

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (7/8)**

BUTTER: Grade AA closed at \$2.2825. The weekly average for Grade AA is \$2.2969(-.0371).

CHEESE: Barrels closed at \$1.7200 and 40# blocks at \$1.6300. The weekly average for barrels is \$1.6875(+.0590) and blocks, \$1.6013(+.0183).

NONFAT DRY MILK: Grade A closed at \$.8900. The weekly average for Grade A is \$.8831(+.0076).

BUTTER HIGHLIGHTS: Butter churning is active through the nation, but at a lower rate compared to Q1 and Q2. Cream supplies continue tightening as ice cream production remains high and milk components decline. However, many butter processors revved up production, running full schedules through the holiday weekend as cream became more readily available. In the East, a few manufacturers are considering switching production from print butter to bulk butter. Food service demand for print butter is strong, but steady from retailers. The market undertone is mixed. In the Central region, interest for fresh bulk butter is high, but supply is tight. Sales are steady this week. In the West, some manufacturers are transitioning from bulk butter to print butter in advance of increased domestic demand later in the year. Inventories are at seasonal highs and above those of previous years. This week, bulk butter pricing across all regions is 1 cent under market to 10 cents above, based on the CME Group with various time frames and averages used. The NASS *Dairy Products* report noted May U.S. butter production totaled 169.9 million pounds, up 0.3 percent from a year ago. January-May cumulative U.S. butter production totals 878.5 million pounds, 5.6 percent ahead of 2015 during the same time span. The CME Group monthly average price for Grade AA butter during June was \$2.2640, compared to \$1.9065 a year ago. The Grade AA butter price at the CME Group on Friday closed at \$2.2825, down \$0.0675 from a week ago.

CHEESE HIGHLIGHTS: The holiday weekend allowed many U.S. cheese manufacturers to bring in additional loads of milk and run full schedules if desired. Midwest cheese manufacturers report decreases in milk components, but yields have yet to significantly change. Cheese manufacturers in the West are slowing production where possible as a way to manage growing inventory

pressure. Processors are also contemplating blending younger cheese with more aged cheese to alleviate some cheese stocks. Strong sales in the East and Central region have helped alleviate some inventory pressures. Cheddar sales are climbing in the East. Seasonal demand for cheese curds is growing in the Central region as traffic to county fairs and sporting events picks up. There is good domestic demand for readily consumable cheeses in the West. International involvement in the U.S. cheese market is lackluster as the value of the U.S. dollar grows. The market undertone is mixed. In CME Group trading Friday, barrels closed at \$1.7200, up \$.0500 from last Friday and blocks closed at \$1.6300, up \$.0050.

FLUID MILK: Milk production across the nation is following seasonal trends. In most cases, summertime heat and humidity are taking their toll on cow comfort and, subsequently, milk output. Many milk processors are content with the seasonal declines in milk production, however a few facilities welcomed additional loads of milk over the recent holiday weekend. Milk distributors had to juggle a few loads around in order to find homes for the milk. Bottling sales are generally steady to lower across the country as demands for summer drinks are rising. However, in the Midwest, numerous loads of milk have been diverted into bottling plants as several bottlers report retail outlets discounting gallons of milk in their stores and increasing their orders for bottled milk. Condensed skim milk is plentiful in the Eastern region. There are reports of loads of milk that were unable to be processed in a timely fashion over the holiday weekend and had to be discarded. Condensed skim demands from ice cream/frozen dessert and NDM processors are active. Cream availability increased over the weekend, but tightened as the week wore on. Cream multiples are 1.20-1.35 in the East, 1.18-1.30 in the Midwest and 1.09-1.30 in the West.

DRY PRODUCTS: Low/medium nonfat dry milk prices are mostly higher this week, however a few spot sales lowered the bottom end of the price range in the West. Some industry participants are puzzled by the higher prices as supplies are available in the spot market. Production is slightly lower and inventories are getting tighter at some Western processing plants. Prices for high

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CME GROUP CASH TRADING

COMMODITY	MONDAY JUL 04	TUESDAY JUL 05	WEDNESDAY JUL 06	THURSDAY JUL 07	FRIDAY JUL 08	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	CME	\$1.6700 (N.C.)	\$1.6700 (N.C.)	\$1.6900 (+.0200)	\$1.7200 (+.0300)	:: (+.0500)	:: \$1.6875 (+.0590)
40# BLOCKS	CLOSED	\$1.5950 (-.0300)	\$1.5800 (-.0150)	\$1.6000 (+.0200)	\$1.6300 (+.0300)	:: (+.0050)	:: \$1.6013 (+.0183)
NONFAT DRY MILK GRADE A	NO	\$.8750 (+.0400)	\$.8700 (-.0050)	\$.8975 (+.0275)	\$.8900 (-.0075)	:: (+.0550)	:: \$.8831 (+.0076)
BUTTER GRADE AA	TRADING	\$2.3400 (-.0100)	\$2.2825 (-.0575)	\$2.2825 (N.C.)	\$2.2825 (N.C.)	:: (-.0675)	:: \$2.2969 (-.0371)

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

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heat NDM held steady this week. Production is irregular and dependent on contractual needs. Dry buttermilk prices are higher. Industry contacts say demands from bakers and ice cream manufacturers are improving. The market undertone is firming. National dry whole milk prices are higher on light trading. Some manufacturers are focusing more on NDM or SMP than dry whole milk production. Prices for dry whey are steady to higher in the Central and mixed in the Northeast. Production is active due to heavy milk volumes clearing into cheese vats. Western dry whey prices are higher due to a steady demand for whey and whey permeate used to feed Southeast Asia's growing pork industry. Whey protein concentrate 34% prices and production are mostly steady this week. Industry contacts report a few manufacturers seem interested in producing higher whey concentrations than WPC34% if they have the ability to make those adjustments. Prices for lactose are steady to higher as some manufacturers push for higher prices on spot sales or Q3 pricing taking effect. However, a few end users report spot purchases that pulled the bottom end of the price range sharply lower. Both rennet and casein prices increased at the bottom end of the range.

INTERNATIONAL DAIRY MARKET NEWS (DMN):
WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: The European Commissioner of Agriculture this week commented that further efforts to assist the European dairy industry would be contingent on measures being taken to decrease milk and dairy products production. His comments mentioned the increasing stocks of milk powder in varied programs. Northern Europe has experienced substantial rain in recent weeks. Temperatures have remained cool. This is expected to lead to milk production seasonally declining at a lower than typical rate. This will leave greater volumes of milk to be processed. The recent lower EU milk pay prices have led to more commentary about dairy producers struggling to survive. In Germany, for example, there is more awareness of dairy producers losing farms to creditors. The low milk pay prices are often linked to recently lower dairy commodity prices. That has led to some hope that stronger current commodity prices, if sustained, might help lift producer milk pay prices. However, at an EU dairy economic board meeting in the last week of June, many participants concluded that recent commodity price increases will not reach producer milk prices for a number of months. The European Commission this week agreed to a proposal by France to require origin labeling of milk and dairy ingredients produced in France. Approval is for a trial period through 2018. Opposition to the trial measure by EU importers, exporters and wholesalers of dairy products and ingredients, argue that the proposal runs contrary to the single market concept. The specific argument is that no established link has been shown between French origin and a particular dairy quality attribute. **EASTERN OVERVIEW:** The European Commission has formally rejected an effort by Hungary to finance the national food inspection system by using a levy system which creates classes of enterprises assessed varied levy fees. The Commission found this discriminatory and, in effect, favoured certain types of businesses. Hungary has returned to a single flat fee system to finance food inspection and did so while Commission proceedings were underway. **OCEANIA OVERVIEW: Australia** is having a good start to the new milk production season as to cropping and pasture feed availability. Decent precipitation patterns in recent weeks have helped pasture health. This has contributed to reduced

market purchasing of feed. Of course, relatively high feed prices and overall tight cash flows for many dairy producers, following recent disappointing milk pay prices, are also factors affecting feed purchases. The convergence of rain and resulting better pastures at this time is financially helpful to many dairy producers. The expectation is intensifying for hay prices to weaken if demand remains weaker in coming months and pastures remain robust. In Northern Australia areas along the coast, new crops and pasture growth have been excellent. Less fortunate have been areas to the west and near the Downs, where rainfall has generally not materialized. Hay demand has increased as a result. Even with disappointing returns to producers last season, there remains some intensified demand for higher quality hay, even being more expensive, in hopes that feeding the higher quality hay will contribute to net returns. In Southern Australia the tighter supply of available hay is keeping hay prices from falling, even with better pasture conditions. In Victoria, hay remains available but new orders have slowed, as many dairy producers opt for a more hand to mouth purchasing strategy. With hay stocks being quite ample, there are some hopes for weakening prices. Homegrown fodder is more prevalent in Western Australia. High hay prices are leading to many dairy producers opting to keep chipping away at remaining on farm supplies rather than hold some inventory and enter the market now. Hay pricing is expected to remain steady in coming weeks. **New Zealand** dairy producers continue moving into early stages of the new milk production season in a downcast mood. Disappointing recent prices have widely impacted profitability in an unfavorable way. The 2015-16 season will not be fondly remembered. However, culling activity is light at this time, as many dairy producers take a wait and see approach. As last season drew to a close, there was conflicting activity; culling by some and seeking to increase total milk output to increase gross revenues by others. At this time many producers are stepping back to assess what the next move should be. As bad as many have considered pay prices to be, enduring disappointing prices for so long has led to less impetus to feel the need to act hastily. New Zealand pastures have overall been good, improved from conditions at varied times last season. Feed prices have been considered low. More producers are willing to purchase feed and what happens with pastures in coming weeks will drive many decisions moving forward. At the July 5 GDT event #167, average prices ranged from 7.5% lower to 4.9% 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, \$3,621 +1.1%; butter, \$2,828 -3.1%; buttermilk powder, \$1,552 -7.5%; cheddar cheese, \$2,902 -0.5%; lactose, \$750 -1.2%; rennet casein, \$5,227 +4.9%; skim milk powder, \$1,938 +2.6%; and whole milk powder, \$2,062 -1.6%.

NATIONAL RETAIL REPORT-DAIRY (DMN): Total conventional dairy ad numbers decreased 6%, while organic dairy ad numbers increased 133%. Conventional cream cheese in 8 oz. containers ad numbers dropped 63%, with an average price of \$1.77. Ice cream in 48-64 oz. containers saw ads increase 18%, with an average price of \$2.92. Greek yogurt in 4-6 oz. containers has a price of \$.96, up \$.02 from last week. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.33, up 10 cents from last week; 8 ounce shred cheese averaged \$2.30, up 14 cents from last week. Ads for 8 ounce organic shred cheese average \$3.70, down 29 cents compared to the previous week. The price spread

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between organic and conventional half gallon milk is \$1.57. Last week the spread was \$2.15. The price spread is the difference between the national weighted average price for organic, \$3.59, and conventional, \$2.02. Both conventional and organic milk ad numbers saw significant increases this current survey period, conventional milk more than doubled while organic milk ads almost tripled. The price spread between organic and conventional butter is \$2.02. The price spread is the difference between national weighted average prices for organic, \$5.21, and conventional, \$3.19. When compared to the previous week, the volume of ad numbers for conventional butter declined 31%, and organic ad numbers declined by 24%.

MAY DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 170 million pounds, 0.3 percent above May 2015, but 3.7 percent below April 2016. American type cheese production totaled 400 million pounds, 1.9 percent below May 2015, but 1.1 percent above April 2016. Total cheese output (excluding cottage cheese) was 998 billion pounds, 1.2 percent above May 2015, and 0.7 percent above April 2016. Nonfat dry milk production, for human food, totaled 165 million pounds, 8.3 percent below May 2015, and 2.5 percent below April 2016. Dry whey production, for human food, was 80.4 million pounds, 3.1 percent above May 2015, but 0.6 percent below April 2016. Ice cream, regular hard production totaled 71.9 million gallons, 9.8 percent above May 2015, and 0.8 percent above April 2016.

MAY MILK SALES (FMMO & CDFA): During May 4.0 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.2 percent higher than May 2015. Estimated sales of total conventional fluid milk products decreased 0.4 percent from May 2015 and estimated sales of total organic fluid milk products increased 11.3 percent from a year earlier.

CME GROUP

Monday, JULY 4, 2016
CME CLOSED NO TRADING

TUESDAY, JULY 5, 2016

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6900; 1 CAR 40# BLOCKS @ \$1.5950
NONFAT DRY MILK -- SALES: 5 CARS GRADE A: 1 @ \$0.8375, 1 @ \$0.8450, 1 @ \$0.8550, 1 @ \$0.8650, 1 @ \$0.8750; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8700; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.3400

WEDNESDAY, JULY 6, 2016

CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$1.5800; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6700; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: 4 CARS GRADE A: 1 @ \$0.8800, 2 @ \$0.8575, 1 @ \$0.8700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8800
BUTTER -- SALES: 1 CAR GRADE AA @ \$2.2825; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, JULY 7, 2016

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6900; 2 CARS 40# BLOCKS @ \$1.6000; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.8850, 2 @ \$0.8900; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8975; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9000
BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.2825; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.3500

FRIDAY, JULY 8, 2016

CHEESE -- SALES: 18 CARS BARRELS: 1 @ \$1.6900, 3 @ \$1.6900, 2 @ \$1.6900, 1 @ \$1.6900, 4 @ \$1.6900, 1 @ \$1.7000, 1 @ \$1.7050, 2 @ \$1.7100, 1 @ \$1.7150, 1 @ \$1.7175, 1 @ \$1.7200; 1 CAR 40# BLOCKS @ \$1.6300; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7300
NONFAT DRY MILK -- SALES: 8 CARS GRADE A: 1 @ \$0.8675, 3 @ \$0.8650, 1 @ \$0.8700, 1 @ \$0.8800, 1 @ \$0.8950, 1 @ \$0.8900; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.8950
BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.2825; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS**NORTHEAST**

Several butter churns in the East revved up production over the holiday weekend as cream became more readily available. However, full schedules are not anticipated to continue through the tail end of the week, as cream availability is expected to tighten up. A few manufacturers are contemplating switching production from print butter to bulk butter. Some manufacturers report churning just enough butter to meet contractual needs. Inventories are mixed. Several manufacturers are choosing to turn down inquiries from buyers, as they anticipate the market to firm in the upcoming months. Industry participants feel market forecasts are sparking buyers' interests to make near-term purchases. Demand for print butter moving into foodservice is strong. Retail and contract sales are steady. The market undertone is mixed. The Northeast bulk butter price is reported 5 to 8 over the market, based on CME Group with various time frames and averages used. This week, a cooperative export assistance program accepted requests for 352,740 pounds of butter. So far this year, the program has accepted requests for 5.351 million pounds of butter. According to the *DMN National Retail Report-Dairy*, for July 1-7, the national weighted average advertised price for 1-pound butter is \$3.38, up \$0.34 from a year ago. The Northeast regional price is \$3.43, a \$0.40 increase from the previous week. In the Southeast butter is priced at \$3.51, an increase of \$0.04 compared to a week ago. The CME Group monthly average price for Grade AA butter during June was \$2.2640, compared to \$1.9065 a year ago. Tuesday's CME Group cash trading saw Grade AA butter close at \$2.3400, up \$0.0400 from a week ago.

