

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (11/4)**

BUTTER: Grade AA closed at \$1.8925. The weekly average for Grade AA is \$1.8840 (+.0190).

CHEESE: Barrels closed at \$1.8600 and 40# blocks at \$1.9000. The weekly average for barrels is \$1.7755 (+.2105) and blocks, \$1.8310 (+.1675).

NONFAT DRY MILK: Grade A closed at \$.8475. The weekly average for Grade A is \$.8685 (+.0040).

BUTTER HIGHLIGHTS: Cream for churning is readily available in the West and Central regions. However, in the East, cream volumes are tightening with reports of supplies clearing to foreign markets. Nationwide, cream production is active. Most operation schedules are focused on print butter as requests from retailers improve along seasonal patterns. Demand from the food service sector is fair to good. Some processors are microfixing stored bulk stocks to supplement current print production. Consequently, bulk stock levels are steady to lower, while print butter supplies are in good balance. Throughout the country, bulk butter prices reported ranged from 2 cents under market to 10 cents over the market, with various periods and averages used. Friday at the CME Group, Grade AA butter closed at \$1.8925, down 3.25 cents from last Friday.

CHEESE HIGHLIGHTS: Manufacturers across the nation are running facilities near full operating schedules with available milk volumes. In the Midwest, a few contacts say they could run a few more loads, but are having trouble finding available spot loads of milk. Cheese orders are steady and increasing from retail buyers looking to add to supplies in advance of the year-end holidays. Some processors suggest cheese stocks are mostly comfortable, but the seasonal increase in demand has tightened some cheese block inventories. Low stock volumes of foreign type cheese and strong demand have forced some manufacturers to juggle deliveries and allocations. A few industry contacts point to lower than expected milk volumes and seasonally strong cheese demand as part of the reason for recent price hikes for cheese at the exchange. In CME Group trading Friday, barrels closed at \$1.8600, up \$.2625 from last Friday. Blocks closed at \$1.9000, up \$.1700 from last Friday.

FLUID MILK: Milk production is steady in the Northeast, Mid-Atlantic and Southeast regions. In Florida, New Mexico, Arizona, and across the Central region, balancing plants are noting that milk intakes are slowly rising, partly due to weather that is more comfortable and partly due to more cows freshening on dairy farms. Wet conditions are

affecting cow comfort and suppressing milk production somewhat in California and the Pacific Northwest. In the mountain states, milk production is at the low point of the annual cycle and following typical seasonal trends. Bottling demand is generally steady to higher. Some processors have started to pull more milk for eggnog, flavored milk and other holiday favorites. Butter and cheese manufacturers report milk supplies are in good balance with processing needs. However, in the Midwest, some plant operators are having trouble locating additional spot loads of milk. Spot milk prices range from Class to \$1.50 over. Orders for condensed skim used in holiday cultured, whipped and aerated products are improving. Cream supplies are available across the Midwest and West regions, but competition for the cream among sour cream, cream cheese, cultured dairy products and butter manufacturers is increasing ahead of the holidays. Cream sales are increasing into international markets, and tightening cream supplies in the East. Cream multiples for the week are 1.28-1.38 in the East, 1.16-1.30 in the Midwest, and 1.05-1.25 in the West.

DRY PRODUCTS: The market for low/medium heat nonfat dry milk is unsettled. Manufacturing plants are producing seasonal amounts of NDM well below plant capacity, but inventories are generally steady to growing. Some sellers are looking to move quantities, while others report limited quantities available. Prices for low/medium heat NDM are generally lower. High heat NDM prices are lower in the East and Central region and mixed in the West. Dry buttermilk production is active and in line with regional butter churning. Prices are steady in the East and Central regions and mostly higher in the West. F.O.B. spot prices for national dry whole milk are unchanged on light trading. Currently, national prices are generally below international prices, opening a potential opportunity for export. Prices for dry whey are steady to higher across the nation. Manufacturers report good demand, steady production, and tight inventories. Whey protein concentrate 34% prices are mostly steady, but moved slightly higher at the bottom of the price range. There continues to be a wide range of prices reported due to the variances of WPC34% product attributes and uses. Prices for lactose are mostly steady. Inventories are comfortable to tight, and some processors regularly need to adjust shipping schedules to accommodate requests from end users. Prices for both casein types are unchanged.

-CONTINUED ON PAGE 1A-

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

ORGANIC DAIRY MARKET NEWS (PAGE 8)
OCTOBER MONTHLY AVERAGES (PAGES 9-11)
SEPTEMBER AGRICULTURAL PRICES HIGHLIGHTS (PAGE 12)
OCTOBER FEDERAL MILK ORDER FINAL CLASS AND COMPONENT PRICES (PAGE 13)

SEPTEMBER 2016 DAIRY PRODUCT HIGHLIGHTS (PAGE 14)
DAIRY GRAPHS (G1-G3)
NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY OCT 31	TUESDAY NOV 01	WEDNESDAY NOV 02	THURSDAY NOV 03	FRIDAY NOV 04	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.7300 (+.1325)	\$1.7300 (N.C.)	\$1.7575 (+.0275)	\$1.8000 (+.0425)	\$1.8600 (+.0600)	:: (+.2625)	:: \$1.7755 (+.2105)
40# BLOCKS	\$1.7700 (+.0400)	\$1.8000 (+.0300)	\$1.8225 (+.0225)	\$1.8625 (+.0400)	\$1.9000 (+.0375)	:: (+.1700)	:: \$1.8310 (+.1675)
NONFAT DRY MILK							
GRADE A	\$.8550 (N.C.)	\$.8800 (+.0250)	\$.8900 (+.0100)	\$.8700 (-.0200)	\$.8475 (-.0225)	:: (-.0075)	:: \$.8685 (+.0040)
BUTTER							
GRADE AA	\$1.8975 (-.0275)	\$1.8800 (-.0175)	\$1.8900 (+.0100)	\$1.8600 (-.0300)	\$1.8925 (+.0325)	:: (-.0325)	:: \$1.8840 (+.0190)

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

Computed by Dairy Market News for international purposes. This data is available on the Internet at WWW.AMS.USDAGOV/DAIRY

NATIONAL DAIRY MARKET NEWS AT A GLANCE**-CONTINUED FROM PAGE1-**

ORGANIC DAIRY MARKET NEWS (DMN): In New England, Federal Milk Market Order 1 reports utilization of types of organic milk by pool plants. During September 2016, organic whole milk utilization totaled 14.3 million pounds, up from 12.0 million in September 2015. The 2016 butterfat content was 3.29%, up from 3.27% the previous year. Organic reduced fat milk utilization for September 2016 was 20.3 million pounds, down from 20.4 million in September the previous year. Butterfat this September was 1.25%, up from 1.18% last year. Half-gallon containers had the highest volume of milk ads, up 17% from the previous report. Regionally, milk ads, in general, were more abundant in the Southeast, over 6 times greater than the previous survey. Organic yogurt ad numbers accounted for 22% this week, but declined 36% from the previous survey. Butter 1# ads, 21% of the total organic ads, surged in ad volume by growing 195% over the previous retail survey.

NATIONAL RETAIL REPORT (DMN): Total conventional dairy advertisements increased 10%, while organic dairy ads declined 23%. The national average price for 1 pound conventional butter is \$2.85, while 1 pound organic butter is \$4.92, representing an organic price premium of \$2.07. Total conventional butter ads increased 94%. Meanwhile, total organic butter ads increased 195%. Advertisements for conventional ice cream in 48-64 ounce containers decreased 2% and the national weighted average advertised price is \$2.97, down 26 cents from last week. Conventional yogurt ads declined 7% and organic yogurt ads declined 36%. The average price for 4-6 ounce conventional Greek yogurt is \$0.95, while 4-6 ounce organic Greek yogurt averaged \$1.50, an organic price premium of \$0.55. Conventional Greek yogurt in 4-6 ounce containers is the top advertised dairy item this week. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.12, down 13 cents from last week. Ads for conventional 8 ounce shred cheese averaged \$2.19, down 3 cents from last week. The collective number of conventional cheese ads slightly decreased 1%, while organic declined 44%. This week, the difference between the average weighted price for organic half gallon milk, \$4.14, and the average weighted price for conventional half gallon milk, \$1.67, resulted in an organic price premium of \$2.47. Organic milk advertisements increased 45%, while ads for conventional milk increased 82%.

INTERNATIONAL DAIRY MARKET NEWS UPDATE (DMN): At the November 1 GDT event #175, average prices ranged from 5.4% lower to 19.8% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous averages are: anhydrous milk fat, \$5,146 +2.6%; butter, \$4,146 +4.0%; buttermilk powder, \$2,248 -5.4%; cheddar cheese, \$3,332 +0.9%; lactose, \$755 -4.0%; rennet casein, \$6,025 -4.8%; skim milk powder, \$2,329 +6.5%; and whole milk powder, \$3,317 +19.8%.

SEPTEMBER AGRICULTURAL PRICES HIGHLIGHTS (NASS): The All Milk price received by farmers was \$17.30 in September, down \$.20 from September 2015. The alfalfa hay price was \$137.00 in September, down \$23.00 from September 2015. The corn price was \$3.22 in September, down \$0.46 from September 2015. The soybean price was \$9.43 in September, up \$0.38 from September 2015. The milk-feed price ratio was 2.47 in September, up 0.24 from September 2015. The index of prices received by farmers for dairy products during the month of September 2016 was up 1 to 86.1. Compared to September 2015, the index was down 1 point (1.1 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in September 2016 was down -1.2 points to 104.5. Compared with September 2015, the index was down -4.3 points (-4.0 percent).

OCTOBER FEDERAL MILK ORDER FINAL CLASS AND COMPONENT PRICES (FMMO): Class Prices: The following are the October 2016 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$14.09 (-\$0.57), Class III: \$14.82 (-\$1.57), and Class IV: \$13.66 (-\$0.59). **Component Price Information:** Under the Federal milk order pricing system, the butterfat price for October 2016 is \$2.0493 per pound. Thus, the Class II butterfat price is \$2.0563 per pound. The protein and other solids prices for October 2016 are \$2.2975 and \$0.1351 per pound, respectively. These component prices set the Class III skim milk price at \$7.92 per cwt. The October 2016 Class IV skim milk price is \$6.72, which is derived from the nonfat solids price of \$0.7469 per pound. **Product Price Averages:** The product price averages for October 2016 are: butter: \$1.8637, nonfat dry milk: \$0.9222, cheese: \$1.5830, and dry whey: \$0.3303.

SEPTEMBER 2016 DAIRY PRODUCTS HIGHLIGHTS (NASS): **Butter** production was 133 million pounds, 0.4 percent below September 2015, but 2.3 percent above August 2016. **American type cheese** production totaled 378 million pounds, 0.3 percent below September 2015, and 2.9 percent below August 2016. **Total cheese** output (excluding cottage cheese) was 981 million pounds, 1.6 percent above September 2015, but 1.8 percent below August 2016. **Nonfat dry milk** production, for human food, totaled 126 million pounds, 4.7 percent above September 2015, and 6.8 percent above August 2016. **Dry whey** production, for human food, was 73.5 million pounds, 5.5 percent below September 2015, and 0.6 percent below August 2016. **Ice cream, regular hard** production totaled 62.2 million gallons, 4.9 percent below September 2015, and 12.3 percent below August 2016.

With great sadness, Dairy Market News notes the passing of our friend and colleague, George W. Koerner, a retired career employee of AMS Dairy Programs, Dairy Market News. George was dedicated in his service of providing market insights to the dairy industry. He spent his years of retirement doing what he enjoyed, working on his farm, traveling, and attending Wisconsin Badger athletic events.

CME GROUP

MONDAY, OCTOBER 31, 2016

CHEESE – SALES: 3 CARS BARRELS: 1 @ \$1.6475, 1 @ \$1.7300, 1 @ \$1.7000; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.7700; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK – SALES: 1 CAR GRADE A @ \$0.8550; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8550; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8600
 BUTTER – SALES: 3 CARS GRADE AA: 2 @ \$1.9250, 1 @ \$1.8975; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 3 CARS GRADE AA @ \$1.9000

TUESDAY, NOVEMBER 1, 2016

CHEESE – SALES: 1 CAR 40# BLOCKS @ \$1.8000; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.7300; 1 CAR 40# BLOCKS @ \$1.8000; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK – SALES: 5 CARS GRADE A: 3 @ \$0.8700, 2 @ \$0.8800; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8750; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.8800
 BUTTER – SALES: 3 CARS GRADE AA: 1 @ \$1.8950, 1 @ \$1.8875, 1 @ \$1.8800; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8700; LAST OFFER UNCOVERED: NONE

WEDNESDAY, NOVEMBER 2, 2016

CHEESE – SALES: 3 CARS BARRELS: 1 @ \$1.7350, 1 @ \$1.7475, 1 @ \$1.7575; 2 CARS 40# BLOCKS: 1 @ \$1.8025, 1 @ \$1.8200; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.8225; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK – SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8900; LAST OFFER UNCOVERED: 4 CARS GRADE A @ \$0.9000
 BUTTER – SALES: 7 CARS GRADE AA: 1 @ \$1.8775, 1 @ \$1.8750, 1 @ \$1.8700, 1 @ \$1.8750, 3 @ \$1.8900; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8850; LAST OFFER UNCOVERED: 3 CARS GRADE AA @ \$1.9200

THURSDAY, NOVEMBER 3, 2016

CHEESE – SALES: 5 CARS BARRELS: 2 @ \$1.7575, 1 @ \$1.7600, 1 @ \$1.7900, 1 @ \$1.8000; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.8625; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK – SALES: 4 CARS GRADE A @ \$0.8700; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8700; LAST OFFER UNCOVERED: NONE
 BUTTER – SALES: 1 CAR GRADE AA @ \$1.8600; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8600; LAST OFFER UNCOVERED: NONE

FRIDAY, NOVEMBER 4, 2016

CHEESE – SALES: 5 CARS BARRELS: 3 @ \$1.8600, 1 @ \$1.8625, 1 @ \$1.8600; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.9000; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK – SALES: 1 CAR GRADE A @ \$0.8475; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER – SALES: 7 CARS GRADE AA: 1 @ \$1.8650, 1 @ \$1.8775, 5 @ \$1.8900; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.8925; LAST OFFER UNCOVERED: 5 CARS GRADE AA @ \$1.9500

BUTTER MARKETS

NORTHEAST

Butter production is very active for some operations, following recent increases in CME butter prices. Retail sales do occur, at times, based on margins over the CME price. Hence, retailers who appear motivated by pertinent jumps in the CME butter price are asking that loads be added to initial holiday butter orders. Processors are looking to supplement in-house cream supplies with spot market purchases to facilitate meeting the stronger holiday demand. However, as cream availability tightens, with reports of supplies clearing to foreign markets, bulk butter stocks are helping to meet orders through active micro fixing processes. This week, reported bulk butter transactions included prices ranging 5 to 8 over the CME Group with various time frames and averages used. The butter supply in the region for near term needs is adequate. The market is unsettled. Tuesday's CME Group cash trading saw Grade AA butter close at \$1.8800, up \$0.0500 from the previous week. According to the DMN *National Retail Report-Dairy*, for October 28-November 3, 2016, the national advertised weighted average price for 1-pound butter was \$3.31, up 33 cents from last week, but down 20 cents from a year ago. The Northeast regional price was \$3.02, 35 cents less than the previous week's price. In the Southeast, the butter price averages \$3.44, an increase of 30 cents over the previous week's average price.

