers are anticipating a strong increase in demand as warmer weather approaches. Inventories are mixed.

EAST: East dry buttermilk prices are mixed based on f.o.b. spot sales activity. With plenty of cream available and active churning, condensed buttermilk dryer schedules remain active to process solids off the butter stream. Sales of dry buttermilk into some ice cream facilities are improving, with warmer temperatures prompting buyer interest. Some buyers maintain a "wait and see" attitude, wanting a clearer picture of the market prior to making additional purchases. Eastern dry buttermilk supplies are steady to incrementally higher. As such, most manufacturers remain comfortable with current inventory levels. An emphasis of some plant managers is to maintain inventory levels that can meet late summer contract needs. The market undertone is unsettled.

F.O.B. CENTRAL/EAST: .7000 - .7700

DRY BUTTERMILK - WEST

Western dry buttermilk prices are steady. The market undertone remains weak. Demand is sluggish. Sales in the f.o.b. spot market are light. Interest for condensed buttermilk from ice cream/frozen dessert makers is active. Some processors are selling condensed buttermilk loads instead of drying them. As a result, dry buttermilk production is steady to lower this week. Inventories are unchanged.

F.O.B. WEST: .6700 - .7550 MOSTLY: .6900 - .7400

DRY WHOLE MILK - NATIONAL

National dry whole milk prices are mixed. A few f.o.b. spot sales pulled the bottom of the range slightly up, but the top remains steady. Sales outside contracts are light. At this point, the market undertone is unsettled. Production is irregular, based on contractual requirements. Some processors are switching from dry whole milk production to dry skim milk. Inventories vary from plant to plant. This week, a cooperative export assistance program accepted requests for 308,647 pounds of dry whole milk.

F.O.B. PRODUCING PLANT: 1.1000 - 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

Dry whey production is steady this week. Whey prices are higher. Some manufacturers are having success moving fresh dry whey at or above market. Older loads are being offered at low price points to make room in storage for newer production. There is a large supply of dry whey on the spot market. Industry participants feel at this price point, sales have increased. This upturn in movement is helping many manufacturers alleviate inventory pressure. Some processors feel they are balanced with their stocks and are comfortable with inventory levels. A handful of contacts saw an increase in exports this week. A few producers report international interest in contracts for the upcoming months. Overall, the whey market is leveling out. Off specification high protein dairy powders are available on the market and seem to be spiking feed blenders' interest. Many animal feed producers are working through their whey inventories, blending with high protein dairy powders. Calf prices are rising, putting added pressure on beef and veal raising operations.

F.O.B. CENTRAL: .2000 - .3000 MOSTLY: .2100 - .2650
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1250 - .2125

DRY WHEY - NORTHEAST

Dry whey prices in the region are unchanged. Manufacturing rates for the regions' cheese plants are at seasonal levels, with heavy subsequent whey streams. Thus, dry whey output is sufficient for current needs as new production adds to some regional inventories. Sources note that a few manufacturers are willing to discount loads to reduce supplies. In general, the East dry whey market has a steady undertone.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2100 - .2750

DRY WHEY - WEST

Western whey prices increased slightly at the top end of both the range and mostly price series this week. Some manufacturers state that through aggressive contracting and spot sales, they have been able to bring their inventories into more comfortable levels. This is allowing them to be pickier on bids accepted. In addition, offers from manufacturers in domestic channels are tending to have a little higher price than for exports. However current demand is somewhat more active in export markets than domestic markets. Industry contacts report a few buyers are looking for specific brands of whey to fill their needs. Production is steady and in line with active cheese production.

NONHYGROSCOPIC: .2100 - .2850 MOSTLY: .2125 - .2600

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% moved higher as the differentiation between WPC34% used in infant formula applications versus ingredient uses widened. Industry contacts say inventories are generally tight for most brands, although a few manufacturers report WPC34% that does not meet infant formula specifications is more readily available. Some manufacturers state inquiries from buyers are increasing as these buyers find WPC34% unavailable from their regular suppliers. Production is generally stable, however WPC34% manufacturing is down compared to last year at this time. Some manufacturers are opting to make higher protein concentrations in lieu of WPC34%.

F.O.B. EXTRA GRADE 34% PROTEIN: .5600 - .7575 MOSTLY: .6000 - .6625

LACTOSE - CENTRAL AND WEST

For lactose, the bottom end of the mostly price series went up while other lactose prices held steady. Demand is strong, especially for higher mesh sizes and highly desired brands. Manufacturers report some buyers are actively seeking out additional loads of lactose. In some cases, the buyers are finding their usual suppliers are unable to provide these extra loads. In other cases, manufacturers need to juggle shipping dates in order to meet the immediate demand. Lactose production is steady, however a few industry contacts report some cheese manufacturers are considering slowing cheese production as a way to balance their cheese inventories. This may reduce lactose production and further tighten lactose stocks.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .2000 - .3550 MOSTLY: .2200 - .2950

CASEIN - NATIONAL

Casein prices are mixed. Both casein rennet and acid prices decreased on the lower end of the price range, but increased slightly on the upper end of the price range. This may be reflective of manufacturers seeking to clear inventories in the near term, but anticipating decreases in casein production as New Zealand milk production declines through the next few months. At GDT event 164 on May 17, rennet casein had price decreases for June and July contract periods, but price increases for August contracts. The casein rennet price increased 0.3% over all contracts.

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: 2.1700 - 2.7575
ACID: 2.3075 - 2.8575

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> |
| 04/30/2016 | 53.2 | 1,050.1 | 52.7 | 1,066.6 |

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

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

CLASS III MILK PRICES (3.5% BF)

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

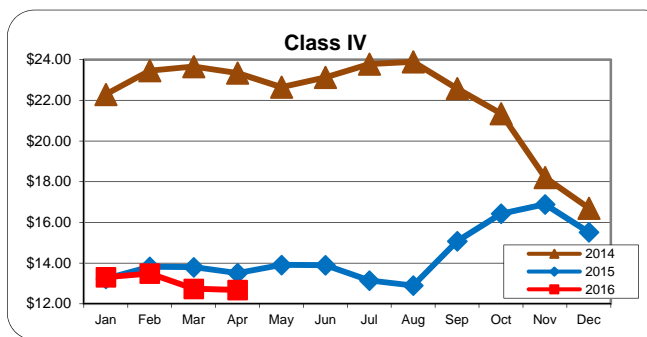
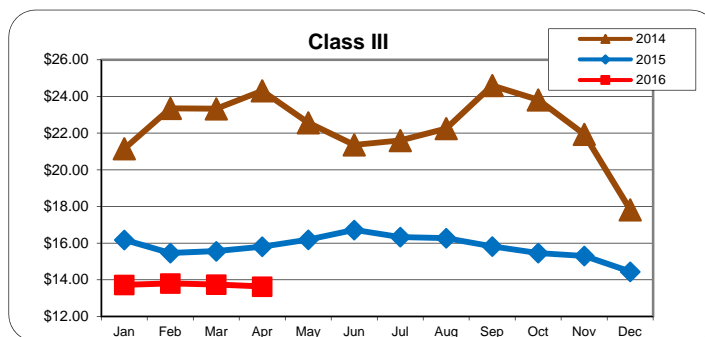
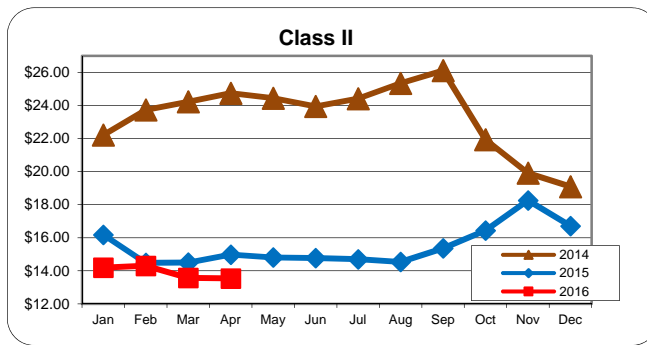
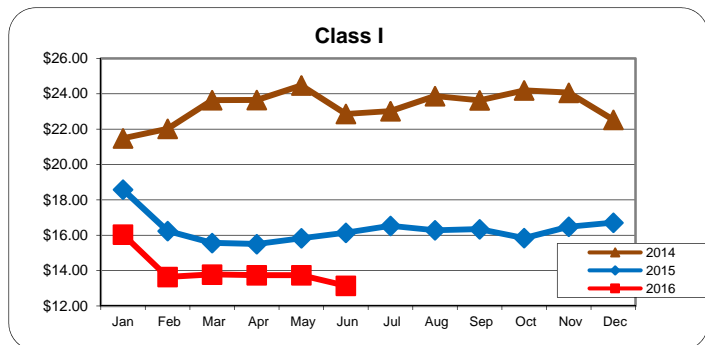
CLASS IV MILK PRICES (3.5%)

