

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (5/27)**

**BUTTER:** Grade AA closed at \$2.0650. The weekly average for Grade AA is \$2.0760(+.0245).

**CHEESE:** Barrels closed at \$1.4400 and 40# blocks at \$1.3800. The weekly average for barrels is \$1.4030(+.0475) and blocks, \$1.3520(+.0510).

**NONFAT DRY MILK:** Grade A closed at \$.7950. The weekly average for Grade A is \$.7855(-.0155).

**BUTTER HIGHLIGHTS:** Butter manufacturing is active across the country. Moderate to heavy cream volumes continue clearing into churns. Bulk butter stocks are increasing along seasonal trends. However, f.o.b. spot prices remain above \$2.00. Sales to retailers and food service are steady to higher due to the upcoming holiday weekend. Nevertheless, some manufacturers are quite content holding/storing stocks, in lieu of selling. In the Central region, some processors are microfixing bulk butter to meet the upcoming needs for Q3 and Q4. This week, a cooperative export assistance program accepted requests for 771,618 pounds of butter. The NASS *Cold Storage* report noted U.S. butter stocks as of April 30, 2016, were 298.2 million pounds, up 23% from last month. The Grade AA butter price at the CME Group on Friday closed at \$2.0650, down 0.5 cents from a week ago.

**CHEESE HIGHLIGHTS:** Cheese vat are full as manufacturers across the nation run at or near full schedules. Sales are strong for many industry participants. However, a few Midwest suppliers experienced a slowdown in interest outside of contracts. The holiday weekend sparked additional retail promotions, aiding sales. Several Northeast and Midwest contacts report an increase in demand for processed cheese. Nationwide, cheese inventories are long. Although sales are strong, active production is filling any empty stock shelves right back up. A few industry contacts in the West speculate there are large volumes of older blocks and barrels in inventory that are going to be increasingly difficult to move. The international market's interest in U.S. cheese is growing. Overall, the U.S. cheese market undertone is mixed. In CME Group trading Friday, barrels closed at \$1.4400, up \$.0850 from last Friday and blocks closed at \$1.3800, up \$.0650.

**FLUID MILK:** Weather conditions and changing stages of the flush, across regions of the country, are prompting mixed levels of milk output. In the East, milk production is rising in some areas but

declining in others. While at the peak of the flush, farm level milk is seeing strong output in the Central region. California and Arizona milk production is flat. Both New Mexico and the Pacific Northwest are hovering at the top of the peak. Utah and Idaho report steady supplies of milk for processing. Meanwhile, the forthcoming Memorial Day holiday is slowing the demand for fluid milk, as countrywide school closings for summer break push bottled milk demand that much lower. Processors are preparing for heavy surplus milk volumes that will be re-routed to their balancing plants. Cream is plentiful through the regions. Volumes are expected to move more actively into ice cream production after the Memorial Day holiday period. Eastern cream multiples for all Classes range 1.02-1.22, Midwest multiples 1.02-1.12, and Western multiples range 1.02-1.24. The California Department of Food and Agriculture announced a permanent change to their dry whey scale of Class 4b pricing formula, effective June 1, 2016.

**DRY PRODUCTS:** The low/medium heat nonfat dry milk market continues to exhibit strength across regions. Production is heavy, but limited trading is taking place beyond contract volumes ahead of Memorial Day. Dry buttermilk prices are mixed in a weak market. Cream surpluses, available to churning operations, are expanding inventories as the market seeks support. Dry whey prices are steady to higher in the Central and West regions. In the East, prices adjusted higher. Producer stocks are building. Trading is active in international markets. Prices for whey protein concentrate 34% are seeing some upticks. Buyer interest varies. Dry whole milk prices are mixed, on light trading. Market conditions in the East and Central regions are fair to good, while weak in the West. Lactose prices are steady. Demand has picked up as tight and committed inventories limit spot trading. Casein prices are steady.

**INTERNATIONAL DAIRY MARKET NEWS (DMN):**  
**WESTERN AND EASTERN EUROPE: Western Overview:** Western European milk production increases are up from year ago levels, a continuing outcome following the termination of quotas last year, coupled with favorable production factors. Eurolait reports January-March 2016 EU-28 milk production is 5.4% above the same months of 2015. Among the top Western European producing nations for March were Germany, France, United Kingdom, Netherlands and Ireland. Supplies of cheese continue to tighten, primarily attribute to

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**CME GROUP CASH TRADING**

COMMODITY	MONDAY MAY 23	TUESDAY MAY 24	WEDNESDAY MAY 25	THURSDAY MAY 26	FRIDAY MAY 27	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$1.3600 (+.0050)	\$1.3925 (+.0325)	\$1.3925 (N.C.)	\$1.4300 (+.0375)	\$1.4400 (+.0100)	:: (+.0850)	:: \$1.4030 (+.0475)
40# BLOCKS	\$1.3200 (+.0050)	\$1.3400 (+.0200)	\$1.3400 (N.C.)	\$1.3800 (+.0400)	\$1.3800 (N.C.)	:: (+.0650)	:: \$1.3520 (+.0510)
NONFAT DRY MILK GRADE A	\$.8000 (-.0150)	\$.7825 (-.0175)	\$.7700 (-.0125)	\$.7800 (+.0100)	\$.7950 (+.0150)	:: (-.0200)	:: \$.7855 (-.0155)
BUTTER GRADE AA	\$2.0900 (+.0200)	\$2.0800 (-.0100)	\$2.0800 (N.C.)	\$2.0650 (-.0150)	\$2.0650 (N.C.)	:: (-.0050)	:: \$2.0760 (+.0245)

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](http://WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY)

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

strong consumer demand. Demand for both packaged and bulk butter has been strong. Recent weaker dairy product prices have been cited as a significant factor in keeping the consumer price index in Germany negative as of the end of April. **Eastern Overview:** Among the top Eastern European producing nations for March were Poland, Czech Republic, Hungary, Lithuania and Romania. Global dairy exporters continue to discuss whether Russia, a former significant customer, will relax or rescind the ban on dairy product imports from western countries, and there are new developments. A deal has been announced for construction by a Thai company, of what will be the largest dairy complex in Russia. To be located southeast of Moscow, the \$1 billion dairy complex is planned to produce 400,000 tons per year of pasteurized milk, cheese and sour milk products. **OCEANIA OVERVIEW:** With the dairy production season in **Australia** nearing an end, the majority of available fodder is now in South Australia or New South Wales. The supply in Victoria is becoming thin. Australia recently received widespread rainfall across southern regions. The north continued drying. This has slowed buyer interest in feed grains and hay in southern areas, a departure from recent months. Producers who have been enduring weaker milk pay prices welcome this relief from some costs of producing. Producers in the North have had less need to purchase feed, but if drying continues and affects pastures, feed prices in the North may be increasing soon. In western Australia, demand for hay is variable. Some of the region enjoys good silage and pasture availability from summer rains. Other areas are heavily reliant upon purchased fodder. April **New Zealand** milk production, as reported by DCANZ, was 1.36 million MT, down from 1.74 million MT in March. During April 2015 milk production was 1.40 million MT. April 2016 milk solids (the sum of total milk protein and fat), 134.61 million kg, is down from 162.36 million kg in March 2016, and down from 138.07 million kg in April 2015. 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%.

**NATIONAL RETAIL REPORT-DAIRY (DMN):** This week, the total volume of conventional dairy ads increased 9%, and organic dairy ads increased 30%. For conventional dairy advertisements, 48-64 ounce ice cream containers and 16 ounce sour cream containers have the most advertisements. One pound packages of butter more than tripled the number of advertisements and has about a 5% decrease in price when compared to last week. Organic butter has a weighted average price of \$5.84 and greater than double the number of ads when compared to last week. Organic 8 ounce blocks of cheese has the largest percent increase in ads of organic dairy items at 208%. The average price for conventional yogurt in 4-6 ounce packages is \$.52, up \$.02 from last week. The average price of 4-6 ounce conventional Greek yogurt is \$.98, up \$.03 from a week ago. Conventional yogurt ad numbers are down 16% from last week, and organic yogurt ads are down 53%. The average price for organic Greek yogurt in 4-6 ounce packages is \$1.00. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.24, down \$.08 from last week; 8 ounce shred cheese averaged \$2.19, down \$.04 from last week. Ad volume for conventional two pound blocks increased 61% with a weighted average price of \$6.82. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$4.20, up \$.71 from last week. The price spread between organic and conventional half gallon milk is \$2.00.

The price spread is the difference between national weighted average prices for organic, \$3.92, and conventional, \$1.92. Conventional milk ad numbers decreased 77% from last week while organic milk ad numbers increased 28%.

**APRIL CONSUMER PRICE INDEX (BLS):** The CPI for all food is 248.4, up 0.9% from 2015. The dairy products index is 218.3, down 2.0% from a year ago. The following are the April-to-April changes for selected products: fresh whole milk is -5.9%; cheese, -1.3%; and butter, +5.6%.

**APRIL COLD STORAGE (NASS):** On April 30, 2016, U.S. cold storage holdings of butter totaled 298.2 million pounds, up 23% from the previous month and up 28% from April 2015. Natural American cheese holdings total 738.7 million pounds, up 2% from the previous month and 15% more than April 2015. Total natural cheese stocks were 1.214 billion pounds, up 2% from last month and 12% more than April 2015.

**CME GROUP**

MONDAY, MAY 23, 2016

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.3200; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3600; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 11 CARS GRADE A: 4 @ \$0.8000, 2 @ \$0.7900, 2 @ \$0.7925, 3 @ \$0.8000; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7800; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8050  
 BUTTER -- SALES: 3 CARS GRADE AA @ \$2.0900; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0850; LAST OFFER UNCOVERED: NONE

TUESDAY, MAY 24, 2016

CHEESE -- SALES: 5 CARS 40# BLOCKS: 1 @ \$1.3250, 1 @ \$1.3300, 2 @ \$1.3350, 1 @ \$1.3400; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3925; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.7850, 1 @ \$0.7825; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.7800; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7900  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.0500; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0800; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0900

WEDNESDAY, MAY 25, 2016

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.7750, 1 @ \$0.7700; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7650; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7700  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1000

THURSDAY, MAY 26, 2016

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.4175, 1 @ \$1.4200, 1 @ \$1.4300; 1 CAR 40# BLOCKS @ \$1.3800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4500  
 NONFAT DRY MILK -- SALES: 5 CARS GRADE A: 3 @ \$0.7800, 1 @ \$0.7750, 1 @ \$0.7800; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7500; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$2.0650

FRIDAY, MAY 27, 2016

CHEESE -- SALES: 12 CARS BARRELS: 4 @ \$1.4400, 2 @ \$1.4425, 1 @ \$1.4450, 2 @ \$1.4475, 2 @ \$1.4450, 1 @ \$1.4400; 2 CARS 40# BLOCKS @ \$1.3800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 5 CARS GRADE A: 1 @ \$0.8000, 1 @ \$0.7925, 1 @ \$0.7900, 2 @ \$0.7950; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7800; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7975  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.0650; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 4 CARS GRADE AA @ \$2.0875

**BUTTER MARKETS****NORTHEAST**

Heavy cream supplies continue to advance active butter churning at area operations. While the market notes good post-holiday sales, butter supplies in the bulk variety steadily builds. In some cases, manufacturers are quite content holding/storing bulk stocks, in lieu of selling, although purchase inquiries are frequent. Export demand is sluggish due to current U.S. butter prices exceeding global markets. The domestic market undertone is unsettled. 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 \$2.0800, up \$0.0425 from a week ago. According to the *DMN National Retail Report-Dairy*, for May 20-26 2016, the national weighted average advertised price for 1-pound butter was \$3.29, up 52 cents from a year ago and up 54 cents from last week. The Northeast butter price was \$3.63, an 86 cents increase compared to the previous week. The Southeast butter price was \$2.99, an increase of 17 cents compared last week. This week, a cooperative export assistance program accepted requests for 771,618 pounds of butter.

**COLD STORAGE:** According to NASS, U.S. butter in storage on April 30, 2016 totaled 298.2 million pounds, 28% above a year ago and 23% more than last month.