CENTRAL

Although Class II processors are pulling significant cream volumes, grade AA butter churning remains active in the Central region. Most production schedules are centered on print butter as retailers' orders increase along seasonal patterns. Food service demand is fair to good. Some processors are microfixing stored bulk to complement current print output. As a result, bulk stock levels are steady to lower, while print butter supplies are in good balance. Regional manufacturers continue negotiating with existing buyers for next year's agreements. Bulk butter prices reported ranged from one cent under market to 6 cents over the market, with

various periods and averages used. The DMN *National Retail Report-Dairy* for October 28 to November 3 noted the national weighted average advertised price for a 1 pound package of butter is \$3.31, 33 cents above one week ago, but 20 cents lower than one year ago. The weighted average price in the South Central region is \$2.83. This week, a cooperative export assistance program accepted requests for 652,568 pounds of butter. So far this year, the program has accepted assistance requests for 10.979 million pounds of butter. Wednesday at the CME Group, Grade AA butter closed at \$1.8900, up \$.0050 from last Wednesday.

WEST

Western butter makers report butter is moving well through regular contracts. Demand for retail butter is seasonally heavy and helping draw down inventories. Industry contacts say sales are starting to pick up. Butter stocks are available and comfortable. Cream is in good supply and manufacturers are not opposed to buying a few extra loads of cream to keep production at or near full capacity. Bulk butter pricing in the West this week is 2 cents under market to 10 cents above, based on the CME Group with various time frames and averages used. The DMN *National Retail Report-Dairy* for the week of October 28-November 3 found that the U.S. weighted average advertised price of 1 pound butter is \$3.31, up \$.33 from last week. The U.S. weighted average price was \$3.51 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.59 with a price range of \$2.49-\$3.99. There were no advertised prices from stores in the Northwest reported this week. This week, a cooperative export assistance program accepted requests for 652,568 pounds (296 metric tons) of butter. So far this year, the program has assisted member cooperatives who have contracts to sell 11.0 million pounds of butter (82% milkfat) in export markets. The Grade AA butter price at the CME Group on Wednesday closed at \$1.8900, up \$.0050 from a week ago.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
October 29, 2016	1.8185 3,015,260	1.6021 11,332,706	1.5716 10,047,140	.3445 6,054,339	.9125 11,240,448

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

CHEESE MARKETS

NORTHEAST

Cheese production is steady as manufacturers maintain full operating schedules with available milk volumes. Spot milk availability is limited in the region. Cheese orders are steady to increasing from retail buyers looking to add to supplies ahead of the year-end holidays. Manufacturers are cautious not to expand projected needs too far ahead of current orders. As cream moves north, cream cheese manufacturers seeking surplus cream loads note a tight market. While additional cream is expected to be available later in the week, manufacturers are capable of filling heavy seasonal cream cheese orders at this time. Last week, the CME Groups weekly average blocks and barrels cheese prices, compared to the previous week, were mixed. As a result, this week Northeast wholesale cheese prices for blocks and Muenster are incrementally higher, but processed 5# sliced prices moved fractionally lower. Prices for Grade A Swiss cuts are steady. Tuesday's CME Group daily cash prices saw barrel cheese close at \$1.7300, increasing 17 cents from a week ago. The block cheese price ended the day at \$1.8000, an increase of \$0.1625 over last Tuesday. The DMN *National Retail Report-Dairy*, for October 28-November 3, 2016, noted the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.18, down 7 cents compared to the national average and 10 cents less than the previous week. The Southeast 8 oz. block cheese price was \$2.49, up 18 cents from last week. The Northeast advertised price for 8 oz. cheese shreds was \$2.30, 8 cents above the national average price, but unchanged from the previous week. In the Southeast, the average price for 8 oz. shred cheese was \$2.49 up 24 cents from last week.

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

Cheddar 40# Block	:	2.0625-2.3475
Process 5# Sliced	:	1.7650-2.2450
Muenster	:	2.0475-2.3975
Grade A Swiss Cuts 10 - 14#	:	3.1425-3.4650

MIDWEST

Midwest cheese production is strong and many manufacturers are using all the milk available to them. A few processors are surprised the milk supply is not a little heavier. Some contacts mention they could run a few more loads, but are having trouble finding available spot loads of milk. Industry contacts note an increase in cheese orders. Sales seem to be picking up as the Q4 holidays draw closer. Inventories are generally comfortable, but, in some cases, blocks are a little tighter due to the seasonal increase in demand. The DMN *National Retail Report-Dairy* shows that October 28-November 3 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.02, 20 cents below the national average. Midwest prices range from \$1.49-\$2.50. One year ago, the national price was \$2.14. For 8 ounce blocks, the Midwest average price is \$1.93, 32 cents below the national average price. Midwest ads are priced from \$1.49-\$2.29. Last year, the national price was \$2.29. Midwestern wholesale prices are unchanged for Swiss cuts, down \$.0025 for process, but up \$.0100 for all other types. This week, a cooperative export assistance program accepted requests for 1.784 million pounds (809 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 44.2 million pounds of cheese in export markets. In CME Group trading Wednesday, barrels closed at \$1.7575, up \$.2000 from last Wednesday and blocks closed at \$1.8225, up \$.1675.

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

Process American 5# Loaf	:	1.6575-2.0175
Brick And/Or Muenster 5#	:	2.0325-2.4575
Cheddar 40# Block	:	1.7600-2.1550
Monterey Jack 10#	:	2.0075-2.2125
Blue 5#	:	2.3000-3.2875
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8325-2.7725
Grade A Swiss Cuts 6 - 9#	:	2.6600-2.7775

WEST

Western cheese production is seasonally strong and active. Manufacturers say milk supplies are in good balance with manufacturing needs. A few processors suggest some milk is finding its way back into cheese vats as opposed to going into other dairy products. Cheese inventories are stable. Orders for holiday retail demand are increasing and industry contacts report a solid pull from food service accounts. The DMN *National Retail Report-Dairy* for the week of October 28-November 3 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.22, down \$.04 from last week. Packs average \$2.05 in the Southwest and \$1.79 in the Northwest. One year ago, the national price was \$2.14. For 8 ounce blocks, the U.S. price is \$2.25, down \$.07 from last week. Blocks average \$2.25 in the Southwest and \$1.39 in the Northwest this week. One year ago, the national price was \$2.29. In the West, wholesale prices are down \$.0025 for process, but up \$.0100 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged. This week, a cooperative export assistance program accepted requests for 1.784 million pounds (809 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 44.2 million pounds of cheese in export markets. In CME Group trading Wednesday, barrels closed at \$1.7575, up \$.2000 from a week ago and blocks closed at \$1.8225, up \$.1675.

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

Process 5# Loaf	:	1.6725-1.9300
Cheddar 40# Block	:	1.7650-2.2100
Cheddar 10# Cuts	:	1.9450-2.1650
Monterey Jack 10#	:	1.9550-2.1150
Grade A Swiss Cuts 6 - 9#	:	2.7200-3.1500

FOREIGN TYPE

Foreign type cheese stocks continue to be tight. Manufacturers report low stock volumes coupled with strong demand have forced processors to make adjustments to deliveries and allocations. Cheese makers expect seasonally lower milk supplies and increasing cut cheese demand over the next few months. They anticipate the situation to drive potentially higher prices for foreign type cheese through the winter holidays. In the U.S., wholesale blue, gorgonzola, parmesan and Romano prices increased \$.0100. The remaining prices are unchanged.

CHEESE MARKETS

CONTINUED FROM PAGE 3

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	2.6400-5.2300	2.2275-3.7150*
Gorgonzola	3.6900-5.7400	2.7350-3.4525*
Parmesan (Italy)	-0-	3.6175-5.7075*
Romano (Cows Milk)	-0-	3.4175-5.5675*
Sardo Romano (Argentine)	2.8500-4.7800	-0-
Reggianito (Argentine)	3.2900-4.7800	-0-
Jarlsberg-(Brand)	2.9500-6.4500	-0-
Swiss Cuts Switzerland	-0-	3.1800-3.5025

* = Price change.

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

BUTTER : CHEESE

	:	
10/31/16	27,877	: 82,457
10/01/16	23,462	: 87,250
CHANGE	4,415	: -4,793
% CHANGE	19	: -5

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	20	0	50	0	60	0
SOUTHEAST STATES	0	0	0	0	0	0

The Northeast and Mid-Atlantic milk production is mostly steady. Spot milk activity is limited. Milk orders from holiday demand are steady to increasing. Balancing plants are seeing an uptick in intakes as pools of designated holiday milk volumes clear to manufacturing. In the Southeast, milk production is steady. Supplies are in balance with demand. Auxiliary manufacturers' milk receipts are typically at contract minimums. Increasing drought in parts of the area has caused further pasture deterioration, leading to delays in planting winter wheat and cover crops. As temperatures cool in Florida, milk production shows signs of rising slowly. Bottling sales are slowing. Handlers are not anticipating upward movement until late in the month. Import milk shipments are down to 20 f.o.b. spot loads this week. **Cream** supplies are tight. Sources suggest active interest from international markets impacts availability. For now, cream based manufacturers are meeting existing product demand. Regionally, cream **multiples** range **1.28-1.38**. Seasonally strong cream cheese processing and active butter churning pulls on cream supplies. The CME Group saw prices for Grade AA butter close Wednesday at \$1.8900, up \$0.0050 from a week ago. **Condensed skim** sales are steady to lower overall into Class II. However, orders moving toward production of holiday cultured, whipped and aerated products are improving. Condensed skim for Class IV production is mixed, as volumes available are limited for some area dryer operations. According to the *DMN National Retail Report-Dairy*, October 28-November 3, 2016, the U.S. weighted average advertised price for a gallon of milk was \$2.54, down 45 cents compared to last week, but up 40 cents from the previous year. Retail ad volume more than doubled since the previous survey.

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 - 2.3872-2.5737

F.O.B. producing plants: Upper Midwest - 2.1634-2.4245

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

Northeast - Class II - includes monthly formula prices - .83-.98

Northeast - Class III - spot prices - .85-.96

MIDWEST

Slow, steady increases in farm milk intakes are noted throughout the Central region at balancing plants. Freshening started during the last week or two in the north Central area, lagging the south Central by about a month. Dairy operators are transitioning cows to the milking string. Class I interest is steady. Some additional milk volumes are clearing to bottling to meet production needs of holiday related items, such as eggnog and specialty flavored milk. Demand for milk spot loads is mixed, as is availability. Location matters according to cheese manufacturers looking for additional milk. Some plant operators are unable to locate additional spot loads. Spot milk prices range from Class to \$1.50 over. Cream demand improved this week as sour cream and cream cheese production increase ahead of the holidays. Some churn operators are also in the market for cream spot loads to fill late orders for holiday butter orders and/or bulk. Cream contracting is ongoing, with buyers reporting multiples generally lower than

anticipated for 2017. Some cream buyers are trying to limit purchases of long distance cream to help moderate transportation costs in 2017. Cream sales into Mexico are increasing seasonally. Cream multiples are lower to steady compared to last week, with a range of 1.16-1.30. The *DMN National Retail Report-Dairy* for October 28-November 3 noted the national weighted average advertised price for one gallon of milk is \$2.54, \$.45 below last week's price. The weighted average regional prices in the Midwest and South Central regions are \$2.99 and \$2.12, respectively. Harvesting of corn and soybeans halted in many areas of the north Central region as rain muddied fields. Some operators indicated they may have to wait until a frost to get into low-laying fields.

WEST

In California, the humid conditions caused by recent thunderstorms are reducing farm milk production. However, according to many manufacturers, milk supplies are in good balance with processing needs. Class 1 requests from retailers are up, but steady from food service. Bottled milk orders from educational institutions are steady to lower, as some schools will be closed during the next week's Veterans Day holiday. Some manufacturers have started production of holiday specialty drinks, such as eggnog and flavored milk. Demands for sour cream and cream cheese are strong as the Q4 holidays approach.-The October 4a price (butter/powder) in California is \$13.11, down 47 cents from the previous month and \$2.61 lower from a year ago. This compares to the Federal Order Class IV price of \$13.66 for October. The October 4b price (cheese) is \$14.43, down 81 cents from the previous month and 32 cents below a year ago. This compares to the Federal Order Class III price for October at \$14.82. In Arizona, milk yields are higher, following seasonal patterns. Milk butterfat and protein components are seasonally improving. Milk volumes are sufficient to meet current manufacturing needs. Class I pulls from many retail channels are strong, but steady from food service accounts. Demand for Class II is active ahead of the year-end holidays. Milk intakes moving into Class III processing facilities are higher this week.-In New Mexico, milk output is trending higher. The cooler temperatures are reducing stress on cows. Bottled milk sales to grocery stores are up this week. Class II sales are steady. Milk volumes moving into cheese processing are higher. According to the *DMN National Retail Report-Dairy* for the week of October 28 to November 3, the national weighted average advertised price for one gallon of milk is \$2.54. The weighted average regional prices in the Southwest and Northwest are \$2.40 and \$1.99, respectively. Pacific Northwest milk production is seasonally lower. Recent cold and rainy weather is impacting cow comfort and suppressing milk production somewhat. Bottling demand is steady. Manufacturers say milk intakes are fairly well balanced with processing needs. Milk production in the mountain states of Colorado, Utah and Idaho is following typical seasonal patterns. Industry contacts say although farm milk production is in the lower end of the annual cycle, dairy manufacturers are getting plenty of milk for most processing needs. Contacts suggest Idaho has had some herd expansion and milk is readily available in the state. Much of the milk produced is still finding homes close by. Western condensed skim sales to Class II are steady to slightly higher ahead of the upcoming holidays. Meanwhile, some regional plant operators are actively drying condensed skim volumes. Western manufacturers of cream cheese, sour cream, cultured and whipped dairy products are pulling substantial cream volumes. Competition for cream among multiple processors is steadily growing. However, there is enough cream for churning. Western butter production remains active. This week, **multiples** for all classes are higher, ranging from **1.05 to 1.25**.