| YEAR | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2011 | 16.42 | 18.40 | 19.41 | 19.78 | 20.29 | 21.05 | 20.33 | 20.14 | 19.53 | 18.41 | 17.87 | 16.87 |
| 2012 | 16.56 | 15.92 | 15.35 | 14.80 | 13.55 | 13.24 | 14.45 | 15.76 | 17.41 | 18.54 | 18.66 | 17.83 |
| 2013 | 17.63 | 17.75 | 17.75 | 18.10 | 18.89 | 18.88 | 18.90 | 19.07 | 19.43 | 20.17 | 20.52 | 21.54 |
| 2014 | 22.29 | 23.46 | 23.66 | 23.34 | 22.65 | 23.13 | 23.78 | 23.89 | 22.58 | 21.35 | 18.21 | 16.70 |
| 2015 | 13.23 | 13.82 | 13.80 | 13.51 | 13.91 | 13.90 | 13.15 | 12.90 | 15.08 | 16.43 | 16.89 | 15.52 |

FEDERAL MILK ORDER CLASS PRICES FOR 2016 (3.5%)

| CLASS | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC |
|-------|-------|-------|-------|-------|-------|-------|-----|-----|-----|-----|-----|-----|
| I 1/ | 16.04 | 13.64 | 13.78 | 13.74 | 13.70 | 13.14 | | | | | | |
| II | 14.19 | 14.30 | 13.57 | 13.54 | | | | | | | | |
| III | 13.72 | 13.80 | 13.74 | 13.63 | | | | | | | | |
| IV | 13.31 | 13.49 | 12.74 | 12.68 | | | | | | | | |

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."



ORGANIC DAIRY MARKET NEWS

Information gathered May 9 - 20, 2016

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales. AMS reports March 2016 total organic milk products sales at 214 million pounds, up 1.6% from March last year. In addition, 2016 year to date sales show an increase, up 4.2% compared with year to date sales last year. Organic whole milk sales for March 2016 were 75 million pounds, a 9.3% increase compared with March last year. Year to date sales were 13.7% higher. Organic reduced fat milk sales for March 2016, 65 million pounds, were up 12.9% from sales a year earlier.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,

MARCH 2016, WITH COMPARISONS 1/

| Product Name | Sales | | Change from: 2/ | |
|--------------|-------|-------|-----------------|---------|
| | MARCH | Y-T-D | Prev Yr. | Y-T-D |
| | Mil. | Lbs. | | Percent |

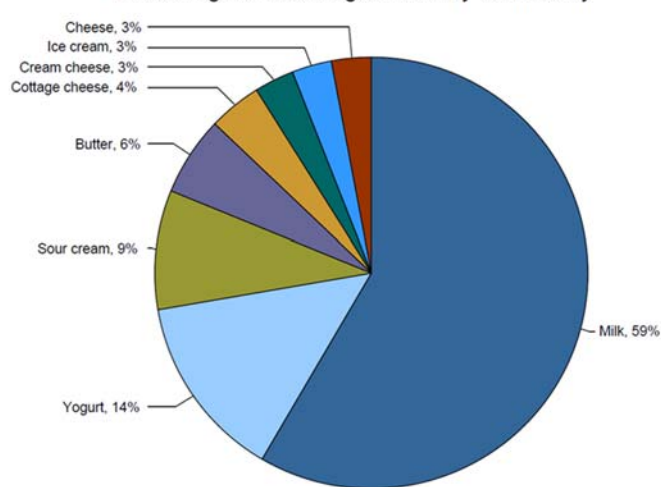
ORGANIC PRODUCTION PRACTICE

| | | | | |
|----------------------------|-----|-----|-------|-------|
| Whole Milk | 75 | 227 | 9.3 | 13.7 |
| Reduced Fat Milk (2%) | 65 | 201 | 13.0 | 12.9 |
| Low Fat Milk (1%) | 36 | 110 | -5.5 | -3.5 |
| Fat-Free Milk (Skim) | 27 | 83 | -13.1 | -10.3 |
| Flavored Fat-Reduced Milk | 9 | 23 | -31.7 | -31.6 |
| Other Fluid Milk Products | 0 | 1 | -- | -- |
| Total Fat-Reduced Milk 3/ | 138 | 417 | -2.2 | -0.3 |
| Tot. Organic Milk Products | 214 | 645 | 1.6 | 4.2 |

ORGANIC DAIRY RETAIL OVERVIEW

Organic Dairy Overview. This week, organic milk accounts for 59% of organic dairy ads, organic yogurt 14%, organic sour cream 9%, organic butter 6%, and organic cottage cheese 4%. Total organic ads decreased 50% compared to the previous report week. Organic yogurt ads are up 43%, while organic milk ads decreased 58%. Organic sour cream showed the largest change in retail ads, 367% above the previous organic report. Regionally, total ads saw the biggest jump in Hawaii, 13 times more than the previous week, while the Southeast reported the strongest decline in ads 80% compared to the last week.

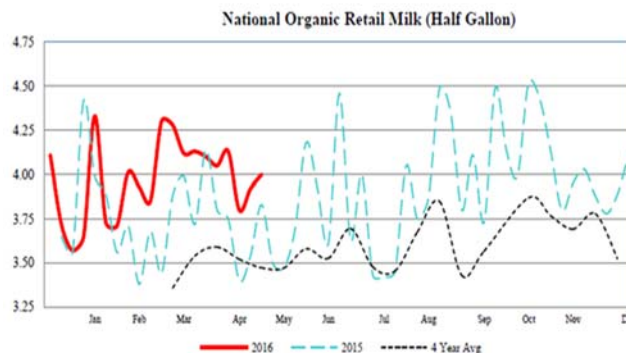
Percentage of Total Organic Ads by Commodity



Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from May 20-26, 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 \$3.78, down 22 cents from last week, but up 28 cents from a year ago. Ads appeared in all regions except Alaska.



Organic Milk Gallons. The U.S. weighted average advertised price of organic milk gallons is \$4.05, \$1.73 below one year ago, and \$1.25 below last week. Ads appeared in the Midwest, South Central, and Southwest regions.

Organic Milk 8 Ounce UHT. The U.S. weighted average advertised price of 8 ounce UHT organic milk is \$1.00, 6 cents below one year ago and 8 below last week. Ads appeared only in the South Central region.

8 Ounce Block Organic Cheese. The U.S. weighted average price of 8 ounce organic cheese blocks is \$3.49, down 50 cents from last week and one year ago. Ads appeared only in the South Central region.

32 Ounce Organic Yogurt. The U.S. weighted average price of 32 ounce organic yogurt is \$2.95, up \$1.16 from last week. Ads appeared only in the Northeast, Southeast, and Alaska regions.

4-6 Ounce Organic Greek Yogurt. The U.S. weighted average price of 4-6 ounce organic Greek yogurt is \$1.50, up 50 cents from last week and up 19 cents from a year ago. This week ads appeared only in the Southwest region.