CENTRAL

Butter production in the Midwest varies this week. Several manufacturers chose to capitalize on more readily available cream

over the holiday weekend and kept their churns running full schedules through the weekend. A few producers running full schedules report the desire to slow production some, but are not in the position to do so based on current cream volume intakes. Butter manufacturers are taking into consideration what they anticipate to be a strong decrease in cream availability in the upcoming weeks when planning their churn production schedules. Sales are steady this week. Manufacturers and brokers report consistent calls from buyers looking to make purchases. However, they express light interest in moving butter in the current market. Many inventories in the Central region are reportedly already spoken for. Those with inventories not currently committed are confident in their ability to move butter in the upcoming months. Demand for fresh bulk butter is high, but supply is tight and offers from sellers are rare. Bulk butter prices reported ranged from market to 10 cents over the market, with various time frames and averages used. The market undertone is firm. This week, a cooperative export assistance program accepted requests for 352,740 pounds of butter. So far this year, the program has accepted assistance requests for 5.351 million pounds of butter. The *DMN National Retail Report-Dairy* for July 1-7 noted the national weighted average advertised price for a 1 pound package of butter was \$3.38, \$0.36 above one week ago, and \$0.34 above one year ago. Prices in the Midwest region for 1 pound packages of butter range from \$1.50-\$3.00 with a weighted average price of \$2.70. The weighted average price in the South Central region is \$2.62 with a price range of \$2.49-\$3.00. The CME Group monthly average price for Grade AA butter during June was \$2.2640, compared to \$1.9065 a year ago. Wednesday at the CME Group, Grade AA butter closed at \$2.2825, down \$.0475 from last Wednesday. The *NASS Dairy Products* report noted May U.S. butter production totaled 169.9 million pounds, up 0.3 percent from

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

<u>WEEK ENDING</u>	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
July 2, 2016	2.3484 2,350,674	1.5134 13,200,009	1.5822 9,452,586	.2697 5,900,501	.8103 19,314,557

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

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a year ago. The Central region accounted for 41.9 percent (71.2 million pounds) of U.S. production in May. This production is 10.6 percent higher than one year ago. January-May cumulative U.S. butter production totals 878.5 million pounds, 5.6 percent ahead of 2015 during the same time span.

WEST

Western butter contacts say cream is tightening, especially in the Southwest. As ice cream production continues to increase and milk components decrease, fewer spot loads of cream are finding their way into butter churns. Butter manufacturers seem content to use the cream available to them rather than compete for additional loads. Production is still active and full in many cases. Some butter manufacturers are beginning to transition from bulk butter to print butter in advance of increased domestic demand later in the year. Butter inventories are at seasonal highs and above those of previous years. In addition, some industry contacts say a lot of the butter stocks are not fully committed to specific customers. But most butter makers are not concerned about inventory levels because they believe strong domestic late-year demand will consume much of the stockpiles. The DMN *National Retail Report-Dairy* for the week of July 1-7 found that the U.S. weighted average advertised price of 1 pound butter is \$3.38, up \$.36 from last week. The U.S. weighted average price was \$3.04 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.57, with a range of \$2.49-3.99. In the Northwest, the weighted average advertised price of 1 pound butter is \$3.62, with a range of \$2.99-3.99. This week, a cooperative export assistance program accepted two requests for export assistance for 352,740 pounds of butter (82% milkfat). So far this year, the program has assisted member cooperatives who have contracts to sell 5.351 million pounds of butter (82% milkfat) in export markets. According to the NASS *Dairy Products* report, U.S. butter production during May 2016, 169.9 million pounds, was 0.3% higher than May 2015, but 3.7% lower than April 2016. U.S. cumulative 2016 butter production through May is 878.5 million pounds, 5.6% higher than the same period last year. In the West, total May butter production was 81.4 million pounds, 8.3% lower than last year. California May production was 49.5 million pounds, 9.3% lower than last year. 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 CME Group June 2016 monthly average price for AA butter, \$2.2640, is up from the May monthly average of \$2.0554 and up from the June 2015 monthly average of \$1.9065. The Grade AA butter price at the CME Group on Wednesday closed at \$2.2825, down \$.0475 from a week ago.

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	1.5	- 57
TOTAL, JAN - MAY	26.7	+ 3
1 Mexico	17.3	+167
2 Canada	3.5	+ 72
3 Saudi Arabia	2.2	- 76
4 South Korea	0.6	- 68
5 Taiwan	0.4	+ 7

CHEESE MARKETS

NORTHEAST

The CME Group weekly average prices for cheese barrels and blocks strengthened through last week. As a result, this week the Northeast wholesale prices for 40# cheddar and Muenster increased \$0.0700 and prices for process 5# sliced increased \$0.0875. Grade A Swiss prices declined \$0.0125, subsequent to lagging adjustments based on Class III component prices. Tuesday's CME Group daily cash prices saw barrels close at \$1.6700, up \$0.1100 from last week. Blocks closed at \$1.5950, up \$0.0650 from week ago prices. The June 2016 monthly average price for Northeast cheddar blocks is \$2.0030, compared to \$2.2480 one year ago. Processed 5# sliced average price is \$1.9266, compared to \$2.1339 one year ago. The CME Group June 2016 monthly average price for barrels was, \$1.5301, compared to \$1.6690 a year ago; blocks' average price was \$1.5005, down from \$1.7052 a year ago. Northeast cheese vats are full this week. Cheese manufacturers report running full schedules, bringing in additional loads as plant capacity allows. Some manufacturers purchased additional loads of condensed skim over the holiday weekend to fill any gaps in production schedules. Inventories are mixed. A few manufacturers report strong demand, preventing them from building inventories. Industry contacts feel cheddar-type cheeses are seeing a slow climb in sales. The market undertone is mixed. According to the DMN *National Retail Report-Dairy*, for July 1-7, the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.46, 23 cents more than the national average and 26 cents higher than a week ago. The Southeast 8 oz. block cheese price was \$2.16, 34 cents less than the previous week.

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

Cheddar 40# Block	:	1.9875-2.2725
Process 5# Sliced	:	1.8275-2.3075
Muenster	:	2.0075-2.3575
Grade A Swiss Cuts 10 - 14#	:	2.9650-3.2875

MIDWEST

Cheese production is picking up this week in the Central region. Several cheese manufacturers took advantage of the holiday weekend and brought in additional loads of milk. Those manufacturers not looking to fill schedules are seeing a drop in milk production for their contracted loads of milk, but still feel milk intakes are sufficient for the level of production they are at. Components are beginning to drop as temperatures and humidity rise, but processors have yet to see a change in yields. Some cheese manufacturers seem optimistic this week, showing less reservation about running full production schedules. This may be attributed to reports of growing sales following the holiday weekend. Numerous manufacturers report increased calls from buyers seeking additional loads of cheese. However, a few of these producers do not have the additional cheese stocks to sell and are having to turn down potential sales. Other market participants continue to manage long inventories of aged cheese varieties. Cheese curd sales are seeing seasonal growth in sales. The market undertone is mixed. The DMN *National Retail Report-Dairy* shows that July 1-7 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$1.83, 33 cents lower than the national average. Midwest prices range from \$1.29-\$2.79. One year ago, the national price was \$2.45. For 8 ounce blocks, the Midwest average price is \$1.95, 28 cents below the national average price. Midwest ads are priced from \$0.99-\$2.79. Last year, the national price was \$2.45. Midwestern wholesale prices are down \$0.0125 for Swiss cuts, but up \$.0875 for process, and up \$.0700 for all other types. The CME Group June 2016 monthly average price for

barrels, \$1.5301, compares with \$1.6690 for June last year. The June 2016 price for blocks, \$1.5005, compares with \$1.7052 in June last year. In CME Group trading Wednesday, barrels closed at \$1.6700, up \$.0100 from last Wednesday and blocks closed at \$1.5800, unchanged from last Wednesday. *Dairy Products* (NASS) reports total 2016 U.S. cheese production, year to date through May, is 4.973 billion pounds, 2.2 percent above January through May 2015. May 2016 total U.S. cheese production, 998.1 million pounds, is 0.7 percent above last month. Central total cheese production for May was 449.7 million pounds, 0.7 percent more than last month. For total cheese production and various types of cheese, May 2016 U.S. and Central cheese production compared to May 2015 were as follows:

	U.S.	Central
Total	+1.2%	+1.9%
American	- 1.9%	- 1.8%
Cheddar	- 2.0%	- 4.9%
Total Italian	+5.2%	+6.8%
Mozzarella	+4.4%	+5.3%

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

Process American 5# Loaf	:	1.7200-2.0800
Brick And/Or Muenster 5#	:	1.9575-2.3825
Cheddar 40# Block	:	1.6850-2.0800
Monterey Jack 10#	:	1.9325-2.1375
Blue 5#	:	2.2250-3.2125
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7575-2.6975
Grade A Swiss Cuts 6 - 9#	:	2.4825-2.6000

WEST

Milk in the West region remains plentiful, keeping the production of cheese stable and strong. The current cheese level in cold storage continues to be heavy. Inventories are mixed. Some manufacturers lowered stocks when market prices were lower. However, available storage space for additional cheese is becoming harder to find. Older commodity cheese is becoming more difficult to move, especially with the growing inventory. Processors are looking to blend younger cheese with older cheese. With current inventory numbers, producers look to slow down production where possible. Although storage space continues to be difficult to find, the decent demand for fresh commodity cheese from buyers is making it economically feasible to keep production stable. There is good domestic demand for readily consumable cheese. Prices have increased heading into the third quarter, and some producers are assuming the domestic demand will hold and carry on into the fall season. Foreign inquiries are weak as the value of the U.S. dollar grows, making cheese exports less attractive. The DMN *National Retail Report-Dairy* for the week of July 1-7 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.16, down \$.08 from last week, and down \$.29 from a year ago. Packs average \$2.30 in the Southwest and \$2.28 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.23, down \$.02 from last week, and down \$.22 from a year ago. Blocks average \$2.19 in the Southwest and \$2.16 in the Northwest this week. In the West, wholesale prices are up \$.0875 for process, and up \$.0700 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are down \$.0125. *Dairy Products* (NASS) reports total 2016 U.S. cheese production, year to date through May, is 4.973 billion pounds, 2.2% above 2015. May 2016 U.S. total cheese production, 998.1 million pounds, is 0.7% above April 2016. In

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CHEESE MARKETS

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the West, total cheese production for May 2016 was 433.0 million pounds, 1.5% more than April. For total cheese production and various types of cheese, May 2016 U.S. and West cheese production percent changes compared to May 2015 are as follows:

	U.S.	West
Total Cheese	+ 1.2%	+ 0.4%
American	- 1.9%	- 2.4%
Cheddar	- 2.0%	+ 0.3%
Total Italian	+ 5.2%	+ 4.0%
Mozzarella	+ 4.4%	+ 3.8%
Swiss	- 4.8%	...

The CME Group June 2016 monthly average price for barrels, \$1.5301, is up from the May 2016 monthly average of \$1.3529, but down from the monthly average of a year ago, \$1.6690. Blocks' June average price, \$1.5005, is up from the \$1.3174 May monthly average, but down from \$1.7052 one year ago. In CME Group trading Wednesday, barrels closed at \$1.6700, up \$.0100 from a week ago and blocks closed at \$1.5800, which is unchanged.

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

Process 5# Loaf	:	1.7350-1.9925
Cheddar 40# Block	:	1.6900-2.1350
Cheddar 10# Cuts	:	1.8700-2.0900
Monterey Jack 10#	:	1.8800-2.0400
Grade A Swiss Cuts 6 - 9#	:	2.5425-2.9725

FOREIGN

In the EU, milk that previously would likely go into cheese production is now going into dairy powders and especially skim milk powder, following recent expansions of drying capacity by a number of EU dairy processors. This is keeping EU cheese inventories tighter. In the U.S., wholesale domestic blue, gorgonzola, parmesan and Romano cheese prices increased \$.0700 following higher weekly average CME Group block prices. Swiss cuts Switzerland decreased \$.0125. 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	: 2.1525-3.6400*
Gorgonzola	: 3.6900-5.7400	: 2.6600-3.3775*
Parmesan (Italy)	: -0-	: 3.5425-5.6325*
Romano (Cows Milk)	: -0-	: 3.3425-5.4925*
Sardo Romano (Argentina)	: 2.8500-4.7800	: -0-
Reggianito (Argentina)	: 3.2900-4.7800	: -0-
Jarlsberg-(Brand)	: 2.9500-6.4500	: -0-
Swiss Cuts Switzerland	: -0-	: 3.0025-3.3250*
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

* = Price change.

COLD STORAGE

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

	BUTTER	: CHEESE
07/04/16	30,489	: 91,933
07/01/16	30,664	: 92,020
CHANGE	-175	: -87
% CHANGE	-1	: -0

2016 U.S. CHEESE AND CURD EXPORTS (USDA-FAS)

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	52.7	- 19
TOTAL, JAN - MAY	257.7	- 21
1 Mexico	85.1	- 2
2 South Korea	36.1	- 48
3 Japan	27.3	- 28
4 Australia	12.4	- 45
5 Canada	10.5	- 4

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	65	35	0	0	0
SOUTHEAST STATES	0	0	0	0	0	0

East balancing plants were busy over the holiday weekend working through additional loads of milk. A few contacts report an incoming supply of milk larger than they can handle. Several Northeast milk marketers feel the climb in milk production has leveled off, and supply is beginning to balance out. Industry contacts report dry, hot conditions in the Northeast that they anticipate will have an effect on milk production in the upcoming weeks. However, with several large herd expansions in the area, some market participants do not believe the drop in milk production will be as significant as in previous years. Mid-Atlantic milk production is steady to slightly lower this week, as the area faces hot, humid conditions. Cow comfort is being tested in the Southeast. Industry contacts report temperatures reaching seasonal highs this week. Milk production is seasonally declining in the area. Florida farm level milk production continues to fall. However, loads out of Florida grew, totaling 65 f.o.b. spot loads. This may be partially attributed to the holiday weekend. Condensed skim is plentiful in the Eastern region. There are reports of discarding loads of milk that were unable to be processed in a timely fashion over the weekend. Discounts under class pricing continue to be offered on loads in an effort to manage the abundant supply of condensed skim. Ice cream manufacturers are reportedly requesting additional loads of condensed skim outside of contracts. Cream availability did increase over the weekend, and spot loads moved at multiples on the lower end of the range. However, market participants feel the cream supply is tightening following the long weekend. Several processors report being comfortable with current cream supply and demand. Cream multiples for all classes held steady this week, 1.20-1.35. A few ice cream and frozen dessert manufacturers shut down for the holiday, but returned to full production schedules Tuesday. An overcast holiday weekend reportedly took some of the spark out of what is typically the peak of ice cream sales, although industry contacts still feel sales are strong. According to the DMN *National Retail Report-Dairy*, for July 1-7, the U.S. weighted average advertised price for a gallon of milk was \$2.28, a \$0.19 increase compared to last year and an \$0.08 increase from last week. The weighted average regional price for a gallon of milk in the Northeast was \$2.50. The DMN June monthly average for Northeast Class II cream was \$2.7937, compared to \$2.4973 a year ago. The DMN June monthly average for Northeast Class II condensed skim was \$0.4966, compared to \$0.7943 a year ago. Wednesday's CME Group cash trading saw Grade AA butter close at \$2.2825, down \$0.0475, 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 - 2.8008-3.1509
 F.O.B. producing plants: upper Midwest - 2.7541-3.0342
 PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS, F.O.B. PRODUCING PLANTS:
 Northeast - Class II - includes monthly formula prices - .15-.85
 Northeast - Class III - spot prices - .10-.55

MIDWEST

Farm level milk production in the Central region is declining as hot, humid weather prevails. Several milk marketers report decreases in milk

components. Overall, spot load availability is slowly disappearing. However, spot loads of milk were more readily available over the holiday weekend. Cheese makers and butter manufacturers both welcomed additional loads of milk over the holiday. Spot loads are reported at flat to \$3.00 under class. Many milk processors in the area are content with the seasonal decline in milk production. Numerous loads of milk are being diverted to bottling plants as several bottlers in the region report retail outlets discounting gallons of milk in the store and increasing their orders for bottled milk. Furthermore, a few market participants continue to see a growth in demand for bottled milk with a higher fat content. Cream availability increased at the front end of the week, carrying over from the holiday weekend. Some butter manufacturers report taking in additional loads of cream over the weekend and this week. Ice cream and frozen dessert manufacturers' cream intakes remain high. Industry contacts report being in the peak of seasonal demand and are happy with where sales are at thus far. Cream multiples are higher on the bottom end of the range this week, 1.18-1.30. The DMN *National Retail Report-Dairy* for July 1-7 noted the national weighted average advertised price for one gallon of milk was \$2.28, up \$0.08 from a week ago, and \$0.19 higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$1.63 and \$2.50, respectively. The DMN monthly average of the range price series for Upper Midwest Class II cream during June was \$2.7156, compared to \$2.4688 a year ago. The NASS *Dairy Products* report noted May U.S. regular (hard) ice cream production totaled 71.9 million gallons, up 9.8 percent from last year. January-May U.S. production totals 331.8 million gallons, 2.7 percent above 2015 during the same time span. May production in the Central region totaled 37.3 million gallons, 15.1 percent above a year ago. North Central area farmers are making progress on second cutting alfalfa. Weather conditions have been conducive to fieldwork, registering 5.8 days suitable for fieldwork. High winds recorded at 70 mph or higher in some parts of the South Central area resulted in crop damage.