**CENTRAL**

Production is steady this week for many butter manufacturers. Retail and food service demand is consistent. Some sellers report increases in sales due to the upcoming holiday weekend. Cream remains plentiful and spot loads are readily available for any interested buyer. Several industry participants are capitalizing on low cream prices and making more butter than needed for the short term. Manufacturers are also microfixing bulk butter to prepare for

upcoming contracts and Q3/Q4. Overall, butter stocks are building, but remain at comfortable levels as warmer months approach. Despite building inventories, butter prices remain above \$2.00. 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 20-26 noted the national weighted average advertised price for a 1 pound package of butter was \$3.29, \$0.54 above one week ago, and \$0.52 above one year ago. The weighted average price in the South Central region is \$3.32 with a price range of \$2.99-\$3.50. Prices in the Midwest region for 1 pound packages of butter had a weighted average price of \$2.50. This week, a cooperative export assistance program accepted requests for 771,618 pounds of butter. So far this year, the program has accepted assistance requests for 8.488 million pounds of butter. The *NASS Cold Storage* report noted U.S. butter stocks on April 30, 2016 were 298.2 million pounds, 28% higher than April 30, 2015 and 23% higher than March 31, 2016. Wednesday at the CME Group, Grade AA butter closed at \$2.0800, up \$.0275 from last Wednesday.

**WEST**

Western butter contacts say they are closely monitoring their supplies and production in order to be in balance with late year butter needs. A few butter makers are purchasing extra loads of cream to run churns at full capacity. Cream is readily available and most processors can get what they need. Butter production remains active. Inventories, although higher than last year, are increasing along seasonal trends and do not seem to be a major concern to industry contacts. Manufacturers say domestic sales are good and butter is moving well through existing contracts. The *DMN National*

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

<u>WEEK ENDING</u>	<u>BUTTER</u>	<u>CHEESE 40# BLOCKS</u>	<u>CHEESE BARRELS 38% MOISTURE</u>	<u>DRY WHEY</u>	<u>NDM</u>
May 21, 2016	2.0495 3,613,678	1.3735 12,372,260	1.3595 10,255,800	.2487 7,945,307	.7841 13,007,601

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

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*Retail Report–Dairy* for the week of May 20–26 found that the U.S. weighted average advertised price of 1 pound butter is \$3.29, up \$.54 from last week. The U.S. weighted average price was \$2.77 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.07, with a range of \$1.50-\$3.98. In the Northwest, the weighted average advertised price of 1 pound butter is \$2.99 in all stores surveyed. This week, a cooperative export assistance program accepted requests for 771,618 pounds (350 metric tons) of butter (82% milkfat). So far this year, the program has assisted member cooperatives who have contracts to sell 8.5 million pounds of butter in export markets. The NASS *Cold Storage* report noted U.S. butter stocks as of April 30, 2016, were 298.2 million pounds, up 23% from last month. Butter stocks in all warehouses were 232.4 million pounds last year at this time. The Grade AA butter price at the CME Group on Wednesday closed at \$2.0800, up \$.0275 from a week ago.

## CHEESE MARKETS

## NORTHEAST

Last week the CME Group cheese prices for both barrels and blocks moved higher. As a result, the Northeast wholesale market prices for 40# cheddar and Muenster increased \$0.0225, while the process 5# sliced price grew \$0.0625. The Swiss cuts price remained unchanged. As milk production volumes strengthen in the Northeast, most cheese processors note substantial milk supplies moving to vats. Inventories continue to build around 6-7 day production schedules. Some wholesale market sources report orders as mostly steady, compared to a year ago. Leading into the Memorial Day holiday weekend, processed retail cheese sales are good, prompted by a fair rise in holiday retail promotions. According to the *DMN National Retail Report-Dairy*, for May 20-26, 2016, the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.26, 6 cents less than the national average price but 2 cents more than a week ago. The Southeast 8 oz. block cheese price was \$2.26, 36 cents more than the previous week. Tuesday's CME Group Daily cash prices saw barrels close at \$1.3925, up \$0.0425 from last week. Blocks closed at \$1.3400, \$0.0600 above a week ago. **COLD STORAGE:** According to NASS, U.S. stocks of total natural cheese as of April 30, 2016 totaled 1.214 billion pounds, 12% more than a year ago and 2% more than the previous month. Swiss cheese totaled 24.6 million pounds, 2% more than a year ago, but unchanged from the previous month.

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

Cheddar 40# Block	:	1.7075-1.9925
Process 5# Sliced	:	1.5550-2.0350
Muenster	:	1.7275-2.0775
Grade A Swiss Cuts 10 - 14#	:	2.9850-3.3075

## MIDWEST

The Central region is at the peak of spring flush and cheese manufacturers are running full schedules to manage high levels of milk intakes. A few manufacturers report small decreases in sales outside of contracts. However, they are optimistic for sales in upcoming weeks. Other industry contacts feel sales are steady to increasing. Several cheese manufacturers report larger demand for processed varieties of cheese. Even though sales are helping move cheese out of stocks, high production levels are filling inventory spaces right back up. The eight ounce cheese block price increased slightly on Midwest retail shelves this week. A few industry contacts noted this and feel a lower price point on these cheese goods could help move a considerable amount of cheese out of storage. Some industry participants feel buyers are holding off on making purchases to see where cheese prices will move in the near future. Blocks and barrels saw some recovery in prices Monday and Tuesday on the CME Group. The market undertone is mixed. There is some report of growing international interest in cheese. The *DMN National Retail Report-Dairy* shows that May 20-26 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.24, 1 cent higher than the national average. Midwest prices range from \$1.88-\$2.50. One year ago, the national price was \$2.39. For 8 ounce blocks, the Midwest average price is \$2.13, 19 cents below the national average price. Midwest ads are priced from \$1.88-\$2.50. Last year, the national price was \$2.30. Midwestern wholesale prices are unchanged for Swiss cuts, but up \$.0625 for process, and up \$.0225 for all other types. This week, a cooperative export assistance program accepted requests for 2.776 million pounds of cheese. So far this year, the program has accepted assistance requests for 22.970 million

pounds of cheese. According to the NASS *Cold Storage* report, the East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio) American cheese stocks on April 30, 2016, were 116% of last year, and 101% of last month. East North Central region other cheese stocks were 109% of April 30, 2015 and 102% of March 31, 2016. Total U.S. natural cheese stocks on April 30, 2016, were 12% higher than a year ago and 2% above the previous month. In CME Group trading Wednesday, barrels closed at \$1.3925, up \$.0300 from last Wednesday and blocks closed at \$1.3400, up \$.0250.

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

Process American 5# Loaf	:	1.4475-1.8075
Brick And/Or Muenster 5#	:	1.6775-2.1025
Cheddar 40# Block	:	1.4050-1.8000
Monterey Jack 10#	:	1.6525-1.8575
Blue 5#	:	1.9450-2.9325
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4775-2.4175
Grade A Swiss Cuts 6 - 9#	:	2.5025-2.6200

## WEST

Western cheese makers report retail sales are still strong and cheese is moving well through ongoing contracts. Demand for snack cheese items and mozzarella has slowed slightly as more schools end their spring semesters. Production schedules are running full, but a few cheese makers are looking for ways to curtail cheese production. Inventories for most cheese varieties are long and manufacturers are seeking ways to control inventories. A few end users report cheese manufacturers are sending them multiple offers for all types and all sizes of cheese. Some industry contacts suggest there are significant volumes of older blocks and barrels that are getting more difficult to move. The *DMN National Retail Report-Dairy* for the week of May 20-26 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.23, up \$.05 from last week, but down \$.16 from a year ago. Packs average \$2.19 in the Southwest and \$2.41 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.32, up \$.20 from last week, and up \$.02 from a year ago. Blocks average \$2.48 in the Southwest and \$3.46 in the Northwest this week. In the West, wholesale prices are up \$.0625 for process, and up \$.0225 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged this week. This week, a cooperative export assistance program accepted requests for 2.776 million pounds (1,259 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 23.0 million pounds of cheese in export markets. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of April 2016 were 1.214 billion pounds, up 2% from March 2016, and up 12% from April 2015. American stocks were 15% more, other natural stocks were 8% more, and Swiss stocks were up 2% compared to last year. In the Mountain Region, American cheese stocks were 26% more than one year earlier, and 2% more than one month earlier. Pacific Region American cheese stocks were 5% more than one year earlier, but 1% less than the previous month. Also in the Pacific Region, other natural cheese stocks were 9% above a year ago, and up 2% from a month ago. In CME Group trading Wednesday, barrels closed at \$1.3925, up \$.0300 from a week ago and blocks closed at \$1.3400, up \$.0250.

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## CHEESE MARKETS

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

Process 5# Loaf	:	1.4625-1.7200
Cheddar 40# Block	:	1.4100-1.8550
Cheddar 10# Cuts	:	1.5900-1.8100
Monterey Jack 10#	:	1.6000-1.7600
Grade A Swiss Cuts 6 - 9#	:	2.5625-2.9925

## FOREIGN

Foreign type cheese production remains active. According to the NASS *Cold Storage* report. Swiss cheese stocks in all warehouses as of April 30, 2016, totaled 24.6 million pounds, unchanged from last month and up 2% from April 30, 2015. In the U.S., wholesale domestic blue, gorgonzola, parmesan and Romano cheese prices increased \$0.0225 following higher weekly average CME Group block prices. Swiss cuts Switzerland and the remaining prices are unchanged.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2300	: 1.8725-3.3600*
Gorgonzola	: 3.6900-5.7400	: 2.3800-3.0975*
Parmesan (Italy)	: -0-	: 3.2625-5.3525*
Romano (Cows Milk)	: -0-	: 3.0625-5.2125*
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

	<u>BUTTER</u>	<u>: CHEESE</u>
05/23/16	29,507	: 97,730
05/01/16	28,011	: 95,173
CHANGE	1,496	: 2,557
% CHANGE	5	: 3



## FLUID MILK AND CREAM

## EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	190	0	160	0	70
SOUTHEAST STATES	0	0	0	0	0	2

Northeast and Mid-Atlantic farm milk output is on the rise. However, demand from all Classes is plummeting ahead of the Memorial Day holiday. The end of spring term at college campuses reduced bottling orders significantly. Manufacturing milk supplies are heavy. Plant managers anticipate capacity level intakes over the course of the holiday period. Southeast milk production is steady on the down side of the seasonal peak. Fluid milk demand driven by foodservice needs declined due to school closings and the forthcoming holiday. Manufacturing milk supplies will be heavy into the weekend with all available auxiliary manufacturing facilities being utilized to handle additional milk volumes. Florida's farm milk production continues to decline. Also, fluid milk sales decreased this week with schools/universities closing for summer break. This week, export milk shipments for the state totaled 190 f.o.b. spot loads, 30 above the previous week. According to the DMN *National Retail Report-Dairy*, for May 20-26, 2016, the U.S. weighted average advertised price for a gallon of milk was \$2.34, up 7 cents from last week, but down 39 cents from a year ago. Northeast gallons of milk are priced at \$2.43, down 8 cents from the last week. **Condensed skim** supplies are steady to higher in Eastern markets. Plant managers anticipate supplies will increase into balancing during the weekend. Dryers will likely run at capacity. Interest improved among some Class II and III producers, as they opt for price advantages over nonfat dry milk. With the recent USDA AMS announcement of Advanced Prices, the Class II Nonfat Solids price moved to \$0.6511, and could increase the price paid for condensed skim loads, when compared to last month. **Cream** is still plentiful in the East. Local spot transactions improved with buyer interest. However, surplus shipments primarily to the Mid-west continue, and support the lower end multiples. The full range of cream multiples for all Classes, **1.05-1.22**, moved incrementally higher at the top of the range. The market notes improved demand from the ice cream mix segment, as ice cream plants prepare to increase production following the Memorial Day holiday.

**MILK PRODUCTION:** According to NASS, milk production in the 23 major states during April 2016 totaled 16.8 billion pounds, up 1.2% from one year ago. Eastern states' milk production are as follows:

## April 2016 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Florida	230	- 3.0
New York	1,218	+ 5.3
Pennsylvania	930	+ 0.5
Vermont	228	+ 2.7
Virginia	150	- 3.2

## 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 - 2.1541-2.5028

F.O.B. producing plants: upper Midwest - 2.2156-2.4823

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

Northeast - Class II - includes monthly formula prices - .30-.65

Northeast - Class III - spot prices - .25-.55

## MIDWEST

Temperatures are rising across the Central region, but farm level milk production continues to be strong. Many states in the Central region are at the peak of spring flush, reporting plentiful milk available on the spot market. The upcoming holiday weekend has milk processors working hard to make sure weekend milk intakes are processed. Spot loads are being reported at \$1.25-\$4.00 under class. However, spot loads for the end of the week and weekend are anticipated to move at larger discounts. Several milk processing facilities faced production difficulties this week. As these facilities prepare for the holiday weekend, these setbacks add additional orchestrating of load delivery at the end of the week. Some manufacturers will continue to run full schedules through the holiday weekend to ensure all milk intakes are processed. Bottlers report slowing orders as education institutions close for the summer. Milk marketers noted lighter interest in bottling but stronger interest for Class II cream going into ice cream. Warming temperatures are spurring some climb in ice cream demand. However, this growth in interest is not large enough just yet to tighten cream supplies in the Midwest. Multiples for cream are steady to lower this week, 1.08 to 1.21. Cream handlers without churning abilities are moving cream at lower price points out of necessity this holiday weekend. The DMN *National Retail Report-Dairy* for May 20-26 noted the national weighted average advertised price for one gallon of milk was \$2.34, up \$0.07 from a week ago, but \$0.39 lower than a year ago. The weighted average regional prices in the Midwest and South Central were \$1.73 and \$2.47, respectively. The NASS *Milk Production* report noted April 2016 milk production in the 23 selected states was 16.8 billion pounds, 1.2% above a year ago. Milk cows in the 23 selected states totaled 8.65 million head, 21,000 head more than a year ago. The following table shows Central states included in the report and the monthly milk production changes compared to a year ago:

## April 2016 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Illinois	168	+ 0.6
Indiana	350	+ 3.2
Iowa	425	+ 3.4
Kansas	279	- 0.4
Michigan	903	+ 6.5
Minnesota	821	+ 2.7
Ohio	464	...
South Dakota	210	+ 10.5
Texas	910	+ 1.6
Wisconsin	2,507	+ 4.6

North Central area famers are wrapping up corn and oat planting. Soybean planting made great progress, with over half of this year's planned crop in the ground. Some South Central area farmers have completed their first cutting of alfalfa hay. Pasture conditions continue to improve across the South Central area.