1 Pound Organic Butter. The U.S. weighted average price of 1 pound organic butter is \$5.66, down 22 cents from last week. Retail ads appeared in the Northeast, Southeast and South Central regions.

16 ounce Organic Sour Cream. The U.S. weighted average price of 16 ounce organic sour cream is \$2.02, down 97 cents from last week. Ads appeared in the South Central, Northwest, and Alaska regions.

ORGANIC GRAIN AND FEEDSTUFF MARKETS:

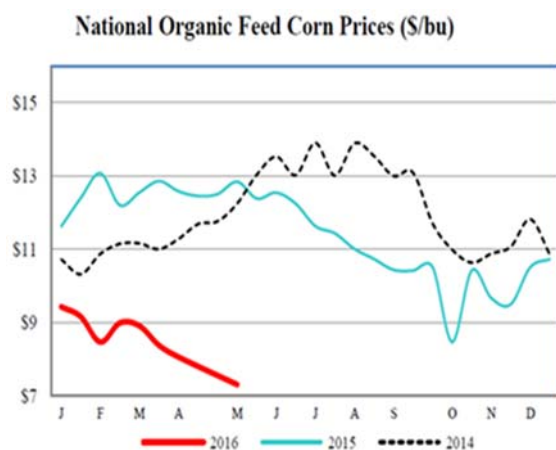
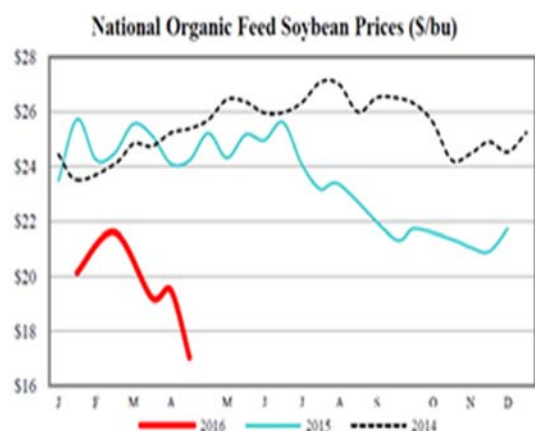
Organic Grain. Organic feed prices continue to trend lower as organic feed soybean registered a sharp drop from the previous month. Compared to the prior trading period, organic grain traded moderate on moderate demand. Limited spot trading was reported in the organic soybean market during May.

-CONTINUED ON PAGE 8A-

ORGANIC DAIRY MARKET NEWS

Information gathered May 9 - 20, 2016

CONTINUED FROM PAGE -8-



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

Additional livestock and grain market news information is available at:
www.ams.usda.gov/LSMarketNews

FEDERAL MILK ORDER ADVANCE CLASS PRICES, JUNE

Base Class I Price: Under the Federal milk order pricing system, the base Class I price for June 2016 is \$13.14 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$5.31 and the advanced butterfat pricing factor of \$2.2908. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I Price.

Comparison to Previous Month: The base Class I price decreased \$0.56 per cwt when compared to the previous month of May 2016. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$0.57 per cwt, -\$0.049 per gallon; reduced fat milk (2%), -\$0.66 per cwt, -\$0.057 per gallon; fat-free (skim milk), -\$0.77 per cwt, -\$0.066 per gallon.

Class II Price Information: The advanced Class IV skim milk pricing factor is \$5.16. Thus, the Class II skim milk price for June 2016 is \$5.86 per cwt, and the Class II nonfat solids price is \$0.6511.

Product Price Averages: The two-week product price averages for June 2016 are: butter \$2.0632, nonfat dry milk \$0.7469, cheese \$1.4477 and dry whey \$0.2522.

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

| Federal Milk Order Marketing Area ³ | Order Number | June 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 | 16.39 | 8.56 | 2.3233 |
| Appalachian (Charlotte) ⁵ | 005 | 16.54 | 8.71 | 2.3248 |
| Florida (Tampa) ⁶ | 006 | 18.54 | 10.71 | 2.3448 |
| Southeast (Atlanta) ⁷ | 007 | 16.94 | 9.11 | 2.3288 |
| Upper Midwest (Chicago) ⁸ | 030 | 14.94 | 7.11 | 2.3088 |
| Central (Kansas City) ⁹ | 032 | 15.14 | 7.31 | 2.3108 |
| Mideast (Cleveland) ¹⁰ | 033 | 15.14 | 7.31 | 2.3108 |
| Pacific Northwest (Seattle) ¹¹ | 124 | 15.04 | 7.21 | 2.3098 |
| Southwest (Dallas) ¹² | 126 | 16.14 | 8.31 | 2.3208 |
| Arizona (Phoenix) | 131 | 15.49 | 7.66 | 2.3143 |
| All-Market Average | | 16.03 | 8.20 | 2.3197 |

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.

April Milk Production

Milk production in the 23 major States during April totaled 16.8 billion pounds, up 1.2 percent from April 2015. March revised production, at 17.2 billion pounds, was up 1.8 percent from March 2015. The March revision represented an increase of 7 million pounds or less than 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,948 pounds for April, 19 pounds above April 2015. This is the highest production per cow for the month of April since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.65 million head, 21,000 head more than April 2015, and 4,000 head more than March 2016.

April 2016 Milk Cows and Milk Production, by States

| State | Milk Cows ¹ | | Milk per Cow ² | | Milk Production ² | | |
|----------------|------------------------|-------|---------------------------|-------|------------------------------|--------|------------------|
| | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | Change from 2015 |
| | (thousands) | | (pounds) | | (million pounds) | | (percent) |
| AZ | 195 | 198 | 2,200 | 2,190 | 429 | 434 | 1.2 |
| CA | 1,779 | 1,773 | 2,025 | 1,965 | 3,602 | 3,484 | -3.3 |
| CO | 145 | 149 | 2,170 | 2,155 | 315 | 321 | 1.9 |
| FL | 125 | 124 | 1,895 | 1,855 | 237 | 230 | -3.0 |
| ID | 585 | 591 | 2,005 | 2,025 | 1,173 | 1,197 | 2.0 |
| IL | 95 | 94 | 1,760 | 1,790 | 167 | 168 | 0.6 |
| IN | 181 | 184 | 1,875 | 1,900 | 339 | 350 | 3.2 |
| IA | 212 | 212 | 1,940 | 2,005 | 411 | 425 | 3.4 |
| KS | 144 | 144 | 1,945 | 1,940 | 280 | 279 | -0.4 |
| MI | 404 | 417 | 2,100 | 2,165 | 848 | 903 | 6.5 |
| MN | 460 | 460 | 1,720 | 1,765 | 791 | 812 | 2.7 |
| NM | 323 | 311 | 2,105 | 2,110 | 680 | 656 | -3.5 |
| NY | 617 | 620 | 1,875 | 1,965 | 1,157 | 1,218 | 5.3 |
| OH | 268 | 266 | 1,730 | 1,745 | 464 | 464 | --- |
| OR | 125 | 126 | 1,735 | 1,745 | 217 | 220 | 1.4 |
| PA | 530 | 530 | 1,745 | 1,755 | 925 | 930 | 0.5 |
| SD | 103 | 114 | 1,840 | 1,840 | 190 | 210 | 10.5 |
| TX | 462 | 463 | 1,940 | 1,965 | 896 | 910 | 1.6 |
| UT | 96 | 95 | 1,950 | 1,945 | 187 | 185 | -1.1 |
| VT | 131 | 131 | 1,695 | 1,740 | 222 | 228 | 2.7 |
| VA | 92 | 90 | 1,680 | 1,665 | 155 | 150 | -3.2 |
| WA | 277 | 277 | 2,020 | 2,030 | 560 | 562 | 0.4 |
| WI | 1,278 | 1,279 | 1,875 | 1,960 | 2,396 | 2,507 | 4.6 |
| 23 State Total | 8,627 | 8,648 | 1,929 | 1,948 | 16,641 | 16,843 | 1.2 |

¹ Includes dry cows. Excludes heifers not yet fresh.

