

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (11/18)**

BUTTER: Grade AA closed at \$2.0300. The weekly average for Grade AA is \$2.0120 (+.0765).

CHEESE: Barrels closed at \$1.7500 and 40# blocks at \$1.9100. The weekly average for barrels is \$1.6990 (-.1200) and blocks, \$1.8925 (-.0340).

NONFAT DRY MILK: Grade A closed at \$.9000. The weekly average for Grade A is \$.8935 (+.0200).

BUTTER HIGHLIGHTS: Butter output is active in the East and West regions as cream supplies are typically in balance with churning needs. However, in the Central region, light to moderate cream availability, due to strong pulls from Class II, is somewhat curtailing butter production. Accordingly, some processors are microfixing bulk stocks in order to complement print butter production. Nationwide, butter demand is strong. Most Thanksgiving holiday orders from retailers are in the final phases of manufacturing and delivery. Bulk butter prices reported across the country ranged from 2 cent under market to 8 cents above, based on the CME Group with various periods and averages used. This week, a cooperative export assistance program accepted requests for 308,647 pounds of butter. So far this year, the program has accepted assistance requests for 11.748 million pounds of butter. Friday at the CME Group, Grade AA butter closed at \$2.0300, up \$.0200 from last Friday.

CHEESE HIGHLIGHTS: Cheese production is active across the country. Many manufacturers are working to keep up with generally strong retail sales. However, some Midwest manufacturers report signs of the holiday cheese pipeline filling. Also in the Midwest, some processors are planning to operate through all of next week, a holiday week. For some plants there are expectations of increased spot milk availability next week resulting from reduced production schedules at a few facilities. Block inventories are reported to be low or committed in the West, while barrel stocks are long. In CME Group trading Friday, barrels closed at \$1.7500, down \$.0050 from last Friday. Blocks closed at \$1.9100, up \$.0250 from last Friday.

FLUID MILK: Farm level milk production is steady in the Northeast, Mid-Atlantic, Pacific Northwest, and the mountain states of Idaho, Colorado, and Utah. However, milk yields are higher in Florida and the Southeast, Southwest, and Central regions. Milk intakes are in balance in most balancing plants across the country. However, milk supplies are uneven in some areas of the Midwest as milk is well short

of keeping production facilities running at capacity. Nevertheless, in other areas of the Midwest, some organic milk volumes are clearing into the conventional market, as there is an oversupply for current needs. Nationwide, demand for bottled milk is mixed. Condensed skim interest from Class II/III processors remains strong. Cream usage for cream cheese, sour cream, whipping cream, dips, eggnog and other popular holiday dairy products is robust. Cream supplies are tighter in each region of the country. This week, cream multiples are **1.35-1.45**, East; **1.21-1.35**, Midwest; and **1.08-1.27**, West.

DRY PRODUCTS: Low/medium heat nonfat dry milk output is steady at rates below full capacity. However, during the upcoming holiday week, dryer schedules are expected to be close to full capacity. The market undertone is unsettled. Dry buttermilk spot trading activity is light, due to tight supplies throughout the country. The market undertone varies in each region. National dry whole milk demands from bakers and hot chocolate dry mix manufacturers are active as the year-end holiday and winter season are close. Production is sporadic. Whey demand is good and supplies are moving well through contracts. Inventories are generally tighter. Production is steady, in line with active cheese manufacturing. The market undertone is steady to firm. Animal feed whey stocks are tighter and prices moved higher this week. WPC34% spot load availability is limited by more production of higher protein concentrations. Some processors who can make offers are requesting premium prices. Lactose spot trading is quiet. Inventories remain tight and highly committed.

NATIONAL RETAIL REPORT (DMN): Total conventional dairy advertisements increased 2%, while organic dairy ads decreased 39%. Advertisements for conventional ice cream in 48-64 ounce containers increased 5% and that category was the top advertised dairy item. Eggnog ad numbers continue to climb as end of year holidays approach. Half gallon egg nog ad volume nearly tripled this week, with an average price of \$3.72, up \$.37 from last week. Ads for quarts of egg nog increased 132%, with an average price of \$2.42, down \$.07. Conventional yogurt ads declined 38%, and organic yogurt ads decreased 79%. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.96, up \$.01 from a week ago, while 4-6 ounce conventional yogurt averaged \$0.52, down \$.03. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.15, up 10

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DAIRY GRAPHS (G1)
NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY NOV 14	TUESDAY NOV 15	WEDNESDAY NOV 16	THURSDAY NOV 17	FRIDAY NOV 18	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.7050 (-.0500)	\$1.7025 (-.0025)	\$1.6700 (-.0325)	\$1.6675 (-.0025)	\$1.7500 (+.0825)	:: (-.0050)	:: \$1.6990 (-.1200)
40# BLOCKS	\$1.8850 (N.C.)	\$1.8850 (N.C.)	\$1.8850 (N.C.)	\$1.8975 (+.0125)	\$1.9100 (+.0125)	:: (+.0250)	:: \$1.8925 (-.0340)
NONFAT DRY MILK							
GRADE A	\$.8775 (N.C.)	\$.8925 (+.0150)	\$.8975 (+.0050)	\$.9000 (+.0025)	\$.9000 (N.C.)	:: (+.0225)	:: \$.8935 (+.0200)
BUTTER							
GRADE AA	\$1.9900 (-.0200)	\$1.9800 (-.0100)	\$2.0300 (+.0500)	\$2.0300 (N.C.)	\$2.0300 (N.C.)	:: (+.0200)	:: \$2.0120 (+.0765)

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 PAGE 1-**

cents from last week. Ads for conventional 8 ounce shred cheese averaged \$2.24, up 15 cents from last week. The collective number of conventional cheese ads increased 14%. This week, the difference between the average weighted price for organic half gallon milk, \$3.93, and the average weighted price for conventional half gallon milk, \$2.33, resulted in an organic price premium of \$1.60. Organic milk advertisements decreased 56%, while ads for conventional milk decreased 71%.

ORGANIC DAIRY MARKET NEWS (DMN): AMS reports September 2016 total organic milk products sales at 218 million pounds, up 5.3% from the previous year. Sales are up 5.5%, January through September 2016, compared with the same months of 2015. September organic whole milk sales are 82 million pounds, up 17.5% from September last year. Year to date organic whole milk sales are up 16.6% compared to sales within the same period last year. Strong increases in total organic milk products sales this year are having an impact. The current situation is described as an oversupply in most of the nation. This has resulted in organic milk being sold into the conventional market. That is being done to protect the long term organic pay price, rather than reduce the price. However, some large organic processors have reduced the Market Adjustment Premium (MAP) by \$1.00 or \$2.00. This week, organic butter accounts for 39% of organic dairy retail ad numbers by commodity, with a 38% increase in ads over the previous period. Organic milk ads survey at 36%, yogurt 7%, cream cheese 7%, cheese 3%, ice cream 3%, eggnog 3%, and cottage cheese 2%. Total organic retail ad numbers declined 39%. Organic yogurt and milk ads inclusive of all packaging sizes fell 79% and 56%, respectively. There were 39 times more organic cheese retail ads this period.

OCTOBER MARKETING AND UTILIZATION SUMMARY (FMMO): During October, more than 11.445 billion pounds of milk were received from Federally pooled producers. This volume of milk is 1.6 percent higher than the October 2015 volume. Regulated handlers pooled 3.492 billion pounds of producer milk as Class I products, down 4.1 percent when compared to the previous year. Class I utilization decreased from last year in 9 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 31%, Class II = 14%, Class III = 42%, and Class IV = 13%. The weighted average statistical uniform price was \$15.85 per cwt, down \$0.86 from last month and down \$1.02 from last year.