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: The low/medium heat nonfat dry milk market, in general, remains unsettled as prices moved lower in the range. The mostly price series indicates steady to fractionally higher price movement. Most NDM manufacturing plants are producing seasonal output at levels well below plant capacity. Yet, inventories are building, as sales are mostly slow. Both Q1-Q2 and current product are being offered in markets, leading to inconsistencies in prices as noted by industry sources. Manufacturers are receiving numerous inquiries, as some market participants see future prices firming on the back end of the GDT. High heat nonfat dry milk prices are lower, driven by f.o.b. spot transactions and index pricing. Manufacturing channels are comfortable with supplies on hand and are able to meet their high heat NDM near term customer needs. Spot sales are intermittent.

EAST: Prices for Eastern low/medium nonfat dry milk are mixed in the range and mostly series. Output varies with the level of availability of seasonal milk supplies. Low/medium NDM inventories are moderate and building. Some sellers are looking to move quantities, in light of growing inventories. In other instances, manufacturers report having no additional product to sell. Buyers are content in looking around for what they consider the most suitable offer. Overall, buyer interest is light to moderate. The high heat nonfat dry milk market saw prices decline, the result of minimal f.o.b. spot and basing price transactions. Accounts are increasing their volumes to match the uptick in holiday related baking activity. Wednesday at the CME Group, Grade A NDM closed at \$0.8900, down \$0.0250 from last week.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8550 - .9800 MOSTLY: .8800 - .9400
HIGH HEAT: 1.0200 - 1.0900

NONFAT DRY MILK - WEST

F.O.B. spot prices for western low/medium heat nonfat dry milk (NDM) are slightly lower on the range, following declines in various indices. However, prices on the mostly series are mixed. Outside contracts, sales transactions are light. For many industry participants, the market undertone is unsettled. Some buyers/end users are quiet, delaying purchases, anticipating lower prices in the next few weeks. Meanwhile, some processors remain confident about higher future prices. Low/medium heat supplies are readily available in the spot market. Demands from bakers and dry mix manufacturers are fair to good as the year-end holidays and the winter season are close. Some market participants are in contract negotiations for Q1, 2017. Drying schedules of low/medium heat NDM are active in most processing plants. Inventories are steady to slightly higher. Prices for high heat nonfat dry milk are mixed as a few spot sales shifted down the bottom of the range. Production is irregular, based on contractual requirements. Inventories are tight. As a result, spot trading activity is light.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8000 - .9800 MOSTLY: .8900 - .9600
HIGH HEAT: .9550 - 1.1050

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
October 28	\$.8934	4,594,948
October 21	\$.8907	5,479,051

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

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices are unchanged. Production is in line with active holiday butter churning. Contract sales make up the bulk of trading activity. Buyers who are interested in dry buttermilk spot loads are restricted at times, due to light inventories. In addition, processors in some channels are only selling condensed buttermilk, further limiting dry buttermilk availability. The market undertone is steady.

EAST: Dry buttermilk prices are steady. Some manufacturers with butter processing capability report little to no churning taking place as the unavailability of cream suppresses dry buttermilk production. Current stocks remain light. Sluggish trading helps add to some inventories. Trading outside of contracted volumes is limited, with little surplus dry buttermilk to fill spot needs. The market undertone is steady.

F.O.B. CENTRAL/EAST: .8400 - .9250

DRY BUTTERMILK - WEST

F.O.B. spot prices for western dry buttermilk are mostly higher. Some spot purchases of specific brands moved the top price of the range up sharply. According to industry participants, the market undertone is firming, but only in the short term. Spot trading activity has been light to moderate throughout the week. Demands from dry mix manufacturers and bakers are fair to good. Western dry buttermilk manufacturing is ongoing, as the regional butter churning remains active. Inventories are in balance.

F.O.B. WEST: .8400 - .9700 MOSTLY: .8600 - .8800

DRY WHOLE MILK - NATIONAL

F.O.B. spot prices for national dry whole milk are unchanged on light trading. At this point, national prices are below international prices, opening a potential opportunity for export. The domestic market undertone is mixed throughout the country. Dry whole milk manufacturing is sporadic, based on contractual needs. Inventories are steady.

F.O.B. PRODUCING PLANT: 1.2000 - 1.4500

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

The central whey price range held steady, but the mostly price series moved higher. Some manufacturers report more inquiries from buyers and spot sale prices trending higher. Dry whey producers are beginning to develop contracts for 2017. A few processors say domestic demand is good and export demand is present, but comes and goes. Dry whey is moving well through existing contracts. Some brands of dry whey are in limited supply, but whey is generally available to fill most needs. Dry whey production is steady. However, a few processors note an increase in liquid whey coming off cheese production lines and this may soon translate into more dry whey. Animal feed whey prices moved higher at the top end of the price range this week.

F.O.B. CENTRAL: .2600 - .4100 MOSTLY: .3100 - .3800
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2200 - .3200

DRY WHEY - NORTHEAST

Northeast dry whey continues to increase in price as f.o.b. spot transactions established the upper end of the range. Manufacturers report steady production, while unscheduled maintenance reduced production at one plant. Dry whey demand is good, while offerings of whey are almost at expected levels. Supplies are tight in the region, providing for a firm undertone.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3400 - .4200

DRY WHEY - WEST

Western whey prices are mostly higher with only the top end of the mostly price series holding steady. Industry contacts continue to describe a slow increase in dry whey prices. Some manufacturers report inventories being highly committed through the end of the year. Domestic demand is solid and contacts say export demand is good. Dry whey production is active and steady.

NONHYGROSCOPIC: .3400 - .4300 MOSTLY: .3500 - .3900

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are mostly steady, but moved slightly higher at the bottom of the price range. There continues to be a wide range of prices reported due to variances of WPC34% product attributes and uses. Industry contacts suggest the retraction of WPC34% production over the last few years continues to restrict supply of WPC34% outside of regular contracts, especially for specialty WPC34%, brands that are highly desired, or WPC34% that meets tight end user specifications. Some end users prefer using

WPC34%, as opposed to higher protein concentrations, and are finding it difficult to source enough WPC34% to meet their contractual requests. Resellers are often willing to purchase available WPC34% of all grades to meet end user requests. Resale prices are often noted well above the reported WPC34% price range and, in some cases, above reported prices for nonfat dry milk. On the other hand, a few manufacturers report an unwillingness of buyers in some markets to pay prices for WPC34% above the mostly price series. Some end users say downgraded or discounted nonfat dry milk is available at prices that are more attractive than WPC34% priced at the bottom of the price range.

F.O.B. EXTRA GRADE 34% PROTEIN: .6400 - .9350 MOSTLY: .7300 - .8300

LACTOSE - CENTRAL AND WEST

Lactose range prices held steady, but moved slightly higher at the top end of the mostly price series this week. Inventories are comfortable to tight. A few manufacturers say they are not always able to meet all the requests they receive. In some cases, the processors need to adjust shipping dates to accommodate buyers or turn down sales because of not having lactose available. Buyers continue to be eager to assure coverage of their lactose needs. A few buyers are seeking front loaded contracts to make sure lactose is available. Other end users want to lock in prices through extended term contracts, something many manufacturers have been hesitant to agree to at this point in time. Lactose production remains steady and active.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2700 - .4800 MOSTLY: .3300 - .3750

CASEIN - NATIONAL

Prices for both casein types are unchanged. Market activity remains generally steady across the domestic United States. Buyers are receiving contracted commitments. The trade is cautious after seeing higher dairy protein prices in international markets. The trend is currently less apparent in the casein markets. At the GDT Event 175 on November 1, rennet casein prices across all contract periods averaged \$2.7329 per pound, -4.8%.

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: 2.9900 - 3.0500
ACID: 3.0200 - 3.0700

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
10/15/2016	56.2	2,307.5	56.6	2,346.6

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

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

CLASS III MILK PRICES (3.5% BF)

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

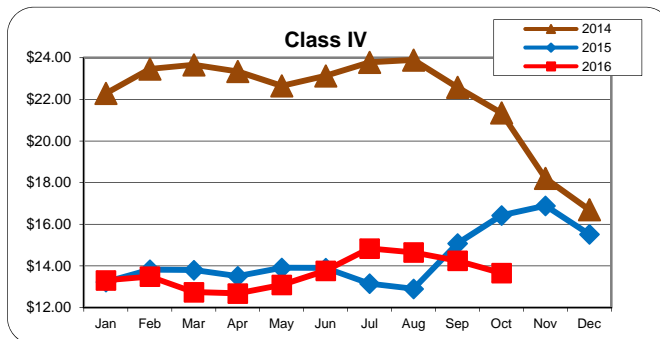
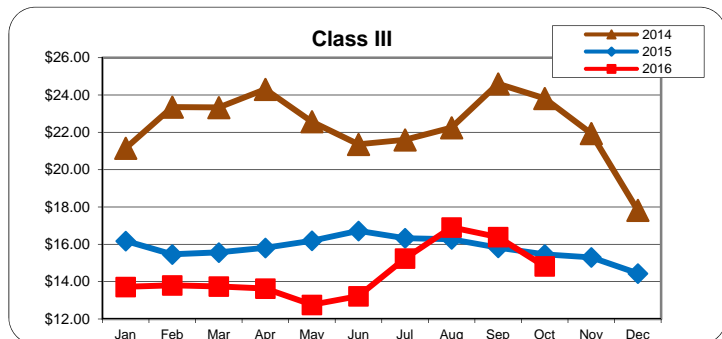
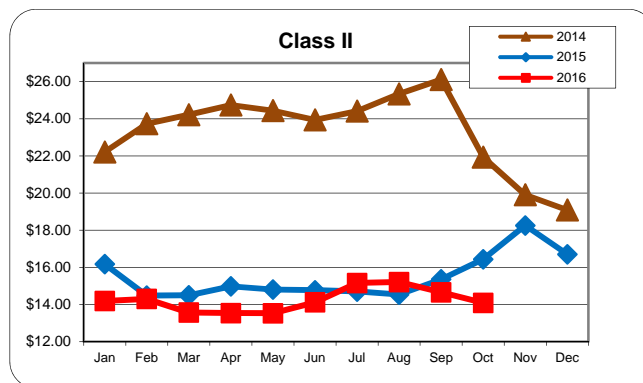
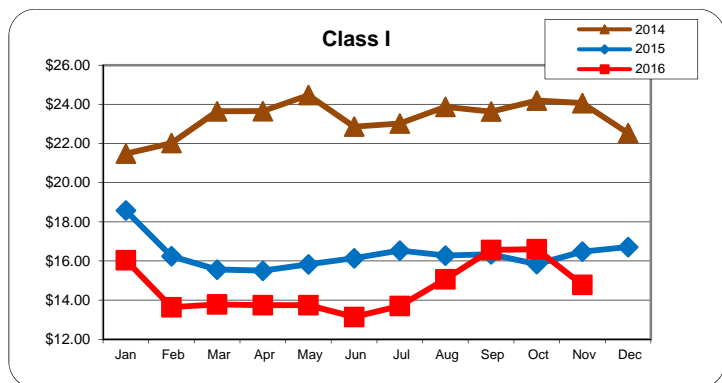
CLASS IV MILK PRICES (3.5%)

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

FEDERAL MILK ORDER CLASS PRICES FOR 2016 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.04	13.64	13.78	13.74	13.70	13.14	13.70	15.07	16.56	16.60	14.78	
II	14.19	14.30	13.57	13.54	13.53	14.12	15.16	15.21	14.66	14.09		
III	13.72	13.80	13.74	13.63	12.76	13.22	15.24	16.91	16.39	14.82		
IV	13.31	13.49	12.74	12.68	13.09	13.77	14.84	14.65	14.25	13.66		

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



ORGANIC DAIRY MARKET NEWS

Information gathered October 24 - November 4, 2016

ORGANIC DAIRY FLUID OVERVIEW

New England Organic Milk Sales and sourcing. In New England, Federal Milk Market Order 1 reports utilization of types of organic milk by pool plants. During September 2016, organic whole milk utilization totaled 14.3 million pounds, up from 12.0 million in September 2015. The 2016 butterfat content was 3.29%, up from 3.27% the previous year. Organic reduced fat milk utilization for September 2016 was 20.3 million pounds, down from 20.4 million in September the previous year. Butterfat this September was 1.25%, up from 1.18% last year.

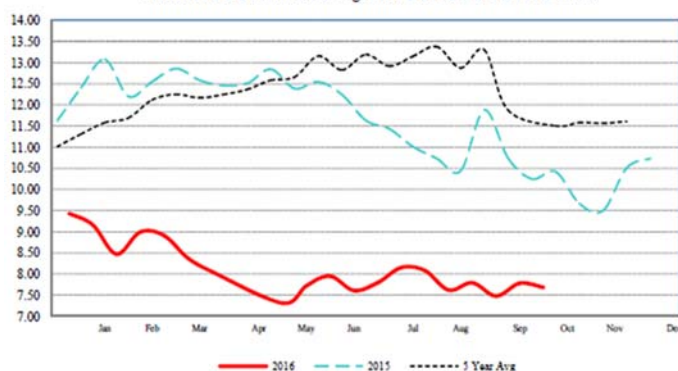
Certified Organic Milk Sales. According to the USDA-NASS 2015 "Certified Organic Survey," organic milk was the top commodity sold, valued at \$1.2 billion, with a change of +8% from 2014 to 2015. Organic milk volumes and eggs led the way with \$1.9 billion in total sales, 57% of certified organic farms sales of \$6.2 billion in organic commodities. Across the U.S., most farms (71%) sold to wholesalers, 36% directly to consumers, and 22% to retail markets. The percentage of farms selling directly to consumers was highest in southeastern and northeastern states.