² Excludes milk sucked by calves.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Milk Production*, (May 2016).

Federal Milk Order Marketing and Utilization Summary, April 2016

Highlights. Handler reports of receipts and utilization under the Federal milk order system for April 2016 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During April, more than 12.0 billion pounds of milk were received from Federally pooled producers. This volume of milk is 22.8 percent higher than the April 2015 volume. Regulated handlers pooled 3.400 billion pounds of producer milk as Class I products, down 0.1 percent when compared to the previous year. Class I utilization decreased in 4 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 28%, Class II = 13%, Class III = 44%, and Class IV = 15%. The weighted average statistical uniform price was \$14.41 per cwt, up \$0.01 from last month but down \$1.81 from last year.

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

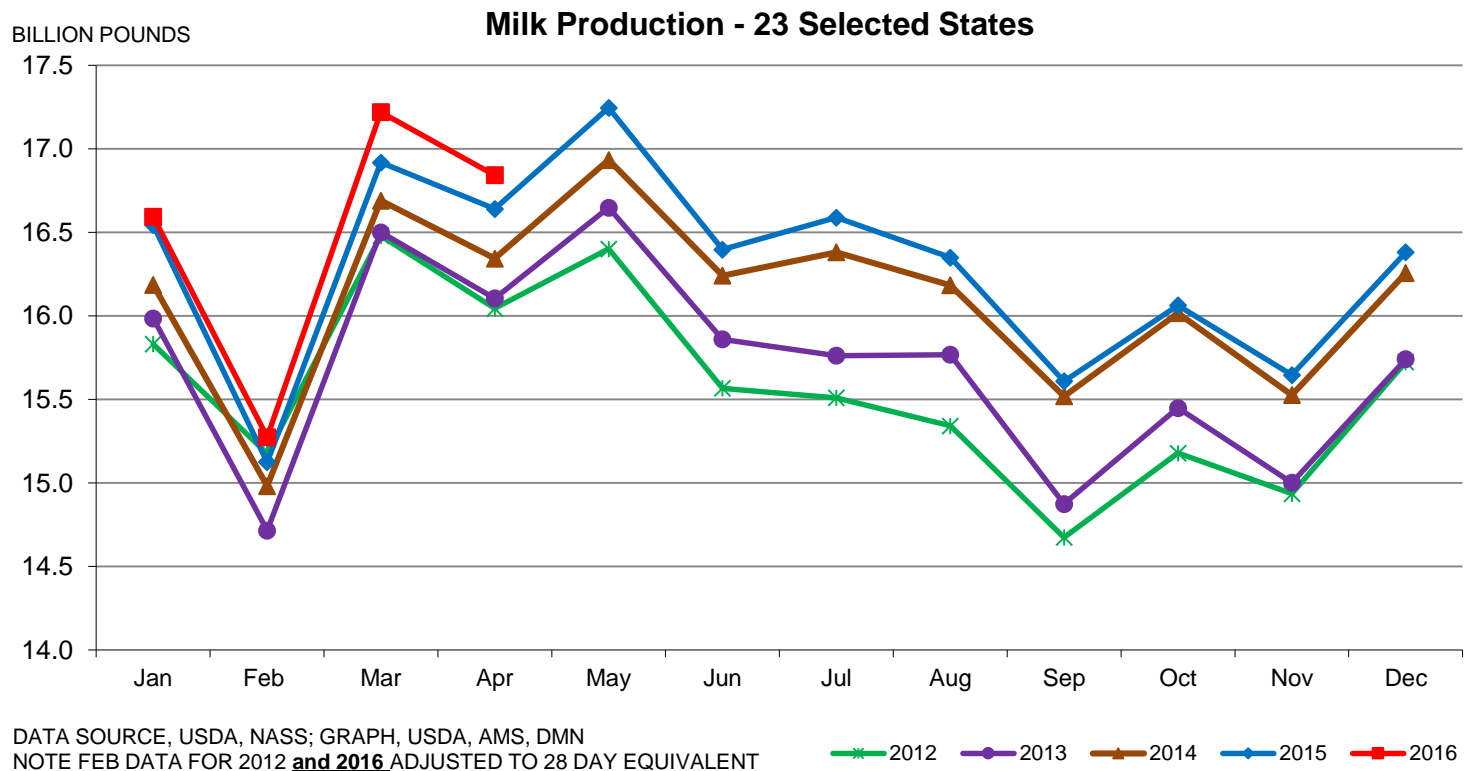
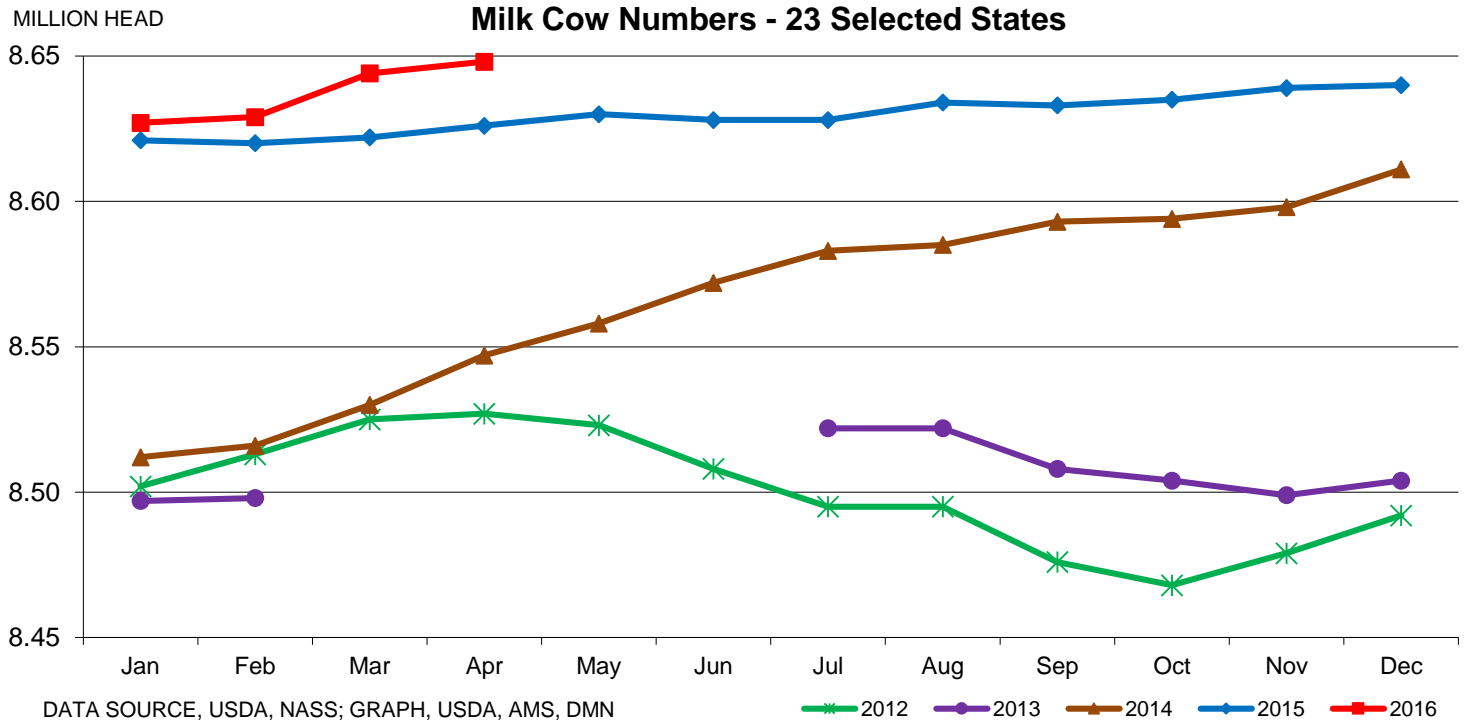
| Federal Milk Order Marketing Area ¹ | Order Number | Receipts of Producer Milk | | Utilization of Producer Milk in Class I | | Utilization of Producer Milk in All Classes ³ | | | | Uniform Price ² |
|---|-----------------|------------------------------|---------------------------|--|---------------------------|---|-------------|--------------|-------------|-------------------------------|
| | | Total | Change from Prev. Year | Total | Change from Prev. Year | Class I | Class II | Class III | Class IV | |
| | | <i>(million lbs)</i> | <i>(percent)</i> | <i>(million lbs)</i> | <i>(percent)</i> | <i>(percent)³</i> | | | | <i>(\$ per cwt)</i> |
| Northeast (Boston) | 001 | 2,265.9 | 2.8 | 725.2 | 0.3 | 32 | 24 | 24 | 20 | 14.85 |
| Appalachian (Charlotte) | 005 | 486.7 | -0.2 | 321.3 | 1.0 | 66 | 15 | 4 | 15 | 16.01 |
| Florida (Tampa) | 006 | 231.5 | -1.4 | 195.6 | 0.1 | 84 | 10 | 1 | 4 | 18.32 |
| Southeast (Atlanta) | 007 | 493.3 | 6.6 | 317.1 | -3.1 | 64 | 14 | 13 | 9 | 16.34 |
| Upper Midwest (Chicago) | 030 | 3,192.6 | 39.6 | 283.4 | -3.0 | 9 | 6 | 81 | 5 | 13.78 |
| Central (Kansas City) | 032 | 1,390.6 | 25.4 | 414.6 | 3.4 | 30 | 11 | 45 | 15 | 13.91 |
| Mideast (Cleveland) | 033 | 1,745.1 | 16.9 | 518.0 | 1.3 | 30 | 20 | 33 | 17 | 14.02 |
| Pacific Northwest (Seattle) | 124 | 580.7 | 23.8 | 152.8 | -6.1 | 26 | 7 | 26 | 40 | 13.67 |
| Southwest (Dallas) | 126 | 1,256.1 | 87.5 | 368.8 | 2.0 | 29 | 9 | 50 | 12 | 14.80 |
| Arizona (Phoenix) | 131 | 445.2 | 4.8 | 103.7 | -5.8 | 23 | 10 | 26 | 40 | 13.82 |
| All Market Average or Total | | 12,087.7 | 22.8 | 3,400.5 | -0.1 | 28 | 13 | 44 | 15 | 14.41 |