CME GROUP

MONDAY, NOVEMBER 14, 2016

CHEESE – SALES: 3 CARS BARRELS @ \$1.7150; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7050
 NONFAT DRY MILK – SALES: 1 CAR GRADE A @ \$0.8775; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8775; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9000
 BUTTER – SALES: 1 CAR GRADE AA @ \$1.9900; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.9600; LAST OFFER UNCOVERED: NONE

TUESDAY, NOVEMBER 15, 2016

CHEESE – SALES: 5 CARS BARRELS: 3 @ \$1.7050, 2 @ \$1.7025; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7150
 NONFAT DRY MILK – SALES: 6 CARS GRADE A: 5 @ \$0.8900, 1 @ \$0.8925; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.8925; LAST OFFER UNCOVERED: NONE
 BUTTER – SALES: 10 CARS GRADE AA: 1 @ \$1.9775, 1 @ \$1.9575, 1 @ \$1.9700, 1 @ \$1.9800, 1 @ \$1.9825, 5 @ \$1.9800; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.9750; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.9900

WEDNESDAY, NOVEMBER 16, 2016

CHEESE – SALES: 13 CARS BARRELS: 8 @ \$1.7025, 1 @ \$1.6975, 1 @ \$1.7025, 1 @ \$1.6975, 1 @ \$1.6800, 1 @ \$1.6700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK – SALES: 1 CAR GRADE A @ \$0.8950; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.8975; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9000
 BUTTER – SALES: 3 CARS GRADE AA: 1 @ \$2.0000, 1 @ \$2.0025, 1 @ \$2.0300; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0100; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0300

THURSDAY, NOVEMBER 17, 2016

CHEESE – SALES: 7 CARS BARRELS: 1 @ \$1.6525, 3 @ \$1.6550, 1 @ \$1.6600, 1 @ \$1.6650, 1 @ \$1.6675; 1 CAR 40# BLOCKS @ \$1.8975; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6700
 NONFAT DRY MILK – SALES: 4 CARS GRADE A @ \$0.9000; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.9000; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9100
 BUTTER – SALES: 11 CARS GRADE AA: 7 @ \$2.0300, 1 @ \$2.0275, 3 @ \$2.0300; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0100; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0400

FRIDAY, NOVEMBER 18, 2016

CHEESE – SALES: 21 CARS BARRELS: 1 @ \$1.6700, 1 @ \$1.6975, 6 @ \$1.7000, 3 @ \$1.6900, 1 @ \$1.7000, 1 @ \$1.7050, 1 @ \$1.7100, 3 @ \$1.7150, 1 @ \$1.7200, 1 @ \$1.7300, 1 @ \$1.7400, 1 @ \$1.7500; 2 CARS 40# BLOCKS @ \$1.9025; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.9100; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK – SALES: 5 CARS GRADE A: 1 @ \$0.8800, 1 @ \$0.8875, 2 @ \$0.8900, 1 @ \$0.9000; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9000; LAST OFFER UNCOVERED: NONE
 BUTTER – SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0300; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

Production is steady and demand for both print and bulk butter is good. Cream supplies are typically in balance with churning needs. Retail butter orders are good with particularly strong pulls for private label. Bulk butter supplies are declining as manufacturers' inventories are worked lower. Bulk butter prices are ranging from 5 to 8 over the market, with various time frames and averages used. With Thanksgiving orders mostly completed, or in final phases, some area producers and handlers are speculating when butter weakness will occur. Tuesday's CME Group cash trading saw Grade AA butter close at \$1.9800, up \$0.0800 from the previous week. According to the DMN *National Retail Report-Dairy*, for November 11-17, 2016, the national advertised weighted average price for 1-pound butter was \$2.69, down 16 cents from last week and down 16 cents from a year ago. The Northeast regional price was \$2.94, 13 cents less than last week. In the Southeast, the butter price averages \$2.48, a decline of 2 cents over the previous week's average price.

CENTRAL

In the Central region, Class II processors continue pulling substantial amounts of cream ahead of the year-end holiday. As a result, light to moderate cream availability is somewhat curtailing butter production. Consequently, some processors are microfixing bulk stocks in order to complement print butter production. A few manufacturers are selling cream instead of churning, as premiums remain relatively high. At this point, most Thanksgiving holiday orders from retailers are in the final stages of manufacturing and delivery. 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 November 11-17 noted the national weighted average advertised price for a 1 pound package of butter is \$2.69, down \$0.16

from one week ago and \$0.16 below one year ago. The weighted average prices in the Midwest and South Central regions are \$2.41 and \$2.69, respectively. This week, a cooperative export assistance program accepted requests for 308,647 pounds of butter. So far this year, the program has accepted assistance requests for 11.748 million pounds of butter. Wednesday at the CME Group, Grade AA butter closed at \$2.0300, up \$.1200 from last Wednesday.

WEST

Western butter production is running strong as butter makers work hard to meet the remaining 2016 commitments. In some cases, processors are feeling a pinch and wondering if there is time to get enough butter made. Demand is solid and sales are drawing down available supplies. Some manufacturers are anticipating a slowdown of seasonal butter demand in the next few weeks. And a few butter makers are already planning the post-holiday seasonal production adjustments. Bulk butter pricing in the West this week is 2 cent under market to 5 cents above, based on the CME Group with various time frames and averages used. The DMN *National Retail Report-Dairy* for the week of November 11-17 found that the U.S. weighted average advertised price of 1 pound butter is \$2.69, down \$.16 from last week. The U.S. weighted average price was \$2.85 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$2.73 with a price range of \$1.99-\$3.49. In the Northwest, the weighted average advertised price of 1 pound butter is \$3.05 with a price range of \$1.99-\$3.99. This week, a cooperative export assistance program accepted requests for 308,647 pounds (140 metric tons) of butter. So far this year, the program has assisted member cooperatives who have contracts to sell 11.7 million pounds of butter (82% milkfat) in export markets. The Grade AA butter price at the CME Group on Wednesday closed at \$2.0300, up \$.1200 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
November 12, 2016	1.8898 2,548,339	1.7347 13,057,677	1.6852 11,144,642	.3670 6,361,732	.9088 15,768,680

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

CHEESE MARKETS

NORTHEAST

With available milk supplies, cheese production continues at a high rate as some plants run full schedules, while continuing to monitor inventory levels. Food service demand remains strong. Retail cheese promotions increased ahead of the Thanksgiving holiday to further sales. Active spot market trading prompted by strong holiday seasonal demand boosted the CME Group weekly average blocks and barrels cheese prices. As a result, this week the Northeast wholesale cheese prices for cheddar and Muenster jumped \$.0950 and the process 5# sliced cheese price advanced \$.0425. Grade A Swiss is unchanged. Tuesday's CME Group daily cash prices saw barrel cheese close at \$1.7025, down \$.01575 from a week ago. Block cheese ended the day at \$1.8850, down \$.0475 from the previous Tuesday's close. The *DMN National Retail Report-Dairy*, for November 11-17, 2016, noted the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.14, up 9 cents compared to the national average, but 10 cents below than the previous week. Southeast 8 oz. block cheese price was \$2.07, down 7 cents from last week. The Northeast advertised price for 8 oz. cheese shreds was \$2.18, 9 cents above the national average price but 15 cents below the previous week. In the Southeast, the average price for 8 oz. shred cheese was \$1.87, down 18 cents from last week.

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

Cheddar 40# Block	:	2.3250-2.6100
Process 5# Sliced	:	2.0175-2.4975
Muenster	:	2.3100-2.6600
Grade A Swiss Cuts 10 - 14#	:	3.3275-3.6500

MIDWEST

Midwest cheese production is active as manufacturers are working hard to get orders filled before the holidays. Some processors are planning to operate through all of next week, while others are adjusting schedules to keep their plant running and give employees a day off for the holiday. Cheese makers report some ripples in demand and milk supply due to the Thanksgiving holiday. Available spot loads of milk had been a little short the previous weeks, but some manufacturers say milk is getting freed up by reduced holiday production schedules at a few facilities. A few industry contacts also suggest cheese orders are mixed. In some cases, shoppers are eager to get their orders secured before the holiday rush. A few others think demand is easing and starting to show signs of the holiday pipelines getting filled. The *DMN National Retail Report-Dairy* shows that November 11-17 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.26, 17 cents above the national average. Midwest prices range from \$1.67-\$2.50. One year ago, the national price was \$2.39. For 8 ounce blocks, the Midwest average price is \$2.11, 6 cents above the national average price. Midwest ads are priced from \$1.50-\$2.49. Last year, the national price was \$2.35. Midwestern wholesale prices are unchanged for Swiss cuts, up \$.0425 for process, and up \$.0950 for all other types. This week, a cooperative export assistance program accepted requests

for 1.609 million pounds (730 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 45.8 million pounds of cheese in export markets. In CME Group trading Wednesday, barrels closed at \$1.6700, down \$.1600 from last Wednesday and blocks closed at \$1.8850, down \$.0575.

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

Process American 5# Loaf	:	1.9100-2.2700
Brick And/Or Muenster 5#	:	2.2950-2.7200
Cheddar 40# Block	:	2.0225-2.4175
Monterey Jack 10#	:	2.2700-2.4750
Blue 5#	:	2.5625-3.5500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.0950-3.0350
Grade A Swiss Cuts 6 - 9#	:	2.8450-2.9625

WEST

Western dairy industry contacts say a lot of milk is going into cheese now. Cheese production is active and seasonal retail sales are strong. Manufacturers report good demand for branded cheese. Buyers are placing regular orders for fresh commodity blocks. Some manufacturers report inventories for fresh blocks are low or highly committed through the end of the year. Favorable pricing several weeks ago, and tight supplies in other international cheese producing regions have helped draw stocks down. Cheese inventories are still long for barrels. A few processors are carrying heavier amounts of cheese in their aging programs. The *DMN National Retail Report-Dairy* for the week of November 11-17 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.09, down \$.10 from last week. Packs average \$2.39 in the Southwest and \$1.48 in the Northwest. One year ago, the national price was \$2.39. For 8 ounce blocks, the U.S. price is \$2.05, down \$.07 from last week. Blocks average \$1.99 in the Southwest and \$1.33 in the Northwest this week. One year ago, the national price was \$2.35. In the West, wholesale prices are up \$.0425 for process, and up \$.0950 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged. This week, a cooperative export assistance program accepted requests for 1.609 million pounds (730 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 45.8 million pounds of cheese in export markets. In CME Group trading Wednesday, barrels closed at \$1.6700, down \$.1600 from a week ago and blocks closed at \$1.8850, down \$.0575.