WEST

Farm milk production continues decreasing in California. Temperatures are averaging 106 degrees in the Central Valley. According to some processors, the milk butterfat component is at the lowest level of the year. Bottled milk sales are down this week, following seasonal patterns. However, demand for flavored milk is active in some retail and food service channels. Interest for Class 3 (ice cream) is seasonally strong. Condensed milk sales into nonfat dry milk manufacturing are higher. Alfalfa hay harvesting is active throughout the state. The June 4a price (butter/powder) in California is \$13.51, up 94 cents from the previous month, but down 14 cents from a year ago. This compares to the Federal Order Class IV price of \$13.77 for June. The June 4b price (cheese) is \$13.03, up \$1.66 from the previous month, but \$2.52 below a year ago. This compares to the Federal Order Class III price for June at \$13.22. In Arizona, the excessively high daytime temperatures are taking a toll on cows' comfort. Consequently, milk yields are trending lower. Milk components continue decreasing. Class I requests from retailers and food service are steady to lower as demands for popular summer drinks are rising. Sales into Class II are seasonally strong. Condensed skim demands from ice cream/frozen dessert and NDM processors are active. Good to excellent alfalfa hay harvesting continues across the state. In New Mexico, farm milk output is steady to lower due to the warmer weather. Bottled milk orders from grocery stores and restaurants are lower. Some consumers are replacing milk consumption

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FLUID MILK AND CREAM

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by soft drinks and other popular summer beverages. Class II sales are higher as demand for ice cream continues ramping up. Moderate condensed skim volumes continue clearing into Class III and Class IV. The state is into the third cutting of alfalfa hay. Sorghum planting is almost finished. According to the DMN *National Retail Report-Dairy* for the week of July 1-7, the national weighted average advertised price for one gallon of milk is \$2.28, up 8 cents from last week, and 19 cents above a year ago. The weighted average regional prices in the Southwest and Northwest are \$2.64 and \$1.95, respectively. Pacific Northwest milk production is following seasonal trends. Some heat and dryness in parts of the region have impacted production somewhat, but manufacturers report few issues getting milk for processing needs. Abnormally dry conditions extend across both Washington and Oregon, with moderate drought persisting in Eastern Oregon. Milk intakes at processors are returning to normal after the Fourth of July weekend. Milk distributors had to juggle a few loads around with minimal disruption. Available milk loads were absorbed by manufactured dairy product facilities. Pasture and rangeland conditions are rated good or excellent in 42% of Oregon and 73% of Washington. Milk production in the mountain states of Colorado, Idaho and Utah are steady to seasonally lower. Manufacturers are generally content with the milk supplies they have. Some processors are not too eager to take on a few of the excess spot loads available in the region. A few other plants are soaking up available milk to keep manufacturing facilities running at full production. Dairy cattle feedstuffs are reported in good supply. Pasture and rangeland conditions are rated good or excellent in 74% of Colorado, 67% of Idaho and 62% of Utah. Western cream supplies are tight in many processing plants. Ice cream/frozen dessert manufacturers are pulling moderate to heavy cream volumes. In addition, regional farm milk output is lower and the milk butterfat component is low. Cream continues moving into butter churning but at a lower rate. A few processors are selling spot cream loads in lieu of churning. This week, multiples for all classes are mixed, ranging from 1.09 to 1.30. DAIRY PRODUCTS: According to NASS, hard ice cream production in the West region for May 2016 is 19.1 million gallons, 5.3% higher than a year ago, but 0.4% lower than the previous month.

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 in the Central region for low/medium heat nonfat dry milk are mostly higher this week on light trading. Changes on contract indices pulled prices higher in several instances. Dryers are full as Central region manufacturers are running full production schedules for low/medium heat NDM. Some manufacturers faced with tight dryer schedules are making low/medium NDM runs a priority. Domestic demand is steady with light spot market activity. Currently, U.S. low/medium heat NDM prices are competitive in the international market, boosting market involvement from international outlets. Some market participants are offering their product at premiums over the market, but report light interest at that price level. Inventories are long. A few industry contacts are moving 3-6 month, and sometimes older, product at the lower end of the price range to alleviate inventory pressures. The market undertone is firming. High heat NDM prices held steady this week on light trading. Production is on an as-needed basis to meet contractual needs. Inventories are light. The market undertone is steady.

EAST: Eastern prices for low/medium heat nonfat dry milk moved higher on the range, but are mixed on the mostly series. Some industry participants are puzzled by the higher prices as supplies are readily available in the spot market. The market undertone is firmer. Demand from bakers is improving. Spot sales in the f.o.b. market are more active this week. Low/medium heat NDM production is ongoing as moderate condensed skim volumes continue clearing into dryers. Many processing plants are running at full capacity. Inventories are steady to slightly higher. Prices for high heat are unchanged. Production is sporadic, mostly dictated by contractual needs. Inventories are tight. Consequently, spot sales are limited. The CME Group monthly average price for Grade A NDM during June was \$0.8476, compared to \$0.8734 a year ago. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during June was \$0.8221, compared to \$0.9414 a year ago. The June monthly average of the range price series for Central and East high heat was \$0.9300 compared to \$1.1097 a year ago. The NASS *Dairy Products* report noted U.S. human NDM production during May 2016 in the Central region totaled 36.4 million pounds, 28.5 percent higher than one year ago. Total U.S. human NDM production during May 2016 was 165.1 million pounds, 8.3 percent lower than last year. During January–May 2016, U.S. human NDM production totaled 783.7 million pounds, 8.9 percent less than the same time span in 2015. Total U.S. NDM, human, month ending stocks for May were 235.4 million pounds, 9.9 percent below a year ago.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8300 - .9600 MOSTLY: .8500 - .8900
HIGH HEAT: .8800 - .9800

NONFAT DRY MILK - WEST

Prices for western low/medium heat nonfat dry milk (NDM) are mixed on the range, but higher on the mostly series. Mostly prices are following upward trends in various indices. Spot sales in the f.o.b. market are more active compared to the previous week. The market undertone is firmer. Interest from the bakery sector is improving. Also, usage of NDM for cheese fortification is active. Some manufacturers are holding stocks anticipating higher prices in the near future. However, some buyers/end user are taking a wait and see attitude, waiting for a drop in prices. A few brokers are receiving offers from manufacturers with prices above the top of the range, edging close to one dollar per pound. Interest is light at those prices. Condensed skim milk is less available for processing as farm milk output is decreasing in

the region. Consequently, NDM production is slightly lower. Inventories are getting tight in many processing plants. Prices for high heat nonfat dry milk are unchanged. Production is irregular, based on contractual needs. Some processors are manufacturing high heat NDM to meet immediate customers' needs. Inventories in the f.o.b. spot market are very tight. As a result, spot trading activity is light. The CME Group monthly average price for Grade A NDM during June was \$0.8476, compared to \$0.8734 a year ago. The June 2016 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$0.8209 compared to \$0.9361 a year ago. The average for Western high heat nonfat dry milk is \$0.9491 compared to \$1.0489 a year ago. The NASS *Dairy Products* report noted U.S. human NDM production during May 2016 in the West region totaled 92.6 million pounds, 20.1 percent lower than one year ago. Total U.S. human NDM production during May 2016 was 165.1 million pounds, 8.3 percent lower than last year. During January–May 2016, U.S. human NDM production totaled 783.7 million pounds, 8.9 percent less than the same period in 2015. Total U.S. NDM, human, month ending stocks for May were 235.4 million pounds, 9.9 percent below a year ago.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8050 - .9500 MOSTLY: .8500 - .9100
HIGH HEAT: .9100 - 1.0225

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
July 1	\$.7755	7,988,919
June 24	\$.7821	9,288,422

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

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	133.6	- 28
TOTAL, JAN – MAY	475.2	- 12
1 Mexico	213.2	+ 1
2 Philippines	79.1	+ 16
3 Indonesia	33.2	- 26
4 Pakistan	21.6	- 20
5 Malaysia	20.0	- 18

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices in the Central region are higher this week. Production is mixed. Several manufacturers report no room for buttermilk on dryer schedules and are selling their buttermilk as condensed instead. Some dry buttermilk producers are scheduling just enough runs to fill contractual needs. With some inventories already being light, several market participants speculate the market will continue to firm. However, a few industry contacts believe there are inventories in the Midwest with considerable dry buttermilk stocks. A

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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.

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handful of market participants are getting calls from sellers looking to move loads of dry buttermilk. Demand from ice cream and frozen dessert manufacturers continues to be strong. Overall buyer interest is steady this week. The market undertone is firming.

EAST: Dry buttermilk prices are higher on light trading. The market undertone is firmer. Current NDM and butterfat values are helping to lift dry buttermilk prices. Demands from bakers and ice cream makers are improving. Production is ongoing as moderate to heavy cream loads continue clearing into butter churning. Inventories are steady to slightly higher. The DMN monthly average of the range price series for Central and East dry buttermilk during June was \$0.7618, compared to \$0.8868 a year ago.

DAIRY PRODUCTS: According to NASS, U.S. production of dry buttermilk during May 2016 totaled 8.8 million pounds, 0.5% more than a year ago but 8.6% less than the previous month. Month ending stocks were 24.1 million pounds, 1.7% more than a year ago, but down 2.3% from the previous month.

F.O.B. CENTRAL/EAST: .7500 - .8600

DRY BUTTERMILK - WEST

Prices for western dry buttermilk are higher on the range and mostly series. Higher NDM pricing is pulling up dry buttermilk prices. In addition, the value of butterfat is improving. Dry buttermilk processing is trending lower as most condensed buttermilk volumes are moving into ice cream production. Consequently, inventories are getting tight. The market undertone is firming. Demands from bakers and dry mix processors are steadily improving. The June 2016 Dairy Market News monthly average for the West dry buttermilk mostly series is \$0.7023 compared to \$0.8175 a year ago. The NASS *Dairy Products* report noted U.S. dry buttermilk production during May 2016 totaled 8.8 million pounds, 0.5 percent higher than a year ago. Total U.S. dry buttermilk month-ending stocks for May were 24.1 million pounds, 1.7 percent above last year.

F.O.B. WEST: .6900 - .8000 MOSTLY: .7000 - .7800

DRY WHOLE MILK - NATIONAL

National dry whole milk prices are higher on light trading. The market undertone is mixed throughout the country. Some processors are negotiating contracts for Q3. Production is decreasing as most processors are focusing on NDM and SMP production. Inventories are trending lower. In addition, some manufacturers are switching from whole milk production to skim milk powder manufacturing. The June 2016 Dairy Market News monthly average for the National price series for dry whole milk is \$1.2657 compared to \$1.2336 a year ago. The NASS *Dairy Products* report noted U.S. dry whole milk production during May 2016 totaled 8.6 million pounds, 32.3 percent lower than a year ago. Total U.S. dry whole milk month-ending stocks for May were 15.4 million pounds, 44.5 percent below last year.

F.O.B. PRODUCING PLANT: 1.2400 - 1.3900

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 higher on both ends of the mostly prices series. The bottom end of the range price series moved higher while the top end held steady. As Q3 begins, changes on contract indices pulled prices higher in many instances. Production is active to increasing as some Midwest cheese manufacturers fill up production schedules. Several dry whey manufacturers report an increase in demand. Some market participants are receiving calls from end users looking to buy ahead. They speculate end users are looking at 2017 Q1 pricing and are trying to manage the anticipated price climb. A few manufacturers report being unable to meet requests from buyers interested in additional loads outside of contracts. Interest from international buyers is steady. Inventories are mixed. Some market participants believe there are still sizeable inventories of whey in the Midwest. However, several manufacturers and brokers do report significant stock relief recently. For some contacts, dry whey is being sold before it sees a storage shelf. The market undertone is firming. Animal feed whey prices are steady this week in the Central region. Production is active and scheduled to meet contracted needs. Spot sales are light. Feed blenders report comfortable inventories. The market undertone is steady. The DMN monthly average of the mostly price series for Central dry whey during June was \$0.2450, compared to \$0.3773 a year ago. The monthly average of the range price series for Central animal feed whey during June was \$0.1709, compared to \$0.2586 a year ago. The NASS *Dairy Products* report noted U.S. total dry whey production for May 2016 was 81.8 million pounds, up 3.1 percent from a year ago. January-May U.S. total dry whey production totals 405.9 million pounds, 2.1 percent ahead of the same time span in 2015. The Central region accounted for 49.6 percent (39.8 million pounds) of U.S. human dry whey production in May. This production is 1.2 percent higher than a year ago. Total U.S. dry whey human month ending stocks for May were 85.7 million pounds, 16.8 percent above a year ago.

F.O.B. CENTRAL: .2250 - .3500 MOSTLY: .2350 - .2750
 F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1300 - .2125

DRY WHEY - NORTHEAST

The Northeast dry whey price range expanded slightly this week. Industry contacts say seasonal demand is increasing somewhat as a few ice cream producers draw more heavily on whey supplies. Production is active due to heavy milk volumes clearing into cheese vats. Inventories are mixed. A few manufacturers report committed stocks, while other contacts suggest dry whey is readily available. The June 2016 Dairy Market News monthly average for Northeast dry whey was \$0.2649 compared to \$0.4240 one year ago. DAIRY PRODUCTS: According to NASS, May 2016 U.S. human food dry whey production totaled 80.4 million pounds, 3.1% more than a year ago, but 0.6% less than the previous month. The Atlantic region's production of human food dry whey in May 2016 totaled 21.8 million pounds, 2.5% less than a year ago and 0.2% less than last month.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2475 - .2950

DRY WHEY - WEST

Western whey prices continue to inch upward pulled by steady demand for whey and whey permeate used to feed Southeast Asia's growing pork industry. Dairy contacts say domestic demand and demand from other export markets are decent, but not stellar. Production, although fairly steady, is also starting to come under some pressure as a few manufacturers place greater emphasis on producing higher whey protein concentrates. The sum total is demand appears to be starting to pass supply. Inventories are mixed. A few manufacturers have committed Q3 stocks, but others say whey is readily available. The DMN monthly average of the mostly price series for West dry whey during June was \$0.2440 compared to \$0.2358 one month ago and \$0.4164 a year ago. NASS reports that May 2016 U.S. human whey production, 80.4 million pounds, is up 3.1% from a year ago, but down 0.6% from April 2016. The Western region produced 18.8 million pounds of edible dry whey during May, up 15.3% from last year, but down 9.8% from April. Month ending stocks for U.S. human whey, at 85.7 million pounds, are 16.8% higher than one year ago and up 3.7% from April 2016.