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

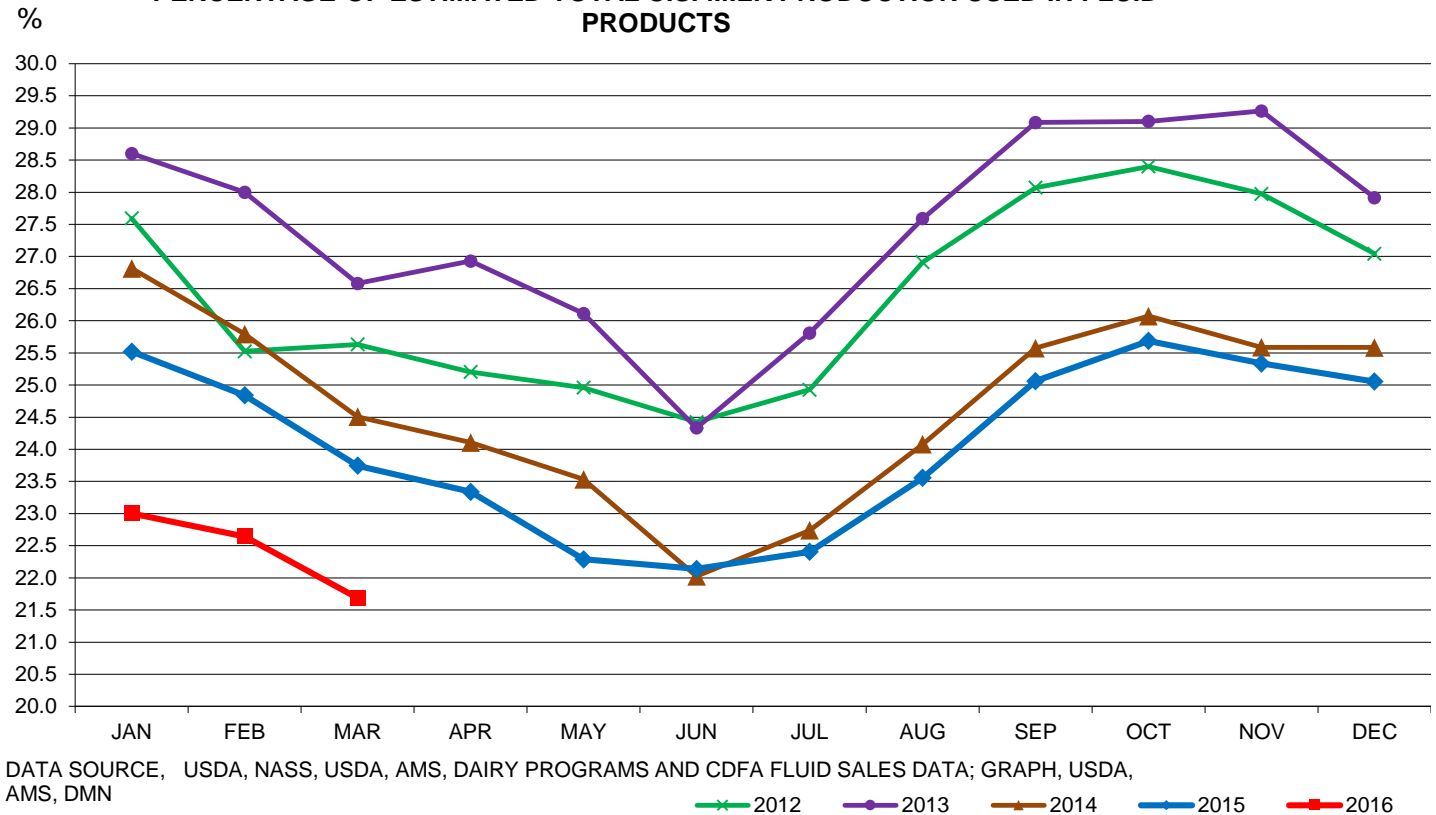
² Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