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

Process 5# Loaf	:	1.9250-2.1825
Cheddar 40# Block	:	2.0275-2.4725
Cheddar 10# Cuts	:	2.2075-2.4275
Monterey Jack 10#	:	2.2175-2.3775
Grade A Swiss Cuts 6 - 9#	:	2.9050-3.3350

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CHEESE MARKETS

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FOREIGN TYPE

Exports of cheese from the European Union through September this year increased 13.8% from the same period of 2015. The top three destinations and percentage of cheese exports are: United States, 17.2%; Japan, 9.7%; and Switzerland, 7.2%, according to Eucolait. During the same period this year United States cheese imports increased 6.9%. Primary sources of imported cheese and percentage of total cheese imports are: Italy, 19.7%; France, 10.2%; and New Zealand, 9.2%. In the U.S., wholesale blue, gorgonzola, parmesan and Romano prices increased \$.0950, while all other varieties 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	2.4900-3.9775*
Gorgonzola	3.6900-5.7400	2.9975-3.7150*
Parmesan (Italy)	-0-	3.8800-5.9700*
Romano (Cows Milk)	-0-	3.6800-5.8300*
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-	3.3650-3.6875

* = Price change.

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

BUTTER : CHEESE

	:	
11/14/16	13,903	78,455
11/01/16	27,270	82,263
CHANGE	-13,367	-3,808
% CHANGE	-49	-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	0	7	10	0	123	0
SOUTHEAST STATES	0	0	0	0	0	0

While milk production is steady at seasonal levels, manufacturing milk supplies in the Northeast and Mid-Atlantic regions are mixed with most supplies somewhat balanced. Class I and Class II demand is mostly steady. Balancing plants in the region are preparing for heavier holiday milk intakes. The Southeast is seeing stronger milk production prompted by cooler temperatures, especially in areas of the deeper South. Over the past weekend, bottling sales dropped off, but have picked back up this week as handlers note a number of additions. Class II sales are strong. Not much milk is moving into manufacturing. In Florida, the weather has cooled down with nights in the high 50s and days in the 70s. Accordingly, milk production is seeing a steady rise. Sales to bottling increased as anticipated. The change in milk production levels led to export milk shipments this week, totaling 7 f.o.b. spot loads. Tight cream supplies, prompted by active Class II production and export sales, pushed multiples higher in the East. This week, **cream multiples** range **1.35-1.45**, a slight increase on both ends of the spectrum. Sources expect availability to build prior to the Thanksgiving holiday. The CME Group saw the Grade AA butter price close Wednesday at \$2.0300, up \$0.1200 from a week ago. **Condensed skim** supplies continue to move primarily through contracts. Spot availability is often sporadic. Loads typically move flat to 20 over for Class II and III. Some operations are drying condensed skim heavily. According to the *DMN National Retail Report-Dairy*, November 11-17, 2016, the U.S. weighted average advertised price for a gallon of milk was \$2.57, up 41 cents compared to last week and up 12 cents from the previous year. The national weighted average price for eggnog in the half gallon container was \$3.35, 24 cent lower than the previous week, and 14 cents lower than last year. The volume of retail 1# butter ads increased significantly over the previous week.

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 - 2.6130-2.8065

F.O.B. producing plants: Upper Midwest - 2.3420-2.6129

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

Northeast - Class II - includes monthly formula prices - .83 -1.01

Northeast - Class III - spot prices - .88 -1.08

MIDWEST

Central region milk production is slowly trending upward, with accompanying increases in butterfat and protein component levels. Within the region, milk producers indicate they are content to keep cows on hand, instead of culling, as long as facilities have room, feed is available and prices on the cull cow market stay low. Milk supplies are uneven and there is active movement of milk loads within the region. In some areas, milk is well short of keeping production facilities running at capacity. However, some organic milk is clearing into the conventional market as there is an oversupply of organic milk for current needs in some areas. Condensed skim and ultra-filtered milk loads from outside the Central region are also actively clearing

to Central Class III facilities. Class II demand, other than from ice cream manufacturers, is steady to higher. Spot prices on milk range from \$5.00 under to \$2.00 over Class, depending on location and timing. Milk marketers indicate, too, that interest in December milk contracting is improving. Processors have noted the recent global strength in commodities and consider that a good sign for upcoming dairy demand. Orders from bottlers are steady to higher. Although most school districts have decreased orders because of holiday closures, orders from grocery store accounts are generally higher as those outlet managers stock up ahead of the holiday. Cream availability is tighter in the Central region as Class II/III production heats up ahead of the holidays. With some ongoing cream exports taking place in the East region, clearing of cream from that region into the Central is limited. As a reversal of that trend, a few Central spot cream loads cleared into the East region. Also, some cheese plant managers are using condensed skim or nonfat dry milk and adding cream loads to the fortification process. This is taking additional cream out of the spot market. Production of sour cream, dips, cream cheese, and specialty drink items is higher. Cream multiples are steady to firmer, 1.21-1.35. The *DMN National Retail Report-Dairy* for November 11-17 noted the national weighted average advertised price for one gallon of milk is \$2.57, \$.41 above last week's price. The weighted average regional prices in the Midwest and South Central regions are \$2.08 and \$2.71, respectively.

WEST

Farm level milk output is up in California, following seasonal trends. Cooler daytime temperatures in the Central Valley, averaging 75 degrees, are relieving cow stress. This week, milk requests from bottlers are mixed. On one end, orders from educational institutions are lower as most K-12 schools will close next week. At the other end, Class 1 retail demands continue to be strong ahead of the upcoming holiday, somewhat limiting manufacturing milk supplies. Demands for eggnog and flavored milk are active. Some dairy operators are buying high quality alfalfa from nearby states since local supplies are tight. California is into the last cutting of alfalfa hay. Winter wheat planting is active throughout the state. The December 2016 Class 1 prices in California are \$19.22 in the north and \$19.49 in the south. The statewide average Class 1 price based on production is \$19.23. This price is up \$3.08 from the previous month and \$0.89 higher than December 2015. Farm milk yields are increasing in Arizona due to the favorable climate conditions. Milk intakes are in good balance with manufacturing needs. Bottled milk orders from educational institutions are down, but up from several retail and food service accounts. Demand from Class II is seasonally higher. High quality alfalfa hay harvesting is active throughout the state. Milk pooled on the Arizona Order 131 totaled 404.3 million pounds in October 2016. Class I utilization accounted for about 27.8% of producer milk. The uniform price was \$15.39, \$0.83 below last month, and \$1.41 below one year ago. New Mexico farm milk intakes are higher, in line with seasonal patterns. Class I sales are steady to higher as some grocery stores are restocking coolers ahead of the holiday shopping weekend. Sales into Class II are up. Manufacturing milk volumes moving into Class III are steady. New Mexico is into the last cutting of alfalfa hay for the current year. Milk pooled on Pacific Northwest Order 124 totaled 614.4 million pounds in October 2016. Class I utilization accounted for about 27.5% of month, and \$1.32 below one year ago. According to the *DMN National Retail Report-Dairy* for the week of November 11-17, the national weighted average advertised price for one gallon of milk is

-CONTINUED ON PAGE 4A-

FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

\$2.57. The weighted average regional prices in the Southwest and Northwest are \$2.22 and \$2.50, respectively. Pacific Northwestern dairy contacts report plenty of milk for most processing needs. Milk production is seasonally steady with a lot of milk moving to cheese manufacturing. Bottling demand is stable. Cheese manufacturers anticipate more milk to be available for processing runs next week due to the holiday break. Milk production in Idaho, Colorado and Utah is stable and in good supply. Processors are not having any trouble getting milk they need, and the milk is finding homes at nearby plants. Farmers have good supplies of feedstuffs for dairy herds and are happy to see some snow accumulating at higher elevations. Any snow that stays will help recharge the reservoirs used for next year's irrigation needs. Condensed skim interest from Class II processors remains strong. As a result, condensed skim volumes moving into dryers are steady to lower. Cream usage for cream cheese, sour cream, whipping cream, dips, eggnog and other popular holiday dairy products is robust. Cream supplies vary all over the West. Some volumes are moving to the Central region and Mexico. A few butter processors are opting to sell the cream instead of churning, as multiples remain relatively high. This week, multiples for all classes are slightly higher, ranging from 1.08 to 1.27.