-CONTINUED ON PAGE 4A-

## FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

## WEST

California farm level milk production is flat as the weather conditions remain unchanged from last week. Bottled milk orders from educational institutions are even. However, requests from retailers and food service are steady to lower as the Memorial Day holiday weekend approaches. In addition, some customers are replacing bottled milk consumption with popular summer drinks. Interest from some processors in drying condensed skim loads is increasing. Alfalfa hay harvesting is active throughout the state. On May 20, the California Department of Food and Agriculture announced a permanent change to their dry whey scale of the Class 4b pricing formula. This new scale will be effective June 1, 2016. According to California Department of Food and Agriculture, April 2016 pool receipts of milk in the state total 3.33 billion pounds. This is 3.8% lower compared to the same month a year ago. From January through April 2016, receipts are 2.6% lower from the comparable period in 2015. The Value at Test price is \$13.53, \$0.35 lower than the previous month and \$1.13 lower from a year ago. The percentage of receipts used in Class 1 products is 12.78%. The April quota price is \$14.31 and the over quota price is \$12.61. These prices are \$0.29 lower than March 2016 and \$1.24 below a year ago. In Arizona, cows' comfort is stable because the weather is cooler this week. Consequently, milk yields have plateaued after a six-week downward trend. Bottled milk orders from educational institutions are considerably lower as many K-12 schools are finishing this week. However, some Class I processors are pulling a little bit heavier volumes to fill new product lines. New Mexico milk output continues steady on the top of the seasonal peak. Butterfat components are steadily decreasing. Milk volumes are moderate to heavy, keeping many processing plant operators busy. Class I sales are lower as most educational institutions are closing this week. Class II sales are steady. Manufacturing milk volumes moving into Class IV are steady to slightly lower as some processing plants are performing repair/maintenance works. According to the *DMN National Retail Report-Dairy* for the week of May 20-26, the national weighted average advertised price for one gallon of milk is \$2.34, up 7 cents from last week, but 39 cents below a year ago. The weighted average regional prices in the Southwest and Northwest are \$2.09, and \$1.95, respectively. Pacific Northwest milk production has hit its high mark according to some processors. Milk is readily available for almost all processing needs. Bottling demand is following normal patterns for this time of year and is slowing as many schools close for summer breaks. According to the *NASS Weekly Weather and Crop Bulletin*, 76% of Washington pasture and rangeland is in good or excellent condition, while 60% is good or excellent in Oregon. Utah and Idaho dairy farms are supplying a steady supply of milk for processing. Industry contacts report there is little milk moving in to or out of the region. Many area processors are running fairly full production schedules and expect a small increase of milk available for processing over the holiday weekend and as schools close for the year. According to NASS, pasture and rangeland conditions are good or excellent in 75% of Idaho and 78% of Utah. In the West, demands for cream from ice cream, frozen dessert and cream cheese producers are steady to slightly higher. According to some industry participants, cream supplies are readily available, but are slightly tight in a few areas of the region. Cream use for butter churning is very active. This week, multiples for all classes are mixed, ranging from 1.03 to 1.24. The *NASS Milk Production* report noted April 2016 milk production in the 23 selected states was 16.8 billion

pounds, 1.2% above a year ago. Milk cows in the 23 selected states totaled 8.65 million head, 21,000 head more than a year ago. The following table shows western states included in the report and the monthly milk production changes compared to a year ago:

## April 2016 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Arizona	434	+ 1.2
California	3,484	- 3.3
Colorado	321	+ 1.9
Idaho	1,197	+ 2.0
New Mexico	656	- 3.5
Oregon	220	+ 1.4
Utah	185	- 1.1
Washington	562	+ 0.4



## 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:** Low/medium nonfat dry milk prices are higher this week in the Central region. Changes on contract indices pulled prices higher in several instances. Production is active in reaction to heavy farm milk intakes. Many industry participants have adequate supplies of nonfat dry milk. Few buyers are looking for NDM on the spot market. Therefore, minimal transactions were carried out this week outside of contracts. A few contacts noted that condensed skim is being offered at large discounts and some processors may turn to that in lieu of NDM. Prices trended downward Monday thru Wednesday on the CME Group, following a short-lived upturn in price the end of last week. The market undertone is mixed. High heat NDM production is steady this week. Most manufacturers are scheduling high heat runs on an as needed basis. However, some contacts speculate manufacturers may start to produce more high heat NDM in the coming months to meet anticipated growth in demand for Q3/Q4. The market undertone is steady.

**EAST:** In the East region, low/medium heat nonfat dry milk prices advanced incrementally higher in the mostly price series on f.o.b. spot sales transactions. The impact of the Memorial Day holiday is increasing the volume of condensed skim available for processing, as Class I milk supplies divert to balancing. As a result, over the holiday weekend, condensed skim supplies could drive low/medium heat nonfat dry milk production to capacity levels for regional dryer operations. As output expands, sources point out inventories are building; however, those volumes are needed for future contract commitments, as a few buyers hedge. Good sales activity over the past few weeks lowered uncommitted supplies available for cash sales. The export market is fair to steady. In general, the low/medium heat NDM market currently resonate a firm undertone. Wednesday at the CME Group, Grade A NDM closed at \$1.7700, down \$0.0300 cents since last Wednesday. Prices for high heat nonfat dry milk are steady. Most manufacturers are bypassing high heat NDM production this week as dryer time centers on low heat NDM production in managing heavy condensed skim supplies. High heat NDM stocks are adequate for near-term customer needs. Limited supplies are available for cash trading.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .7700 - .8400 MOSTLY: .7800 - .8100  
HIGH HEAT: .8900 - .9700

## NONFAT DRY MILK - WEST

In the West, pricing for low/medium heat nonfat dry milk (NDM) is mixed on the range. However, prices in the mostly series show an uptick, in line with upward movements of various indices. Overall, the market undertone is firmer. Nevertheless, a few processors are clearing old inventories at lower prices, close to the bottom price of the range. Demands from bakers and dry mix manufacturers are good. Trades in the f.o.b. spot market are light to moderate. Interest from many processors in drying condensed skim loads is rising. As a result, low/medium heat NDM production is very active. Inventories are steady to building. High heat nonfat dry milk prices are unchanged. Production is irregular, based on requests to meet immediate needs. Sales in the f.o.b. spot market are very light. Inventories are tight throughout the region.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .7150 - .8350 MOSTLY: .7650 - .8100  
HIGH HEAT: .8700 - .9700

## CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
May 20	\$.7643	7,591,388
May 13	\$.7306	15,274,342

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 remains active in a quiet market. There is plentiful buttermilk available on the spot market with reports of some off specification buttermilk powder available as well. Some manufacturers report reducing pricing out of necessity to alleviate inventory pressures. Buyers continue to honor their contracts. However, few manufacturers report buyers seeking additional loads outside of contracts. They speculate this is due to large amounts of buttermilk stocks in the Central region. Inventories are building. Ice cream makers have mild interest in buttermilk powder. Some industry participants speculate demand from ice cream and frozen dessert manufacturers will pick up after the holiday weekend. Overall, the market undertone is weak.

**EAST:** Prices for dry buttermilk in the East region are mixed, as f.o.b. spot sales extend the price range. Activity is somewhat quiet this week with minimal cash trading taking place. Manufacturers look to ramp up dry buttermilk production over the holiday period, as butter making surges behind added milk supply. Dry buttermilk stocks are moderate and building. Demand is light to fair. Offers are being made as processors look for willing buyers, as they hope to reduce inventory levels. The dry buttermilk market has a weak undertone.

F.O.B. CENTRAL/EAST: .6500 - .7750

## DRY BUTTERMILK - WEST

Prices for dry buttermilk are mixed on the range and steady to lower on the mostly series. Trades outside contracts have been light throughout the week. The market undertone is weak. Demand from the bakery sector is lackluster. Some processors are opting to sell condensed buttermilk volumes in lieu of drying. Therefore, drying schedules are irregular in some manufacturing plants. Inventories vary from plant to plant.

F.O.B. WEST: .6700 - .7600 MOSTLY: .6900 - .7300

## DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are mixed on light trading. Some sales outside contracts pulled the bottom of the range 10 cents higher. According to some industry contacts, the market conditions in the East and Central region are fair to good. However, the market undertone is weak in the West. Production is sporadic, mostly dictated by contractual requirements. Inventories are mixed. This week, a cooperative export assistance program accepted requests for 88,185 pounds of dry whole milk.

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**

Dry whey prices in the Central region are steady to fractionally higher in a steady market. A few industry contacts feel whey prices are firming. Whey production is steady this week. Following a week of active trading, domestic whey sales slowed for some sellers. Many industry contacts report having sufficient supplies for contractual and spot requests. A handful of suppliers are offering additional loads to contracted buyers. A few contacts speculate a considerable amount of dry whey is ending up in warehouses. Several contacts report interest from international buyers. The majority of sales for these whey marketers are being exported. Animal feed whey prices are steady this week. Manufacturers report large quantities of off specification dry whey available in the marketplace. Interest is present where space allows. Feed blenders report active production this week in a steady market.

F.O.B. CENTRAL: .2000 - .3025 MOSTLY: .2100 - .2650  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1250 - .2125

**DRY WHEY - NORTHEAST**

Northeast dry whey prices are higher as prices adjusted to f.o.b. spot sales and pricing indices. Surplus milk supplies are likely to move into cheese production, during the holiday weekend, leading to heavier dry whey processing. Demand for dry whey is moderate. Transactions are occurring according to buyers' immediate needs, as the market noted several less-than-truckload sales. Negotiations for Q3 contracts are ongoing. The market currently has a steady to firm undertone.

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

**DRY WHEY - WEST**

Western whey prices are steady to higher. Prices moved up a half cent at the top of the range and bottom of the mostly price series. The market tone, however, is mixed. While some buyers are willing to pay a little more for select brands of whey, other buyers are hesitant. A few industry contacts say there is plenty of whey available at lower prices, but they are only interested in receiving regular contract shipments. End users want to lower their stocks before buying more whey. A few manufacturers have been able to ease inventories slightly through large export sales, but domestic demand is generally weak. Dry whey production is active and steady.

NONHYGROSCOPIC: .2100 - .2900 MOSTLY: .2175 - .2600

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices for whey protein concentrate 34% moved higher. Two market tiers are becoming more defined for WPC34%. Manufacturers report considerable stability of prices for WPC34% that does not meet infant formula requirements. Demand for this type of WPC34% is light outside of contracts and stocks are available to meet almost any end user need. However, manufacturers of WPC34% that meets infant formula requirements are finding customers eager to gain coverage of product needs. Buyers are on the hunt for available infant formula type WPC34% and may be willing to pay higher premium prices to secure additional loads. Stocks of WPC34% that meet infant formula requirements are tight and committed. Production remains stable.

F.O.B. EXTRA GRADE 34% PROTEIN: .5650 - .7575 MOSTLY: .6100 - .6700

**LACTOSE - CENTRAL AND WEST**

Lactose prices remain steady this week. Manufacturers report interest is lively. In some cases, new buyers are appearing and are making inquiries because their regular suppliers are unable to meet all their lactose needs. Many manufacturers report tight or committed inventories. However a few industry contacts suggest lactose is available if the buyer is not choosy about brand or specific lactose characteristics. Processors say regular customers are often seeking additional loads of lactose above contracted amounts. Some customers are trying to secure prices into late 2016. Lactose production is active.