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

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

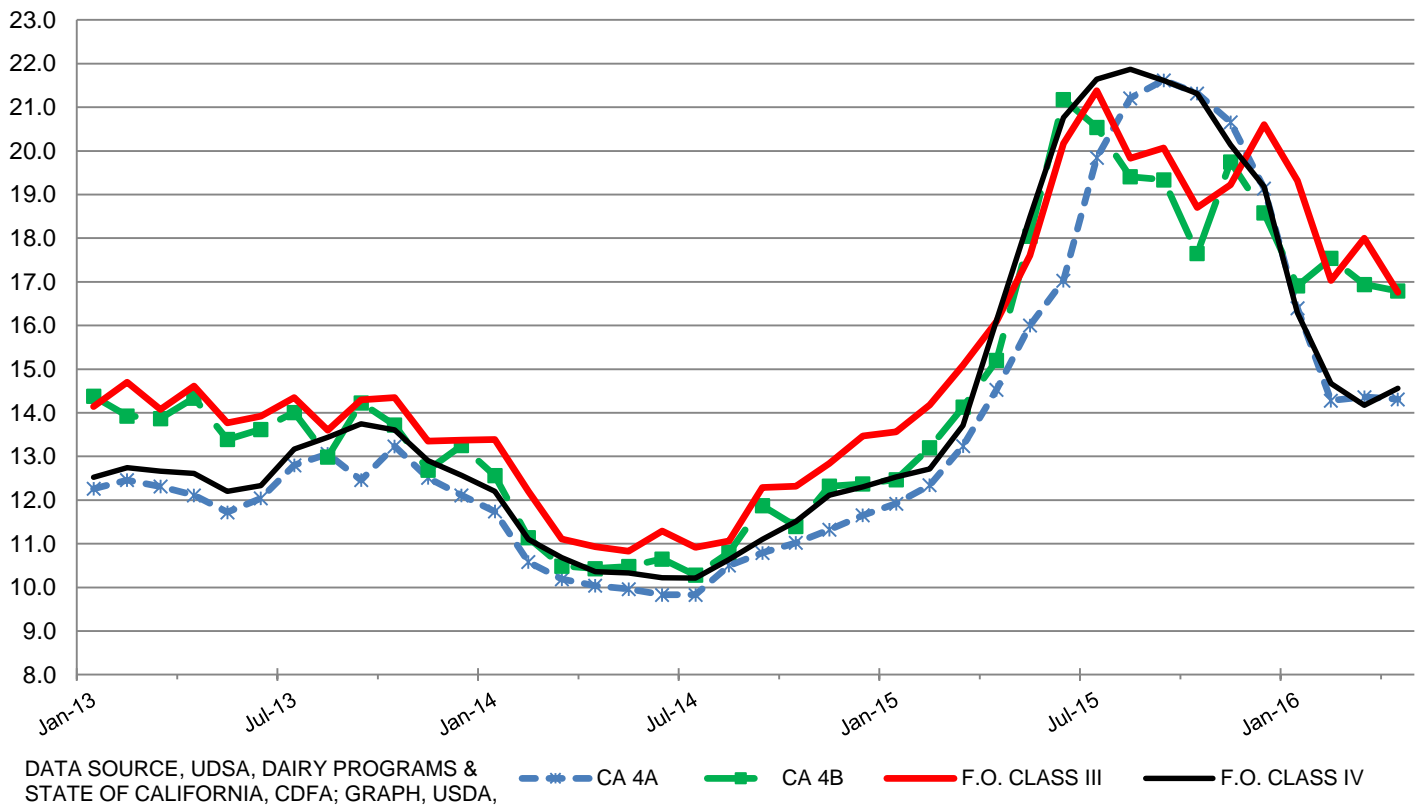


PERCENTAGE OF ESTIMATED TOTAL U.S. MILK PRODUCTION USED IN FLUID PRODUCTS



FEDERAL ORDER CLASS III AND IV PRICES COMPARED TO CALIFORNIA 4A AND 4B

PER CWT





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>

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Issued Weekly

Friday, May 20, 2016

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 05/20/2016 to 05/26/2016

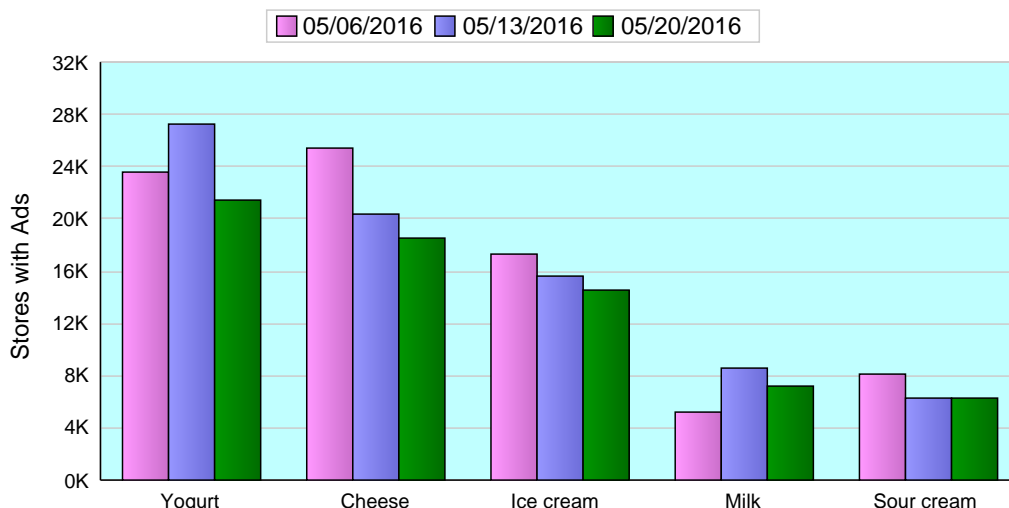
This week, the total volume of conventional dairy ads decreased 9%, and organic dairy ads decreased 50%. For conventional dairy advertisements, ice cream in 48-64 ounce containers has the largest volume of ads followed by Greek yogurt in 4-6 ounce containers. Ads for 1 pound packages of butter decreased 44%, with a weighted average price of \$3.29, up \$.54 from last week. The weighted average price for 1 pound packages of organic butter is \$5.66, down \$.22 from a week ago. Organic sour cream in 16 ounce containers has the largest percentage increase among reported dairy items, an increase of 367%.

The average price for conventional yogurt in 4-6 ounce packages is \$.50, down \$.25 from last week. The average price of 4-6 ounce conventional Greek yogurt is \$.95, up \$.03 from a week ago. Conventional yogurt ad numbers are down 23% from last week, while organic yogurt ads are up 43%. The average price for organic Greek yogurt in 4-6 ounce packages is \$1.50.

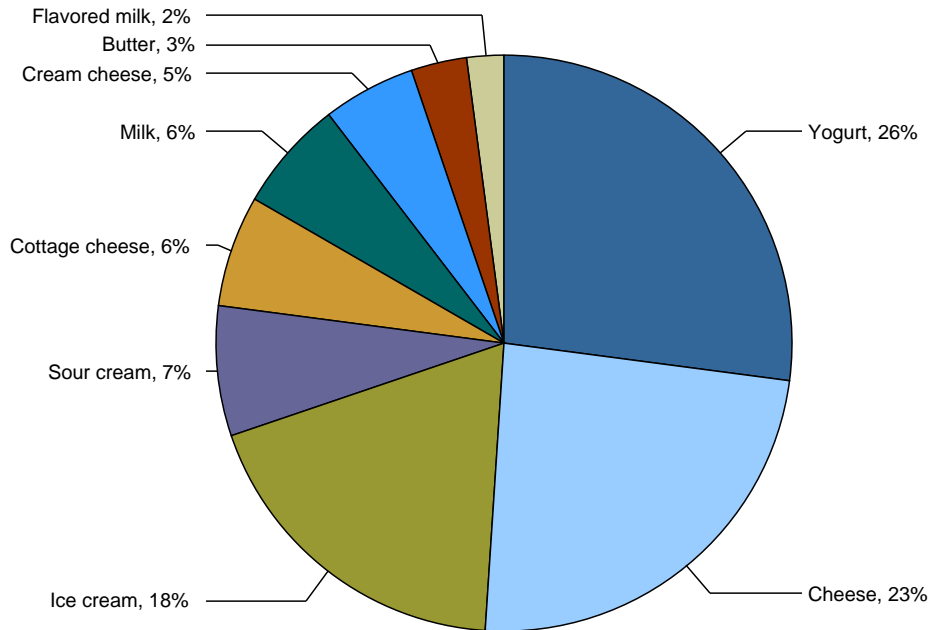
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.32, up \$.20 from last week; 8 ounce shred cheese averaged \$2.23, up \$.05 from last week. Ad volume for conventional two pound blocks increased 36% with a weighted average price of \$5.42. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$3.49, down \$.50 from last week.

The price spread between organic and conventional half gallon milk is \$2.58. The price spread is the difference between national weighted average prices for organic, \$3.78, and conventional, \$1.20. Conventional milk ad numbers increased 112% from last week while organic milk ad numbers decreased 58%.