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: Nonfat dry milk prices in the Central region are higher in the mostly series. Some market participants speculate prices will continue to move up between now and Q1 2016. Low/medium heat nonfat dry milk production is steady at rates below full capacity. However, over the holiday week, dryer schedules are expected to be close to full. Manufacturers' low/medium heat nonfat dry milk inventories are moderate to heavy. Interest is seasonally active and improving. The market undertone is unsettled. High heat nonfat dry milk prices are unchanged. Most sales are contract based. Production is intermittent. Stocks are light. Wednesday at the CME Group, Grade A NDM closed at \$0.8975, up \$0.0250 from last week.

EAST: Prices for low/medium heat nonfat dry milk (NDM) in the East are mixed. Manufacturers' spot transactions continue to reflect higher prices than CME transactions. Meanwhile, buyers/sellers realize a higher cost to replace inventory with current product. Low/medium heat NDM production is ongoing, with output expected to pick up next week. Stocks vary, ranging from plentiful to moderate. Contracts are still being established for 2017 long term needs. Market participants are interested in what, if any, impact occurs in the domestic market from the New Zealand earthquake. NDM volumes moving to export markets are fair. The market undertone is mixed. High heat nonfat dry milk prices are steady. Production is determined based on customer commitments. Supplies remain tight.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8725 - .9800 MOSTLY: .8775 - .9500
HIGH HEAT: 1.0100 - 1.0900

NONFAT DRY MILK - WEST

In the West, low/medium heat nonfat dry milk (NDM) f.o.b. spot prices are mixed on a narrower range. However, prices are unchanged on the mostly series. The market tone continues to be unsettled for many industry participants. Demands from several buyers/end users are light to moderate. Spot sales activity has been sluggish throughout the week. At this point, most sales are based on contractual needs. Moderate to heavy condensed skim volumes are moving into Class II processing ahead of the year-end holiday needs. Therefore, regional low/medium NDM production rates are steady to slightly lower. However, during the upcoming holiday week, dryer schedules are expected to be close to full capacity. Currently, inventories are mixed throughout the region. High heat prices are mixed on light trading. The market undertone is steady. Demands from bakers and dry mix manufacturers are fair. Production is intermittent, based on contractual requirements. Spot load availability is limited.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8225 - .9600 MOSTLY: .9000 - .9500
HIGH HEAT: .9650 - 1.0950

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
November 15	\$.9080	9,265,578
November 4	\$.9081	10,970,708

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 in the Central region are steady to higher on light f.o.b. spot trades. Butter churns are expected to see additional volumes of cream during the Thanksgiving holiday week, increasing condensed and dry buttermilk production. Spot offerings remain scarce, but producers are current on contracts. Demand for dry buttermilk is steady. The market undertone is unsettled.

EAST: The dry buttermilk price in the East advanced at the bottom of the range, but remained steady at the top. Manufacturers' held stocks are below current demand. Spot market activity is little to none, due to the tight supplies. However, production is expected to increase next week, as some cream based manufacturers will shut down for portions of the holiday week, forcing more cream to churns. Seasonal accounts are good for baking. The dry buttermilk market undertone is unsettled.

F.O.B. CENTRAL/EAST: .8800 - .9225

DRY BUTTERMILK - WEST

Western f.o.b. spot prices for dry buttermilk are steady to higher on the range, but unchanged on the mostly series. The market undertone is steady. Requests from the bakery and confectionary sectors are active ahead of the upcoming year-end holiday needs. Production is irregular as condensed buttermilk volumes moving into dryers are limited due to the strong pulls from Class II processors. Inventories are mostly tight in many plants.

F.O.B. WEST: .8300 - .9900 MOSTLY: .8550 - .8900

DRY WHOLE MILK - NATIONAL

F.O.B. spot prices for national dry whole milk are mixed on light trading. Most sales are based on contractual needs. The market undertone varies in every region of the country. Demands from bakers and hot chocolate dry mix manufacturers are active as the year-end holiday and winter season are close. Drying schedules are sporadic. Inventories are steady.

F.O.B. PRODUCING PLANT: 1.2500 - 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

Central whey prices inched higher at the bottom of the range and mostly price series, and made a larger step at the top of the price range. Industry contacts say inventories are generally tighter. Domestic demand is good and whey is moving well through contracts. Inquiries from export channels, however, have slowed. A few manufacturers report demand seems to vary greatly from week to week right now. Production is steady and in line with active cheese manufacturing. Animal feed manufacturers say they continue to get offers from whey processors. Animal feed whey is tighter and prices moved higher this week.

F.O.B. CENTRAL: .2900 - .4400 MOSTLY: .3200 - .3800
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2400 - .3400

DRY WHEY - NORTHEAST

The Northeast dry whey price moved slightly higher within the range price series. Production of dry whey is steady, due to seasonally active interest from cheese markets. Manufacturers' stocks, overall, still appear to be tight. Some buyers are relying on resale markets to fulfill their buying needs. Dry whey 2017 contract discussions are ongoing. The market undertone is steady to firm.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3450 - .4200

DRY WHEY - WEST

Prices for western whey edged higher across the price range and the bottom of the mostly price series. Although a few manufacturers say supplies are a little long, other industry contacts suggest inventories have gotten considerably tighter. Some processors indicate their whey stocks are committed into Q1 2017. Demand is steady, but some price sensitive buyers are taking a break to see if the market cools in the next few weeks.

NONHYGROSCOPIC: .3450 - .4350 MOSTLY: .3550 - .4000

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged this week. Industry contacts report a lull in spot sales activity as manufacturers test the waters with offers circulated for Q1 contracts. Inventories remain tight and highly committed, especially for higher mesh and low spore lactose. Lactose production is active, stable and in line with heavy cheese production. At the GDT Event 176 on November 15, lactose prices across all contract periods averaged \$0.3570 per pound, +4.6%.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .3000 - .4800 MOSTLY: .3300 - .3750

CASEIN - NATIONAL

Casein rennet prices are lower to steady. Acid casein prices are unchanged. There are mixed views conflicting the markets. Milk production is declining in some casein production areas, which causes concern over future supplies of casein. Yet current supply and demand are more favorable than views of future factors, especially factoring in that most current casein needs have already been secured. Whether buyers and/or sellers are more focused on today, or the future, seems to have a bearing on their pricing perspective and motivation to finalize current transactions. GDT Event 176 on November 15 resulted in rennet casein prices down 0.2% for the December contract, following a 2.7% decline at the prior event.

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: 2.9500 - 3.0500
ACID: 3.0200 - 3.1000

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices moved higher at the bottom of both the range and mostly price series, driven by spot sales from a small number of manufacturers. Some availability of edible WPC34% exists for product that is interchangeable with other protein sources, but industry contacts note that those alternatives are also getting cleaned up. Availability of WPC34% is limited by more production of higher protein concentrations. Many processors are unable to make spot offers, especially for low spore and higher specification WPC34%. Processors who can make offers often request premium prices well above the mostly. Buyers are still looking for available loads, but are often frustrated by the short supply.

F.O.B. EXTRA GRADE 34% PROTEIN: .6700 - .9850 MOSTLY: .7800 - .8300

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
10/29/2016	56.3	2,420.4	59.2	2,461.9