ORGANIC GRAIN AND FEEDSTUFF MARKETS

Feed corn trade activity is seeing very good to moderate demand. Delivered elevator prices for feed corn ranges \$7.50-\$9.50. Drought issues in the northeastern U.S. continue to drive prices in that region noticeably higher. Due to a lack of trades from the prior trading period, no trend is available for feed soybeans but steady undertones are noted. Soybean meal trading and demand are light. Soybean oil trades are too limited to trend, but steady to firm undertones are noted. Feed wheat, barley, and oat trades are too limited to trend. Forward contract activity is good on corn and soybeans. Hay trade and demand are light. According to NASS's "National Crop Progress" report released October 31, 2016, percentages were: corn harvested 75%; soybeans harvested 87%; cotton bolls opening 95%, cotton harvested 46%; sorghum mature 96%, harvested 76%; winter wheat planted 86%, emerged 70%.

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

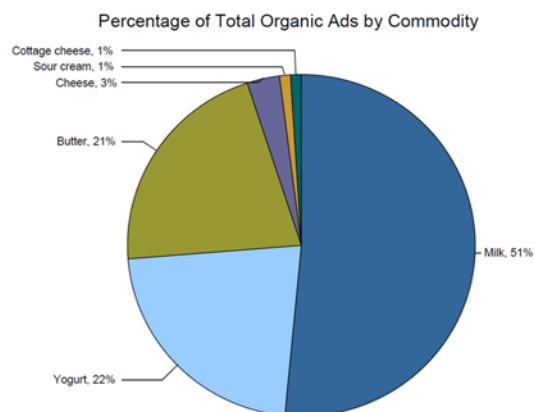
National FOB Farm Gate Organic #2 Yellow Corn Feed Grade



ORGANIC DAIRY RETAIL OVERVIEW

Organic Dairy Overview. Organic milk continues to lead all organic dairy products in retail ad numbers, increasing 45% over the prior survey report. Half-gallon containers had the highest volume of milk ads, up 17% from the previous report. Regionally, milk ads, in

general, were more abundant in the Southeast, over 6 times greater than the previous survey. Organic yogurt ad numbers accounted for 22% this week, but declined 36% from the previous survey. Butter 1# ads, 21% of the total organic ads, surged in ad volume by growing 195% over the previous retail survey.



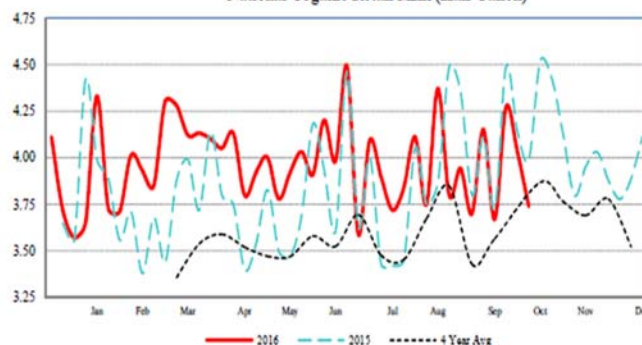
Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from October 21-27, 2016 identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

Selected organic dairy product pricing information from the current weekly survey is presented in the following table:

NATIONAL RETAIL ORGANIC DAIRY (Wtd.Avg.Price)

Commodity	This Week	Last Week	Last Year
Butter	4.92	4.71	5.09
Milk			
Half gal.	4.14	4.01	4.43
Gal.	5.65	...	6.70
8 oz.	1.07	1.00	.95
Yogurt			
4-6 oz. Greek	1.50	1.28	1.18
4-6 oz. Yogurt	1.11	1.29	...
32 oz. Yogurt	3.65	...	3.50

National Organic Retail Milk (Half Gallon)



Complete results of the weekly organic dairy retail survey including regional delineation, can be accessed at: <http://www.ams.usda.gov/market-news/retail-dairy-market-news>

DAIRY MARKET NEWS MONTHLY SUMMARY AND AVERAGES FOR OCTOBER 2016¹ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 40 ::	REPORT NUMBER 41 ::	REPORT NUMBER 42 ::	REPORT NUMBER 43 ::	REPORT NUMBER 44 ::	2016	2015
	::-----::	-----::	-----::	-----::	-----::	Monthly	Monthly
	:: OCT 03 - 07 ::	OCT 10 - 14 ::	OCT 17 - 21 ::	OCT 24 - 28 ::	OCT 31	Average	Average

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.5725 - 1.9325 ::	1.5725 - 1.9325 ::	1.5575 - 1.9175 ::	1.6600 - 2.0200 ::	1.6575 - 2.0175 ::	1.7749	1.8774
-- Brick And/Or Muenster 5#	:: 1.9050 - 2.3300 ::	1.9050 - 2.3300 ::	1.8975 - 2.3225 ::	2.0225 - 2.4475 ::	2.0325 - 2.4575 ::	2.1514	2.2549
-- Cheddar 40# Block	:: 1.6325 - 2.0275 ::	1.6325 - 2.0275 ::	1.6250 - 2.0200 ::	1.7500 - 2.1450 ::	1.7600 - 2.1550 ::	1.8639	1.9674
-- Monterey Jack 10#	:: 1.8800 - 2.0850 ::	1.8800 - 2.0850 ::	1.8725 - 2.0775 ::	1.9975 - 2.2025 ::	2.0075 - 2.2125 ::	2.0164	2.1199
-- Blue 5#	:: 2.1725 - 3.1600 ::	2.1725 - 3.1600 ::	2.1650 - 3.1525 ::	2.2900 - 3.2775 ::	2.3000 - 3.2875 ::	2.7001	2.8036
-- Mozzarella 5 - 6#	:: 1.7050 - 2.6450 ::	1.7050 - 2.6450 ::	1.6975 - 2.6375 ::	1.8225 - 2.7625 ::	1.8325 - 2.7725 ::	2.2089	2.3124
-- Grade A Swiss Cuts 6 - 9#	:: 2.4350 - 2.5525 ::	2.6600 - 2.7775 ::	2.6600 - 2.7775 ::	2.6600 - 2.7775 ::	2.6600 - 2.7775 ::	2.6625	2.8480

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 40# Block	:: 1.9350 - 2.2200 ::	1.9350 - 2.2200 ::	1.9275 - 2.2125 ::	2.0525 - 2.3375 ::	2.0625 - 2.3475 ::	2.1114	2.2049
-- Process 5# Sliced	:: 1.6800 - 2.1600 ::	1.6800 - 2.1600 ::	1.6650 - 2.1450 ::	1.7675 - 2.2475 ::	1.7650 - 2.2450 ::	1.9424	2.0549
-- Muenster	:: 1.9200 - 2.2700 ::	1.9200 - 2.2700 ::	1.9125 - 2.2625 ::	2.0375 - 2.3875 ::	2.0475 - 2.3975 ::	2.1289	2.2574
-- Grade A Swiss Cuts 10 - 14#	:: 2.9175 - 3.2400 ::	3.1425 - 3.4650 ::	3.1425 - 3.4650 ::	3.1425 - 3.4650 ::	3.1425 - 3.4650 ::	3.2475	3.4330

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 1.5875 - 1.8450 ::	1.5875 - 1.8450 ::	1.5725 - 1.8300 ::	1.6750 - 1.9325 ::	1.6725 - 1.9300 ::	1.7386	1.8411
-- Cheddar 40# Block	:: 1.6375 - 2.0825 ::	1.6375 - 2.0825 ::	1.6300 - 2.0750 ::	1.7550 - 2.2000 ::	1.7650 - 2.2100 ::	1.8939	1.9974
-- Cheddar 10# Cuts	:: 1.8175 - 2.0375 ::	1.8175 - 2.0375 ::	1.8100 - 2.0300 ::	1.9350 - 2.1550 ::	1.9450 - 2.1650 ::	1.9614	2.0649
-- Monterey Jack 10#	:: 1.8275 - 1.9875 ::	1.8275 - 1.9875 ::	1.8200 - 1.9800 ::	1.9450 - 2.1050 ::	1.9550 - 2.1150 ::	1.9414	2.0449
-- Grade A Swiss Cuts 6 - 9#	:: 2.4950 - 2.9250 ::	2.7200 - 3.1500 ::	2.7200 - 3.1500 ::	2.7200 - 3.1500 ::	2.7200 - 3.1500 ::	2.8788	3.0643

FLUID PRODUCTS

SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)

-- Northeast - f.o.b	:: 2.3142 - 2.5071 ::	2.2092 - 2.4135 ::	2.1911 - 2.4605 ::	2.2396 - 2.3984 ::	2.3872 - 2.5737 ::	2.3502	3.3639
-- Upper Midwest - f.o.b	:: 2.1599 - 2.3528 ::	2.2092 - 2.3763 ::	2.1372 - 2.2989 ::	2.0633 - 2.2926 ::	2.1634 - 2.4245 ::	2.2363	3.2629

PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.

-- Class II	:: 0.70 - 0.97 ::	0.79 - 0.97 ::	0.79 - 0.97 ::	0.83 - 0.98 ::	0.83 - 0.98 ::	0.8763	0.9088
-- Class III	:: 0.80 - 0.94 ::	0.85 - 0.96 ::	0.85 - 0.96 ::	0.85 - 0.96 ::	0.85 - 0.96 ::	0.8963	0.8817

DAIRY MARKET NEWS MONTHLY SUMMARY AND AVERAGES FOR OCTOBER 2016¹ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 40 ::	REPORT NUMBER 41 ::	REPORT NUMBER 42 ::	REPORT NUMBER 43 ::	REPORT NUMBER 44 ::	2016	2015
	::-----::	-----::	-----::	-----::	-----::	Monthly	Monthly
	:: OCT 03 - 07 ::	OCT 10 - 14 ::	OCT 17 - 21 ::	OCT 24 - 28 ::	OCT 31	Average	Average
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	:: 0.8600 - 1.0200 ::	0.8700 - 1.0200 ::	0.8725 - 1.0000 ::	0.8650 - 0.9925 ::	0.8550 - 0.9800 ::	0.9361	1.0004
-- Mostly	:: 0.9200 - 0.9700 ::	0.9100 - 0.9500 ::	0.9000 - 0.9500 ::	0.8775 - 0.9400 ::	0.8800 - 0.9400 ::	0.9262	0.9790
-- High Heat	:: 1.0500 - 1.1000 ::	1.0450 - 1.1000 ::	1.0450 - 1.1000 ::	1.0250 - 1.1500 ::	1.0200 - 1.0900 ::	1.0760	1.1235
-- West (f.o.b.)							
-- Low/Medium Heat	:: 0.8750 - 1.0200 ::	0.8150 - 1.0100 ::	0.8175 - 0.9850 ::	0.8100 - 0.9900 ::	0.8000 - 0.9800 ::	0.9142	0.9449
-- Mostly	:: 0.9300 - 0.9700 ::	0.9100 - 0.9550 ::	0.9000 - 0.9550 ::	0.9000 - 0.9500 ::	0.8900 - 0.9600 ::	0.9334	0.9326
-- High Heat	:: 1.0000 - 1.1000 ::	0.9900 - 1.1050 ::	0.9900 - 1.1050 ::	1.0200 - 1.1050 ::	0.9550 - 1.1050 ::	1.0510	1.0456
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	:: 0.2775 - 0.4100 ::	0.2900 - 0.4100 ::	0.2600 - 0.4100 ::	0.2600 - 0.4100 ::	0.2600 - 0.4100 ::	0.3402	0.2243
-- Mostly	:: 0.2900 - 0.3350 ::	0.3100 - 0.3500 ::	0.3050 - 0.3500 ::	0.3050 - 0.3650 ::	0.3100 - 0.3800 ::	0.3270	0.2045
-- West (f.o.b.)	:: 0.2950 - 0.4100 ::	0.3100 - 0.4100 ::	0.3100 - 0.4200 ::	0.3200 - 0.4200 ::	0.3400 - 0.4300 ::	0.3631	0.2405
-- Mostly	:: 0.3100 - 0.3600 ::	0.3300 - 0.3800 ::	0.3300 - 0.3800 ::	0.3400 - 0.3900 ::	0.3500 - 0.3900 ::	0.3533	0.2127
-- Northeast (f.o.b.)	:: 0.3200 - 0.3700 ::	0.3200 - 0.3850 ::	0.3200 - 0.3850 ::	0.3400 - 0.3925 ::	0.3400 - 0.4200 ::	0.3554	0.2357
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 0.6100 - 0.8750 ::	0.6150 - 0.8750 ::	0.6300 - 0.8750 ::	0.6300 - 0.9350 ::	0.6400 - 0.9350 ::	0.7578	0.5806
-- Mostly	:: 0.6800 - 0.8050 ::	0.7400 - 0.8200 ::	0.7300 - 0.8300 ::	0.7300 - 0.8300 ::	0.7300 - 0.8300 ::	0.7706	0.5333
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.2100 - 0.2950 ::	0.2100 - 0.2950 ::	0.2100 - 0.2950 ::	0.2200 - 0.3000 ::	0.2200 - 0.3200 ::	0.2553	0.1501
BUTTERMILK (Min. 30% protein)							
-- Central And East (f.o.b.)	:: 0.8400 - 0.9000 ::	0.8400 - 0.9000 ::	0.8600 - 0.9100 ::	0.8400 - 0.9250 ::	0.8400 - 0.9250 ::	0.8775	0.9138
-- West (f.o.b.)	:: 0.8000 - 0.9100 ::	0.8000 - 0.9000 ::	0.8000 - 0.9200 ::	0.8000 - 0.9200 ::	0.8400 - 0.9700 ::	0.8590	0.8889
-- Mostly	:: 0.8400 - 0.8700 ::	0.8400 - 0.8700 ::	0.8400 - 0.8700 ::	0.8500 - 0.8700 ::	0.8600 - 0.8800 ::	0.8570	0.8898
DRY WHOLE MILK							
-- National (f.o.b.)	:: 1.2900 - 1.4500 ::	1.2900 - 1.4500 ::	1.2000 - 1.3800 ::	1.2000 - 1.4500 ::	1.2000 - 1.4500 ::	1.3365	1.2867
LACTOSE							
-- Central And West (f.o.b.)	:: 0.2800 - 0.4700 ::	0.2800 - 0.4800 ::	0.2800 - 0.4800 ::	0.2700 - 0.4800 ::	0.2700 - 0.4800 ::	0.3773	0.2030
-- Mostly	:: 0.2850 - 0.3650 ::	0.3200 - 0.3700 ::	0.3200 - 0.3700 ::	0.3300 - 0.3700 ::	0.3300 - 0.3750 ::	0.3416	0.1850
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 3.1150 - 3.1325 ::	3.1200 - 3.1325 ::	2.9900 - 3.0500 ::	2.9900 - 3.0500 ::	2.9900 - 3.0500 ::	3.0672	3.0119
-- Nonrestricted - Acid	:: 3.1300 - 3.1500 ::	3.1300 - 3.1500 ::	3.0200 - 3.0700 ::	3.0200 - 3.0700 ::	3.0200 - 3.0700 ::	3.0878	3.1143