NONHYGROSCOPIC: .2300 - .3150

MOSTLY: .2400 - .2850

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

	2016 Exports% (Million Lb.)	Change From 1 Year Ago
May Total	35.8	- 20
TOTAL, JAN - MAY	146.7	- 20
1 China	36.3	- 34
2 Canada	19.8	+ 2
3 Mexico	14.9	- 20
4 Japan	10.7	+ 3
5 Philippines	10.4	- 30

WHEY PROTEIN CONCENTRATE CENTRAL AND WEST

Whey protein concentrate 34% prices are mostly steady, but inched higher at the bottom of the mostly price series. Demand for some dairy proteins seems to be gaining momentum. Spot sales of specific brands of WPC34% and those which meet infant formula requirements are relatively active. Inventories for these types of WPC34% are comfortable to committed. The market tone for WPC34% that does not meet infant formula requirements is flat. Light demand for these types of WPC34% has kept the lower end of the price range in place. Production is steady, but a few industry contacts describe greater interest in producing WPC80% or isolates if they have the ability to make those adjustments. The June 2016 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$0.6616 compared to \$0.6239 one month ago and \$0.8620 one year ago. According to the NASS *Dairy Products* report U.S. production of WPC (25.0-49.9% protein) during May 2016 totaled 15.3 million pounds, 24.5% lower than one year ago. Year to date WPC (25.0-49.9% protein) production through May is 76.2 million pounds, 20.9% less than a year ago. Manufacturers' end-of-month stocks totaled 26.0 million pounds, 20.5% lower than one year ago, and 7.3% less than April 2016.

F.O.B. EXTRA GRADE 34% PROTEIN: .5850 - .7800 MOSTLY: .6650 - .7100

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WHEY, WPC 34%, LACTOSE & CASEIN

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

-CONTINUED FROM PAGE 6-**U.S. WPC ≤ 80% Exports, H.S. Code 0404100500(FAS)**

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
May Total.	28.7	+ 37
TOTAL, JAN – MAY	13.4	+ 31
1 China	47.0	+ 74
2 Mexico	15.4	+ 23
3 Canada	12.3	- 23
4 Malaysia	7.6	+ 344
5 Indonesia	5.4	+ 6

LACTOSE - CENTRAL AND WEST

Lactose prices are steady to higher on the mostly price series. Some manufacturers are pushing for higher prices on spot sales and Q3 contracts. Industry contacts report mixed inventories. Stocks of high mesh, ground lactose are tight and have provided a price lift over the last few weeks. However, unground and low-mesh lactose have greater availability. A few end users report spot purchases that have pulled the bottom end of the price range sharply lower. Many manufacturers have Q3 contracts completed and are getting inquiries for advance pricing for Q4. Demand is firm and production is steady. The June 2016 Dairy Market News average of the mostly price series for Central and West lactose was \$0.2616, compared to \$0.2551 one month ago and \$0.2170 one year ago. NASS's *Dairy Products* report shows U.S. lactose production during May 2016 totaled 89.9 million pounds, a 1.9% increase from one year ago. Year to date lactose production through May is 439.1 million pounds, 0.2% less than a year ago. Month ending stocks, at 125.8 million pounds, are 0.5% lower than one year ago, but 1.2% higher than April 2016.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1850 - .3775 MOSTLY: .2300 - .3150

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	49.3	+ 35
TOTAL, JAN - MAY	224.6	+ 4
1 China	41.7	+ 9
2 New Zealand	40.7	+ 42
3 Mexico	29.3	+ 8
4 Indonesia	18.8	+ 67
5 Japan	18.7	+ 29

CASEIN - NATIONAL

Both rennet and acid casein prices increased at the bottom of the range. Buyer demand is good and stocks in some EU countries are tightening, even with milk supplies over volumes a year ago. At GDT Event 167 on July 5, while there was no contract activity for the August contract, the all contracts price for rennet casein increased 4.9%.

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: 2.5500 - 2.8000
ACID: 2.6000 - 2.9000

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

WEEK ENDING	2016 WEEKLY DAIRY COWS	2016 CUMULATIVE DAIRY COWS	2015 WEEKLY DAIRY COWS	2015 CUMULATIVE DAIRY COWS
06/18/2016	49.8	1,400.8	50.6	1,421.0

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

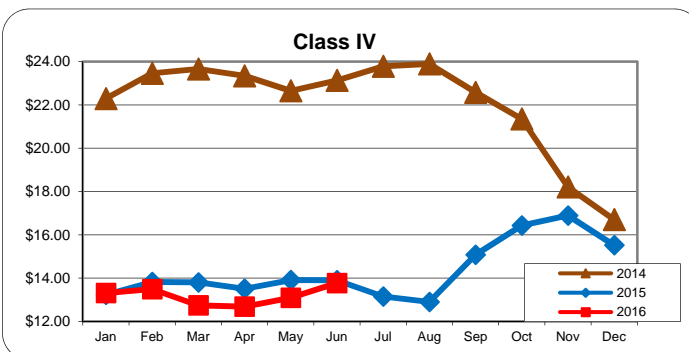
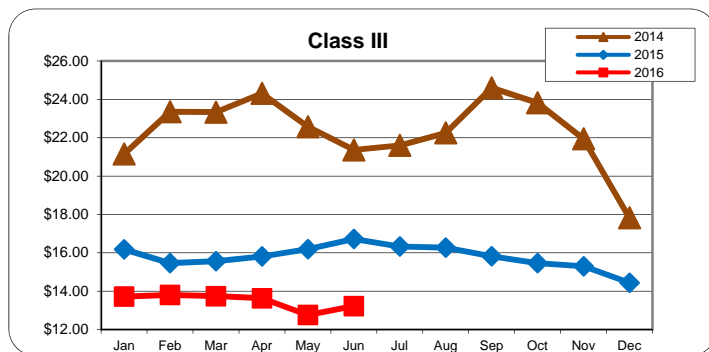
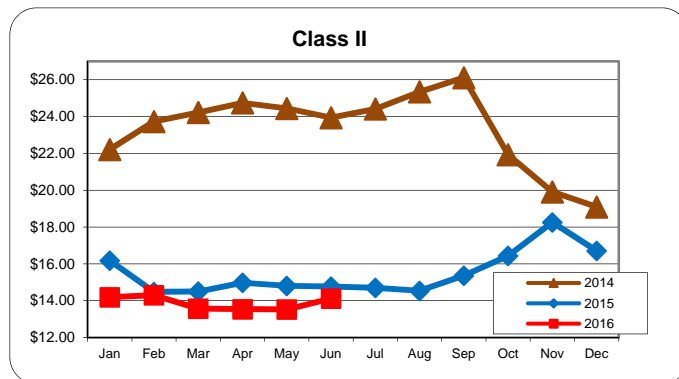
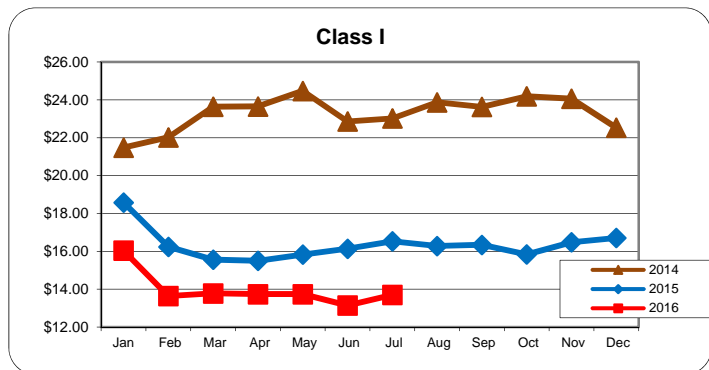
CLASS IV MILK PRICES (3.5%)

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	13.70					
II	14.19	14.30	13.57	13.54	13.53	14.12						
III	13.72	13.80	13.74	13.63	12.76	13.22						
IV	13.31	13.49	12.74	12.68	13.09	13.77						

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



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered June 27 - July 8, 2016

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

WESTERN OVERVIEW: The European Commissioner of Agriculture this week commented that further efforts to assist the European dairy industry would be contingent on measures being taken to decrease milk and dairy products production. His comments mentioned the increasing stocks of milk powder in varied programs. Northern Europe has experienced substantial rain in recent weeks. Temperatures have remained cool. This is expected to lead to milk production seasonally declining at a lower than typical rate. This will leave greater volumes of milk to be processed. The recent lower EU milk pay prices have led to more commentary about dairy producers struggling to survive. In Germany, for example, there is more awareness of dairy producers losing farms to creditors. The low milk pay prices are often linked to recently lower dairy commodity prices. That has led to some hope that stronger current commodity prices, if sustained, might help lift producer milk pay prices. However, at an EU dairy economic board meeting in the last week of June, many participants concluded that recent commodity price increases will not reach producer milk prices for a number of months. The European Commission this week agreed to a proposal by France to require origin labeling of milk and dairy ingredients produced in France. Approval is for a trial period through 2018. Opposition to the trial measure by EU importers, exporters and wholesalers of dairy products and ingredients, argue that the proposal runs contrary to the single market concept. The specific argument is that no established link has been shown between French origin and a particular dairy quality attribute.

BUTTER/BUTTEROIL: Butter prices in the EU strengthened this week. Butteroil prices firmed at the low end of the price range but declined at the top as the range narrowed. The magnitude of higher butter prices was very favorably commented upon by varied EU dairy industry participants, as higher than previously expected. Packaged butter sold in the EU has trended upward in price in recent weeks. Retailers needing current deliveries pay a premium to manufacturers. Demand for retail butter is normal. Export demand is quiet for butteroil and butter. Butter production in the EU January-April this year is up 10.9% from the same period last year, according to Eurolait.

82% BUTTERFAT: 2,900 - 3,375
99% BUTTERFAT: 3,750 - 3,900

SKIM MILK POWDER (SMP): Skim milk powder pricing gently firmed at each end of the price range. The market overall was calm, both domestic and global. Many manufacturers are already in the summer holiday season. Most current purchasing is for internal EU consumption and often for use later in the year. SMP production in the EU January-April this year is up 13.4% from the same period last year, according to Eurolait.

1.25% BUTTERFAT: 1,875 - 2,025

SWEET WHEY POWDER: Whey prices in the EU strengthened at the upper end of the price range. This reflects good demand for whey used in food manufacturing. This demand for food grade whey is stronger both within the EU, as well as for export. Buyers seeking deliveries later in the year are paying a premium to current pricing. Interest in feed grade whey is quiet.

NONHYGROSCOPIC: 625 - 775

WHOLE MILK POWDER (WMP): Whole milk powder prices in the EU increased at each end of the price range this week. Many EU food industry manufacturers are stocked for current needs, but those needing to purchase are finding sellers holding for price increases. The domestic price pressure is limiting the ability to export into global markets. Some buyers are contracting for deliveries in the fourth quarter. WMP production in the EU January-April this year is even with the same period last year, according to Eurolait.

26% BUTTERFAT: 2,275 - 2,500

EASTERN OVERVIEW: The European Commission has formally rejected an effort by Hungary to finance the national food inspection system by using a levy system which creates classes of enterprises assessed varied levy fees. The Commission found this discriminatory and, in effect, favoured certain types of businesses. Hungary has returned to a single flat fee system to finance food inspection and did so while Commission proceedings were underway.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered June 27 - July 8, 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.

AUSTRALIA is having a good start to the new milk production season as to cropping and pasture feed availability. Decent precipitation patterns in recent weeks have helped pasture health. This has contributed to reduced market purchasing of feed. Of course, relatively high feed prices and overall tight cash flows for many dairy producers, following recent disappointing milk pay prices, are also factors affecting feed purchases. The convergence of rain and resulting better pastures at this time is financially helpful to many dairy producers. The expectation is intensifying for hay prices to weaken if demand remains weaker in coming months and pastures remain robust. In Northern Australia areas along the coast, new crops and pasture growth have been excellent. Less fortunate have been areas to the west and near the Downs, where rainfall has generally not materialized. Hay demand has increased as a result. Even with disappointing returns to producers last season, there remains some intensified demand for higher quality hay, even being more expensive, in hopes that feeding the higher quality hay will contribute to net returns. In Southern Australia the tighter supply of available hay is keeping hay prices from falling, even with better pasture conditions. In Victoria, hay remains available but new orders have slowed, as many dairy producers opt for a more hand to mouth purchasing strategy. With hay stocks being quite ample, there are some hopes for weakening prices. Homegrown fodder is more prevalent in Western Australia. High hay prices are leading to many dairy producers opting to keep chipping away at remaining on farm supplies rather than hold some inventory and enter the market now. Hay pricing is expected to remain steady in coming weeks. **NEW ZEALAND** dairy producers continue moving into early stages of the new milk production season in a downcast mood. Disappointing recent prices have widely impacted profitability in an unfavorable way. The 2015-16 season will not be fondly remembered. However, culling activity is light at this time, as many dairy producers take a wait and see approach. As last season drew to a close, there was conflicting activity: culling by some and seeking to increase total milk output to increase gross revenues by others. At this time many producers are stepping back to assess what the next move should be. As bad as many have considered pay prices to be, enduring disappointing prices for so long has led to less impetus to feel the need to act hastily. New Zealand pastures have overall been good, improved from conditions at varied times last season. Feed prices have been considered low. More producers are willing to purchase feed and what happens with pastures in coming weeks will drive many decisions moving forward. At the July 5 GDT event #167, average prices ranged from 7.5% lower to 4.9% 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, \$3,621 +1.1%; butter, \$2,828 -3.1%; buttermilk powder, \$1,552 -7.5%; cheddar cheese, \$2,902 -0.5%; lactose, \$750 -1.2%; rennet casein, \$5,227 +4.9%; skim milk powder, \$1,938 +2.6%; and whole milk powder, \$2,062 -1.6%.

BUTTER: Butter prices firmed this week, reflecting interest in acquiring current supplies. Manufacturers are less certain as to whether this price bump will persist or increase further. At GDT Event 167 on June 15, butter prices increased 6.2% for the August contract, but declined 3.1% for all contracts. Except for the August 15 contract, all price adjustments were negative. Butter production in Australia January-April 2016 is 5.2% below the same period of last year according to Dairy Australia. April 2016 production is 15.3% below April last year.

82% BUTTERFAT: 2,825 - 3,100

SKIM MILK POWDER (SMP): Skim milk powder prices increased at each end of the price range. There is buyer interest in acquiring SMP but decent inventory levels to meet demand, which is tempering upward price pressure. At GDT Event 167 on June 15, SMP prices increased 8.5% for the August contract and 2.6% for all contracts. All contract periods recorded a positive percentage increase. SMP production in Australia January-April 2016 is 8.8% above the same period of last year according to Dairy Australia. However, April 2016 production is 11.6% below April last year.

1.25% BUTTERFAT: 1,900 - 1,950

CHEDDAR CHEESE: Cheddar cheese pricing is unchanged. At GDT Event 167 on June 15, cheddar prices registered no activity for the August contract and -0.5% for all contracts. The only contract activity was for October, +0.9%, and November, -1.4%. Cheese production in Australia January-April 2016 is 0.4% above the same period of last year according to Dairy Australia. April 2016 production is 10.3% above April last year. The variety with the highest volume of production, cheddar, for January-April this year was 3.2% below the same period last year. April production was 21.0% above April last year.

39% MAXIMUM MOISTURE: 2,800 - 2,900

WHOLE MILK POWDER (WMP): Whole milk powder prices strengthened at both ends of the price range as buyers act to secure current deliveries. At GDT Event 167 on June 15, WMP prices increased 15.4% for the August contract but declined 1.6% for all contracts. All contract periods recorded negative price changes except August, which was considered to have a low level of offerings. Some observers feel that the slightly negative percentage change of the all contract price (and negative September-October-November-December-January changes) are more significant price predictors going forward, than the significantly positive August contract percentage change. Nevertheless, currently buyers are accepting higher prices. WMP production in Australia January-April 2016 is 22.7% below the same period of last year according to Dairy Australia. April 2016 production is 62.2% below April last year.