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 steady for both casein rennet and acid. As the milk season draws to a close in Oceania, casein production is also slowing. Strong milk production in the EU is keeping milk readily available for casein production.

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
WEEK ENDING	DAIRY COWS	CUMULATIVE DAIRY COWS	DAIRY COWS	CUMULATIVE DAIRY COWS
05/07/2016	52.5	1,102.6	51.6	1,118.2

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

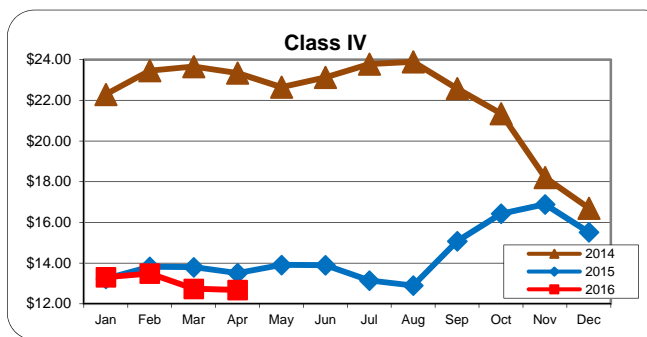
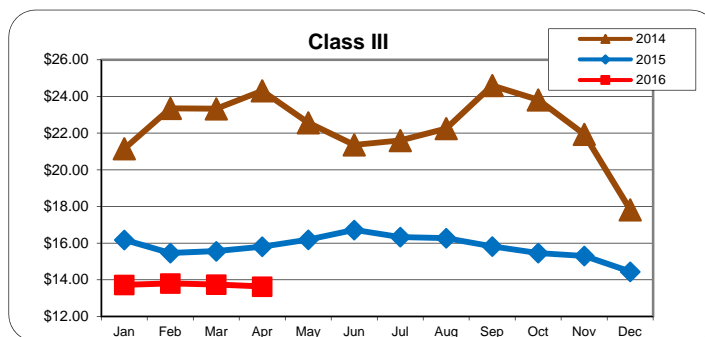
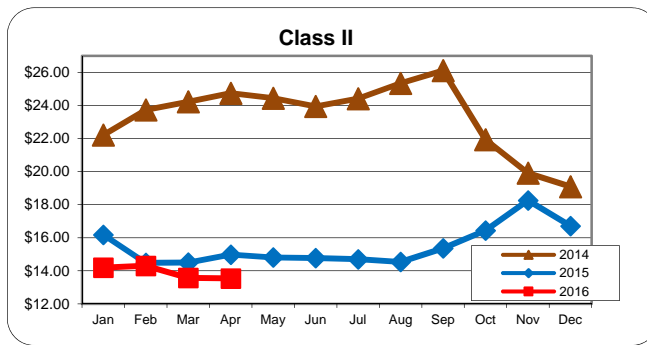
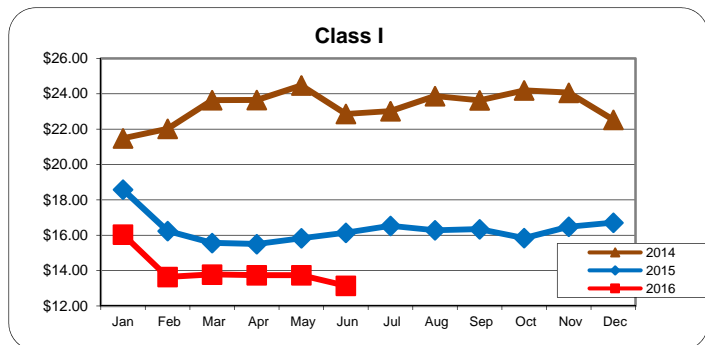
### CLASS IV MILK PRICES (3.5%)

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	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](http://www.ams.usda.gov/DairyMarketingStatistics); then select "Prices"; and then select "Principal Pricing Points."



## INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered May 16 - 27, 2016

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

**WESTERN OVERVIEW:** Western European milk production increases are up from year ago levels, a continuing outcome following the termination of quotas last year, coupled with favorable production factors. Eurolait reports January-March 2016 EU-28 milk production is 5.4% above the same months of 2015. Among the top Western European producing nations for March were Germany, France, United Kingdom, Netherlands and Ireland. Supplies of cheese continue to tighten, primarily attribute to strong consumer demand. Demand for both packaged and bulk butter has been strong. Recent weaker dairy product prices have been cited as a significant factor in keeping the consumer price index in Germany negative as of the end of April.

**SWEET WHEY POWDER:** Whey prices increased at the lower end of the price range. Manufacturers of whey have been frustrated with price levels this year, so this increase is welcome. A factor moving prices has been sales for use later in the year. Thus, there remains some apprehension as to whether this will lead to lower than desired demand later this year as customers rely on their own inventories rather than seeking new production. Eurolait reports that January-March EU whey exports increased 4.4% from the same period of 2015.

NONHYGROSCOPIC:

575 - 675

**BUTTER/BUTTEROIL:** Butter prices firmed at the lower end of the price range but remained unchanged at the top. Within the EU demand for packaged butter has been strong and sales good. Factors cited as supporting the higher demand include the asparagus season, as well as more outdoors grilling where butter is used on certain food. Bulk butter demand has also been stronger. Internal EU users are believed to be increasingly adding to bulk butter stocks for use in Q3. EU butter exports January-March 2015 were 23.5% above volumes of the same period one year earlier. EU butter pricing has been competitive for exporting and there is a demand for certain EU butter that is less price sensitive and favors various manufacturers in terms of perceived quality.

**WHOLE MILK POWDER (WMP):** Whole milk powder prices strengthened at each end of the price range. This represents some improvement from prices that had trended lower earlier this year, until recent weeks. Current price strength is not necessarily viewed as a new trend, as much as a retreat from recent lower prices. EU customers have recently committed to acquiring new volumes for use in the EU, which has helped strengthen prices. Some up and down movement within a range is still expected in future weeks. The EU demand has been welcome, as exports have been more challenging. EU WMP exports January-March 2015 were 3.6% below volumes of the same period one year earlier, according to Eurolait.

82% BUTTERFAT: 2,600 - 2,900  
99% BUTTERFAT: 3,600 - 3,850

26% BUTTERFAT: 2,050 - 2,200

**SKIM MILK POWDER (SMP):** Skim milk powder prices increased very slightly at the bottom of the price range. Even with the significant influence of intervention on markets, this slight firming is attributed primarily to customers in the EU who are looking ahead to seasonal declines in the milk supply and are believed to be securing supplies for future use at current low price levels. These purchases are for SMP not needed until the fourth quarter of 2016 and beyond. During the period May 16-23, slightly over 34,000 MT of SMP entered the intervention program according to Eurolait. The top sources during this period were Ireland, Germany, France, Poland and the Netherlands. With 216,797 MT in the program following these placements, the intervention ceiling of 218,000 MT is close at hand. There is anticipation that a new tender procedure rule may be published soon, perhaps later this week. There is uncertainty as to what details may be for a new program. EU SMP exports January-March 2015 were 1.4% below volumes of the same period one year earlier. Weaker global prices have been challenging and made sales into intervention an alternative outlet.

**EASTERN OVERVIEW:** Among the top Eastern European producing nations for March were Poland, Czech Republic, Hungary, Lithuania and Romania. Global dairy exporters continue to discuss whether Russia, a former significant customer, will relax or rescind the ban on dairy product imports from western countries, and there are new developments. A deal has been announced for construction by a Thai company, of what will be the largest dairy complex in Russia. To be located southeast of Moscow, the \$1 billion dairy complex is planned to produce 400,000 tons per year of pasteurized milk, cheese and sour milk products.

1.25% BUTTERFAT: 1,725 - 1,850

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered May 16 - 27, 2016

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

With the dairy production season in **Australia** nearing an end, the majority of available fodder is now in South Australia or New South Wales. The supply in Victoria is becoming thin. Australia recently received widespread rainfall across southern regions. The north continued drying. This has slowed buyer interest in feed grains and hay in southern areas, a departure from recent months. Producers who have been enduring weaker milk pay prices welcome this relief from some costs of producing. Producers in the North have had less need to purchase feed, but if drying continues and affects pastures, feed prices in the North may be increasing soon. In western Australia, demand for hay is variable. Some of the region enjoys good silage and pasture availability from summer rains. Other areas are heavily reliant upon purchased fodder. April **New Zealand** milk production, as reported by DCANZ, was 1.36 million MT, down from 1.74 million MT in March. During April 2015, milk production was 1.40 million MT. April 2016 milk solids (the sum of total milk protein and fat), 134.61 million kg, is down from 162.36 million kg in March 2016, and down from 138.07 million kg in April 2015. 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%.

**BUTTER:** Butter prices in Oceania strengthened at each end of the price range. Factors supporting price strength were the nearing of the end of the milk production season and stronger prices in the EU. This also follows GDT Event 164 on May 17, when butter in the early contract periods increased 2.4% and 8.9%. Dairy Australia reports that butter exports from Australia July 2015-March 2016, declined 40.7% compared with the same portion of the last production season. The value of butter exports declined 34.5%. New Zealand butter exports January-March this year are down 2.5% from the same period of 2015, according to Eurolait.

82% BUTTERFAT: 2,600 - 2,700

**SKIM MILK POWDER (SMP):** Skim milk powder prices in Oceania weakened at the lower end of the price range. Intervention pricing in the EU continues to weigh on SMP pricing in Oceania. GDT Event 164 on May 17 showed SMP prices in the early contract periods declined 2.8% and 1.4%. Dairy Australia reports that skim milk powder exports from Australia July 2015-March 2016, increased 5.2% compared with the same portion of the last production season. However, the value of SMP exports declined 20.9%. New Zealand SMP exports January-March this year are up 4.2% from the same period of 2015, according to Eurolait.

1.25% BUTTERFAT: 1,650 - 1,750

**CHEDDAR CHEESE:** Cheddar prices in Oceania strengthened at the each end of the price range. Cheese has historically been a profitable use for milk in the region, relative to other dairy uses. The GDT Event 164 on May 17 also recorded a 3.6% increase for June contract cheddar cheese prices. Dairy Australia reports that Cheddar exports from Australia July 2015-March 2016, increased 11.4% compared with the same portion of the last production season and other cheese exports increased 12.3%. The value of Cheddar exports increased 3.7% and the other cheese export value increased 10.3%. New Zealand cheese exports January-March this year are up 13.8% from the same period of 2015, according to Eurolait.

39% MAXIMUM MOISTURE: 2,525 - 2,700

**WHOLE MILK POWDER (WMP):** Whole milk powder prices in Oceania strengthened at each end of the price range. Factors supporting price strength are the nearing of the end of the milk production season and stronger prices in the EU. Stronger pricing also emerged during GDT Event 164 on May 17, when WMP in the early contract periods increased 3.3% and 3.7%. Dairy Australia reports that WMP exports from Australia July 2015-March 2016, were even with the same portion of the last production season. However, the value of WMP exports increased 63.4%. New Zealand WMP exports January-March this year are down 15.4% from the same period of 2015, according to Eurolait.