¹ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CME GROUP AVERAGES FOR OCTOBER 2016

COMMODITY	::REPORT NUMBER 40::	REPORT NUMBER 41::	REPORT NUMBER 42::	REPORT NUMBER 43::	REPORT NUMBER 44::	2016 *	2015 *
	::-----::	-----::	-----::	-----::	-----::	Monthly	Monthly
	:: OCT 3 - 7 ::	OCT 10 - 14 ::	OCT 17 - 21 ::	OCT 24 - 28 ::	OCT 31	:: Average	:: Average

BUTTER*							
-- GRADE AA							
--Monday	:: 1.8900	:: 1.8225	:: 1.7800	:: 1.7800	:: 1.8975	::	:
--Tuesday	:: 1.8625	:: 1.8125	:: 1.7675	:: 1.8300	::	::	:
--Wednesday	:: 1.8500	:: 1.7900	:: 1.7550	:: 1.8850	::	::	:
--Thursday	:: 1.8300	:: 1.7700	:: 1.7550	:: 1.9050	::	::	:
--Friday	:: 1.8500	:: 1.7850	:: 1.7600	:: 1.9250	::	:: 1.8239	: 2.4757
--Weekly Average**	:: 1.8565	:: 1.7960	:: 1.7635	:: 1.8650	::	::	:
CHEESE*							
-- BARRELS							
--Monday	:: 1.4875	:: 1.4900	:: 1.4900	:: 1.5600	:: 1.7300	::	:
--Tuesday	:: 1.4775	:: 1.4700	:: 1.6100	:: 1.5600	::	::	:
--Wednesday	:: 1.4500	:: 1.4575	:: 1.5900	:: 1.5575	::	::	:
--Thursday	:: 1.4800	:: 1.4475	:: 1.5750	:: 1.5500	::	::	:
--Friday	:: 1.5100	:: 1.4600	:: 1.5700	:: 1.5975	::	:: 1.5295	: 1.6072
--Weekly Average**	:: 1.4810	:: 1.4650	:: 1.5670	:: 1.5650	::	::	:
-- 40# BLOCKS							
--Monday	:: 1.5325	:: 1.5375	:: 1.5850	:: 1.6400	:: 1.7700	::	:
--Tuesday	:: 1.5325	:: 1.5175	:: 1.6800	:: 1.6375	::	::	:
--Wednesday	:: 1.5325	:: 1.5175	:: 1.6800	:: 1.6550	::	::	:
--Thursday	:: 1.5325	:: 1.5175	:: 1.6700	:: 1.6550	::	::	:
--Friday	:: 1.5500	:: 1.5500	:: 1.6500	:: 1.7300	::	:: 1.6035	: 1.6674
--Weekly Average**	:: 1.5360	:: 1.5280	:: 1.6530	:: 1.6635	::	::	:
NONFAT DRY MILK*							
-- GRADE A							
--Monday	:: 0.9300	:: 0.8900	:: 0.8825	:: 0.8775	:: 0.8550	::	:
--Tuesday	:: 0.9300	:: 0.8850	:: 0.8725	:: 0.8700	::	::	:
--Wednesday	:: 0.9300	:: 0.8700	:: 0.8825	:: 0.8650	::	::	:
--Thursday	:: 0.9250	:: 0.8700	:: 0.8800	:: 0.8550	::	::	:
--Friday	:: 0.9150	:: 0.8700	:: 0.8800	:: 0.8550	::	:: 0.8852	: 0.9333
--Weekly Average**	:: 0.9260	:: 0.8770	:: 0.8795	:: 0.8645	::	::	:

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

September Agricultural Prices Highlights

The All Milk price received by farmers was \$17.30 in September, down \$.20 from September 2015. The alfalfa hay price was \$137.00 in September, down \$23.00 from September 2015. The corn price was \$3.22 in September, down \$0.46 from September 2015. The soybean price was \$9.43 in September, up \$0.38 from September 2015. The milk-feed price ratio was 2.47 in September, up 0.24 from September 2015.

The index of prices received by farmers for dairy products during the month of September 2016 was up 1 to 86.1. Compared to September 2015, the index was down 1 point (1.1 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in September 2016 was down -1.2 points to 104.5. Compared with September 2015, the index was down -4.3 points (-4.0 percent).

Selected Milk Prices, Milk Cows, and Feed Prices, Selected States and U.S., September 2016 with Comparisons								
State	All-Milk price ^{1,2}		Alfalfa hay, baled		Corn for Grain		Soybeans	
	September		September		September		September	
	2015	2016	2015	2016	2015	2016	2015	2016
	(dollars per cwt)		(dollars per ton)		(dollars per bushel)		(dollars per bushel)	
AZ	16.30	16.50	130.00	140.00	---	---	---	---
CA	15.72	15.74	165.00	155.00	---	---	---	---
CO	18.20	17.90	190.00	145.00	3.80	3.31	---	---
ID	16.90	17.20	165.00	125.00	---	---	---	---
IN	17.60	17.20	---	---	3.85	3.41	9.00	9.62
IA	17.80	17.70	117.00	88.00	3.57	3.06	8.83	9.48
MI	17.20	16.20	165.00	145.00	3.73	3.43	8.93	9.67
MN	17.80	17.90	85.00	69.00	3.42	2.96	8.73	9.13
NM	16.60	16.80	190.00	165.00	---	---	---	---
NY	18.60	17.80	155.00	188.00	---	---	---	---
OH	18.40	17.70	150.00	180.00	3.82	3.30	8.88	9.59
PA	18.90	17.90	217.00	186.00	3.97	3.96	---	---
TX	18.20	18.60	220.00	172.00	4.07	3.49	---	---
WA	18.00	17.50	175.00	140.00	---	---	---	---
WI	17.90	17.90	107.00	88.00	3.58	3.13	8.62	9.34
U.S.	17.50	17.30	160.00	137.00	3.68	3.22	9.05	9.43

¹ Prices are shown at reported butterfat test. ² Before deduction for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies.

Milk-Feed Price Ratio, Selected States and U.S., September 2016 with Comparisons			
Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ¹			
State ²	September 2015	August 2016	September 2016
IA	2.61	2.93	3.02
MI	2.16	2.03	2.19
MN	2.96	3.32	3.36
OH	2.48	2.40	2.32
WI	2.71	3.12	3.03
U.S.	2.23	2.42	2.47

¹ The price of commercial prepared dairy feed is based on current United States prices received for corn, soybeans, and alfalfa. The modeled feed uses 51 percent corn, 8 percent soybeans, and 41 percent alfalfa hay. ² Available states that provided all necessary data to compute milk-feed price ratios.

General Price Measures, U.S., September 2016 with Comparisons			
Item	September 2015	August 2016	September 2016
Index Numbers (1990-92=100):			
Prices received by farmers for dairy production	87.1	85.1	86.1
Prices paid by farmers for commodities and services, interest taxes, and wage rates	108.8	105.7	104.5

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Agricultural Prices, October 2016*.

Federal Milk Order Final Class and Component Prices, October

Class Prices: The following are the October 2016 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$14.09 (-\$0.57), Class III: \$14.82 (-\$1.57), and Class IV: \$13.66 (-\$0.59).

Component Price Information: Under the Federal milk order pricing system, the butterfat price for October 2016 is \$2.0493 per pound. Thus, the Class II butterfat price is \$2.0563 per pound. The protein and other solids prices for October 2016 are \$2.2975 and \$0.1351 per pound, respectively. These component prices set the Class III skim milk price at \$7.92 per cwt. The October 2016 Class IV skim milk price is \$6.72, which is derived from the nonfat solids price of \$0.7469 per pound.

Product Price Averages: The product price averages for October 2016 are: butter: \$1.8637, nonfat dry milk: \$0.9222, cheese: \$1.5830, and dry whey: \$0.3303.

Federal Milk Order Minimum Class Prices for Milk of 3.5 Percent Butterfat ^{1, 2}						
Federal Milk Order Marketing Areas ³	Order Number	October 2016				November 2016
		Class I	Class II	Class III	Class IV	Class I
		<i>(dollars per 100 pounds)</i>				
Northeast (Boston) ⁴	001	19.85	14.09	14.82	13.66	18.03
Appalachian (Charlotte) ⁵	005	20.00	14.09	14.82	13.66	18.18
Florida (Tampa) ⁶	006	22.00	14.09	14.82	13.66	20.18
Southeast (Atlanta) ⁷	007	20.40	14.09	14.82	13.66	18.58
Upper Midwest (Chicago) ⁸	030	18.40	14.09	14.82	13.66	16.58
Central (Kansas City) ⁹	032	18.60	14.09	14.82	13.66	16.78
Mideast (Cleveland) ¹⁰	033	18.60	14.09	14.82	13.66	16.78
Pacific Northwest (Seattle) ¹¹	124	18.50	14.09	14.82	13.66	16.68
Southwest (Dallas) ¹²	126	19.60	14.09	14.82	13.66	17.78
Arizona (Phoenix)	131	18.95	14.09	14.82	13.66	17.13
All-Market Average	---	19.49	14.09	14.82	13.66	17.67

¹ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk.

² The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

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

⁴ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25, and Washington, DC, minus \$0.25.

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

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

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

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

⁹ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

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

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

¹² Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

September 2016 Dairy Products Highlights

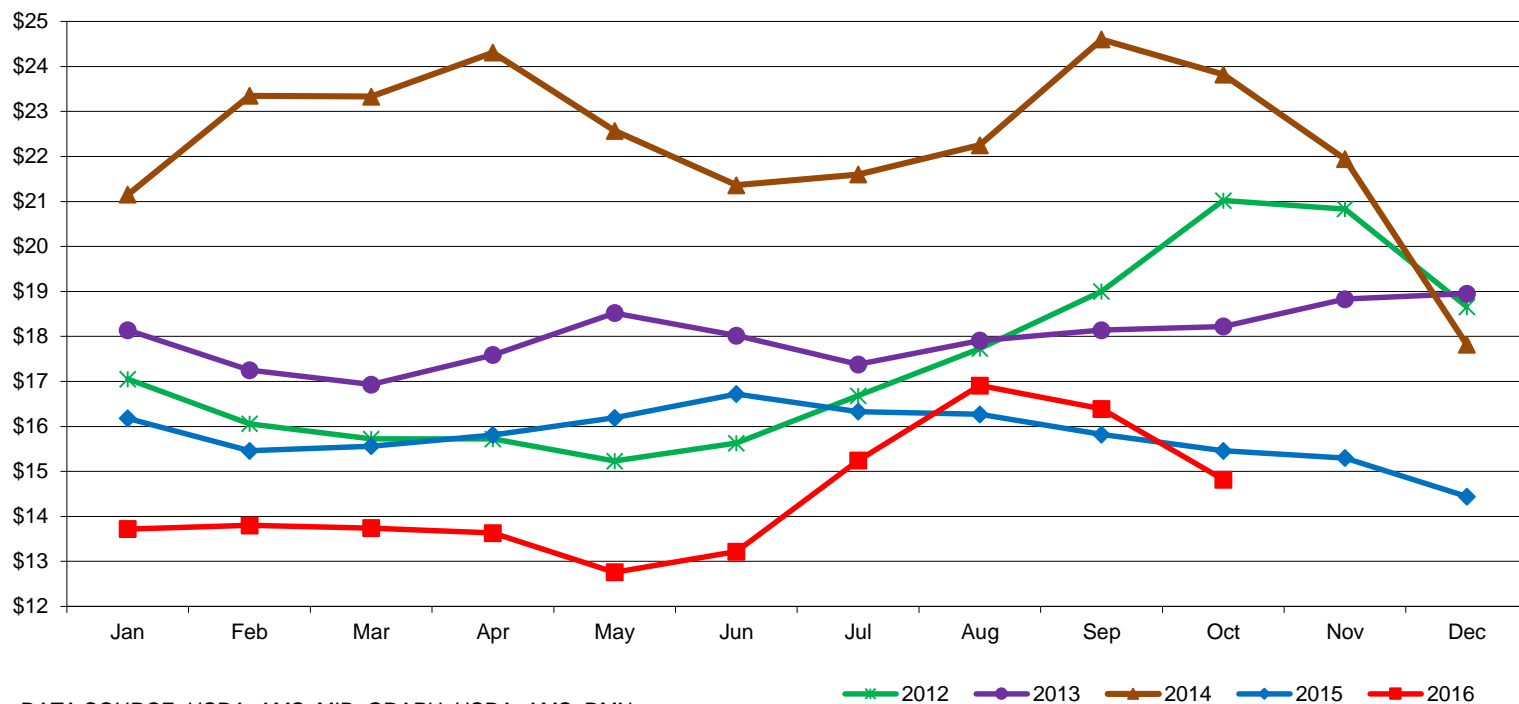
Butter production was 133 million pounds, 0.4 percent below September 2015, but 2.3 percent above August 2016. **American type cheese** production totaled 378 million pounds, 0.3 percent below September 2015, and 2.9 percent below August 2016. **Total cheese** output (excluding cottage cheese) was 981 million pounds, 1.6 percent above September 2015, but 1.8 percent below August 2016. **Nonfat dry milk** production, for human food, totaled 126 million pounds, 4.7 percent above September 2015, and 6.8 percent above August 2016. **Dry whey** production, for human food, was 73.5 million pounds, 5.5 percent below September 2015, and 0.6 percent below August 2016. **Ice cream, regular hard** production totaled 62.2 million gallons, 4.9 percent below September 2015, and 12.3 percent below August 2016.