26% BUTTERFAT: 2,100 - 2,300

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 167 Recap - July 5, 2016													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Aug-16		Sep-16		Oct-16		Nov-16		Dec-16		Jan-17			
Anhydrous Milk Fat	\$4,005	10.8%	\$3,681	3.2%	\$3,595	-0.2%	\$3,505	-2.3%	\$3,460	-4.3%	\$3,510	-2.5%	\$3,621	1.1%
Butter	\$3,165	6.2%	\$2,946	-1.1%	\$2,750	-8.6%	\$2,730	-3.0%	\$2,790	-2.1%	\$2,875	-2.9%	\$2,828	-3.1%
Buttermilk Powder		n.a.	\$1,595	-7.5%	\$1,510	n.a		n.a.		n.a.		n.a.	\$1,552	-7.5%
Cheddar		n.a.	\$3,148	n.a.	\$2,905	0.9%	\$2,787	-1.4%		n.a.		n.a.	\$2,902	-0.5%
Lactose		n.a.	\$750	-1.2%		n.a		n.a.		n.a.		n.a.	\$750	-1.2%
Rennet Casein		n.a.	\$5,210	4.5%	\$5,300	5.8%	\$5,175	n.a.		n.a.		n.a.	\$5,227	4.9%
Skim Milk Powder	\$1,905	8.5%	\$1,915	3.7%	\$1,937	2.5%	\$1,948	0.4%	\$1,968	0.4%	\$1,976	3.7%	\$1,938	2.6%
Sweet Whey Powder		n.a.		n.a.		n.a		n.a.		n.a.		n.a.		n.a.
Whole Milk Powder	\$2,427	15.4%	\$2,043	-3.5%	\$2,019	-4.9%	\$2,029	-4.1%	\$2,058	-2.3%	\$2,051	-6.0%	\$2,062	-1.6%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 167 Recap - July 5, 2016													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Aug-16		Sep-16		Oct-16		Nov-16		Dec-16		Jan-17			
Anhydrous Milk Fat	\$1.8167	10.8%	\$1.6697	3.2%	\$1.6307	-0.2%	\$1.5899	-2.3%	\$1.5694	-4.3%	\$1.5921	-2.5%	\$1.6425	1.1%
Butter	\$1.4356	6.2%	\$1.3363	-1.1%	\$1.2474	-8.6%	\$1.2383	-3.0%	\$1.2655	-2.1%	\$1.3041	-2.9%	\$1.2828	-3.1%
Buttermilk Powder		n.a.	\$0.7235	-7.5%	\$0.6849	n.a		n.a.		n.a.		n.a.	\$0.7040	-7.5%
Cheddar		n.a.	\$1.4279	n.a.	\$1.3177	0.9%	\$1.2642	-1.4%		n.a.		n.a.	\$1.3163	-0.5%
Lactose		n.a.	\$0.3402	-1.2%		n.a		n.a.		n.a.		n.a.	\$0.3402	-1.2%
Rennet Casein		n.a.	\$2.3632	4.5%	\$2.4041	5.8%	\$2.3474	n.a.		n.a.		n.a.	\$2.3710	4.9%
Skim Milk Powder	\$0.8641	8.5%	\$0.8686	3.7%	\$0.8786	2.5%	\$0.8836	0.4%	\$0.8927	0.4%	\$0.8963	3.7%	\$0.8791	2.6%
Sweet Whey Powder		n.a.		n.a.		n.a		n.a.		n.a.		n.a.		n.a.
Whole Milk Powder	\$1.1009	15.4%	\$0.9267	-3.5%	\$0.9158	-4.9%	\$0.9203	-4.1%	\$0.9335	-2.3%	\$0.9303	-6.0%	\$0.9353	-1.6%

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

CME GROUP, INC FUTURES

Selected settling prices

Month	06/24	06/27	06/28	06/29	06/30	07/01	07/04	07/05	07/06	07/07
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
JUN 16	13.22	13.22	13.23	13.22						
JUL 16	14.84	14.89	15.12	15.39	15.25	15.07	NO TRADING	14.97	15.14	15.30
AUG 16	15.91	15.86	16.31	16.75	16.37	15.89		15.70	15.92	16.17
SEP 16	16.34	16.28	16.55	16.86	16.39	16.04		15.88	16.05	16.31
OCT 16	16.34	16.27	16.48	16.71	16.30	16.13		16.00	16.10	16.43
NOV 16	16.18	16.21	16.37	16.50	16.24	16.11		15.92	16.11	16.31
DEC 16	15.93	15.99	16.09	16.21	16.00	15.89		15.78	15.90	16.00
JAN 17	15.90	15.86	15.94	16.02	15.91	15.82		15.67	15.75	15.82
FEB 17	15.95	15.90	15.95	16.02	15.92	15.83		15.73	15.82	15.90
MAR 17	15.95	15.92	16.01	16.05	15.95	15.93		15.84	15.91	15.92
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
JUN 16	13.73	13.73	13.73	13.77						
JUL 16	15.43	15.43	15.36	15.40	15.40	15.26	NO TRADING	15.26	15.10	15.07
AUG 16	16.30	16.30	16.30	16.25	16.25	16.09		16.00	15.74	15.87
SEP 16	16.40	16.40	16.40	16.50	16.50	16.35		16.35	16.34	16.31
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
JUN 16	215.88	215.88	215.88	216.23						
JUL 16	235.00	234.75	231.03	236.03	236.00	234.03	NO TRADING	235.00	230.13	230.13
AUG 16	236.00	235.00	232.00	237.00	238.40	237.33		237.50	232.50	234.80
SEP 16	238.00	236.03	233.08	237.98	240.50	240.00		240.00	235.03	240.03
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
JUN 16	78.83	78.75	78.75	78.88						
JUL 16	89.68	88.05	88.50	88.18	87.25	86.53	NO TRADING	87.50	87.20	86.73
AUG 16	96.75	95.50	97.50	97.05	95.35	93.60		94.75	94.63	94.55
SEP 16	99.28	98.03	99.28	99.75	99.28	96.45		97.50	97.50	98.68
WHEY (Electronic-Traded) (¢/lb)										
JUN 16	25.85	25.85	25.85	26.01						
JUL 16	27.73	27.85	27.85	27.85	27.85	27.85	NO TRADING	27.60	27.60	27.60
AUG 16	29.98	30.18	31.05	30.45	29.98	29.98		29.98	29.98	29.75
SEP 16	30.70	30.70	31.25	31.75	31.73	31.50		31.50	31.25	31.50
CHEESE CSC (Electronic-Traded) (\$/lb)										
JUN 16	1.45	1.45	1.45	1.45						
JUL 16	1.60	1.60	1.63	1.65	1.64	1.62	NO TRADING	1.61	1.63	1.64
AUG 16	1.73	1.72	1.76	1.78	1.73	1.69		1.67	1.69	1.72
SEP 16	1.72	1.72	1.74	1.76	1.71	1.71		1.69	1.70	1.73
OCT 16	1.70	1.71	1.72	1.74	1.70	1.71		1.69	1.70	1.73

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

May 2016 Dairy Products Highlights

Butter production was 170 million pounds, 0.3 percent above May 2015, but 3.7 percent below April 2016. **American type cheese** production totaled 400 million pounds, 1.9 percent below May 2015, but 1.1 percent above April 2016. **Total cheese** output (excluding cottage cheese) was 998 billion pounds, 1.2 percent above May 2015, and 0.7 percent above April 2016. **Nonfat dry milk** production, for human food, totaled 165 million pounds, 8.3 percent below May 2015, and 2.5 percent below April 2016. **Dry whey** production, for human food, was 80.4 million pounds, 3.1 percent above May 2015, but 0.6 percent below April 2016. **Ice cream, regular hard** production totaled 71.9 million gallons, 9.8 percent above May 2015, and 0.8 percent above April 2016.

Production of Dairy Products									
Product	May 2016	Change from			Product	May 2016	Change from		
		May 2015	Apr 2016	Year to Date ¹			May 2015	Apr 2016	Year to Date ¹
	(1,000 lbs)	(percent)				(1,000 lbs)	(percent)		
Butter	169,939	0.3	-3.7	5.6	Yogurt (plain and flavored)	380,225	-4.2	-3.0	-1.1
Cheese					Dry whey, human food	80,387	3.1	-0.6	---
American types ²	399,914	-1.9	1.1	0.1	Dry whey, animal feed	1,439	2.2	-3.4	---
Cheddar	290,490	-2.0	-2.3	-0.3	Dry whey, total ⁸	81,826	3.1	-0.6	2.1
Other American	109,424	-1.6	11.5	---	Reduced lactose & minerals				
Brick & Muenster	16,057	-1.6	0.9	---	Human food	2,848	-20.6	0.7	---
Cream & Neufchatel	59,083	-3.3	-7.9	---	Animal feed	2,485	0.4	-16.5	---
Hispanic	20,437	-2.8	-2.4	---	Lactose, human food & animal feed	89,933	1.9	2.2	-0.2
Total Italian types	438,998	5.2	0.6	4.4	Whey protein concentrate				
Mozzarella	345,955	4.4	1.5	3.8	Human food ⁹	38,046	-12.5	4.6	---
Other Italian	93,043	8.1	-2.8	---	Animal feed ⁹	339	-17.5	-21.0	---
Swiss	26,085	-4.8	7.1	---	Total ⁹	38,385	-12.6	4.3	-9.8
All other types	37,541	6.4	11.1	---	25.0-49.9 percent ¹⁰	15,268	-24.5	5.8	---
Total	998,115	1.2	0.7	2.2	50.0-89.9 percent ¹⁰	23,117	-2.4	3.3	---
Cottage cheese, curd ³	35,514	6.0	5.1	---	Whey protein isolates ¹¹	8,797	2.4	2.6	---
Cottage cheese, cream ⁴	28,549	8.6	6.9	3.5					
Cottage cheese, lowfat ⁵	31,874	6.5	4.5	2.8					
Dry buttermilk	8,775	0.5	-8.6	---	Frozen products				
Dry whole milk	8,646	-32.3	-4.7	---	Ice cream, regular hard	71,915	9.8	0.8	2.7
Milk protein conc. (MPC), total ⁶	18,140	-13.2	12.1	---	Ice cream, lowfat, hard	18,249	-8.5	-1.1	---
Nonfat dry milk (NDM), human	165,057	-8.3	-2.5	-8.9	Ice cream, lowfat, soft	22,043	4.0	3.3	---
Skim milk powders (SMP) ⁷	50,265	41.4	16.4	23.5	Ice cream, lowfat, total	40,292	-2.1	1.3	-1.2
Sour cream	112,330	7.6	10.0	2.3	Sherbet, hard	3,494	-6.6	-2.0	-5.8
					Frozen yogurt, total	5,745	-1.4	-8.5	-6.2
Manufacturers' Stocks, End of Month ¹²									
Product	May 2016	May 2015	Apr 2016		Product	May 2016	May 2015	Apr 2016	
	(1,000 lbs)	(percent)				(1,000 lbs)	(percent)		
Dry whey, human food	85,694	16.8	3.7		Whey protein concentrate				
Dry whey, animal feed	1,442	-32.1	-8.4		Human food ⁹	59,404	-18.7	-5.6	
Reduced lactose & minerals—human & animal ¹³	8,008	-22.3	7.6		Animal feed ⁹	555	-65.3	-9.5	
Lactose, human food & animal feed	125,761	-0.5	1.2		Total ⁹	59,959	-19.7	-5.7	
Dry buttermilk	24,106	1.7	-2.3		25.0-49.9 percent ¹⁰	26,027	-20.5	-7.3	
Nonfat dry milk, human food	235,429	-9.9	-6.6		50.0-89.9 percent ¹⁰	33,932	-19.1	-4.3	
					Whey protein isolates ¹¹	18,060	38.5	0.9	

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

May Milk Sales

During May 4.0 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.2 percent higher than May 2015. Estimated sales of total conventional fluid milk products decreased 0.4 percent from May 2015 and estimated sales of total organic fluid milk products increased 11.3 percent from a year earlier.

Estimated Total U.S. Sales of Fluid Milk Products, May 2016, with Comparisons ^{1,4}				
Product Name	Sales		Change from: ²	
	May	Year to Date	Previous Year	Year to Date
	<i>(million pounds)</i>		<i>(percent)</i>	
Conventional Production Practice				
Whole Milk	1,174	5,896	5.9	5.0
Flavored Whole Milk	49	244	8.5	7.3
Reduced Fat Milk (2%)	1,254	6,474	-1.5	-1.8
Low Fat Milk (1%)	575	2,947	-4.9	-4.1
Fat-Free Milk (Skim)	392	2,043	-10.6	-10.3
Flavored Fat-Reduced Milk	338	1,771	3.3	3.7
Buttermilk	41	209	2.4	-1.2
Other Fluid Milk Products	5	21	36.7	14.4
Total Fat-Reduced Milk ³	2,560	13,234	-3.2	-3.1
Total Conventional Milk Products	3,830	19,606	-0.4	-0.6
Organic Production Practice				
Whole Milk	80	384	25.5	16.4
Reduced Fat Milk (2%)	66	332	13.7	11.8
Low Fat Milk (1%)	37	184	0.9	-2.3
Fat-Free Milk (Skim)	27	137	-4.8	-9.5
Flavored Fat-Reduced Milk	7	36	-16.9	-29.7
Other Fluid Milk Products	0	1	----	----
Total Fat-Reduced Milk ³	137	690	4.3	0.1
Total Organic Milk Products	217	1,075	11.3	5.4
Total Fluid Milk Products	4,047	20,681	0.2	-0.3

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

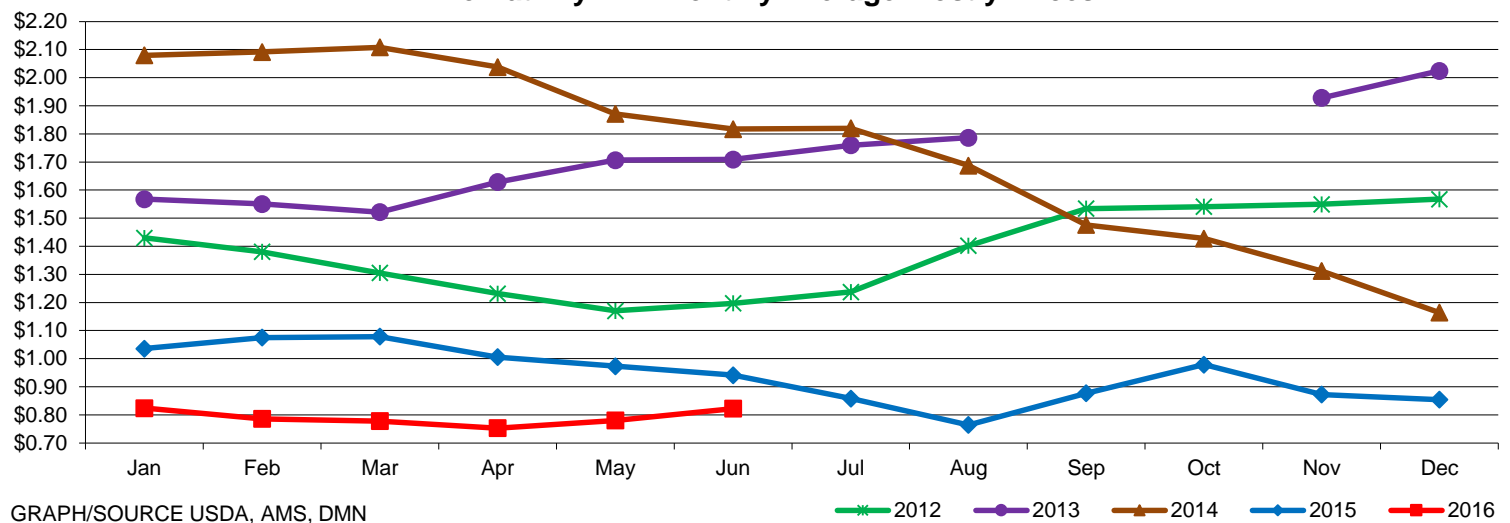
Packaged Sales of Total Fluid Milk Products in Federal Milk Orders and California, May 2016, with Comparisons ¹					
Marketing Area	Order Number	Sales		Change from: ²	
		May	Year to Date	Previous Year	Year to Date
		<i>(million pounds)</i>		<i>(percent)</i>	
Northeast	001	701	3,506	-0.1	-0.9
Appalachian	005	263	1,360	2.2	0.0
Florida	006	220	1,177	-0.1	2.1
Southeast	007	361	1,885	0.2	0.0
Upper Midwest	030	306	1,601	-1.2	0.9
Central	032	337	1,744	2.0	0.2
Mideast	033	454	2,290	2.2	-0.2
Pacific Northwest	124	168	832	-0.3	-0.2
Southwest	126	368	1,885	0.3	0.6
Arizona	131	86	452	-1.9	-0.2
California ³	---	459	2,293	-2.0	-3.0
All Orders (Total)		3,264	16,733	0.5	0.1
All Areas (Total)		3,723	19,026	0.2	-0.3