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

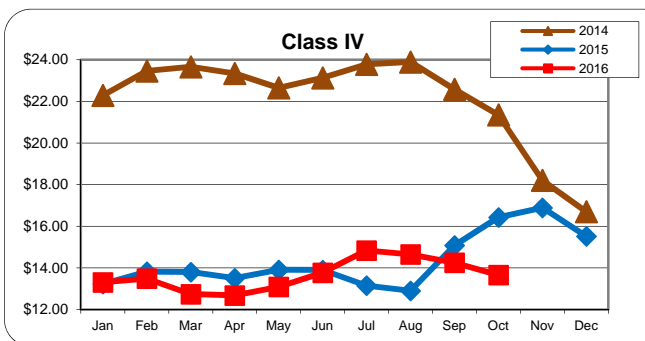
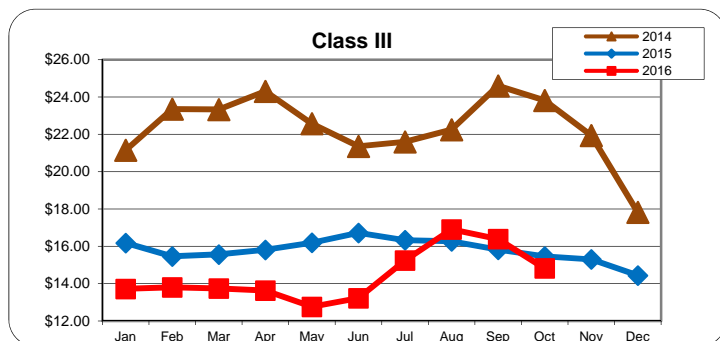
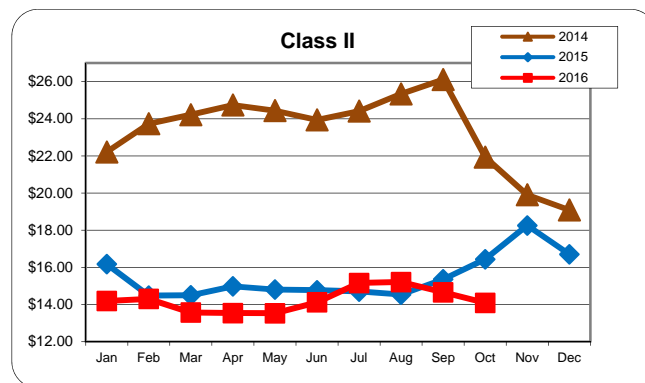
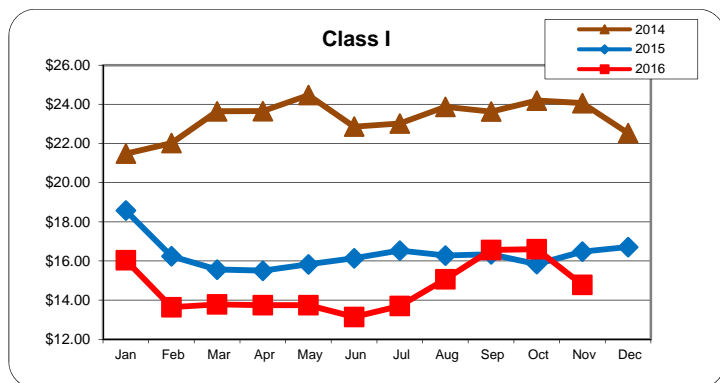
CLASS IV MILK PRICES (3.5%)

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 November 7 - 18, 2016

ORGANIC DAIRY FLUID OVERVIEW

AMS reports September 2016 total organic milk products sales at 218 million pounds, up 5.3% from the previous year. Sales are up 5.5%, January through September 2016, compared with the same months of 2015.

September organic whole milk sales are 82 million pounds, up 17.5% from September last year. Year to date organic whole milk sales are up 16.6% compared to sales within the same period last year.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, September 2016, WITH COMPARISONS 1/

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

ORGANIC PRODUCTION PRACTICE

Whole Milk	82	701	17.5	16.6
Reduced Fat Milk (2%)	67	590	4.0	9.1
Low Fat Milk (1%)	34	324	-3.8	-3.2
Fat-Free Milk (Skim)	26	239	-10.6	-9.5
Flavored Fat-Reduced Milk	8	65	6.1	-17.9
Other Fluid Milk Products	0	2	--	--
Total Fat-Reduced Milk 3/	135	1,217	-1.0	0.0
Tot. Organic Milk Products	218	1,919	5.3	5.5

*Total Fluid Milk Products Adjusted for Calendar Composition will not be published until release of "An Overview of Calendar Composition of Fluid Milk Sales." 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/ Sales volumes and percent changes have been adjusted for calendar composition.

Organic Milk in an Oversupply Situation. Strong increases in total organic milk products sales this year are having an impact. The current situation is described as an oversupply in most of the nation. This has resulted in organic milk being sold into the conventional market. That is being done to protect the long term organic pay price, rather than reduce the price. However, some large organic processors have reduced the Market Adjustment Premium (MAP) by \$1.00 or \$2.00, which still reduces producer revenue for milk sold.

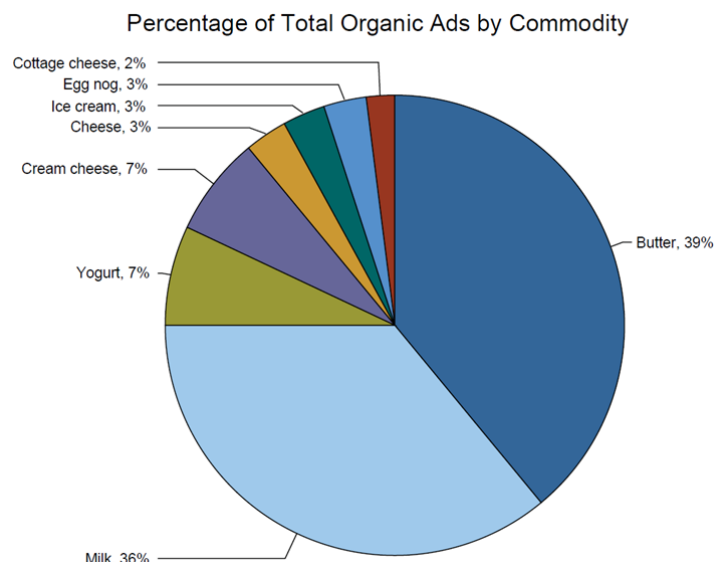
New Organic -Conventional Dairy Joint Venture. A step recently taken to attempt increasing organic milk sales, is a joint venture between a large organic dairy processor and a large conventional processor establishing a combined HTST fluid product business. The organic processor will supply organic milk that is processed in facilities owned by the conventional processor. Products will be sold through the existing large refrigerated direct to store distribution system of the conventional processor, which currently brings products to over 140,000 locations not currently served by the organic processor.

Organic Milk Pay Prices in the EU. Average organic milk farm prices in Germany for August 2016, 46.73 euros/100kg, are 1.46% lower than a year ago and down 0.06% from previous month, according to CLAL. Organic milk prices are nearly double conventional farm gate milk prices in Germany. In Bavaria, the August price, 47.43 euros, is down 0.90% from a year earlier and down 0.08% from July. As of November 16, the exchange rate was 1.0700 euros per 1 U.S. dollar. In France, the August price, 45.06 euros, is up 4.72% from a year earlier and up 0.52% from July. Organic milk prices are slightly over 50% higher than conventional farm gate milk prices in France.

ORGANIC DAIRY RETAIL OVERVIEW

Organic Dairy Overview. This week, organic butter accounts for 39% of organic dairy retail ad numbers by commodity, with a 38% increase in ads over the previous period. Organic milk ads survey at 36%, yogurt 7%, cream cheese 7%, cheese 3%, ice cream 3%, eggnog 3%, and cottage cheese 2%. Total organic retail ad numbers declined 39%. Organic yogurt and milk ads inclusive

of all packaging sizes declined 79% and 56%, respectively. There were 39 times more organic cheese retail ads this period.



Data source/graph USDA Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from November 18-24, 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)

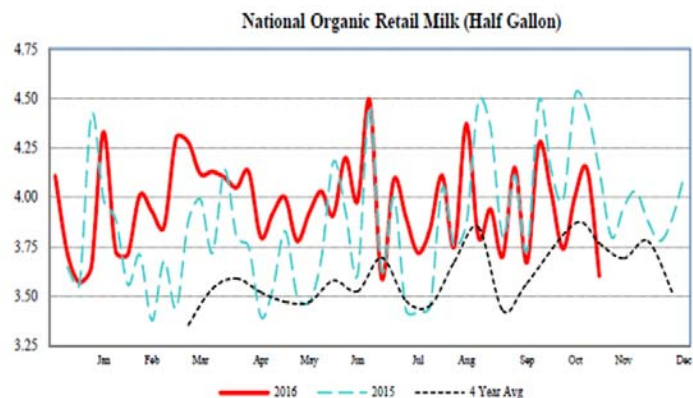
Commodity	This Week	Last Week	Last Year
Butter	5.13	5.12	5.79
Milk			
Half gal.	3.93	3.60	3.80
Gal.	5.62	...	6.79
8 oz.84
Yogurt			
4-6 oz. Greek	.88	.90	1.25
4-6 oz. Yogurt	.89	.60	...
32 oz. Yogurt	...	3.99	3.50

CONTINUED ON PAGE -8A-

ORGANIC DAIRY MARKET NEWS

Information gathered November 7 - 18, 2016

CONTINUED FROM PAGE -8-



Data source/graph USDA/AMS/Dairy Market News

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

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, OCTOBER 2016

Highlights. Handler reports of receipts and utilization under the Federal milk order system for October 2016 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During October, more than 11.445 billion pounds of milk were received from Federally pooled producers. This volume of milk is 1.6 percent higher than the October 2015 volume. Regulated handlers pooled 3.492 billion pounds of producer milk as Class I products, down 4.1 percent when compared to the previous year. Class I utilization decreased from last year in 9 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 31%, Class II = 14%, Class III = 42%, and Class IV = 13%. The weighted average statistical uniform price was \$15.85 per cwt, down \$0.86 from last month and down \$1.02 from last year.