Production of Dairy Products									
Product	Sep 2016	Change from			Product	Sep 2016	Change from		
		Sep 2015	Aug 2016	Year to Date ¹			Sep 2015	Aug 2016	Year to Date ¹
	(1,000 lbs)	(percent)				(1,000 lbs)	(percent)		
Butter	133,099	-0.4	2.3	4.7	Yogurt (plain and flavored)	436,085	-2.1	4.1	-1.1
Cheese					Dry whey, human food	73,466	-5.5	-0.6	---
American types ²	378,284	-0.3	-2.9	-0.1	Dry whey, animal feed	1,054	-29.5	-57.6	---
Cheddar	270,225	-0.5	-3.2	-0.8	Dry whey, total ⁸	74,520	-6.0	-2.5	-1.0
Other American	108,059	0.1	-1.9	---	Reduced lactose & minerals				
Brick & Muenster	14,969	12.5	-1.1	---	Human food	2,671	-9.1	-1.3	---
Cream & Neufchatel	80,112	-4.0	-5.0	---	Animal feed	2,634	2.7	13.3	---
Hispanic	22,598	2.3	3.0	---	Lactose, human food & animal feed	91,472	7.5	-0.8	3.0
Total Italian types	420,725	4.4	-0.9	4.2	Whey protein concentrate				
Mozzarella	329,108	3.8	0.1	3.6	Human food ⁹	33,908	-8.7	-0.7	---
Other Italian	91,617	6.6	-4.4	---	Animal feed ⁹	262	-10.3	33.0	---
Swiss	24,810	-1.9	-2.5	---	Total ⁹	34,170	-8.7	-0.5	-10.0
All other types	39,680	0.7	2.2	---	25.0-49.9 percent ¹⁰	13,306	-19.0	-2.4	---
Total	981,178	1.6	-1.8	1.9	50.0-89.9 percent ¹⁰	20,864	-0.7	0.8	---
Cottage cheese, curd ³	34,562	-0.3	-3.7	---	Whey protein isolates ¹¹	10,084	20.1	20.1	---
Cottage cheese, cream ⁴	27,433	0.2	-4.9	1.4					
Cottage cheese, lowfat ⁵	30,236	-5.3	-4.5	-0.2					
Dry buttermilk	7,153	3.9	5.6	---	Frozen products				
Dry whole milk	6,879	64.0	2.4	---	Ice cream, regular hard	62,209	-4.9	-12.3	1.3
Milk protein conc. (MPC), total ⁶	10,855	-7.1	10.0	---	Ice cream, lowfat, hard	16,710	-4.2	-13.1	---
Nonfat dry milk (NDM), human	125,643	4.7	6.8	-7.0	Ice cream, lowfat, soft	17,380	-3.4	-31.1	---
Skim milk powders (SMP) ⁷	38,447	43.3	-17.2	30.4	Ice cream, lowfat, total	34,090	-3.8	-23.3	-2.1
Sour cream	109,711	2.7	-5.8	3.6	Sherbet, hard	3,230	-5.2	3.5	-7.6
					Frozen yogurt, total	5,124	-9.7	-13.5	-6.7

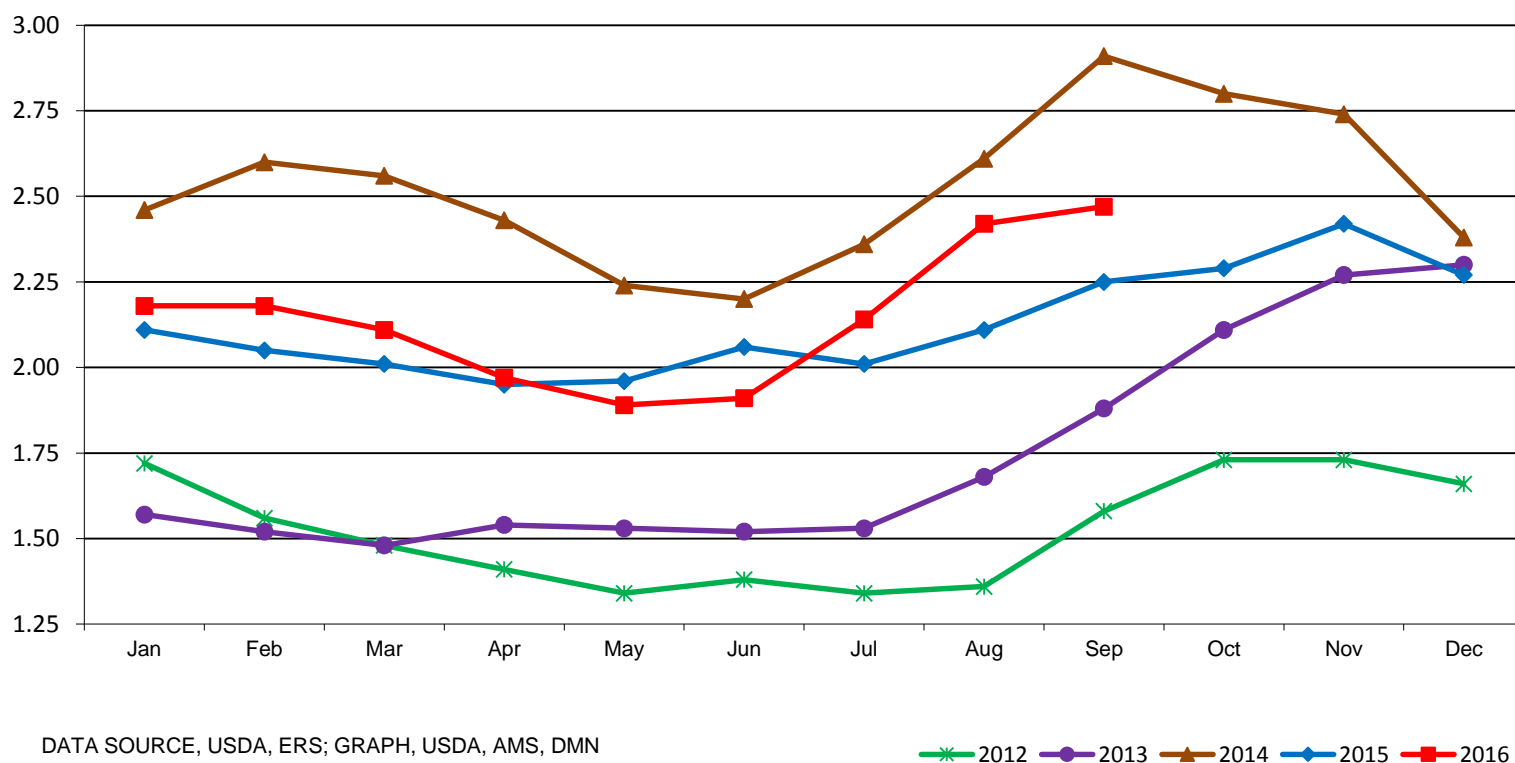
Manufacturers' Stocks, End of Month ¹²							
Product	Sep 2016	Sep 2015	Aug 2016	Product	Sep 2016	Sep 2015	Aug 2016
	(1,000 lbs)	(percent)			(1,000 lbs)	(percent)	
Dry whey, human food	51,718	-26.4	-14.5	Whey protein concentrate			
Dry whey, animal feed	1,149	-63.3	-2.0	Human food ⁹	51,625	-32.4	-10.3
Reduced lactose & minerals—human & animal ¹³	7,801	-20.2	2.4	Animal feed ⁹	497	-38.2	9.2
Lactose, human food & animal feed	115,099	-0.1	-3.2	Total ⁹	52,122	-32.5	-10.1
Dry buttermilk	17,024	72.6	5.3	25.0-49.9 percent ¹⁰	17,294	-49.8	-16.7
Nonfat dry milk, human food	216,086	2.1	-8.0	50.0-89.9 percent ¹⁰	34,828	-18.5	-6.4
				Whey protein isolates ¹¹	20,027	43.5	19.1

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*, (November 2016).

PER CWT

Class III Milk Price at 3.5%Test

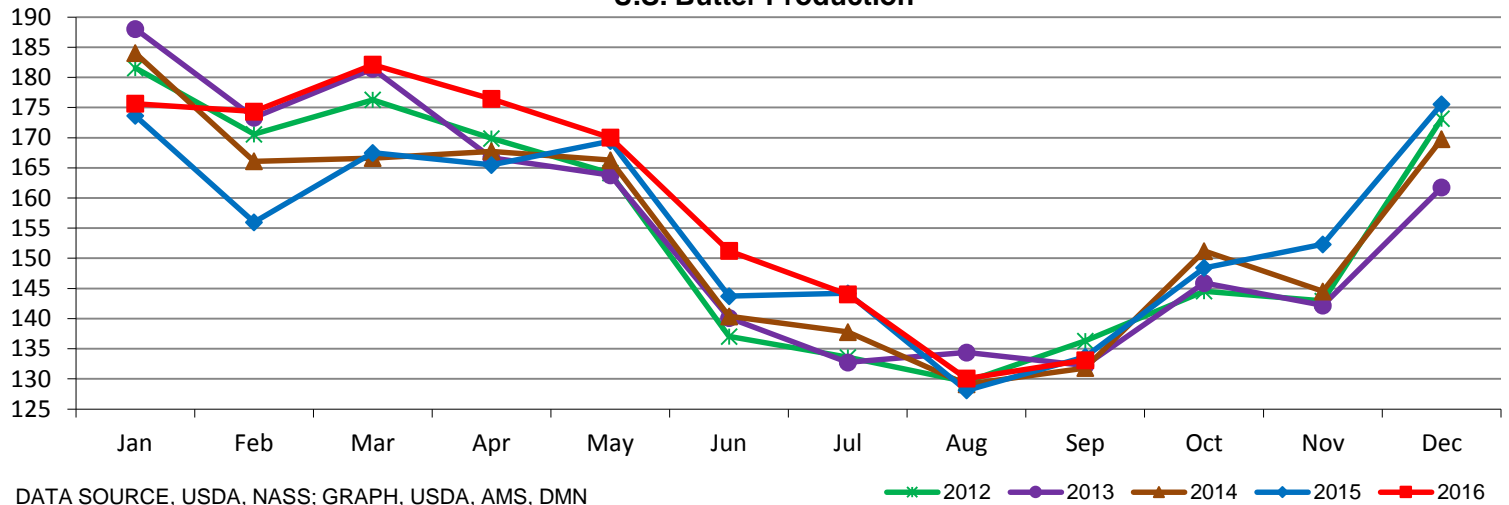
DATA SOURCE, USDA, AMS, MIB; GRAPH, USDA, AMS, DMN

Milk-Feed Price Ratio Based on the Pounds of 16% Mixed Dairy Feed Equal in Value to 1 Pound of Whole Milk

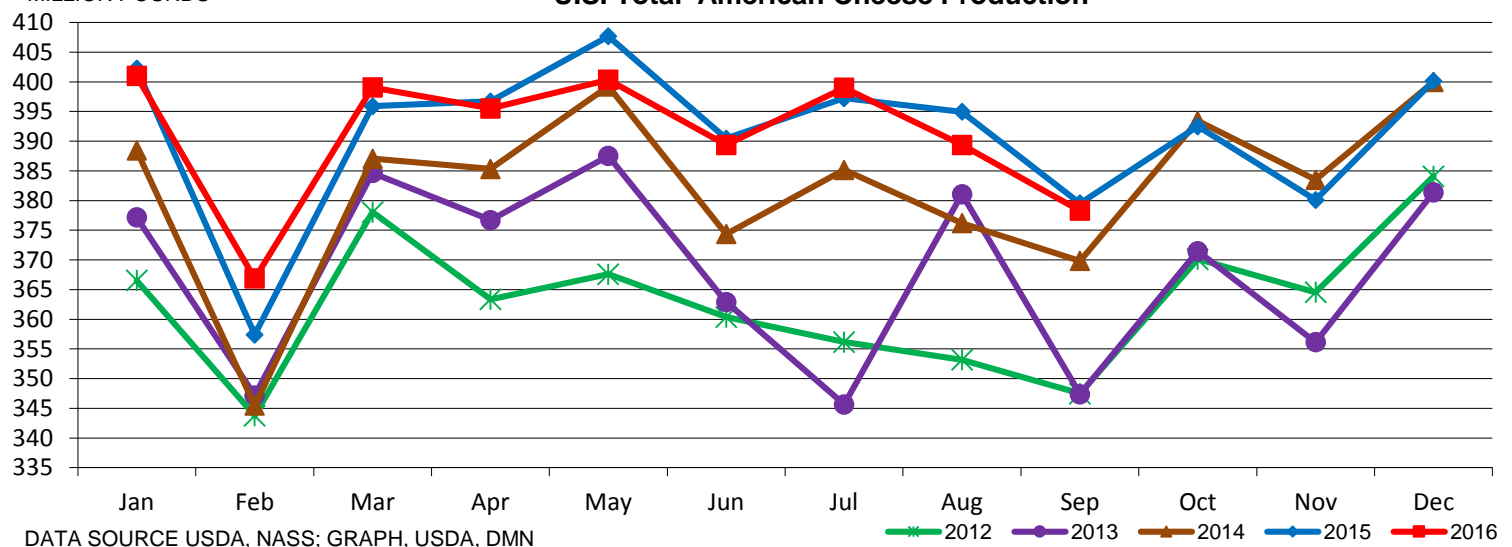
DATA SOURCE, USDA, ERS; GRAPH, USDA, AMS, DMN