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

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

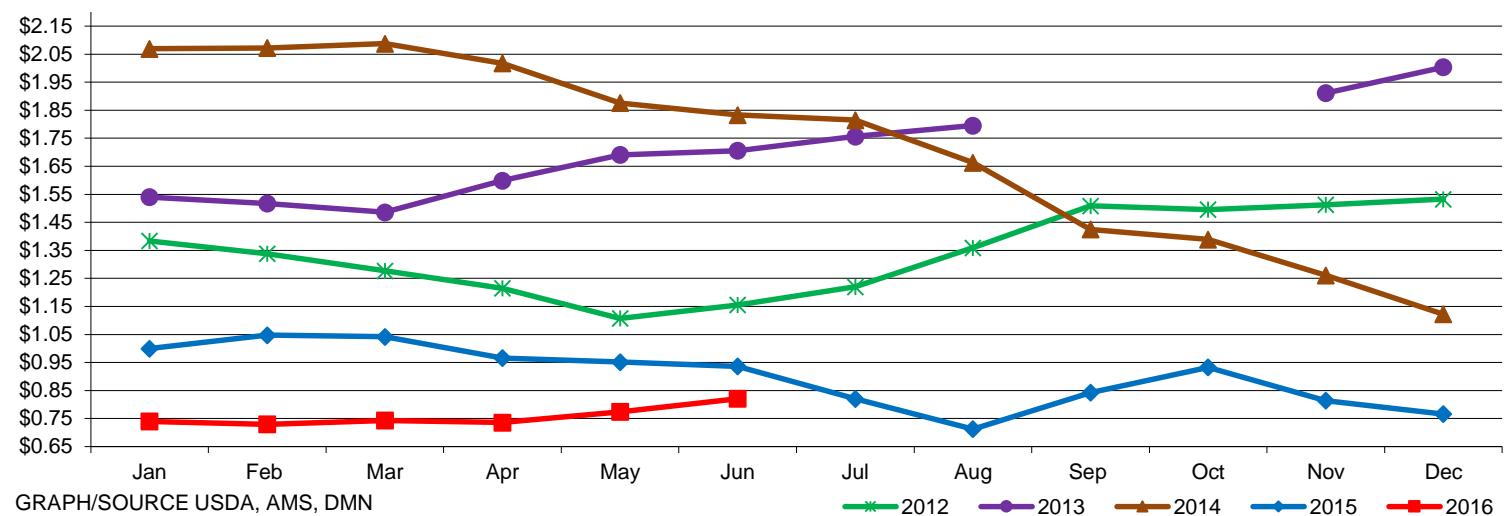
PER POUND

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



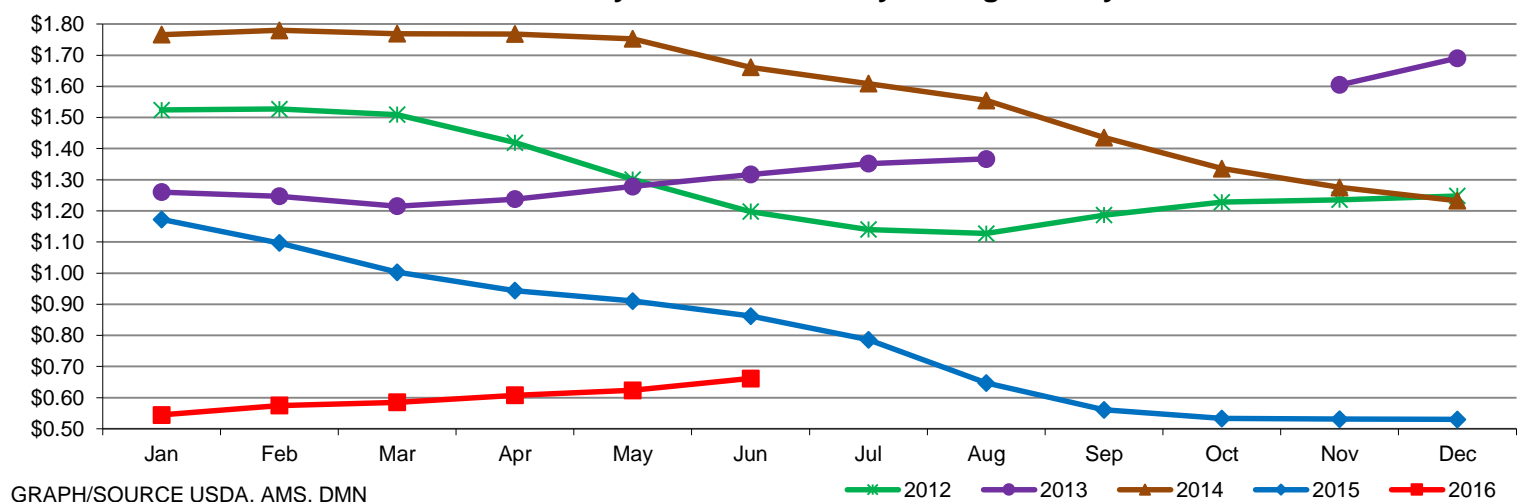
PER POUND

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

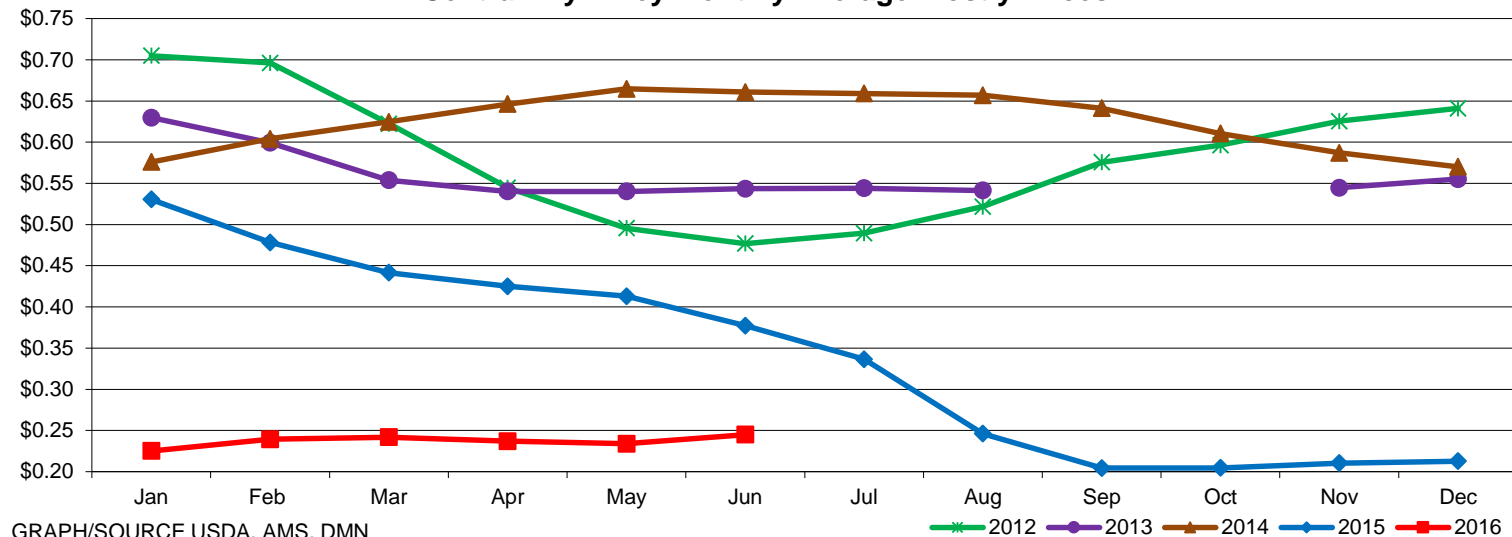


PER POUND

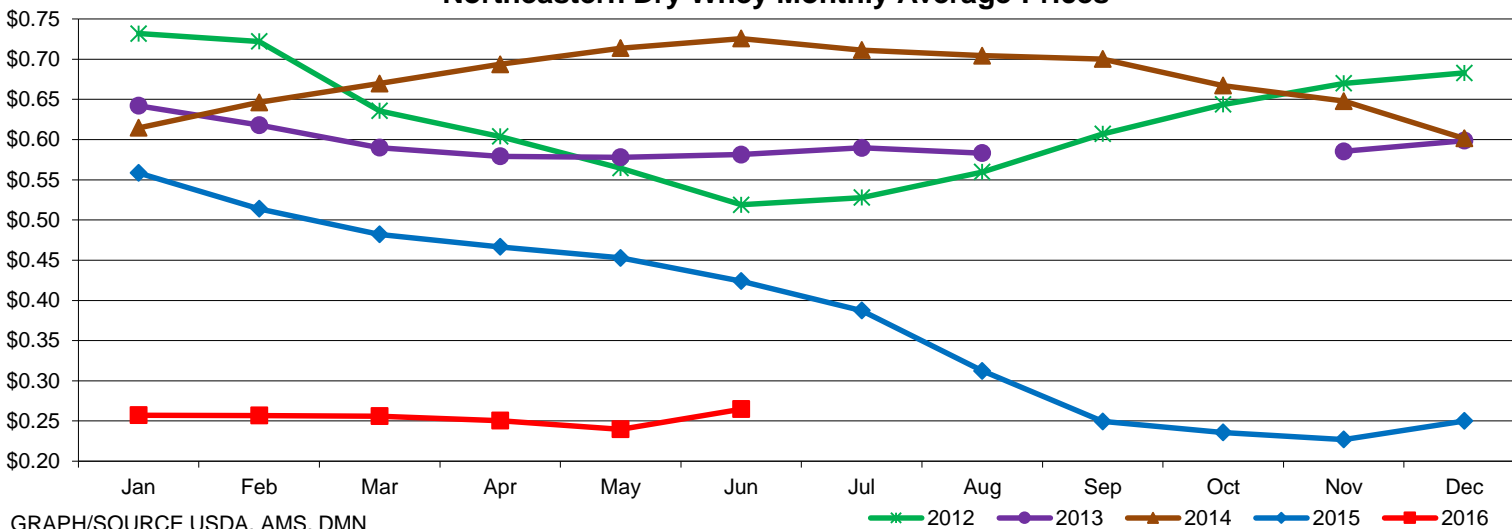
Central & West Dry WPC 34% Monthly Average Mostly Prices