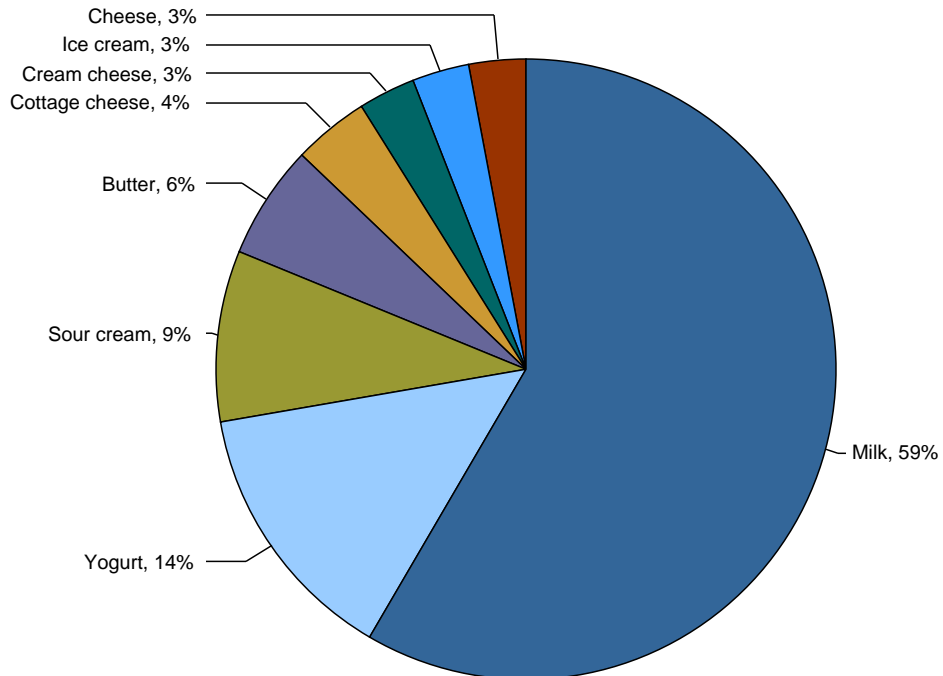
Top 5 Commodities Featured



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 # | 2099 | 3.29 | 3743 | 2.75 | 2802 | 2.77 |
| Cheese | Natural Varieties | 8 oz block | 7584 | 2.32 | 7643 | 2.12 | 8015 | 2.30 |
| Cheese | Natural Varieties | 1 # block | 1380 | 3.71 | 1585 | 4.15 | 913 | 3.77 |
| Cheese | Natural Varieties | 2 # block | 958 | 5.42 | 703 | 6.05 | 249 | 6.73 |
| Cheese | Natural Varieties | 8 oz shred | 6617 | 2.23 | 9422 | 2.18 | 10993 | 2.39 |
| Cheese | Natural Varieties | 1 # shred | 1946 | 3.28 | 718 | 3.51 | 516 | 3.57 |
| Cottage cheese | | 16 oz | 4983 | 1.67 | 4832 | 1.96 | 2113 | 2.23 |
| Cream cheese | | 8 oz | 4294 | 2.15 | 4606 | 1.80 | 6106 | 2.14 |
| Flavored milk | All fat tests | half gallon | 538 | 2.14 | 670 | 2.22 | 435 | 2.35 |
| Flavored milk | All fat tests | gallon | 1013 | 2.84 | 393 | 2.26 | | |
| Ice cream | | 48-64oz | 14457 | 3.12 | 15657 | 3.03 | 15876 | 2.85 |
| Milk | All fat tests | half gallon | 290 | 1.20 | 321 | 2.39 | 1005 | 1.64 |
| Milk | All fat tests | gallon | 4215 | 2.34 | 1807 | 2.27 | 3239 | 2.73 |
| Sour cream | | 16 oz | 5923 | 1.53 | 6142 | 1.54 | 10547 | 1.76 |
| Yogurt | Greek | 4-6 oz | 12105 | .95 | 16916 | .92 | 9269 | .99 |
| Yogurt | Greek | 32 oz | 908 | 4.61 | 2539 | 4.36 | 509 | 4.66 |
| Yogurt | Yogurt | 4-6 oz | 6870 | .50 | 5636 | .75 | 5602 | .50 |
| Yogurt | Yogurt | 32 oz | 927 | 2.33 | 1777 | 2.54 | 504 | 2.46 |

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 # | 2.69-4.49 | 1147 | 3.63 | 2.99 | 110 | 2.99 | 2.50 | 417 | 2.50 |
| Cheese | Natural Varieties | 8 oz block | 1.50-3.00 | 3061 | 2.26 | 1.67-2.50 | 1958 | 2.26 | 1.88-2.50 | 1104 | 2.13 |
| Cheese | Natural Varieties | 1 # block | 3.99 | 207 | 3.99 | 3.50-3.99 | 949 | 3.61 | 3.48 | 107 | 3.48 |
| Cheese | Natural Varieties | 2 # block | | | | | | | 5.99 | 106 | 5.99 |
| Cheese | Natural Varieties | 8 oz shred | 1.50-3.00 | 2902 | 2.31 | 1.67-2.50 | 601 | 2.00 | 1.88-2.50 | 1120 | 2.24 |
| Cheese | Natural Varieties | 1 # shred | 3.99 | 167 | 3.99 | 3.50 | 735 | 3.50 | 2.00-3.48 | 875 | 2.85 |
| Cottage cheese | | 16 oz | 1.50-2.50 | 2052 | 1.78 | 1.00-2.00 | 1220 | 1.69 | 1.25-2.00 | 665 | 1.55 |
| Cream cheese | | 8 oz | 1.50-2.69 | 1985 | 2.35 | 1.50-2.29 | 971 | 1.99 | 1.99 | 213 | 1.99 |
| Flavored milk | All fat tests | half gallon | 1.99-2.00 | 229 | 1.99 | | | | | | |
| Flavored milk | All fat tests | gallon | | | | 3.99-4.99 | 362 | 4.22 | | | |
| Ice cream | | 48-64oz | 1.99-3.99 | 5264 | 2.89 | 2.29-3.99 | 1986 | 2.92 | 1.99-5.99 | 1902 | 3.09 |
| Milk | All fat tests | half gallon | | | | | | | 1.25 | 69 | 1.25 |
| Milk | All fat tests | gallon | 1.99-2.99 | 893 | 2.43 | 1.99-3.99 | 1371 | 2.56 | 1.69-1.79 | 235 | 1.73 |
| Sour cream | | 16 oz | 0.88-2.00 | 2641 | 1.54 | 1.25-2.00 | 484 | 1.42 | 1.25-2.00 | 1070 | 1.53 |
| Yogurt | Greek | 4-6 oz | 0.49-1.25 | 4792 | .95 | 0.88-1.00 | 2665 | .98 | 0.70-1.00 | 1550 | .86 |
| Yogurt | Greek | 32 oz | 3.99-4.78 | 206 | 4.22 | 3.00 | 214 | 3.00 | | | |
| Yogurt | Yogurt | 4-6 oz | 0.40-0.50 | 1654 | .47 | 0.40-1.67 | 1881 | .56 | 0.29-0.59 | 1497 | .48 |