✱ 2012 ● 2013 ▲ 2014 ◆ 2015 ■ 2016

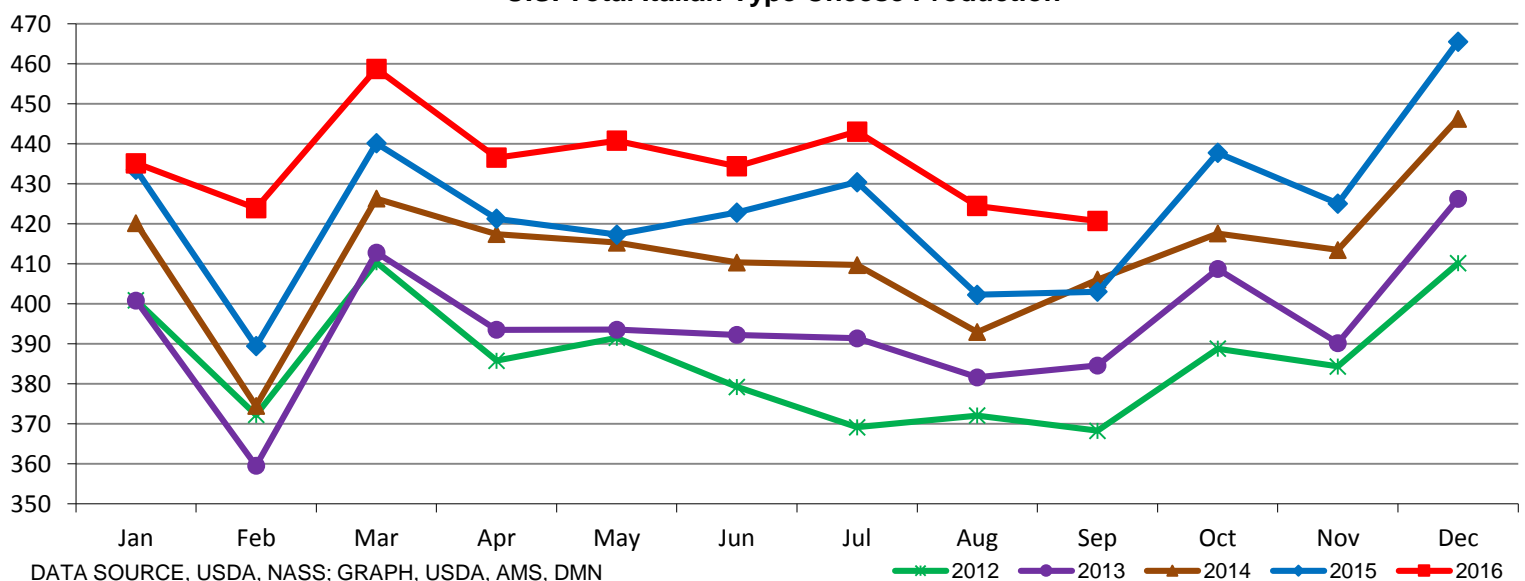
MILLION POUNDS

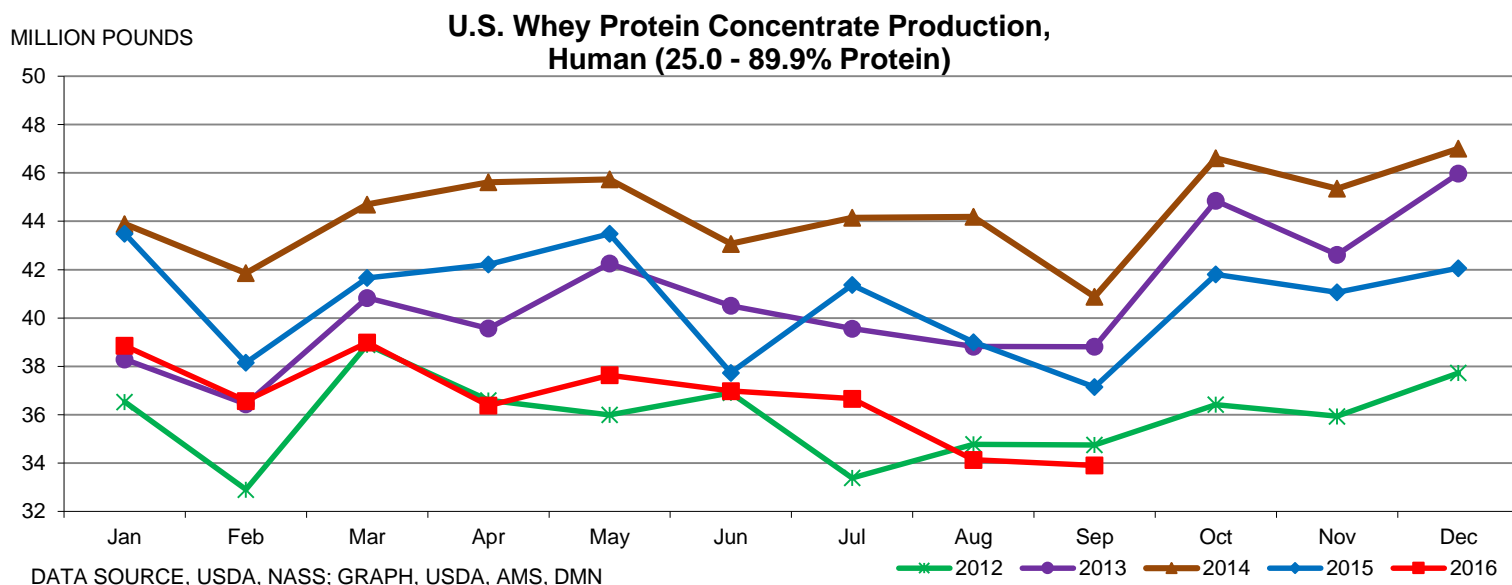
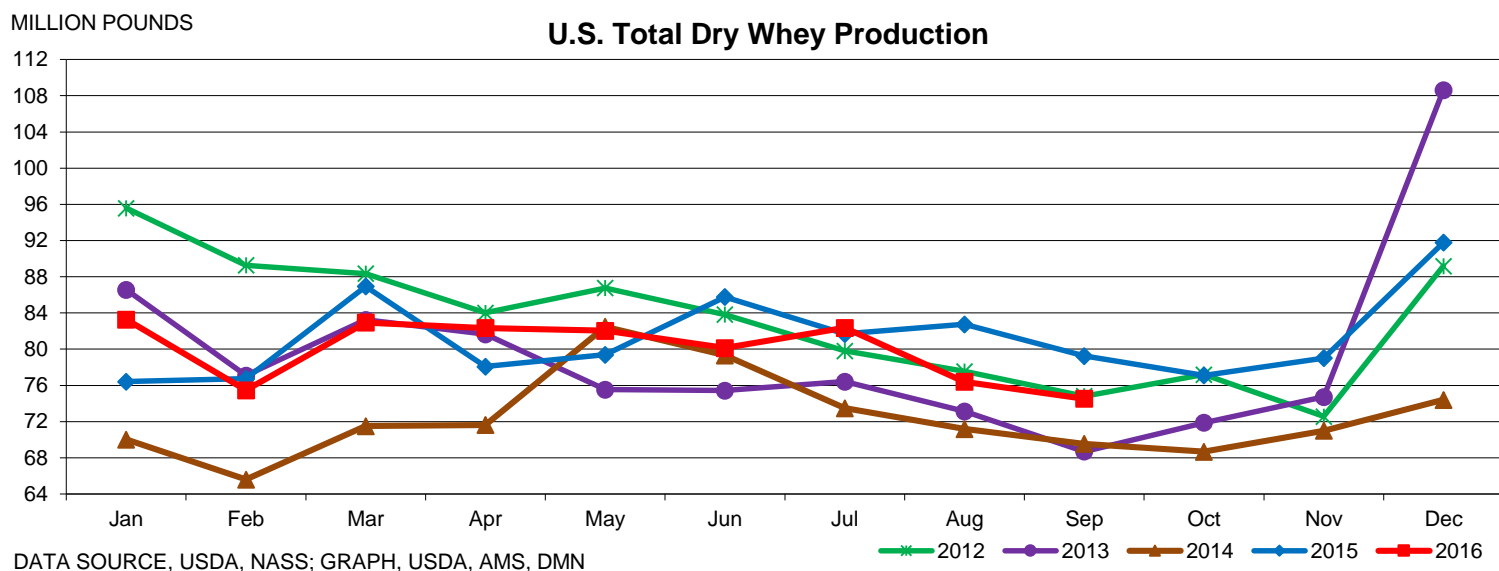
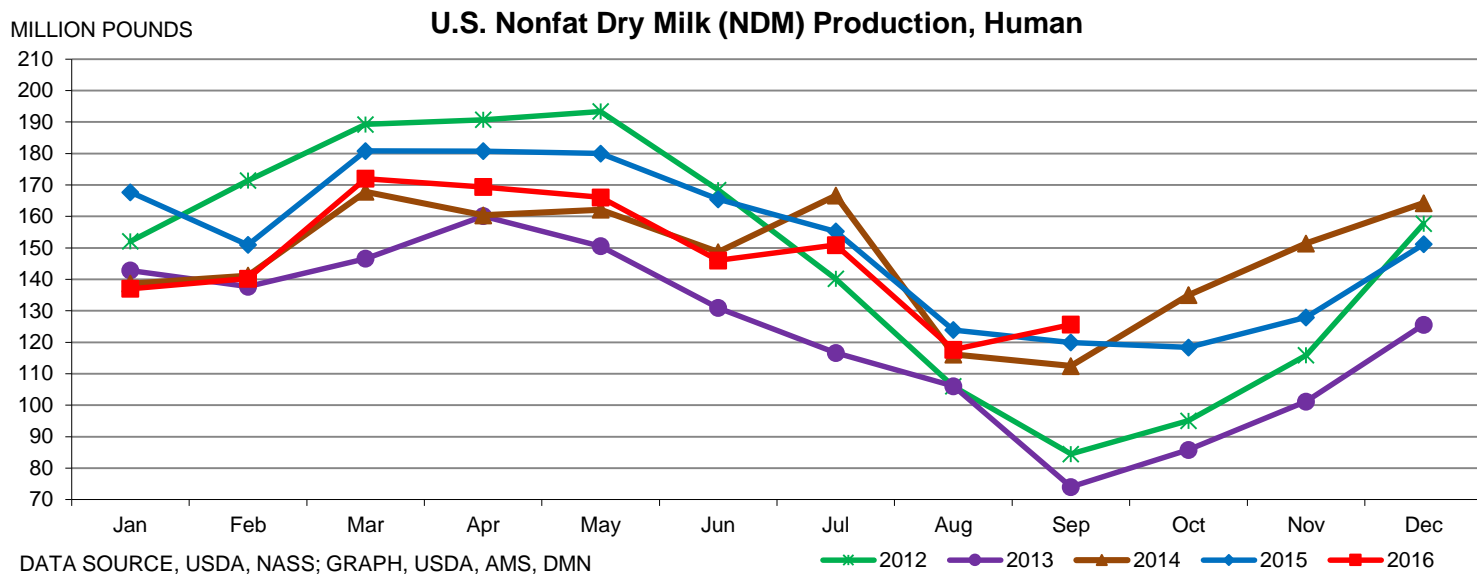
U.S. Butter Production

MILLION POUNDS

U.S. Total American Cheese Production

MILLION POUNDS

U.S. Total Italian-Type Cheese Production





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Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 11/04/2016 to 11/10/2016

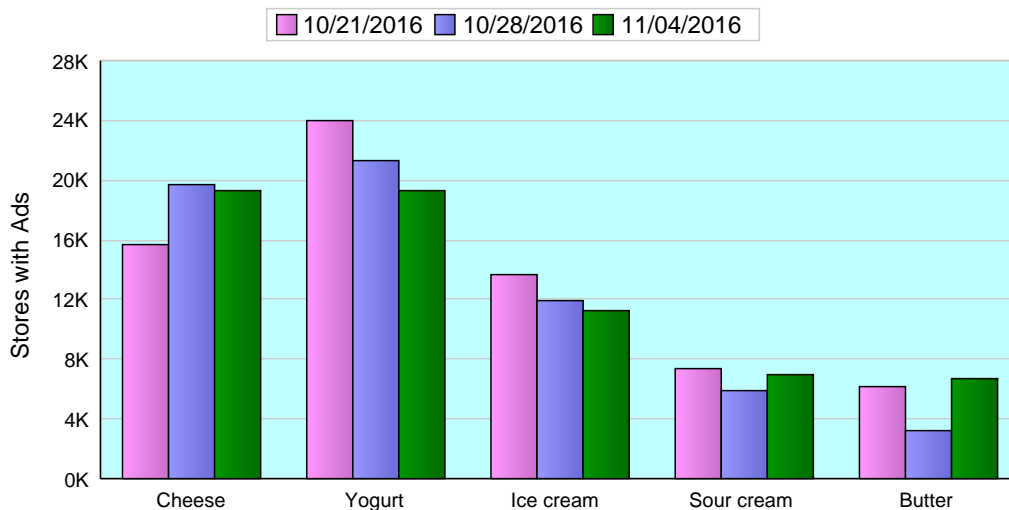
Total conventional dairy advertisements increased 10%, while organic dairy ads declined 23%. The national average price for 1 pound conventional butter is \$2.85, while 1 pound organic butter is \$4.92, representing an organic price premium of \$2.07. Total conventional butter ads increased 94%. Meanwhile, total organic butter ads increased 195%. Advertisements for conventional ice cream in 48-64 ounce containers decreased 2% and the national weighted average advertised price is \$2.97, down 26 cents from last week.

Conventional yogurt ads declined 7% and organic yogurt ads declined 36%. The average price for 4-6 ounce conventional Greek yogurt is \$0.95, while 4-6 ounce organic Greek yogurt averaged \$1.50, an organic price premium of \$0.55. Conventional Greek yogurt in 4-6 ounce containers is the top advertised dairy item this week.