26% BUTTERFAT: 2,025 - 2,100

**Exchange rates for selected foreign currencies:  
May 23, 2016**

.0715 Argentina Peso	.0092 Japan Yen
.7225 Australian Dollar	.0540 Mexican Peso
.7609 Canadian Dollar	.6764 New Zealand Dollar
1.1221 Euro	.2525 Poland Zloty
.0148 India Rupee	

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.0540) = 18.5185$  Mexican Pesos. Source: "Wall Street Journal"



## INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 164 Recap - May 17, 2016													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Jun-16		Jul-16		Aug-16		Sep-16		Oct-16		Nov-16			
Anhydrous Milk Fat	\$3,533	10.3%	\$3,344	6.2%	\$3,269	2.5%	\$3,288	3.1%	\$3,299	1.7%	\$3,414	5.6%	\$3,340	4.9%
Butter	\$2,706	2.4%	\$2,800	8.9%	\$2,690	3.3%	\$2,590	0.8%	\$2,595	-1.1%	\$2,630	-2.0%	\$2,697	3.8%
Buttermilk Powder		n.a.	\$1,545	16.2%		n.a.		n.a.		n.a.		n.a.	\$1,545	16.2%
Cheddar	\$2,740	3.6%	\$2,686	-1.3%		n.a.		n.a.		n.a.		n.a.	\$2,693	-0.8%
Lactose		n.a.	\$713	3.9%		n.a.		n.a.		n.a.		n.a.	\$713	3.9%
Rennet Casein	\$5,190	-7.7%	\$5,101	-0.8%	\$4,935	4.4%		n.a.		n.a.		n.a.	\$5,060	0.3%
Skim Milk Powder	\$1,626	-2.8%	\$1,609	-1.4%	\$1,665	-2.7%	\$1,743	0.8%	\$1,870	6.1%	\$1,767	0.4%	\$1,658	-0.9%
Sweet Whey Powder		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.
Whole Milk Powder	\$2,198	3.3%	\$2,249	3.7%	\$2,262	1.8%	\$2,284	2.0%	\$2,286	3.2%	\$2,288	2.7%	\$2,252	3.0%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 164 Recap - May 17, 2016													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Jun-16		Jul-16		Aug-16		Sep-16		Oct-16		Nov-16			
Anhydrous Milk Fat	\$1.6026	10.3%	\$1.5168	6.2%	\$1.4828	2.5%	\$1.4914	3.1%	\$1.4964	1.7%	\$1.5486	5.6%	\$1.5150	4.9%
Butter	\$1.2274	2.4%	\$1.2701	8.9%	\$1.2202	3.3%	\$1.1748	0.8%	\$1.1771	-1.1%	\$1.1930	-2.0%	\$1.2234	3.8%
Buttermilk Powder		n.a.	\$0.7008	16.2%		n.a.		n.a.		n.a.		n.a.	\$0.7008	16.2%
Cheddar	\$1.2429	3.6%	\$1.2184	-1.3%		n.a.		n.a.		n.a.		n.a.	\$1.2215	-0.8%
Lactose		n.a.	\$0.3234	3.9%		n.a.		n.a.		n.a.		n.a.	\$0.3234	3.9%
Rennet Casein	\$2.3542	-7.7%	\$2.3138	-0.8%	\$2.2385	4.4%		n.a.		n.a.		n.a.	\$2.2952	0.3%
Skim Milk Powder	\$0.7375	-2.8%	\$0.7298	-1.4%	\$0.7552	-2.7%	\$0.7906	0.8%	\$0.8482	6.1%	\$0.8015	0.4%	\$0.7521	-0.9%
Sweet Whey Powder		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.
Whole Milk Powder	\$0.9970	3.3%	\$1.0201	3.7%	\$1.0260	1.8%	\$1.0360	2.0%	\$1.0369	3.2%	\$1.0378	2.7%	\$1.0215	3.0%

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

## CME GROUP, INC FUTURES

Selected settling prices

Month	05/13	05/16	05/17	05/18	05/19	05/20	05/23	05/24	05/25	05/26
<b>CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)</b>										
MAY 16	12.73	12.74	12.75	12.75	12.80	12.82	12.82	12.82	12.82	12.80
JUN 16	12.26	12.37	12.40	12.37	12.30	12.48	12.49	12.60	12.68	12.94
JUL 16	12.84	12.95	12.92	12.85	12.80	12.93	12.95	13.19	13.12	13.29
AUG 16	13.60	13.68	13.69	13.63	13.57	13.64	13.67	13.87	13.80	13.94
SEP 16	14.36	14.36	14.37	14.36	14.29	14.45	14.47	14.54	14.47	14.68
OCT 16	14.72	14.69	14.69	14.62	14.59	14.73	14.74	14.82	14.75	14.95
NOV 16	14.81	14.80	14.76	14.74	14.73	14.87	14.87	14.87	14.87	15.00
DEC 16	14.85	14.86	14.86	14.86	14.83	14.95	14.94	14.94	14.90	15.05
JAN 17	14.95	14.97	14.97	14.97	14.97	14.98	14.99	14.99	15.00	15.07
FEB 17	15.10	15.14	15.10	15.10	15.05	15.11	15.11	15.11	15.09	15.13
<b>CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)</b>										
MAY 16	13.24	13.24	13.24	13.24	13.24	13.24	13.24	13.24	13.24	13.24
JUN 16	13.49	13.56	13.56	13.56	13.56	13.75	13.75	13.75	13.75	13.75
JUL 16	13.92	13.92	13.92	14.09	14.09	14.27	14.28	14.24	14.24	14.24
AUG 16	14.41	14.41	14.36	14.57	14.56	14.69	14.83	14.79	14.79	14.79
<b>CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)</b>										
MAY 16	206.38	206.00	206.00	206.00	206.00	206.00	206.00	206.30	206.30	205.88
JUN 16	207.00	207.00	207.08	208.75	209.00	211.50	211.53	209.05	209.10	209.00
JUL 16	209.00	209.60	209.53	211.50	212.00	213.28	213.45	212.03	212.03	212.25
AUG 16	212.00	212.00	212.25	214.50	214.50	216.85	217.40	215.00	215.48	215.48
<b>NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)</b>										
MAY 16	75.95	75.95	75.95	75.90	75.90	75.90	76.00	76.00	76.48	76.55
JUN 16	80.50	81.00	79.93	80.28	80.05	80.50	80.50	80.00	79.65	80.05
JUL 16	84.80	85.98	84.00	85.00	84.50	86.00	86.10	84.85	84.70	85.53
AUG 16	88.50	90.00	87.75	89.23	88.50	90.00	90.50	89.00	87.50	88.35
<b>WHEY (Electronic-Traded) (¢/lb)</b>										
MAY 16	24.75	24.75	24.53	24.53	25.25	25.38	25.38	25.38	25.38	25.40
JUN 16	24.78	24.78	24.55	24.73	25.55	25.98	25.98	25.78	25.78	25.25
JUL 16	25.75	25.75	25.30	24.73	25.75	25.70	25.70	26.00	25.90	26.25
AUG 16	26.50	26.50	26.00	26.00	26.25	26.28	26.50	26.95	26.75	27.00
<b>CHEESE CSC (Electronic-Traded) (\$/lb)</b>										
MAY 16	1.41	1.41	1.41	1.41	1.41	1.42	1.42	1.41	1.41	1.41
JUN 16	1.36	1.37	1.38	1.37	1.36	1.37	1.38	1.39	1.39	1.43
JULY 16	1.42	1.43	1.43	1.42	1.41	1.42	1.43	1.45	1.44	1.46
AUG 16	1.49	1.50	1.50	1.49	1.48	1.49	1.50	1.51	1.50	1.52
SEP 16	1.56	1.56	1.56	1.56	1.55	1.56	1.57	1.58	1.57	1.58
OCT 16	1.59	1.59	1.59	1.59	1.58	1.59	1.60	1.60	1.59	1.60

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

## Consumer Price Index and Average Retail Prices for Selected Products, U.S. City Average <sup>1</sup>

Consumer Price Index												
Month	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI <sup>2</sup>	Pct. Chg <sup>3</sup>	CPI <sup>2</sup>	Pct. Chg <sup>3</sup>	CPI <sup>2</sup>	Pct. Chg <sup>3</sup>	CPI <sup>2</sup>	Pct. Chg <sup>3</sup>	CPI <sup>2</sup>	Pct. Chg <sup>3</sup>	CPI <sup>2</sup>	Pct. Chg <sup>3</sup>
Feb 2016	248.8	0.9	219.7	-2.6	204.4	-6.2	231.4	-2.5	237.3	1.6	251.3	-3.7
Mar 2016	248.0	0.8	218.1	-2.8	201.7	-6.9	229.5	-2.6	237.5	6.7	250.8	-3.6
Apr 2016	248.4	0.9	218.3	-2.0	201.1	-5.9	230.0	-1.3	234.6	5.6	250.8	-3.1

U.S. City Average Retail Prices										
Month	Whole Milk <sup>4</sup>		Butter <sup>5</sup>		Process Cheese <sup>6</sup>		Natural Cheese <sup>7</sup>		Ice Cream <sup>8</sup>	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	<i>(dollars)</i>									
Feb	3.230	3.496	N/A	N/A	4.436	4.598	5.369	5.480	4.851	4.955
Mar	3.187	3.463	N/A	N/A	4.462	4.558	5.364	5.384	4.850	4.889
Apr	3.155	3.397	N/A	N/A	4.434	4.543	5.399	5.384	4.915	4.791

N/A = Not available. <sup>1</sup> "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. <sup>2</sup> The standard reference base period for these indexes is 1982-1984 = 100. <sup>3</sup> Percent change over previous year. <sup>4</sup> Per gallon. <sup>5</sup> Per pound. Grade AA, salted, stick butter. <sup>6</sup> Per pound, any size and type of package. <sup>7</sup> Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc). <sup>8</sup> Per 1/2 gallon prepackaged regular.

## MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated

## U.S. HOLDINGS OF DAIRY PRODUCTS

COMMODITY	MAR 31, 2014	MAR 31, 2015	REVISED MAR 31, 2016	APR 30, 2014	APR 30, 2015	APR 30, 2016
Butter	191,755	184,373	243,134	186,914	232,372	298,173
Cheese, Natural American	639,067	634,270	725,837	648,900	644,113	738,737
Cheese, Swiss	27,425	24,573	24,629	28,316	23,986	24,584
Cheese, Other Natural	351,798	409,802	440,928	360,370	417,810	450,718
Total Cheese	1,018,290	1,068,645	1,191,394	1,037,586	1,085,909	1,214,039

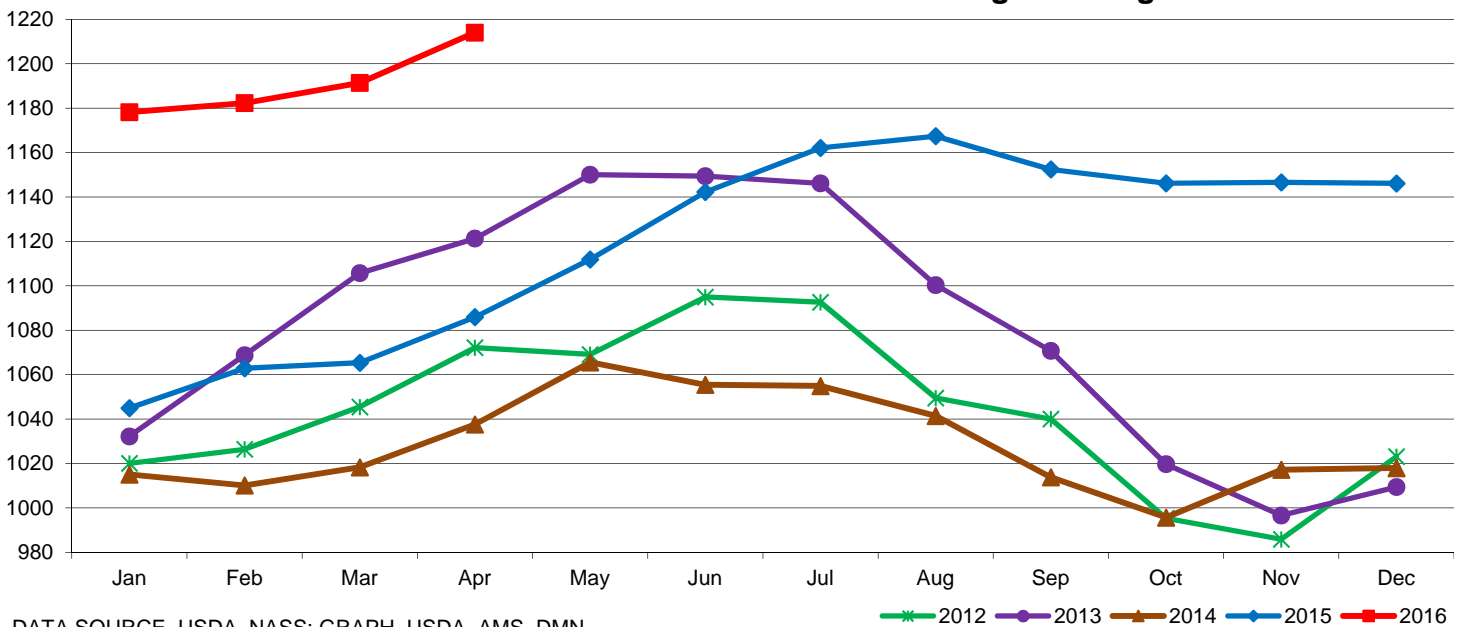
## APRIL STORAGE HOLDINGS BY REGION

REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
New England	57,695	59,879	64,281	---	---	---	1,052	662	737
Middle Atlantic	61,153	67,808	87,467	---	---	---	19,506	22,785	20,242
East North Central	231,322	249,652	289,542	---	---	---	243,554	259,691	284,095
West North Central	106,212	108,056	116,663	---	---	---	41,745	45,861	48,066
South Atlantic	843	670	744	---	---	---	4,809	30,050	25,394
East South Central	3,702	4,931	6,524	---	---	---	12,606	15,153	24,243
West South Central	13,933	13,103	16,114	---	---	---	680	947	1,692
Mountain	56,985	48,173	60,768	---	---	---	2,466	1,902	1,974
Pacific	117,055	91,841	96,634	---	---	---	33,952	40,759	44,275
TOTAL	648,900	644,113	738,737	186,914	232,372	298,173	360,370	417,810	450,718