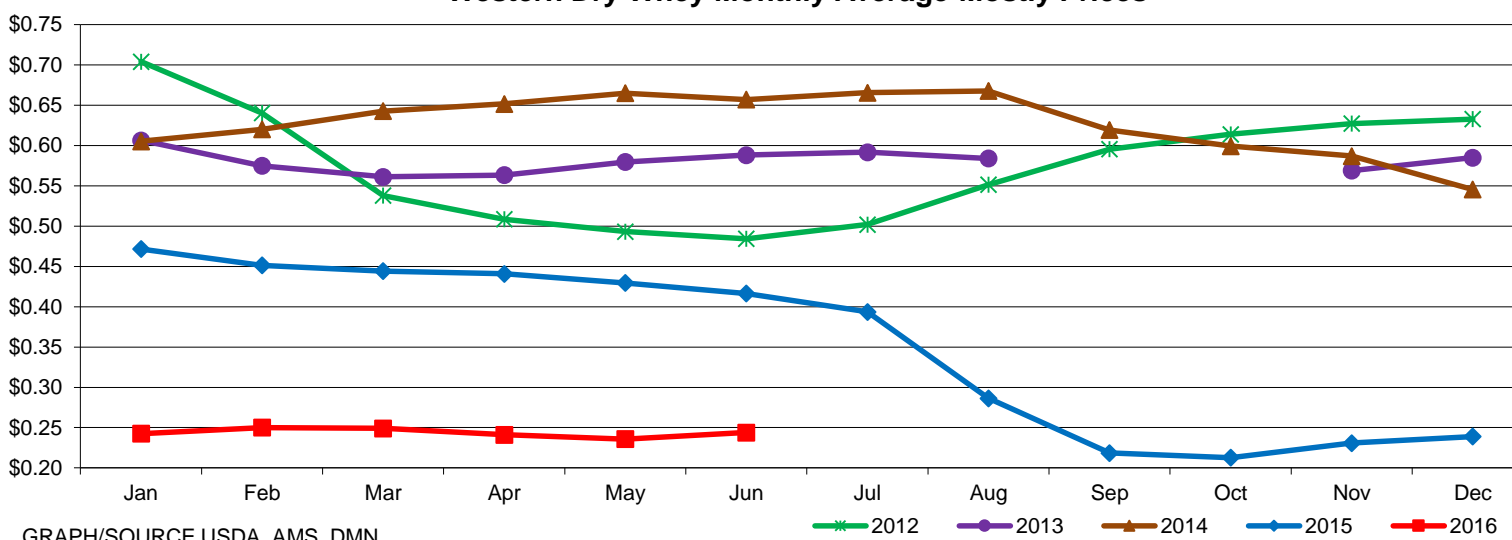
PER POUND

Central Dry Whey Monthly Average Mostly Prices

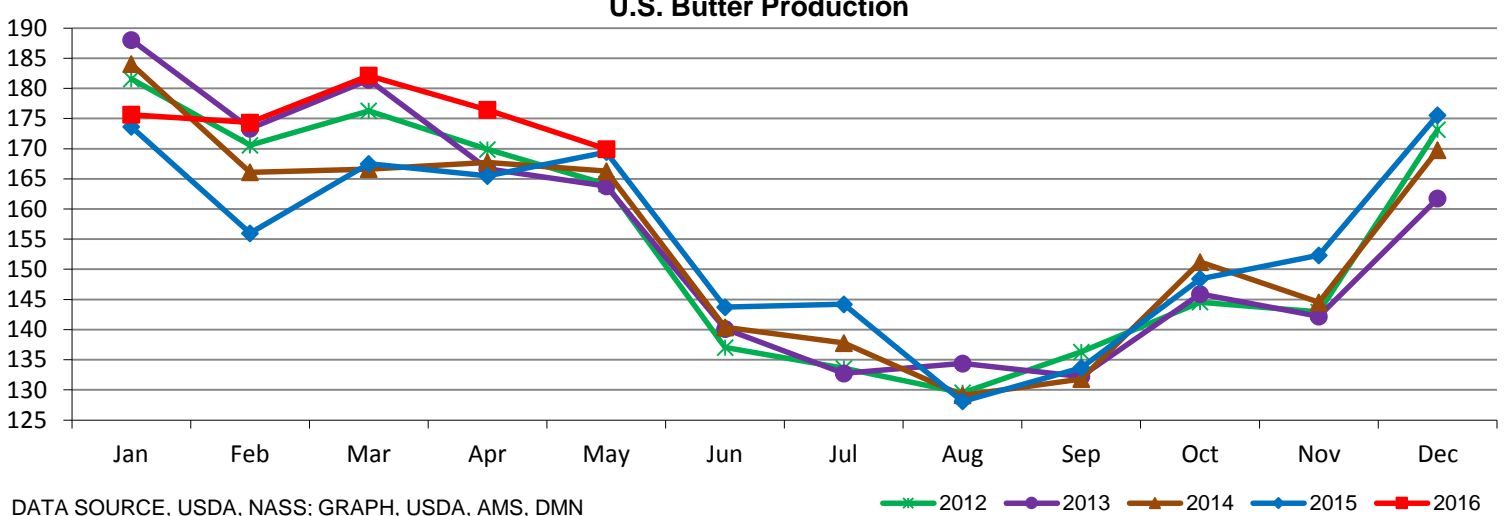
PER POUND

Northeastern Dry Whey Monthly Average Prices

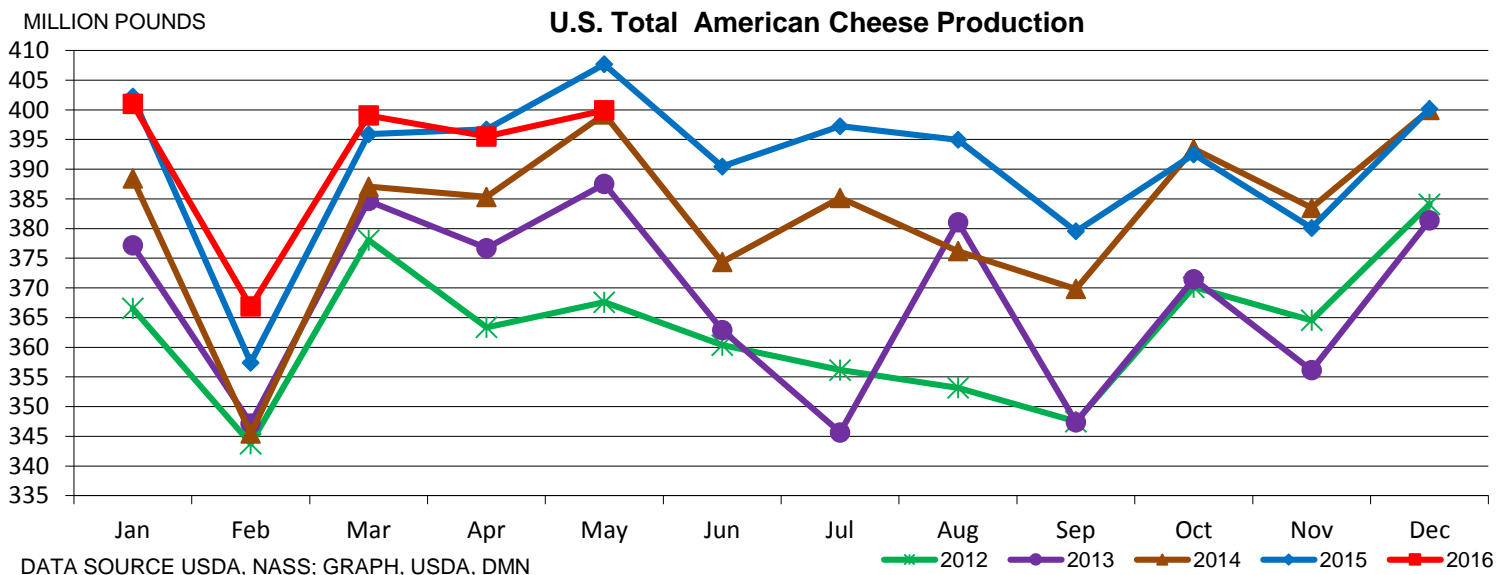
PER POUND

Western Dry Whey Monthly Average Mostly Prices

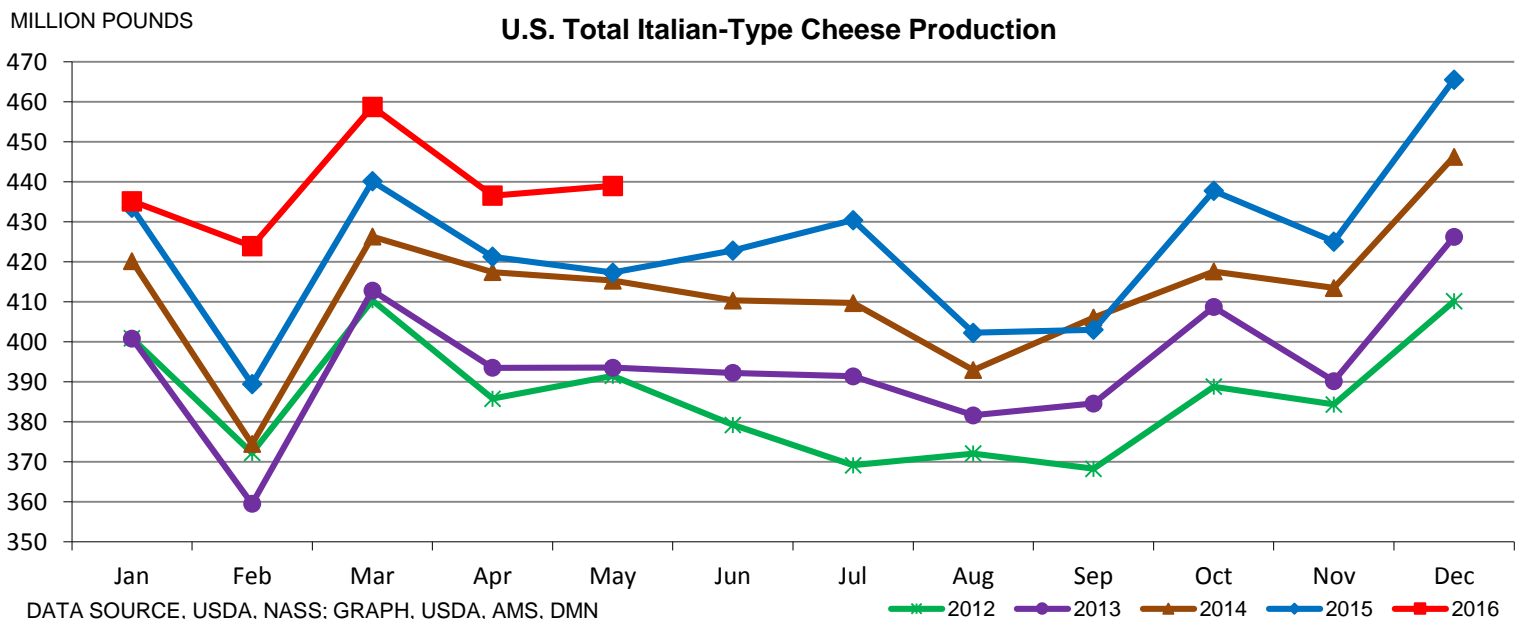
MILLION POUNDS

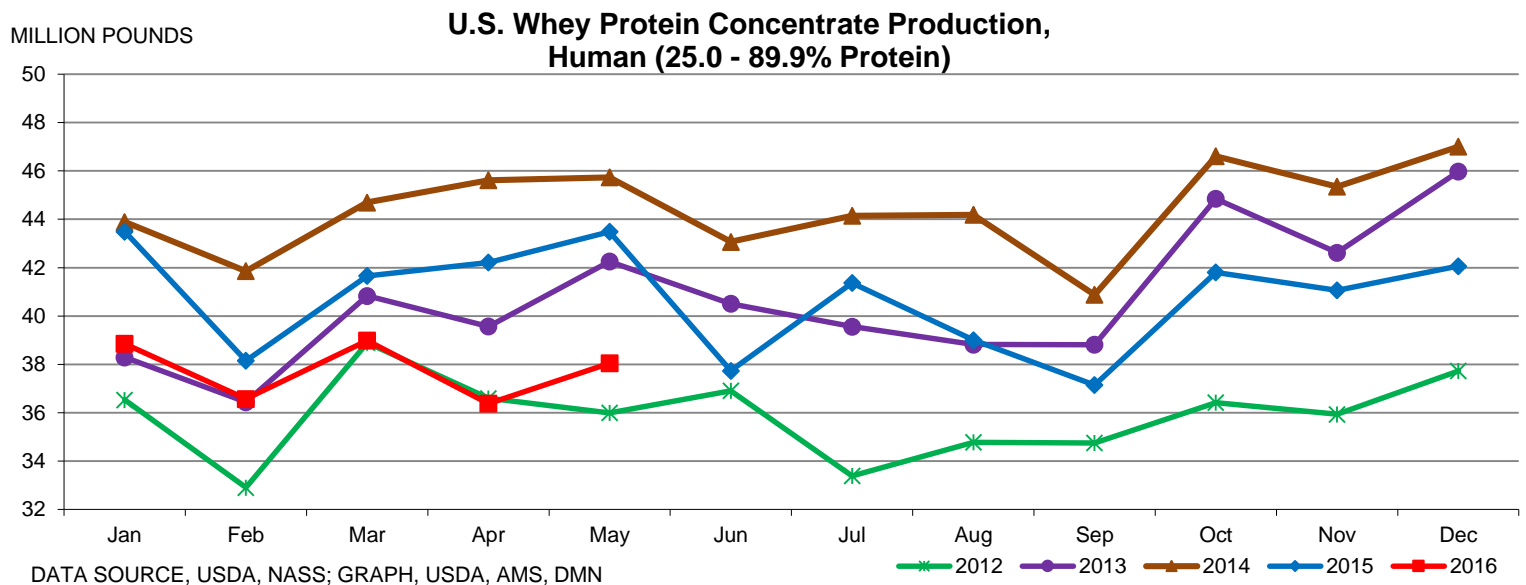
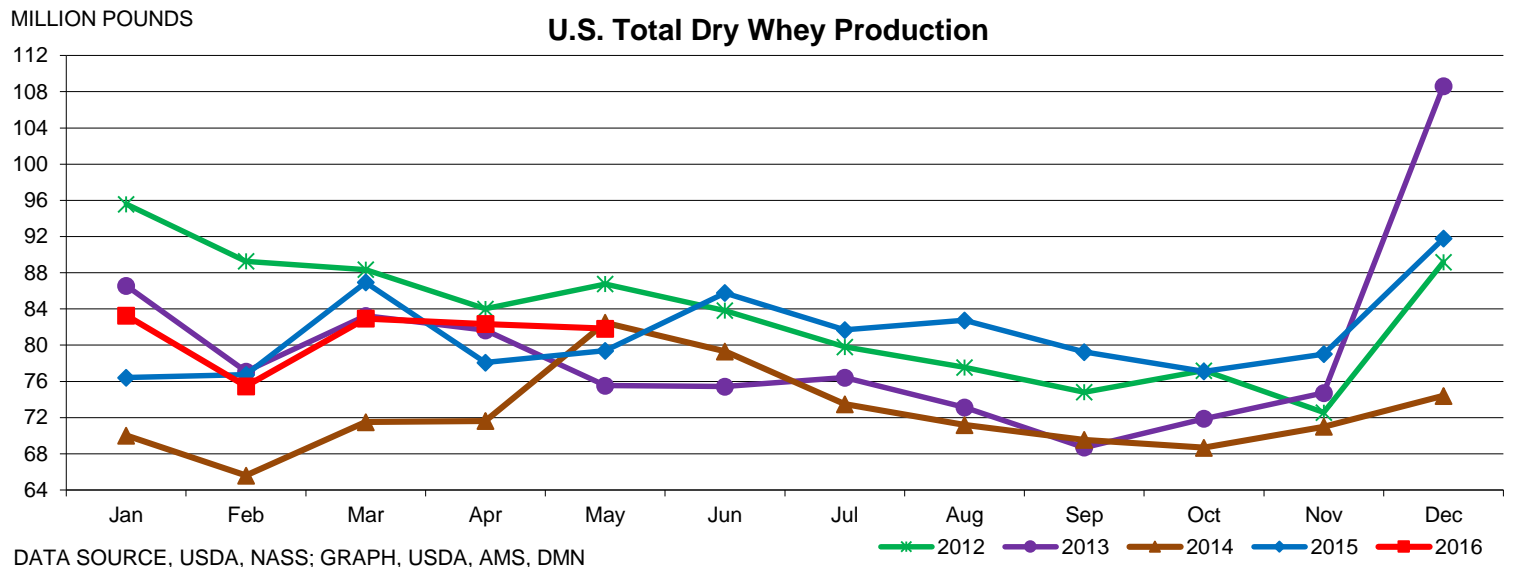
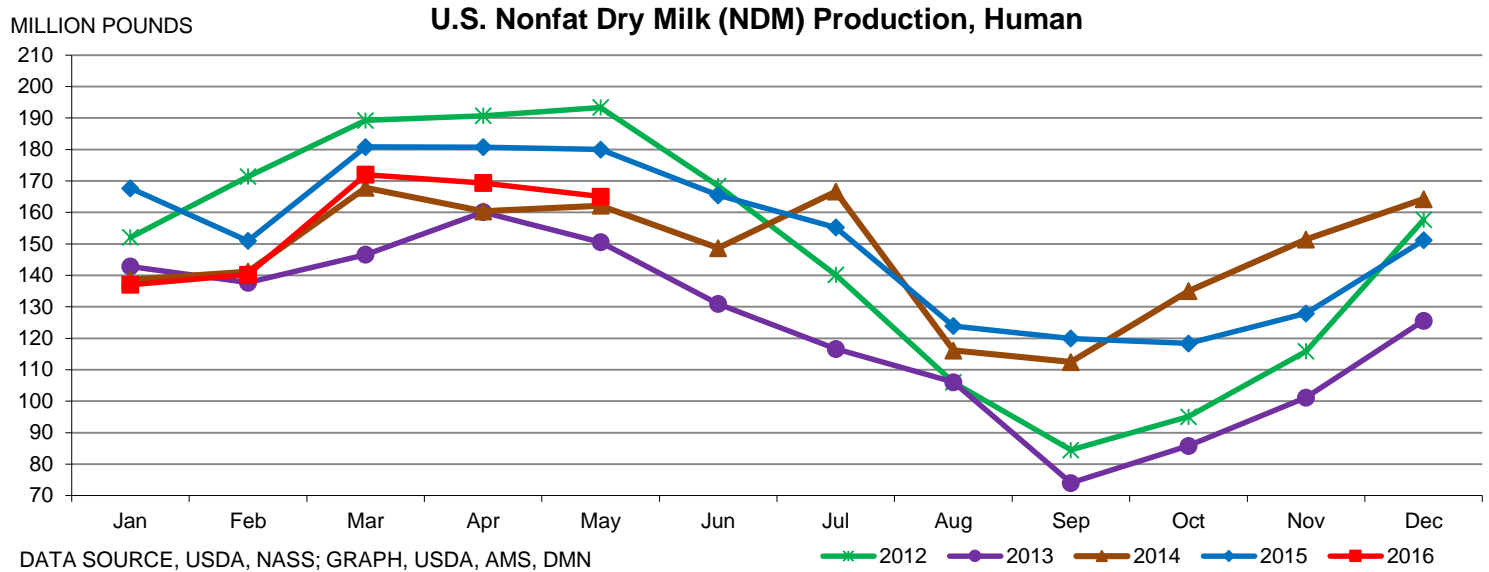


MILLION POUNDS



MILLION POUNDS







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Wednesday, June 8, 2016

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 07/08/2016 to 07/14/2016

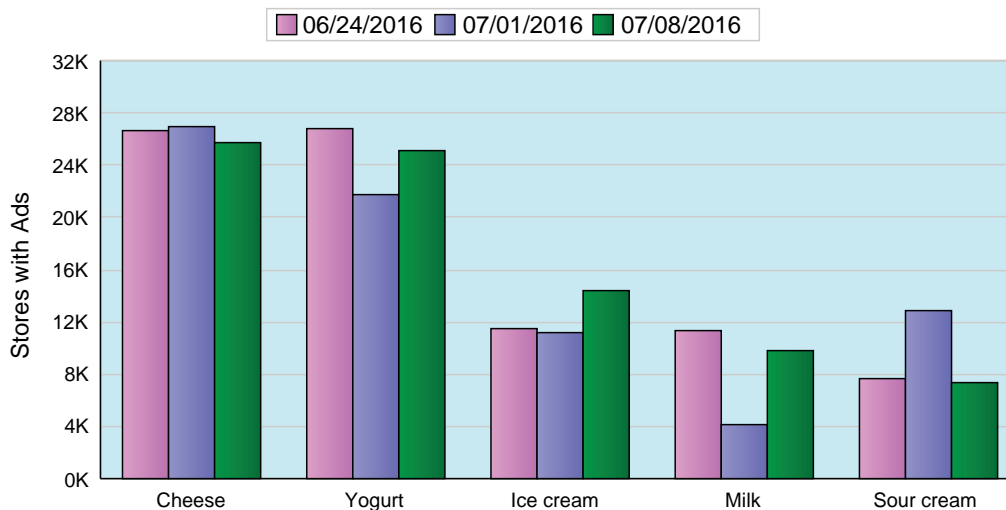
Total conventional dairy ad numbers decreased 6%, while organic dairy ad numbers increased 133%. Conventional cream cheese in 8 oz. containers ad numbers dropped 63%, with an average price of \$1.77. Ice cream in 48-64 oz. containers saw ads increase 18%, with an average price of \$2.92. Greek yogurt in 4-6 oz. containers has a price of \$.96, up \$.02 from last week.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.33, up 10 cents from last week; 8 ounce shred cheese averaged \$2.30, up 14 cents from last week. Ads for 8 ounce organic shred cheese average \$3.70, down 29 cents compared to the previous week.