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

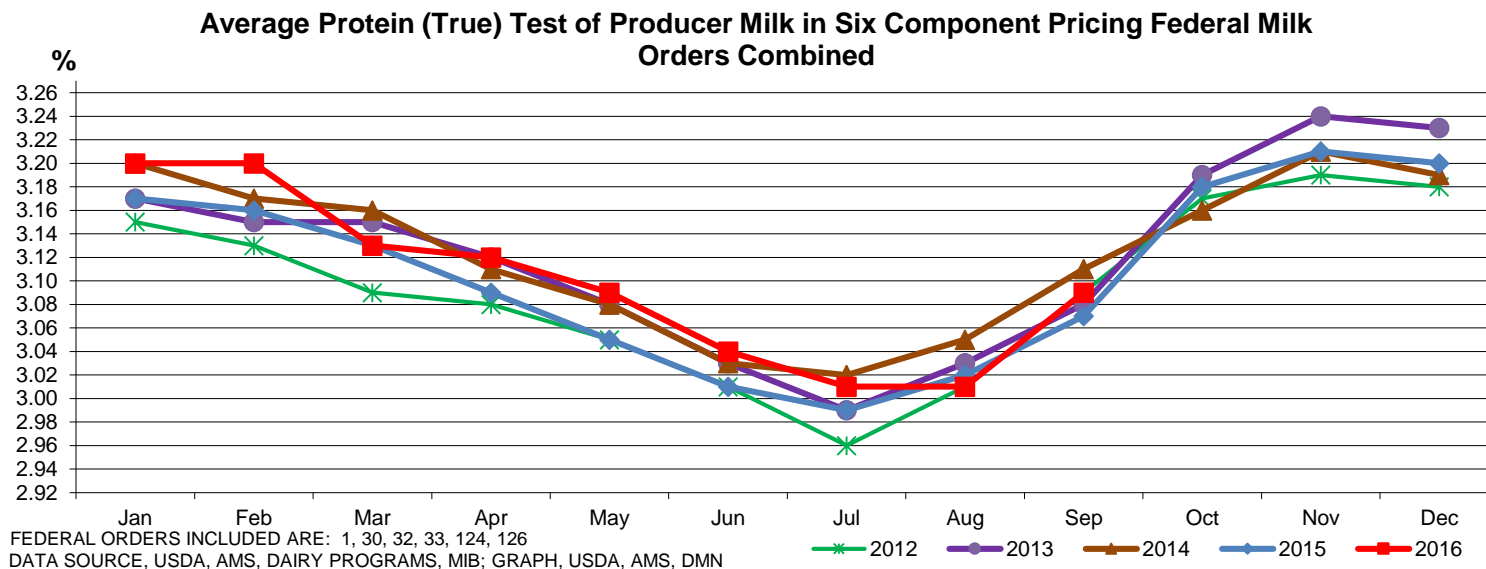
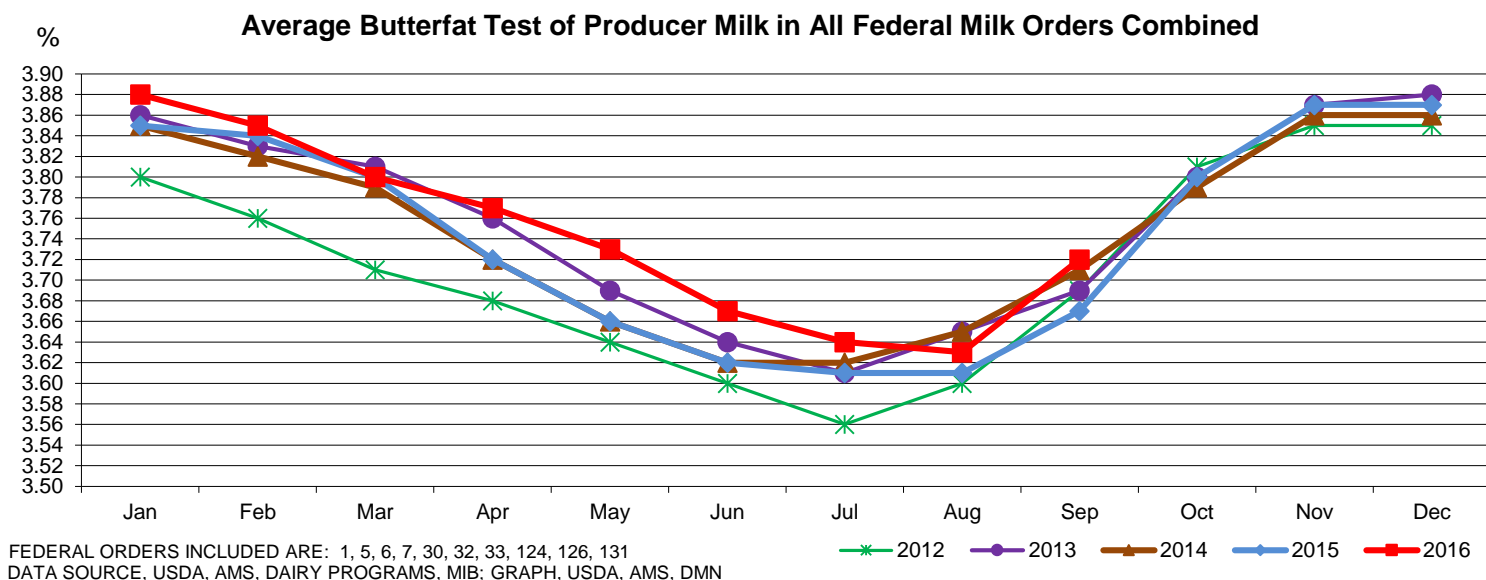
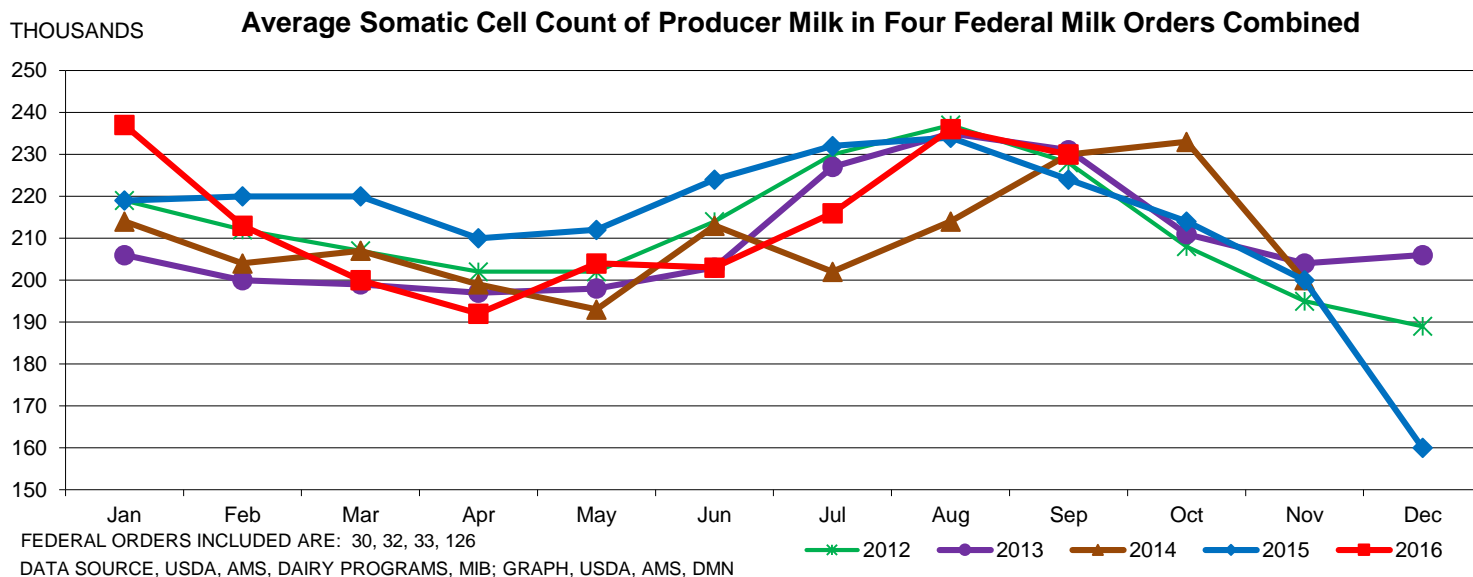
Federal Milk Order Marketing Area ¹	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I		Utilization of Producer Milk in All Classes ³				Uniform Price ²
		Total	Change from Prev. Year	Total	Change from Prev. Year	Class I	Class II	Class III	Class IV	
		(million lbs)	(percent)	(million lbs)	(percent)	(percent) ³				(\$ per cwt)
Northeast (Boston)	001	2,245.1	5.1	758.5	-5.7	34	24	25	17	16.23
Appalachian (Charlotte)	005	454.5	-2.0	320.8	-5.7	71	16	4	10	18.10
Florida (Tampa)	006	224.2	-3.6	186.3	-7.9	83	11	2	4	20.39
Southeast (Atlanta)	007	425.8	2.8	316.3	-5.1	74	16	3	7	18.72
Upper Midwest (Chicago)	030	2,770.8	0.9	283.7	-7.2	10	7	78	5	15.01
Central (Kansas City)	032	1,345.8	6.7	414.0	-2.6	31	11	47	11	15.35
Mideast (Cleveland)	033	1,691.5	2.4	559.2	-0.4	33	21	30	17	15.41
Pacific Northwest (Seattle)	124	614.4	-16.6	168.7	-2.7	27	8	29	36	14.96
Southwest (Dallas)	126	1,269.5	3.3	372.2	-2.8	29	9	52	10	16.13
Arizona (Phoenix)	131	404.3	4.2	112.5	0.2	28	12	29	31	15.39
ALL MARKET AVERAGE OR TOTAL ³		11,445.9	1.6	3,492.3	-4.1	31	14	42	13	15.85