\*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

MILLION POUNDS

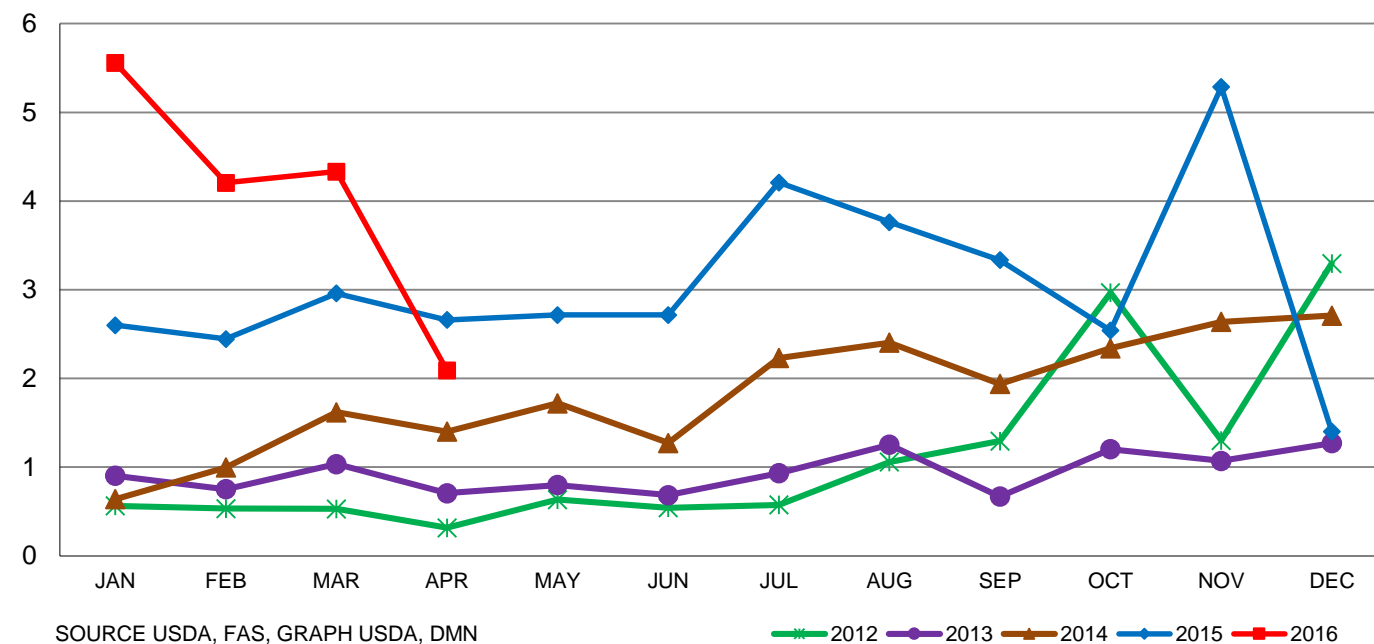
## U.S. Total Natural Cheese Cold Storage Holdings



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

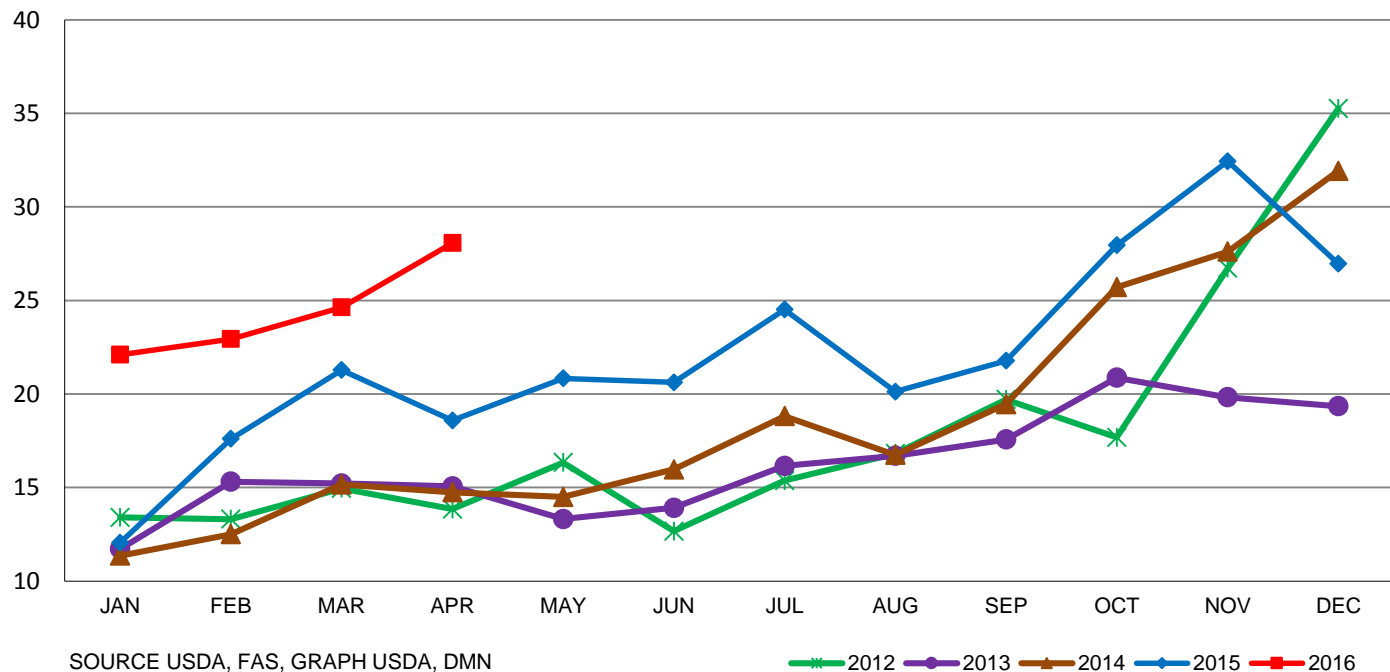
### Total U.S. Butter Imports High Tier and Quota Volumes Combined