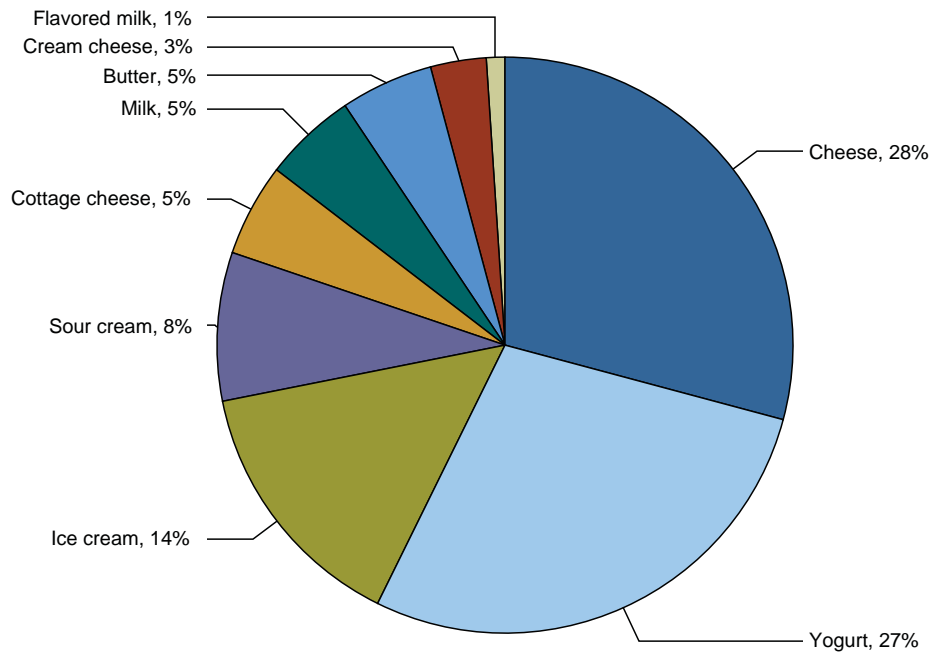
The price spread between organic and conventional half gallon milk is \$1.57. Last week the spread was \$2.15. The price spread is the difference between the national weighted average price for organic, \$3.59, and conventional, \$2.02. Both conventional and organic milk ad numbers saw significant increases this current survey period, conventional milk more than doubled while organic milk numbers are almost tripled.

The price spread between organic and conventional butter is \$2.02. The price spread is the difference between national weighted average prices for organic, \$5.21, and conventional, \$3.19. When compared to the previous week, the volume of ad numbers for conventional butter declined 31%, and organic ad numbers declined by 24%.

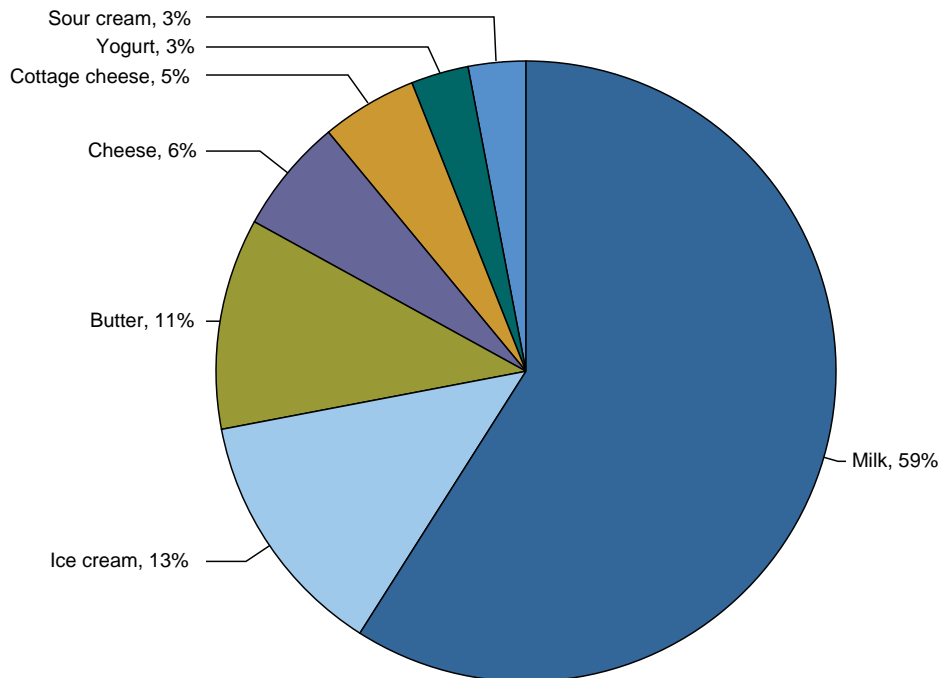
Top 5 Commodities Featured



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 #	4375	3.19	6339	3.38	2931	3.02
Cheese	Natural Varieties	8 oz block	7608	2.33	10309	2.23	7951	2.28
Cheese	Natural Varieties	1 # block	3403	4.88	3043	4.33	2791	4.27
Cheese	Natural Varieties	2 # block	1566	5.97	1079	6.22	2062	6.83
Cheese	Natural Varieties	8 oz shred	9787	2.30	10366	2.16	9463	2.34
Cheese	Natural Varieties	1 # shred	2964	4.14	1876	3.12	1936	3.93
Cottage cheese		16 oz	5041	2.07	5371	1.79	3659	2.11
Cream cheese		8 oz	2606	1.77	7092	1.78	4458	1.80
Flavored milk	All fat tests	half gallon	466	2.26	635	3.00	942	2.10
Flavored milk	All fat tests	gallon	662	2.82	570	3.68	294	3.13
Ice cream		48-64oz	13263	2.92	11228	2.95	17234	3.10
Milk	All fat tests	half gallon	1549	2.02	675	2.34	822	2.50
Milk	All fat tests	gallon	3383	2.32	1726	2.28	3146	2.81
Sour cream		16 oz	7185	1.81	12734	1.72	8303	1.77
Yogurt	Greek	4-6 oz	13843	.96	13025	.94	18119	.93
Yogurt	Greek	32 oz	3661	3.96	1201	4.56	1049	4.19
Yogurt	Yogurt	4-6 oz	6945	.52	6731	.56	5941	.50
Yogurt	Yogurt	32 oz	352	2.17	744	3.12	1184	2.44

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 #	2.29-4.59	1588	3.42	2.49-3.48	1063	3.42	1.77-3.49	630	2.81
Cheese	Natural Varieties	8 oz block	1.66-3.00	3047	2.36	1.67-3.00	1799	2.33	1.88-2.50	1103	2.12
Cheese	Natural Varieties	1 # block	2.99-6.99	2279	5.21	4.00	502	4.00			
Cheese	Natural Varieties	2 # block				4.99	184	4.99			
Cheese	Natural Varieties	8 oz shred	1.66-3.00	3538	2.46	1.67-3.00	1964	2.25	1.88-2.50	1053	2.15
Cheese	Natural Varieties	1 # shred	3.99-4.22	453	4.15	4.00	502	4.00	4.22	810	4.22
Cottage cheese		16 oz	1.50-2.79	1398	2.08	1.49-2.50	1300	2.05	1.75-2.00	200	1.85
Cream cheese		8 oz	1.50-2.50	1427	1.78	1.50	214	1.50			
Flavored milk	All fat tests	half gallon	1.99	167	1.99				1.99	53	1.99
Flavored milk	All fat tests	gallon							2.99-3.49	163	3.32
Ice cream		48-64oz	1.99-4.99	2987	2.75	2.00-5.48	4094	2.85	2.49-3.99	2158	2.96
Milk	All fat tests	half gallon	2.49	651	2.49				1.00-2.99	345	1.57
Milk	All fat tests	gallon	1.69-2.50	396	2.17	1.99-2.39	274	2.12	1.69-2.75	817	2.14
Sour cream		16 oz	1.48-2.00	2259	1.66	1.49-2.00	2126	1.96	1.50-1.88	342	1.62
Yogurt	Greek	4-6 oz	0.85-1.25	3946	.97	0.88-1.00	2639	.98	0.77-1.00	2352	.96
Yogurt	Greek	32 oz	3.99	377	3.99	3.00-3.99	1216	3.82	3.99-5.29	296	4.78
Yogurt	Yogurt	4-6 oz	0.35-1.00	1842	.53	0.50-0.60	2324	.54	0.38-0.59	1048	.48

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	1.99-2.49	227	2.12						

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 #	2.49	276	2.49	2.49-2.50	292	2.50	2.99-3.50	515	3.28
Cheese	Natural Varieties	8 oz block	2.00-3.33	304	2.97	1.50-3.50	1158	2.31	1.00-2.99	138	2.00
Cheese	Natural Varieties	1 # block	4.00-5.99	176	5.37	2.99-5.00	314	3.72	3.99-4.99	130	4.46
Cheese	Natural Varieties	2 # block	4.99-6.49	465	5.36	4.77-7.99	644	6.46	4.99-7.99	271	6.54
Cheese	Natural Varieties	8 oz shred	0.79-3.33	1374	2.35	1.50-2.99	1518	2.12	1.00-2.00	279	1.75
Cheese	Natural Varieties	1 # shred	2.99-4.22	1110	4.12				3.99	69	3.99
Cottage cheese		16 oz	1.50-2.99	566	2.18	1.49-2.99	1161	1.97	1.49-2.50	358	2.31
Cream cheese		8 oz	1.50-2.00	123	1.71	1.50-1.99	649	1.82	1.50-1.99	166	1.81
Flavored milk	All fat tests	half gallon				2.50	246	2.50			
Flavored milk	All fat tests	gallon	1.99-3.99	195	2.75	1.89-2.99	298	2.55			
Ice cream		48-64oz	1.79-3.99	1763	3.02	2.49-3.99	1992	2.91	4.99	66	4.99
Milk	All fat tests	half gallon	1.00-2.49	315	1.57				1.25-1.99	187	1.73
Milk	All fat tests	gallon	1.97-3.50	747	2.39	1.85-3.99	1041	2.55	1.99	105	1.99
Sour cream		16 oz	1.39-2.00	740	1.77	1.49-2.29	1242	1.92	1.50-2.00	394	1.63
Yogurt	Greek	4-6 oz	0.69-1.00	1592	.89	0.79-1.25	2547	.95	0.88-1.50	698	.96
Yogurt	Greek	32 oz	4.99-5.49	324	5.24	4.49-4.99	360	4.65	2.50-3.99	1077	3.28
Yogurt	Yogurt	4-6 oz	0.40-0.66	479	.49	0.39-0.50	766	.45	0.40-0.50	364	.45
Yogurt	Yogurt	32 oz				2.49	62	2.49	2.00	61	2.00

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.49	11	3.49			
Cheese	Natural Varieties	8 oz block	3.50	28	3.50	2.49-2.50	31	2.49
Cheese	Natural Varieties	1 # block	5.49	2	5.49			
Cheese	Natural Varieties	2 # block	4.99	2	4.99			
Cheese	Natural Varieties	8 oz shred	3.00-3.50	30	3.47	2.49-2.50	31	2.49
Cheese	Natural Varieties	1 # shred	5.62	8	5.62	5.62	12	5.62
Cottage cheese		16 oz	2.00-3.98	58	3.07			
Cream cheese		8 oz				2.00	27	2.00
Flavored milk	All fat tests	gallon				4.97	6	4.97
Ice cream		48-64oz	3.98-6.99	75	5.51	3.33-6.00	128	4.92
Milk	All fat tests	half gallon	2.19-3.99	17	2.83	3.00	34	3.00
Milk	All fat tests	gallon				4.99	3	4.99
Sour cream		16 oz	2.00-3.28	55	2.67	1.99	27	1.99
Yogurt	Greek	4-6 oz	0.90-1.50	31	1.07	1.20-1.25	38	1.24
Yogurt	Greek	32 oz	4.29	11	4.29			

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
Yogurt	Yogurt	4-6 oz	0.50-1.00	58	.76	0.49-0.80	64	.66
Yogurt	Yogurt	32 oz	2.50	2	2.50			

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 #	926	5.21	1225	5.42	180	5.99
Cheese	Natural Varieties	8 oz block					162	2.99
Cheese	Natural Varieties	8 oz shred	468	3.70	194	3.99	162	2.99
Cheese	Natural Varieties	1 # shred			82	3.99		
Cottage cheese		16 oz	378	3.31	84	3.99	137	4.99
Ice cream		48-64oz	1083	3.50			142	4.98
Milk	All fat tests	half gallon	3566	3.59	1200	4.49	2486	3.63
Milk	All fat tests	gallon	496	6.38	435	6.36	550	5.49
Milk	All fat tests	8 oz UHT	729	1.00	69	.75	84	1.00
Sour cream		16 oz	219	2.39	189	2.60	289	1.99
Yogurt	Greek	4-6 oz	120	1.25			509	1.11
Yogurt	Yogurt	4-6 oz	118	3.69				

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 #	5.00-5.69	146	5.29	5.99	84	5.99			
Cheese	Natural Varieties	8 oz shred	2.99-3.49	192	3.27						
Cottage cheese		16 oz	3.99	84	3.99				3.00	180	3.00
Ice cream		48-64oz				3.50	1083	3.50			
Milk	All fat tests	half gallon	2.99-4.99	725	3.88	2.99-4.49	335	3.26	2.99-4.79	909	3.64
Milk	All fat tests	gallon	5.99	84	5.99						
Milk	All fat tests	8 oz UHT							1.00	137	1.00

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Greek	4-6 oz	1.25	59	1.25	1.25	61	1.25			
Yogurt	Yogurt	4-6 oz	3.69	118	3.69						

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 #	3.99	276	3.99	5.99	246	5.99	5.00-5.99	174	5.60
Cheese	Natural Varieties	8 oz shred	3.99	276	3.99						
Cottage cheese		16 oz	3.29	114	3.29						
Milk	All fat tests	half gallon	2.99	550	2.99	2.99-4.49	737	3.94	2.99-3.99	292	3.35
Milk	All fat tests	gallon				6.99	246	6.99	5.49-5.99	166	5.67
Milk	All fat tests	8 oz UHT	1.00	141	1.00	1.00	451	1.00			
Sour cream		16 oz	2.49	114	2.49				2.29	105	2.29

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	2.99	11	2.99	5.00-5.97	7	5.42

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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