Wtd Avg - Simple weighted average



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| 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 | 1.99-2.77 | 553 | 2.37 | 3.50 | 64 | 3.50 | | | |

| 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 # | 2.99-3.50 | 180 | 3.32 | 1.50-3.98 | 169 | 3.07 | 2.99 | 69 | 2.99 |
| Cheese | Natural Varieties | 8 oz block | 1.88-3.99 | 567 | 2.37 | 2.00-2.69 | 575 | 2.48 | 1.88-5.49 | 240 | 3.46 |
| Cheese | Natural Varieties | 1 # block | 3.50 | 55 | 3.50 | 4.99 | 62 | 4.99 | | | |
| Cheese | Natural Varieties | 2 # block | 4.99-5.99 | 351 | 5.59 | 4.99-5.99 | 210 | 5.42 | 5.00 | 289 | 5.00 |
| Cheese | Natural Varieties | 8 oz shred | 1.88-2.59 | 1187 | 2.12 | 1.99-2.50 | 619 | 2.19 | 1.88-3.00 | 130 | 2.41 |
| Cheese | Natural Varieties | 1 # shred | 3.50-3.99 | 169 | 3.83 | | | | | | |
| Cottage cheese | | 16 oz | 1.00-2.58 | 337 | 1.50 | 1.00-1.25 | 204 | 1.14 | 1.50-2.00 | 460 | 1.61 |
| Cream cheese | | 8 oz | 1.39-2.50 | 323 | 1.98 | 1.49-2.00 | 694 | 1.87 | 2.50 | 69 | 2.50 |
| Flavored milk | All fat tests | half gallon | 1.99 | 62 | 1.99 | 2.29 | 244 | 2.29 | | | |
| Flavored milk | All fat tests | gallon | 1.89-1.99 | 342 | 1.97 | 1.89-2.29 | 298 | 2.13 | | | |
| Ice cream | | 48-64oz | 2.00-3.99 | 1592 | 2.95 | 2.29-6.49 | 2954 | 3.67 | 2.49-4.49 | 587 | 3.06 |
| Milk | All fat tests | half gallon | 0.99-1.28 | 152 | 1.13 | | | | 1.25 | 66 | 1.25 |
| Milk | All fat tests | gallon | 1.89-3.29 | 609 | 2.47 | 1.85-2.29 | 732 | 2.09 | 1.79-1.99 | 358 | 1.95 |
| Sour cream | | 16 oz | 1.25-1.98 | 483 | 1.50 | 1.00-1.89 | 764 | 1.55 | 1.50-2.00 | 460 | 1.61 |
| Yogurt | Greek | 4-6 oz | 0.69-1.00 | 753 | .93 | 0.79-1.00 | 1145 | .94 | 0.77-1.00 | 1063 | .98 |
| Yogurt | Greek | 32 oz | | | | 4.99-5.99 | 488 | 5.49 | | | |
| Yogurt | Yogurt | 4-6 oz | 0.40-0.79 | 443 | .52 | 0.39-0.50 | 1174 | .49 | 0.49-0.50 | 190 | .50 |
| Yogurt | Yogurt | 32 oz | | | | 1.77 | 246 | 1.77 | 2.89 | 61 | 2.89 |

| 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 # | 4.79 | 1 | 4.79 | 4.89 | 6 | 4.89 |
| Cheese | Natural Varieties | 8 oz block | 3.00-3.50 | 36 | 3.41 | 2.00-3.99 | 43 | 3.82 |
| Cheese | Natural Varieties | 2 # block | 5.99 | 2 | 5.99 | | | |
| Cheese | Natural Varieties | 8 oz shred | 3.00-3.50 | 55 | 3.44 | 2.00 | 3 | 2.00 |
| Cottage cheese | | 16 oz | 1.79 | 21 | 1.79 | 2.79 | 24 | 2.79 |
| Cream cheese | | 8 oz | 2.29 | 6 | 2.29 | 2.27-2.50 | 33 | 2.46 |
| Flavored milk | All fat tests | half gallon | | | | 3.79 | 3 | 3.79 |
| Flavored milk | All fat tests | gallon | 3.49 | 11 | 3.49 | | | |
| Ice cream | | 48-64oz | 2.50-4.99 | 21 | 3.78 | 3.75-7.99 | 151 | 5.45 |
| Milk | All fat tests | half gallon | | | | 2.79 | 3 | 2.79 |
| Milk | All fat tests | gallon | 3.49 | 11 | 3.49 | 4.97 | 6 | 4.97 |
| Sour cream | | 16 oz | 1.79 | 21 | 1.79 | | | |
| Yogurt | Greek | 4-6 oz | 1.00-1.50 | 43 | 1.27 | 1.25-1.66 | 94 | 1.39 |
| Yogurt | Yogurt | 4-6 oz | | | | 0.60-0.63 | 31 | .60 |
| Yogurt | Yogurt | 32 oz | | | | 2.50 | 3 | 2.50 |

Wtd Avg - Simple weighted average



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 # | 257 | 5.66 | 656 | 5.88 | | |
| Cheese | Natural Varieties | 8 oz block | 114 | 3.49 | 246 | 3.99 | 770 | 3.99 |
| Cheese | Natural Varieties | 8 oz shred | | | | | 770 | 3.99 |
| Cottage cheese | | 16 oz | 166 | 3.25 | | | | |
| Cream cheese | | 8 oz | 137 | 2.69 | | | | |
| Flavored milk | All fat tests | half gallon | | | 1083 | 4.89 | | |
| Ice cream | | 48-64oz | 137 | 5.99 | | | 66 | 5.49 |
| Milk | All fat tests | half gallon | 2025 | 3.78 | 4700 | 4.00 | 1368 | 3.50 |
| Milk | All fat tests | gallon | 532 | 4.05 | 1575 | 5.30 | 1186 | 5.78 |
| Milk | All fat tests | 8 oz UHT | 114 | 1.00 | 147 | 1.08 | 1068 | 1.06 |
| Sour cream | | 16 oz | 392 | 2.02 | 84 | 2.99 | | |
| Yogurt | Greek | 4-6 oz | 167 | 1.50 | 72 | 1.00 | 1761 | 1.31 |
| Yogurt | Greek | 32 oz | | | 244 | 3.50 | 214 | 3.79 |
| Yogurt | Yogurt | 4-6 oz | | | | | 69 | 1.25 |
| Yogurt | Yogurt | 32 oz | 455 | 2.95 | 120 | 1.79 | | |

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 # | 6.49 | 59 | 6.49 | 5.99 | 84 | 5.99 | | | |
| Cottage cheese | | 16 oz | 3.99 | 84 | 3.99 | | | | | | |
| Cream cheese | | 8 oz | 2.69 | 137 | 2.69 | | | | | | |
| Milk | All fat tests | half gallon | 3.99-4.99 | 430 | 4.44 | 3.98-4.19 | 409 | 4.09 | 2.99 | 595 | 2.99 |
| Milk | All fat tests | gallon | | | | | | | 4.29 | 343 | 4.29 |
| Yogurt | Yogurt | 32 oz | 3.00-3.50 | 239 | 3.35 | 2.50 | 214 | 2.50 | | | |



| Commodity | Type | Pack Size | SOUTH CENTRAL U.S. | | | SOUTHWEST U.S. | | | NORTHWEST U.S. | | |
|----------------|-------------------|-------------|--------------------|-----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Butter | | 1 # | 4.99 | 114 | 4.99 | | | | | | |
| Cheese | Natural Varieties | 8 oz block | 3.49 | 114 | 3.49 | | | | | | |
| Cottage cheese | | 16 oz | 2.50 | 82 | 2.50 | | | | | | |
| Ice cream | | 48-64oz | | | | 5.99 | 137 | 5.99 | | | |
| Milk | All fat tests | half gallon | 3.49 | 196 | 3.49 | 3.00-4.29 | 288 | 3.78 | 3.29 | 66 | 3.29 |
| Milk | All fat tests | gallon | 3.99 | 117 | 3.99 | 2.99 | 72 | 2.99 | | | |
| Milk | All fat tests | 8 oz UHT | 1.00 | 114 | 1.00 | | | | | | |
| Sour cream | | 16 oz | 1.99 | 82 | 1.99 | | | | 1.99 | 289 | 1.99 |
| Yogurt | Greek | 4-6 oz | | | | 1.50 | 167 | 1.50 | | | |

| 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 | | | | 4.79-7.99 | 41 | 7.52 |
| Sour cream | | 16 oz | 2.49 | 21 | 2.49 | | | |
| Yogurt | Yogurt | 32 oz | 3.29 | 2 | 3.29 | | | |

REGIONAL DEFINITIONS

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

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



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