MILLION POUNDS



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

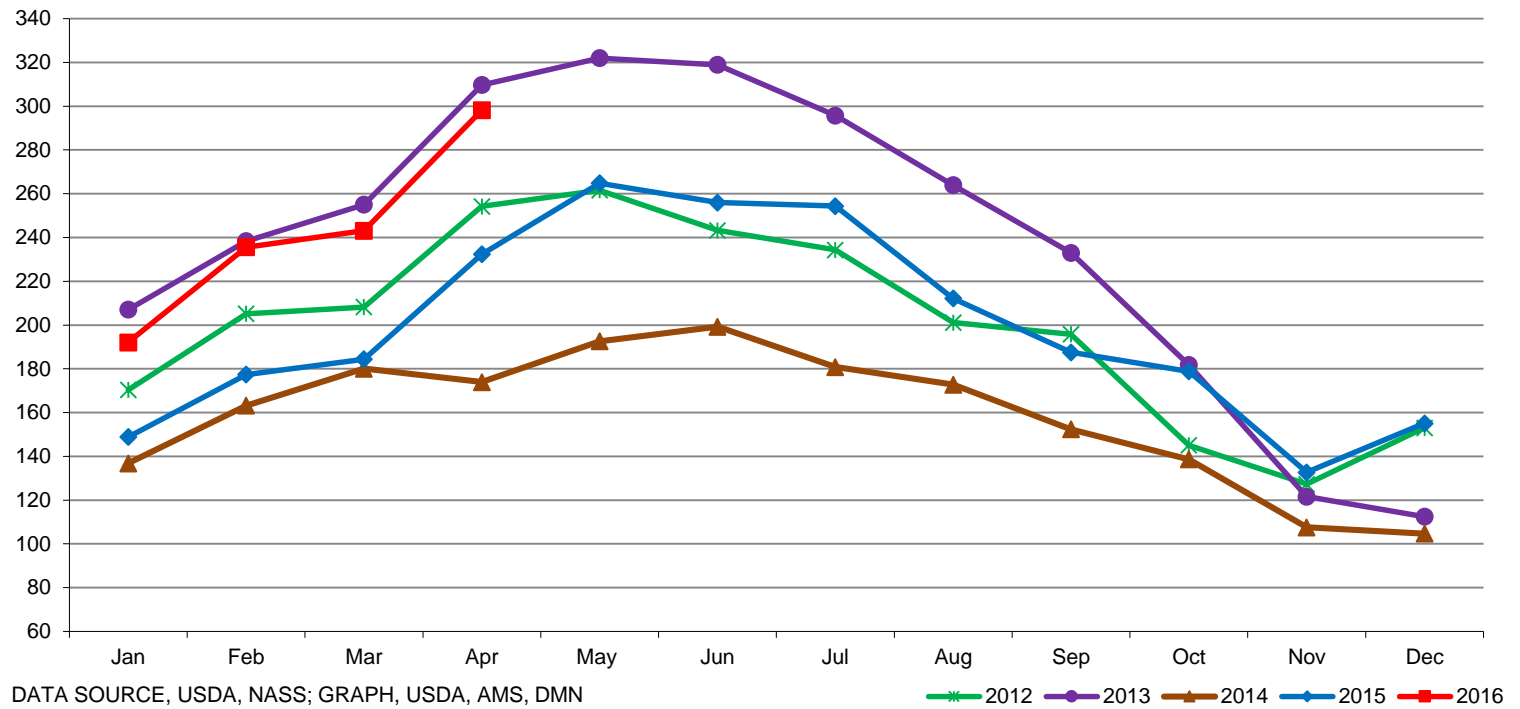
MILLION POUNDS





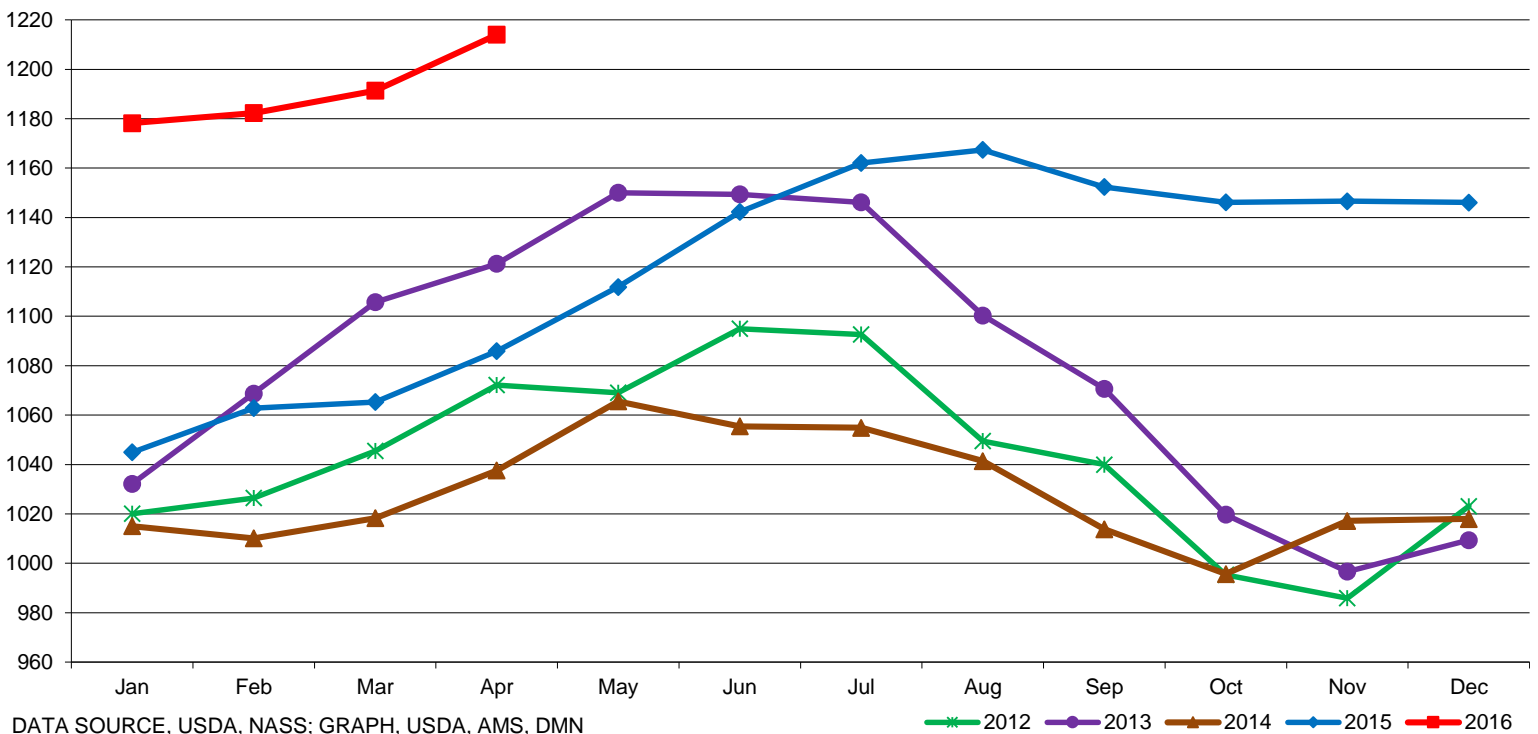
### U.S. Butter Cold Storage Holdings

MILLION POUNDS

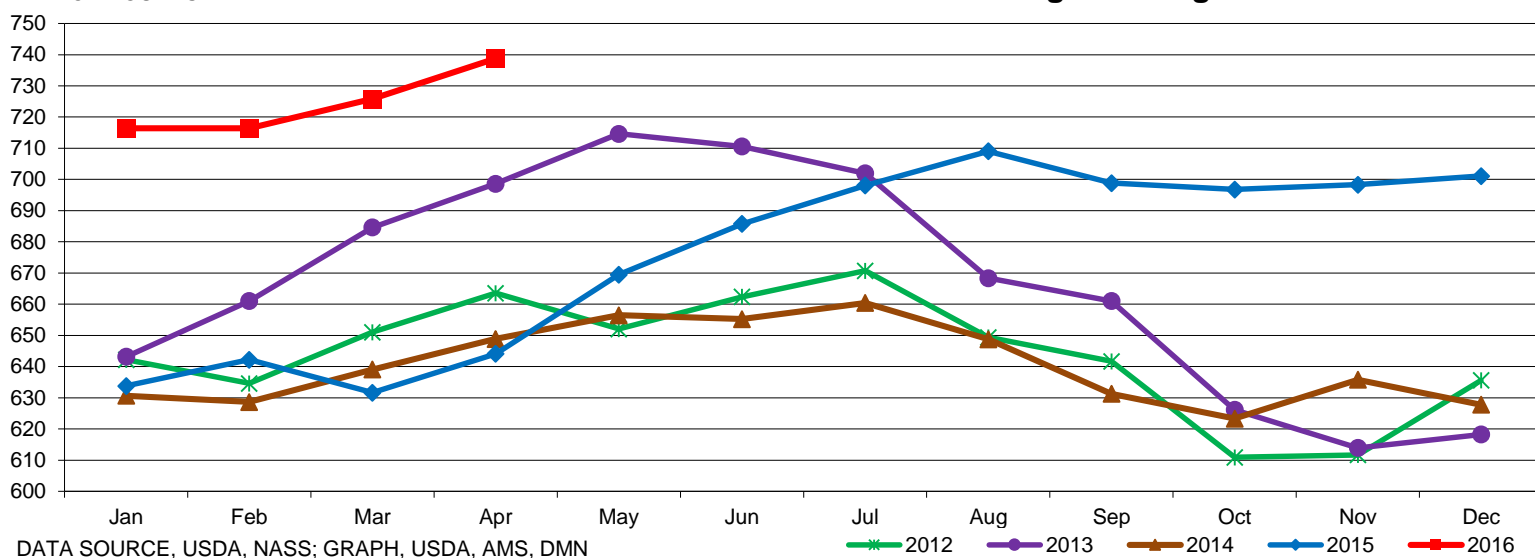


### U.S. Total Natural Cheese Cold Storage Holdings

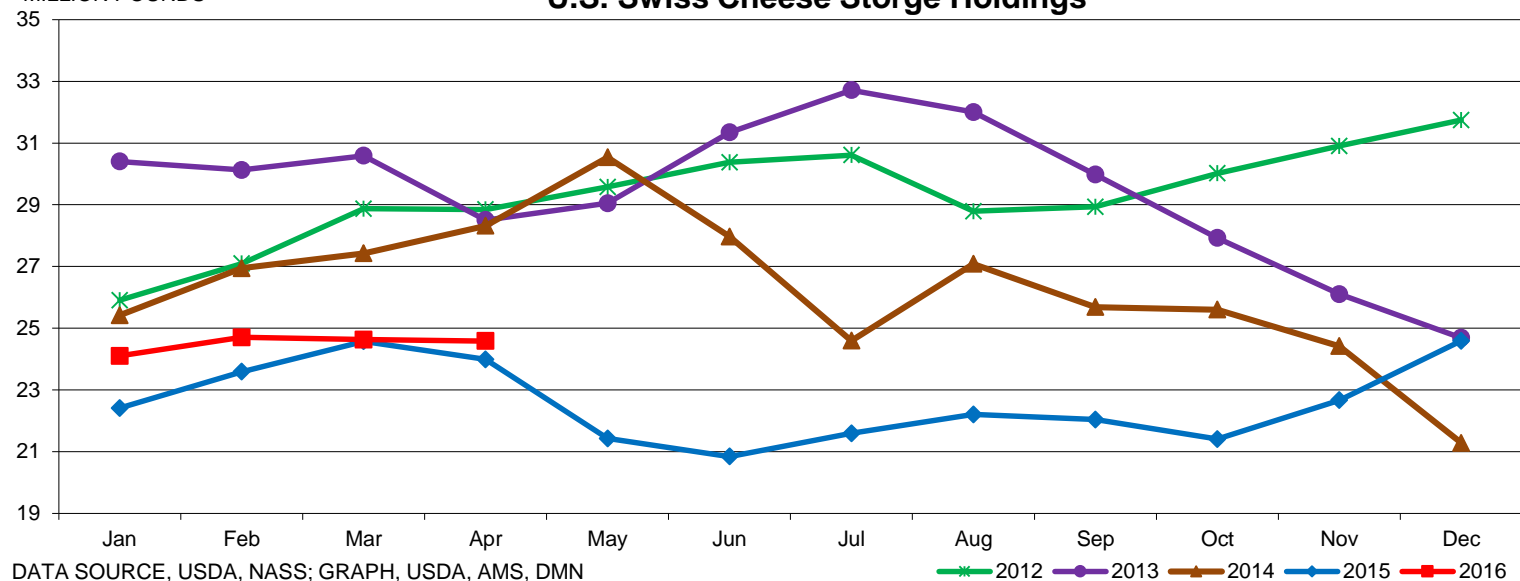
MILLION POUNDS



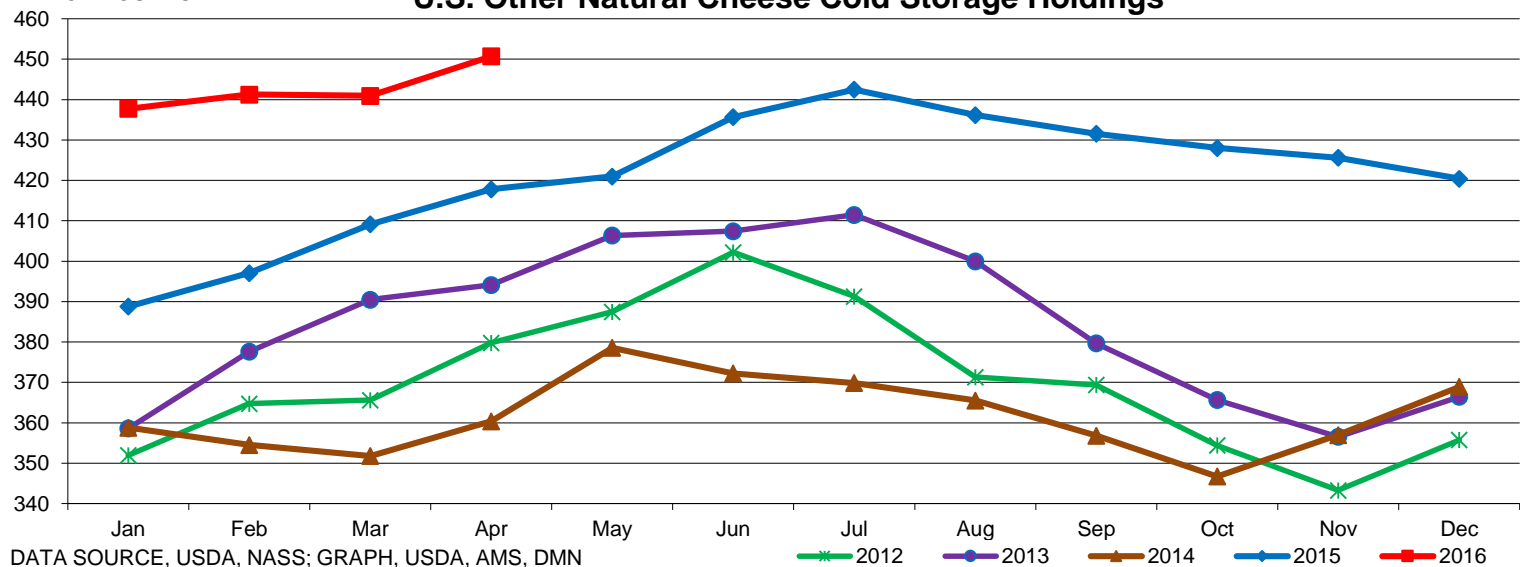
## MILLION POUNDS



## MILLION POUNDS



## MILLION POUNDS





## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Retail Report-Dairy

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

Volume 83- Number 21

Issued Weekly

Friday, May 27, 2016

### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 05/27/2016 to 06/02/2016

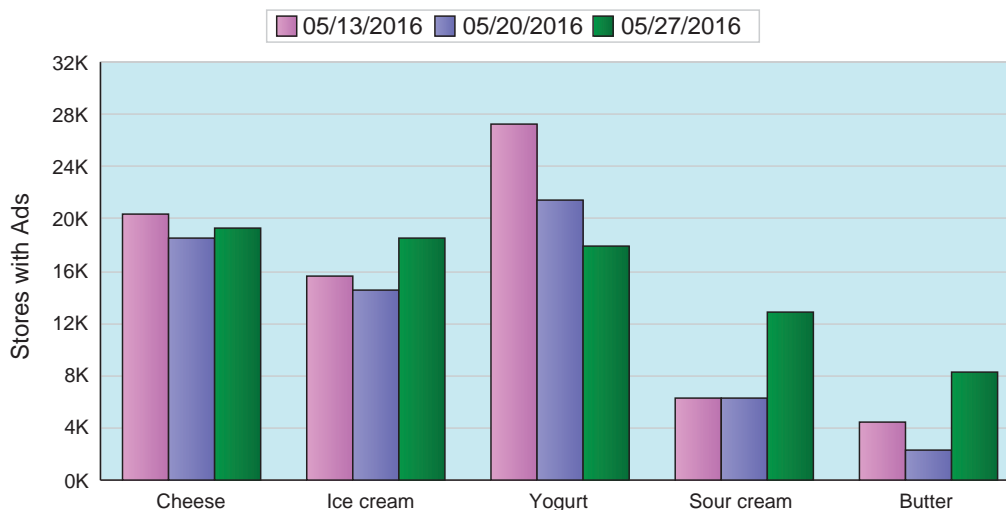
This week, the total volume of conventional dairy ads increased 9%, and organic dairy ads increased 30%. For conventional dairy advertisements, 48-64 ounce ice cream containers and 16 ounce sour cream containers have the most advertisements. One pound packages of butter more than tripled the number of advertisements and has about a 5% decrease in price when compared to last week. Organic butter has a weighted average price of \$5.84 and greater than double the number of ads when compared to last week. Organic 8 ounce blocks of cheese has the largest percent increase in ads of organic dairy items at 208%.

The average price for conventional yogurt in 4-6 ounce packages is \$.52, up \$.02 from last week. The average price of 4-6 ounce conventional Greek yogurt is \$.98, up \$.03 from a week ago. Conventional yogurt ad numbers are down 16% from last week, and organic yogurt ads are down 53%. The average price for organic Greek yogurt in 4-6 ounce packages is \$1.00.