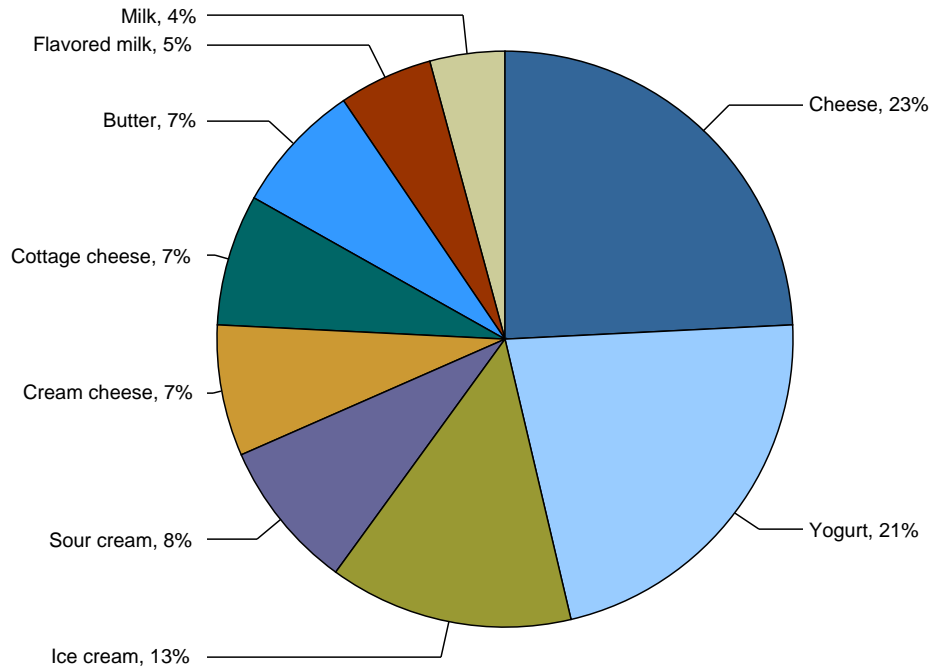
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.12, down 13 cents from last week. Ads for conventional 8 ounce shred cheese averaged \$2.19, down 3 cents from last week. The collective number of conventional cheese ads slightly decreased 1%, while organic declined 44%.

This week, the difference between the average weighted price for organic half gallon milk, \$4.14, and the average weighted price for conventional half gallon milk, \$1.67, resulted in an organic price premium of \$2.47. Organic milk advertisements increased 45%, while ads for conventional milk increased 82%.

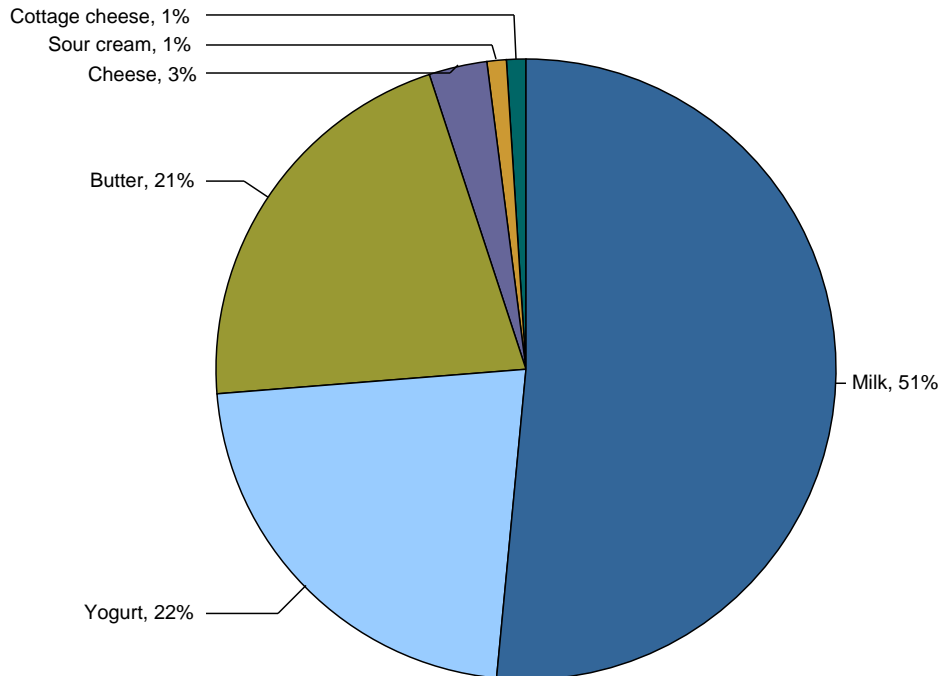
Top 5 Commodities Featured



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 #	5599	2.85	2883	3.31	5773	3.08
Cheese	Natural Varieties	8 oz block	6653	2.12	6608	2.25	6538	2.40
Cheese	Natural Varieties	1 # block	1187	3.49	1600	4.85	3681	4.08
Cheese	Natural Varieties	2 # block	252	6.75	1437	6.76	550	6.05
Cheese	Natural Varieties	8 oz shred	9379	2.19	8580	2.22	8083	2.40
Cheese	Natural Varieties	1 # shred	1655	3.54	1190	4.89	2858	3.81
Cottage cheese		16 oz	5851	1.78	3699	2.05	2809	1.76
Cream cheese		8 oz	5938	1.64	6393	2.12	8482	1.68
Egg nog		quart	107	2.77	574	2.78	177	2.55
Egg nog		half gallon	141	3.59				
Flavored milk	All fat tests	half gallon	4249	2.14	575	2.43	314	2.23
Flavored milk	All fat tests	gallon	347	3.05	2172	2.65	350	2.04
Ice cream		48-64oz	11207	2.97	11490	3.23	11191	2.98
Milk	All fat tests	half gallon	2165	1.67	243	2.09	373	2.31
Milk	All fat tests	gallon	1009	2.16	1503	2.54	3112	2.22
Sour cream		16 oz	6920	1.67	4789	1.76	5821	1.71
Yogurt	Greek	4-6 oz	12407	.95	10383	.99	13667	.94
Yogurt	Greek	32 oz	376	3.99	1007	4.06	753	4.05
Yogurt	Yogurt	4-6 oz	4604	.52	7039	.52	6966	.52
Yogurt	Yogurt	32 oz	796	2.96	1202	2.76	845	2.60

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.49-4.49	1038	3.07	1.99-3.50	816	2.50	1.99-3.49	1061	2.47
Cheese	Natural Varieties	8 oz block	1.50-3.29	2794	2.24	1.67-2.50	828	2.14	2.00-2.49	654	2.10
Cheese	Natural Varieties	1 # block	1.99-6.99	435	2.95	3.33	120	3.33	4.99	213	4.99
Cheese	Natural Varieties	2 # block							6.99	69	6.99
Cheese	Natural Varieties	8 oz shred	1.50-2.99	2249	2.33	1.67-2.50	1684	2.05	1.50-2.99	1014	2.21
Cheese	Natural Varieties	1 # shred	3.99	135	3.99	3.33	120	3.33	3.33-4.99	544	3.98
Cottage cheese		16 oz	1.89-2.50	1569	2.06	0.79-2.00	1716	1.70	0.79-2.29	580	1.33
Cream cheese		8 oz	0.88-2.50	1691	1.70	0.88-1.69	1473	1.34	1.00-1.69	743	1.49
Egg nog		quart							2.77	107	2.77
Egg nog		half gallon	3.99	84	3.99				2.99	57	2.99
Flavored milk	All fat tests	half gallon	2.00-2.99	861	2.33	0.88-2.50	2459	2.25	0.88-0.99	489	.96
Flavored milk	All fat tests	gallon	2.99-4.49	146	3.85				1.49-2.99	150	2.30
Ice cream		48-64oz	1.99-4.00	3849	2.86	2.00-4.99	2059	2.89	1.99-3.99	1069	3.11
Milk	All fat tests	half gallon	2.00-2.99	531	2.25	0.88-4.29	608	2.14	0.98-0.99	531	.99
Milk	All fat tests	gallon				1.99	87	1.99	1.99-2.79	339	2.15

Wtd Avg - Simple weighted average



National Retail Report - Dairy Vol 83 - No. 44
Friday, November 4, 2016 - Page 4

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Sour cream		16 oz	1.39-2.50	2279	1.91	0.79-2.00	2114	1.64	0.79-1.89	961	1.33
Yogurt	Greek	4-6 oz	0.79-1.25	3069	1.04	1.00-1.25	2420	1.01	0.69-1.00	985	.92
Yogurt	Greek	32 oz	3.49-4.99	178	4.00				3.99	57	3.99
Yogurt	Yogurt	4-6 oz	0.40-0.60	1491	.50	0.49-0.50	1082	.50	0.45-1.00	712	.61
Yogurt	Yogurt	32 oz	2.50-3.99	247	3.10	2.00	195	2.00	1.88-3.99	185	3.20

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-4.49	820	2.67	1.99-4.49	1284	3.17	2.49-3.50	545	3.15
Cheese	Natural Varieties	8 oz block	1.25-2.99	1247	1.95	1.25-2.99	932	2.15	0.99-1.25	166	1.09
Cheese	Natural Varieties	1 # block	3.49	78	3.49	2.99	241	2.99	2.99	66	2.99
Cheese	Natural Varieties	2 # block				5.99-7.99	178	6.69			
Cheese	Natural Varieties	8 oz shred	1.25-2.49	1493	1.91	1.25-3.50	2142	2.38	0.99-2.50	744	1.99
Cheese	Natural Varieties	1 # shred	3.33-3.49	429	3.36	2.99-3.33	361	3.10	2.99	66	2.99
Cottage cheese		16 oz	0.79-2.29	705	1.47	1.25-2.50	842	2.05	1.50-2.00	394	1.63
Cream cheese		8 oz	0.98-2.50	409	1.86	1.33-2.49	1074	1.98	1.50-2.00	482	1.63
Flavored milk	All fat tests	half gallon	2.39	74	2.39	1.49-2.99	366	2.50			
Flavored milk	All fat tests	gallon	2.99	51	2.99						
Ice cream		48-64oz	2.49-5.50	1286	3.37	1.88-3.50	2339	2.98	1.99-3.50	482	2.52
Milk	All fat tests	half gallon	0.99-1.49	429	1.15				1.49	66	1.49
Milk	All fat tests	gallon	2.89-2.99	181	2.96	1.49-1.99	297	1.79	1.99	105	1.99
Sour cream		16 oz	0.79-1.89	552	1.16	1.25-2.49	593	1.95	1.50-2.00	416	1.65
Yogurt	Greek	4-6 oz	0.60-1.00	1386	.85	0.77-1.00	3295	.92	0.69-1.00	1110	.82
Yogurt	Greek	32 oz	3.99	141	3.99						
Yogurt	Yogurt	4-6 oz	0.40-0.60	540	.50	0.50	589	.50	0.44-0.50	166	.48
Yogurt	Yogurt	32 oz							2.99-3.99	166	3.62

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.99-3.99	35	3.66			
Cheese	Natural Varieties	8 oz block	1.25	2	1.25	3.00	30	3.00
Cheese	Natural Varieties	1 # block				5.99	34	5.99
Cheese	Natural Varieties	2 # block	4.99-5.98	5	5.58			
Cheese	Natural Varieties	8 oz shred	1.79-2.49	23	2.43	3.00	30	3.00
Cottage cheese		16 oz	2.00	21	2.00	2.69	24	2.69
Cream cheese		8 oz	2.00-2.98	5	2.59	1.50-2.50	61	2.11
Ice cream		48-64oz	3.99	11	3.99	3.50-4.99	112	4.28
Sour cream		16 oz	2.00-2.48	5	2.29			
Yogurt	Greek	4-6 oz	0.88-1.50	72	1.18	1.00-1.25	70	1.22
Yogurt	Yogurt	4-6 oz				0.70	24	.70

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	32 oz	2.98	3	2.98			

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 #	1035	4.92	351	4.71	265	5.09
Cheese	Natural Varieties	8 oz block			246	6.99		
Cheese	Natural Varieties	8 oz shred	137	4.49			267	3.69
Cottage cheese		16 oz	51	3.49	770	3.07		
Egg nog		quart					63	3.49
Ice cream		48-64oz			448	4.99	294	5.77
Milk	All fat tests	half gallon	1811	4.14	1549	4.01	534	4.43
Milk	All fat tests	gallon	381	5.65			317	6.70
Milk	All fat tests	8 oz UHT	284	1.07	156	1.00	1690	.95
Sour cream		16 oz	69	2.49	1097	3.17		
Yogurt	Greek	4-6 oz	84	1.50	1041	1.28	849	1.18
Yogurt	Greek	32 oz	411	4.55	283	3.24	84	5.49
Yogurt	Yogurt	4-6 oz	145	1.11	364	1.29		
Yogurt	Yogurt	32 oz	439	3.65			69	3.50

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.99-5.99	304	5.18	4.49	61	4.49			
Cheese	Natural Varieties	8 oz shred	4.49	137	4.49						
Milk	All fat tests	half gallon	3.98-4.99	269	4.50	3.99	1083	3.99	3.99	69	3.99
Milk	All fat tests	gallon	5.99	167	5.99	5.39	214	5.39			
Milk	All fat tests	8 oz UHT	0.99-1.16	284	1.07						
Yogurt	Greek	4-6 oz	1.50	84	1.50						

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Greek	32 oz				2.99	101	2.99			
Yogurt	Yogurt	4-6 oz	1.00	84	1.00						
Yogurt	Yogurt	32 oz	3.50-3.99	439	3.65						

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	114	3.99	4.99	246	4.99	4.99	289	4.99
Cottage cheese		16 oz	3.49	51	3.49						
Milk	All fat tests	half gallon							2.99-3.99	317	3.72
Sour cream		16 oz							2.49	69	2.49
Yogurt	Greek	32 oz							4.99	289	4.99
Yogurt	Yogurt	4-6 oz							1.25	61	1.25

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 #	5.49	21	5.49			
Milk	All fat tests	half gallon	3.99-6.98	39	6.14	7.99	34	7.99
Yogurt	Greek	32 oz	5.99	21	5.99			

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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