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

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

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

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





Dairy Market News Branch

Agricultural
Marketing
Service

National Retail Report-Dairy

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

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Friday, November 18, 2016

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 11/18/2016 to 11/24/2016

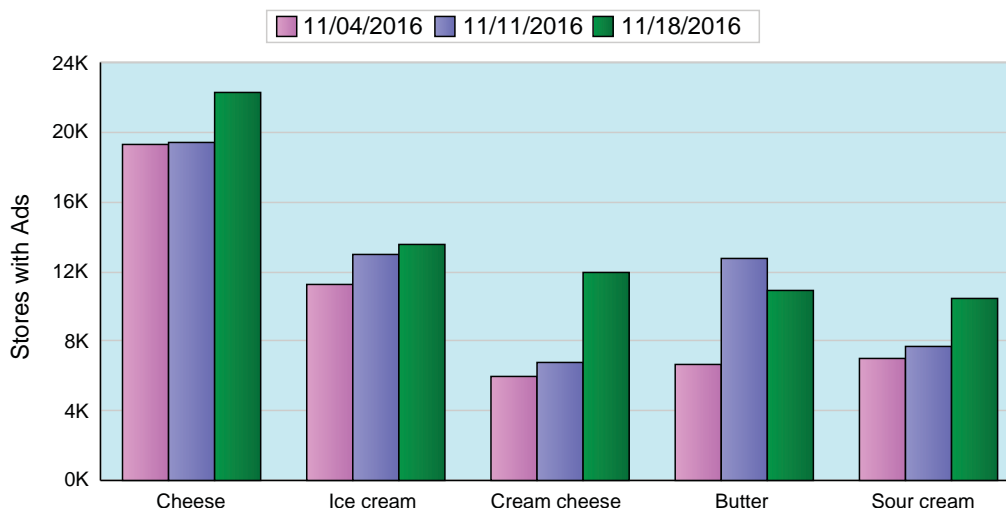
Total conventional dairy advertisements increased 2%, while organic dairy ads decreased 39%. Advertisements for conventional ice cream in 48-64 ounce containers increased 5% and that category was the top advertised dairy item. Egg nog ad numbers continue to climb as end of year holidays approach. Half gallon egg nog ad volume nearly tripled this week, with an average price of \$3.72, up \$.37 from last week. Ads for quarts of egg nog increased 132%, with an average price of \$2.42, down \$.07.

Conventional yogurt ads declined 38%, and organic yogurt ads decreased 79%. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.96, up \$.01 from a week ago, while 4-6 ounce conventional yogurt averaged \$0.52, down \$.03.

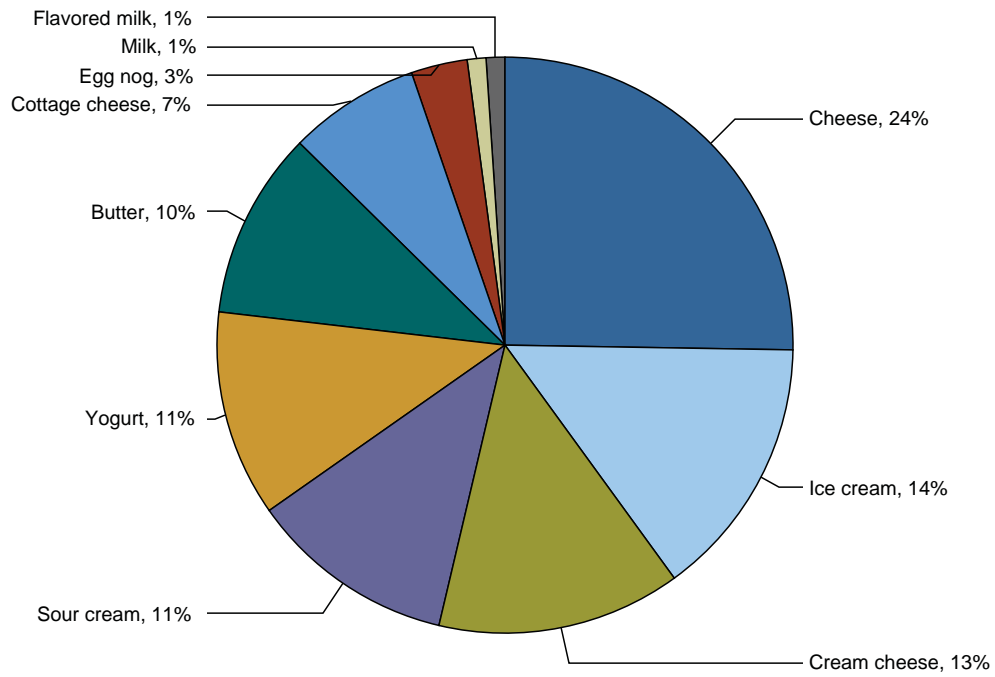
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.15, up 10 cents from last week. Ads for conventional 8 ounce shred cheese averaged \$2.24, up 15 cents from last week. The collective number of conventional cheese ads increased 14%.

This week, the difference between the average weighted price for organic half gallon milk, \$3.93, and the average weighted price for conventional half gallon milk, \$2.33, resulted in an organic price premium of \$1.60. Organic milk advertisements decreased 56%, while ads for conventional milk decreased 71%.

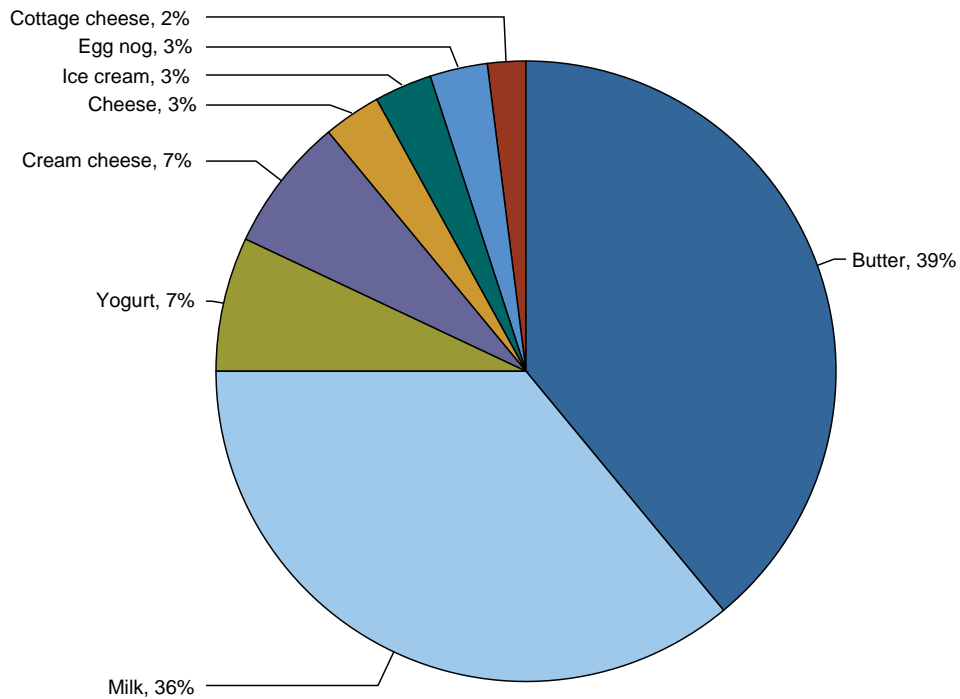
Top 5 Commodities Featured



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 #	9463	2.57	11739	2.69	12025	2.82
Cheese	Natural Varieties	8 oz block	11389	2.15	5655	2.05	12089	2.28
Cheese	Natural Varieties	1 # block	733	3.57	1847	3.72	849	3.84
Cheese	Natural Varieties	2 # block	972	5.91	549	6.43	638	6.39
Cheese	Natural Varieties	8 oz shred	8630	2.24	9109	2.09	10670	2.29
Cheese	Natural Varieties	1 # shred	407	3.32	2231	3.35	162	3.99
Cottage cheese		16 oz	6644	1.75	5444	1.67	2844	1.90
Cream cheese		8 oz	11717	1.53	6742	1.68	14346	1.43
Egg nog		quart	374	2.42	161	2.49	556	3.55
Egg nog		half gallon	2507	3.72	866	3.35	1032	4.55
Flavored milk	All fat tests	half gallon	577	1.84	915	1.11	303	1.79
Flavored milk	All fat tests	gallon	333	2.17	1067	2.46		
Ice cream		48-64oz	13482	3.13	12790	3.09	13354	3.21
Milk	All fat tests	half gallon	511	2.33	2128	1.40	533	1.64
Milk	All fat tests	gallon	697	2.61	2025	2.57	1930	2.72
Sour cream		16 oz	10505	1.68	7528	1.57	11280	1.75
Yogurt	Greek	4-6 oz	5932	.96	10196	.95	8889	.98
Yogurt	Greek	32 oz	994	4.51	946	4.30	1359	4.51
Yogurt	Yogurt	4-6 oz	2396	.52	4205	.55	4971	.52
Yogurt	Yogurt	32 oz	679	2.33	805	2.35	1043	2.63