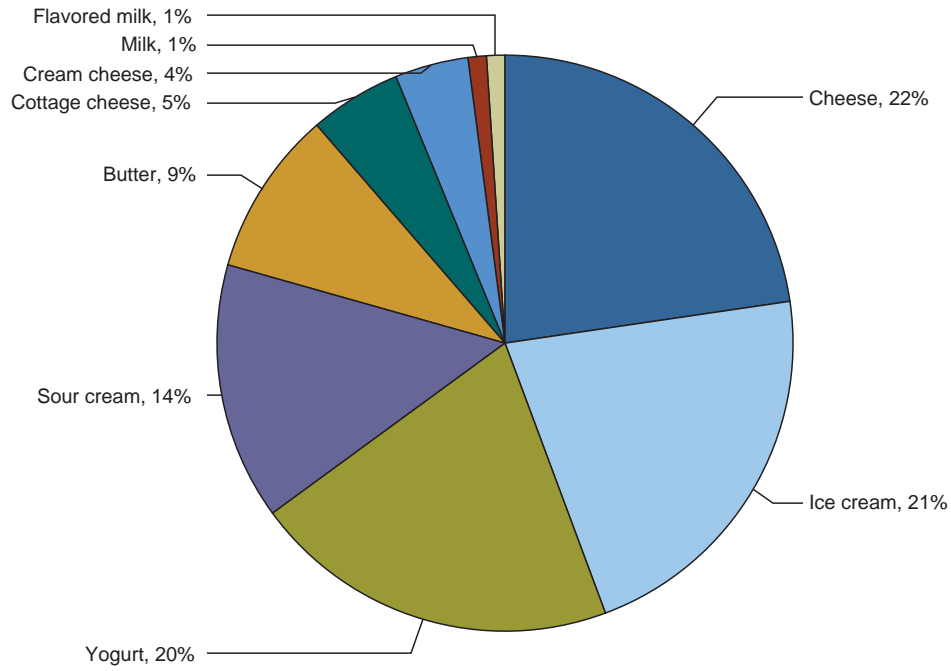
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.24, down \$.08 from last week; 8 ounce shred cheese averaged \$2.19, down \$.04 from last week. Ad volume for conventional two pound blocks increased 61% with a weighted average price of \$6.82. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$4.20, up \$.71 from last week.

The price spread between organic and conventional half gallon milk is \$2.00. The price spread is the difference between national weighted average prices for organic, \$3.92, and conventional, \$1.92. Conventional milk ad numbers decreased 77% from last week while organic milk ad numbers increased 28%.

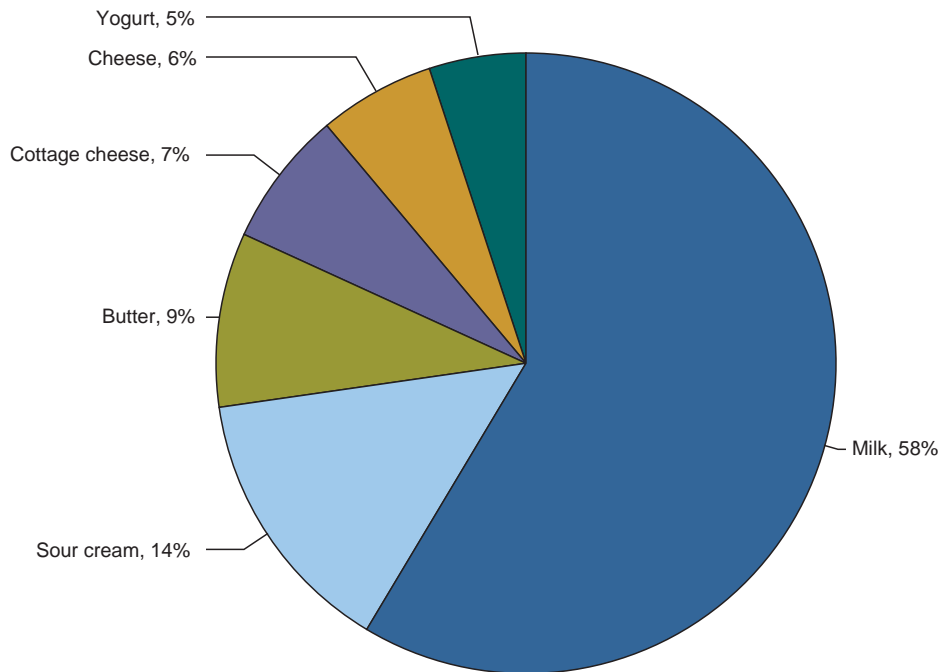
Top 5 Commodities Featured



### 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 #	7685	3.13	2099	3.29	4269	3.18
Cheese	Natural Varieties	8 oz block	8683	2.24	7584	2.32	9950	2.23
Cheese	Natural Varieties	1 # block	672	4.97	1380	3.71	462	4.12
Cheese	Natural Varieties	2 # block	1544	6.82	958	5.42	1002	6.69
Cheese	Natural Varieties	8 oz shred	7624	2.19	6617	2.23	11332	2.34
Cheese	Natural Varieties	1 # shred	464	4.16	1946	3.28	541	3.99
Cottage cheese		16 oz	4816	1.87	4983	1.67	3168	2.26
Cream cheese		8 oz	3365	1.72	4294	2.15	5192	1.83
Flavored milk	All fat tests	half gallon	577	2.07	538	2.14	322	3.14
Flavored milk	All fat tests	gallon	106	3.49	1013	2.84	692	4.02
Ice cream		48-64oz	18546	2.83	14457	3.12	13255	2.95
Milk	All fat tests	half gallon	307	1.92	290	1.20	1128	1.59
Milk	All fat tests	gallon	736	2.93	4215	2.34	3016	2.53
Sour cream		16 oz	11538	1.67	5923	1.53	7968	1.54
Yogurt	Greek	4-6 oz	11471	.98	12105	.95	9557	.99
Yogurt	Greek	32 oz	1155	4.58	908	4.61	2305	3.95
Yogurt	Yogurt	4-6 oz	4411	.52	6870	.50	4045	.44
Yogurt	Yogurt	32 oz	512	2.38	927	2.33	1276	2.45

## 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 #	2.50-3.99	1359	3.32	1.99-3.50	2488	3.32	1.00-2.99	1180	2.45
Cheese	Natural Varieties	8 oz block	1.49-3.50	2900	2.24	1.67-3.00	2987	2.48	1.66-2.49	885	1.99
Cheese	Natural Varieties	1 # block	5.99	72	5.99				4.99	213	4.99
Cheese	Natural Varieties	2 # block				7.97	214	7.97			
Cheese	Natural Varieties	8 oz shred	1.66-3.00	1909	2.33	1.67-2.50	1398	2.44	1.33-2.49	1044	1.89
Cheese	Natural Varieties	1 # shred							4.99	213	4.99
Cottage cheese		16 oz	1.66-2.99	1248	2.27	1.00-2.00	1276	1.80	1.00-1.89	566	1.18
Cream cheese		8 oz	1.49-2.00	1261	1.60	1.25-2.39	637	1.50	1.25-2.49	671	1.86
Flavored milk	All fat tests	half gallon	1.99-2.50	298	2.22	3.00	61	3.00	1.25	119	1.25
Flavored milk	All fat tests	gallon							3.49	106	3.49
Ice cream		48-64oz	1.99-3.79	4085	2.64	2.29-3.50	5909	2.85	2.49-3.99	2936	2.80
Milk	All fat tests	half gallon	1.98	62	1.98				1.25	119	1.25
Milk	All fat tests	gallon				2.75	62	2.75	1.99	53	1.99
Sour cream		16 oz	1.29-2.00	2488	1.68	1.00-2.00	2691	1.80	0.99-1.89	1949	1.46
Yogurt	Greek	4-6 oz	0.88-1.25	2573	1.01	0.80-1.25	3034	1.01	0.80-1.00	1999	.98
Yogurt	Greek	32 oz	4.49	59	4.49				5.49	180	5.49
Yogurt	Yogurt	4-6 oz	0.40-0.60	1877	.49	0.40-0.60	1277	.56	0.40-0.60	540	.53

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	2.00-2.69	119	2.34				2.48	180	2.48

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 #	1.99-3.50	881	2.68	1.99-4.28	884	3.41	2.50-3.99	816	3.25
Cheese	Natural Varieties	8 oz block	1.50-2.50	1401	1.93	1.77-2.50	410	2.14	2.00	66	2.00
Cheese	Natural Varieties	1 # block	3.99	114	3.99	4.99	246	4.99			
Cheese	Natural Varieties	2 # block				5.99-7.99	1048	6.80	5.99	276	5.99
Cheese	Natural Varieties	8 oz shred	1.66-2.50	1736	2.02	1.77-3.00	1232	2.18	1.67-2.00	240	1.76
Cheese	Natural Varieties	1 # shred	3.99	114	3.99	3.00	137	3.00			
Cottage cheese		16 oz	1.00-2.58	428	1.55	1.00-2.50	1171	1.91	1.50	66	1.50
Cream cheese		8 oz	1.25-1.99	209	1.58	1.50-2.49	354	2.16	1.67-2.50	182	1.95
Flavored milk	All fat tests	half gallon	1.99	99	1.99						
Ice cream		48-64oz	1.98-5.00	1949	3.06	1.97-3.99	2897	2.82	2.50-3.50	548	2.72
Milk	All fat tests	half gallon	1.99	99	1.99						
Milk	All fat tests	gallon	3.29	133	3.29	2.29-3.99	481	2.93			
Sour cream		16 oz	1.00-2.00	1363	1.54	0.99-2.50	2364	1.70	1.49-2.00	590	1.75
Yogurt	Greek	4-6 oz	0.77-1.00	1022	.94	0.69-1.00	2481	.94	1.00	317	1.00
Yogurt	Greek	32 oz				2.99-5.00	606	4.09	4.99	289	4.99
Yogurt	Yogurt	4-6 oz	0.44-0.50	193	.48	0.39-0.50	187	.47	0.50	289	.50
Yogurt	Yogurt	32 oz				1.77-2.99	176	2.20			

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 #	2.99-5.50	47	4.72	4.79-4.99	30	4.97
Cheese	Natural Varieties	8 oz block				2.50	34	2.50
Cheese	Natural Varieties	1 # block				5.99	27	5.99
Cheese	Natural Varieties	2 # block	8.99	6	8.99			
Cheese	Natural Varieties	8 oz shred	3.48-5.00	31	4.85	2.50	34	2.50
Cottage cheese		16 oz	2.69-4.48	34	4.16	2.49-2.50	27	2.49
Cream cheese		8 oz	1.69-1.99	17	1.88	2.25	34	2.25
Ice cream		48-64oz	2.99-7.99	69	5.23	3.00-6.99	153	5.00
Milk	All fat tests	half gallon				4.49	27	4.49
Milk	All fat tests	gallon				4.97-5.19	7	5.10
Sour cream		16 oz	1.68-2.19	32	2.09	1.99-2.39	61	2.21
Yogurt	Greek	4-6 oz	1.00-1.25	11	1.20	1.10-1.50	34	1.25
Yogurt	Greek	32 oz	5.49	21	5.49			
Yogurt	Yogurt	4-6 oz	0.60	21	.60	0.79	27	.79
Yogurt	Yogurt	32 oz				2.79-3.50	37	2.85



## 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 #	542	5.84	257	5.66		
Cheese	Natural Varieties	8 oz block	351	4.20	114	3.49	393	3.91
Cottage cheese		16 oz	423	3.36	166	3.25		
Cream cheese		8 oz			137	2.69		
Ice cream		48-64oz	27	5.49	137	5.99	246	4.99
Milk	All fat tests	half gallon	2641	3.92	2025	3.78	2437	3.47
Milk	All fat tests	gallon	378	6.48	532	4.05	84	6.99
Milk	All fat tests	8 oz UHT	395	1.05	114	1.00	158	1.00
Sour cream		16 oz	816	3.10	392	2.02		
Yogurt	Greek	4-6 oz	72	1.00	167	1.50	2228	1.24
Yogurt	Yogurt	32 oz	221	3.99	455	2.95		

## 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
Milk	All fat tests	half gallon	4.99	344	4.99	2.99	274	2.99	2.99-4.79	619	3.75
Milk	All fat tests	8 oz UHT	0.99-1.17	221	1.10						
Yogurt	Greek	4-6 oz	1.00	72	1.00						
Yogurt	Yogurt	32 oz	3.99	221	3.99						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	118	4.99	5.99-6.19	424	6.07			
Cheese	Natural Varieties	8 oz block				3.99	246	3.99	4.69	105	4.69
Cottage cheese		16 oz	2.99-3.49	333	3.32	3.49	90	3.49			
Milk	All fat tests	half gallon	2.99-4.29	381	3.54	2.99-4.49	918	4.02	4.29	105	4.29
Milk	All fat tests	gallon				6.99	246	6.99	5.49	121	5.49
Milk	All fat tests	8 oz UHT							0.99-1.00	174	.99
Sour cream		16 oz	1.99-3.49	333	2.98	2.99-3.49	456	3.22			

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Ice cream		48-64oz				5.49	27	5.49
Milk	All fat tests	gallon	5.99	11	5.99			
Sour cream		16 oz				2.49	27	2.49

#### 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 #21

May 27, 2016

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