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 #	1.99-3.99	1832	2.62	1.99-3.00	2042	2.55	1.48-3.00	1347	2.34
Cheese	Natural Varieties	8 oz block	1.66-3.50	2226	2.18	1.49-3.00	4715	2.23	1.49-2.99	1395	2.03
Cheese	Natural Varieties	1 # block	2.50-3.99	279	3.61	2.99	210	2.99	2.99	57	2.99
Cheese	Natural Varieties	8 oz shred	1.66-2.77	1290	2.28	1.69-2.50	1990	2.35	1.49-2.49	1314	1.97
Cheese	Natural Varieties	1 # shred	3.99	135	3.99	2.99	210	2.99			
Cottage cheese		16 oz	1.49-2.50	864	2.01	0.99-2.50	1775	1.86	1.25-2.00	863	1.58
Cream cheese		8 oz	0.79-3.00	2004	1.43	0.79-2.00	4146	1.36	0.99-1.67	753	1.38
Egg nog		quart							2.88	107	2.88
Egg nog		half gallon	3.99-4.99	695	4.59				2.99-3.99	521	3.19
Flavored milk	All fat tests	half gallon				0.99	210	.99			
Flavored milk	All fat tests	gallon							1.49-2.99	138	2.24
Ice cream		48-64oz	1.99-3.99	2061	2.82	1.99-3.99	4871	2.96	1.25-4.49	1724	3.15
Milk	All fat tests	half gallon				0.99	210	.99	4.78	180	4.78
Milk	All fat tests	gallon	1.99	62	1.99	1.99	87	1.99	2.00-2.99	126	2.54
Sour cream		16 oz	1.29-2.00	1474	1.65	0.99-2.00	3031	1.86	0.99-2.00	1161	1.63

Wtd Avg - Simple weighted average



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Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Greek	4-6 oz	0.75-1.00	1706	.97	1.00	405	1.00	0.80-1.00	958	.95
Yogurt	Greek	32 oz	3.99-4.99	390	4.41	5.49	61	5.49	3.99-5.00	237	4.76
Yogurt	Yogurt	4-6 oz	0.48-0.88	349	.64	0.50	563	.50	0.50	180	.50
Yogurt	Yogurt	32 oz	1.99-2.50	388	2.28						

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 #	1.69-3.00	1687	2.41	2.47-3.00	2357	2.76	1.88-3.33	130	2.56
Cheese	Natural Varieties	8 oz block	1.50-3.00	1838	2.07	1.66-2.98	1006	2.10	0.99-2.50	166	1.54
Cheese	Natural Varieties	1 # block				3.00-4.99	187	4.33			
Cheese	Natural Varieties	2 # block	4.99-5.99	201	5.39	5.99-7.99	345	6.96	4.99-5.99	424	5.31
Cheese	Natural Varieties	8 oz shred	1.50-2.50	1362	2.04	1.66-3.50	2261	2.44	0.99-2.50	340	1.88
Cheese	Natural Varieties	1 # shred				3.00	62	3.00			
Cottage cheese		16 oz	1.25-2.58	930	1.79	1.00-2.00	1729	1.56	1.50-2.50	455	1.75
Cream cheese		8 oz	0.99-2.00	1279	1.56	1.48-2.99	2477	1.83	0.99-2.49	987	1.66
Egg nog		quart	1.99-2.69	240	2.15						
Egg nog		half gallon	2.99-3.99	340	3.35	2.99-3.69	629	3.31	3.49	289	3.49
Flavored milk	All fat tests	half gallon				2.99	246	2.99	1.00	121	1.00
Flavored milk	All fat tests	gallon	1.99-2.19	195	2.11						
Ice cream		48-64oz	1.99-4.99	1775	3.63	2.49-4.90	2153	3.35	2.50-3.50	672	2.78
Milk	All fat tests	half gallon							1.00	121	1.00
Milk	All fat tests	gallon	2.19-3.19	314	2.77	1.99	63	1.99			
Sour cream		16 oz	1.25-2.00	1442	1.73	0.99-2.00	2495	1.51	1.19-1.50	749	1.36
Yogurt	Greek	4-6 oz	0.88-1.00	668	.98	0.79-1.00	1487	.94	0.79-1.25	637	.91
Yogurt	Greek	32 oz				3.49-4.99	240	4.60	2.99	61	2.99
Yogurt	Yogurt	4-6 oz	0.50	154	.50	0.50	705	.50	0.50	394	.50
Yogurt	Yogurt	32 oz				2.50	117	2.50	1.99-2.79	174	2.31

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 #	2.95-4.50	38	4.13	3.29-4.59	30	3.55
Cheese	Natural Varieties	8 oz block	2.29	5	2.29	2.75-3.25	38	3.20
Cheese	Natural Varieties	2 # block	4.99	2	4.99			
Cheese	Natural Varieties	8 oz shred	2.29-2.98	8	2.55	2.75-3.25	65	3.12
Cottage cheese		16 oz	2.00-2.98	28	2.21			
Cream cheese		8 oz	1.25-4.00	65	3.19	3.00	6	3.00
Egg nog		quart				2.99	27	2.99
Egg nog		half gallon	4.95-7.98	33	7.52			
Ice cream		48-64oz	2.98-7.99	110	5.74	2.77-4.00	116	3.60
Milk	All fat tests	gallon	3.69	11	3.69	4.99	34	4.99

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
Sour cream		16 oz	1.66-3.50	75	2.48	2.00-2.99	78	2.52
Yogurt	Greek	4-6 oz	1.00-1.25	33	1.07	1.09-1.50	38	1.46
Yogurt	Greek	32 oz	3.99	2	3.99	3.99	3	3.99
Yogurt	Yogurt	4-6 oz	0.60	21	.60	0.69-0.79	30	.78

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	1445	5.13	1049	5.12	1019	5.79
Cheese	Natural Varieties	8 oz block			3	5.98	250	4.43
Cheese	Natural Varieties	1 # block	117	5.99				
Cheese	Natural Varieties	8 oz shred					82	3.50
Cottage cheese		16 oz	62	3.99	161	3.99		
Cream cheese		8 oz	258	2.72				
Egg nog		quart			241	3.99	63	3.49
Egg nog		half gallon	114	5.49				
Ice cream		48-64oz	117	4.99	218	5.92		
Milk	All fat tests	half gallon	853	3.93	3060	3.60	1372	3.80
Milk	All fat tests	gallon	486	5.62			84	6.79
Milk	All fat tests	8 oz UHT					627	.84
Sour cream		16 oz			212	2.75		
Yogurt	Greek	4-6 oz	210	.88	1025	.90	333	1.25
Yogurt	Greek	32 oz			59	3.59		
Yogurt	Yogurt	4-6 oz	69	.89	62	.60		
Yogurt	Yogurt	32 oz			69	3.99	114	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	59	3.99	4.99	214	4.99	4.99-5.49	282	5.11
Milk	All fat tests	half gallon	4.49-4.59	280	4.57	2.99	210	2.99			
Milk	All fat tests	gallon	5.99	167	5.99	5.39	214	5.39			
Yogurt	Greek	4-6 oz				0.88	210	.88			

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 #	5.49	114	5.49	3.99-5.99	776	5.21			
Cheese	Natural Varieties	1 # block				5.99	117	5.99			
Cottage cheese		16 oz				3.99	62	3.99			
Cream cheese		8 oz	2.50	141	2.50	2.99	117	2.99			
Egg nog		half gallon	5.49	114	5.49						
Ice cream		48-64oz				4.99	117	4.99			
Milk	All fat tests	half gallon				3.99	363	3.99			
Milk	All fat tests	gallon							5.49	105	5.49
Yogurt	Yogurt	4-6 oz							0.89	69	.89

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price

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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