

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (12/23)**

BUTTER: Grade AA closed at \$2.2475. The weekly average for Grade AA is \$2.2270 (+.1200).

CHEESE: Barrels closed at \$1.5550 and 40# blocks at \$1.6900. The weekly average for barrels is \$1.6060 (-.0805) and blocks, \$1.7350 (-.0310)

NONFAT DRY MILK: Grade A closed at \$1.0200. The weekly average for Grade A is \$1.0265 (+.0340).

BUTTER HIGHLIGHTS: At this point, holiday butter retail orders have been shipped and delivered. Butter output rate varies in every region of the nation. With weaker cream interest from Class II processors, supplies are becoming more available for churning. As a result, some butter makers are actively churning and are expecting running full production schedules over the upcoming holiday weekend. On the other end, some butter makers are reducing supply in order to balance butter inventories, as they do not want to build large stocks at current prices. Overall, butter makers are transitioning into Q1 production schedules, increasing bulk output. This week, a cooperative export assistance program accepted requests for 1.323 million pounds of butter. So far this year, the program has accepted assistance requests for 11.076 million pounds of butter. Friday at the CME Group, Grade AA butter closed at \$2.1900, up \$.1250 from last Friday.

CHEESE HIGHLIGHTS: The Northeast and West regions are seeing readily available milk, while reports vary in the Midwest. Contacts from all regions report that milk supplies are expected to increase further with the upcoming school holidays, which may divert milk from bottling plants to cheese producers. Abundant milk has kept cheesemakers' production schedules running regularly. Northeastern manufacturers are aiming to keep end-of-year inventories low, in order to take advantage of the expected surplus of discounted milk. All regions are reporting good demand in seasonal selections, while some Midwestern pizza cheese producers are reporting a minor slowdown. The trend of longer barrel inventories persists, granting Western cheese buyers the opportunity to buy aged barrels at a bargain. They contend that blocks are also in good supply, but remain tighter than barrels. In CME Group trading Friday, barrels closed at \$1.5550, down \$.1450 from last Friday. Blocks closed at \$1.6900, down \$.1100 from last Friday.

FLUID MILK: Overall, farm milk production continues to increase across the U.S., with volumes well above year ago levels. Presently, milk output trends along seasonal levels in most regions, although wintery conditions challenge cow comfort in the northern and southern Central region as well as the Western mountainous states. Across regions, surplus milk will likely add to available supplies, due to slowing of bottled milk interest as schools and higher educational institutions break

over the yearend holiday period. A few manufacturing operations are expected to increase production schedules to handle heavier intakes. Manufacturing milk loads available for Midwest Class III plants exceeded expectations. Spot prices range \$2.00 to \$4.00 under Class, while slightly below Class in Colorado and Utah. Heavy cream supplies are expected to encourage lower to flat market multiples. Through the week, East region multiples ranged **1.10-1.30**, Midwest **1.13-1.22**, and West **1.04-1.17**.

DRY PRODUCTS: Dry product markets in general are maintaining firm to steady undertones. Nonfat dry milk prices moved higher in the mostly series in the East, Central, and West regions. NDM production schedules are higher with active dryers operating through the holiday period. The rise of NDM values is boosting dry buttermilk prices. Supplies are increasing as more butter is churned and additional buttermilk solids are generated. Dry whole milk prices are steady. Increased drying is occurring, with declines in Class II butterfat usage. The dry whey market trend is firm on good demand. Spot offers are few as buyers work through existing inventories. Whey protein concentrate prices advance relative higher in the mostly series as inventories remain tight. Resellers are active with trades occurring above published prices. Strong demand and tight supplies have led to higher prices in the lactose market. Some buyers are pushing back. Casein prices are steady to higher.

INTERNATIONAL DAIRY MARKET NEWS (DMN):
WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: EU milk production January-October this year is 1.1% above the same period of 2015 according to Eucolait. However, each month June-October has been below volumes for each of those months of 2015. For this October, among the larger EU milk producing nations, only the Netherlands and Italy have positive milk production compared with October last year. The Netherlands is up 2.0% and Italy is up 1.1%. The following countries reported declines as shown: Denmark, -5.1%; Germany, -3.7%; France, -7.7%; Ireland, 4.3%; and the United Kingdom, -6.0%. Some observers note that with rising milk prices in many EU countries, the negative trend may well turn around in coming months. A significant factor in those countries with lower production has been lower cow numbers. This has occurred either by producers reducing herd size, or in some cases, ceasing dairy production. When higher prices are perceived to have staying power, herd expansions are expected. **EASTERN OVERVIEW:** Milk production during October this year compared with October last year is 0.4% lower in Poland, 1.1% lower in Romania, and 0.4% lower in Hungary, according to Eucolait. In Russia, October 2016 imports of a number of dairy products are lower than October 2015. Skim

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NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY DEC 19	TUESDAY DEC 20	WEDNESDAY DEC 21	THURSDAY DEC 22	FRIDAY DEC 23	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.6850 (-.0150)	\$1.6550 (-.0300)	\$1.5675 (-.0875)	\$1.5675 (N.C.)	\$1.5550 (-.0125)	:: (-.1450)	:: \$1.6060 (-.0805)
40# BLOCKS	\$1.7900 (-.0100)	\$1.7850 (-.0050)	\$1.7000 (-.0850)	\$1.7100 (+.0100)	\$1.6900 (-.0200)	:: (-.1100)	:: \$1.7350 (-.0310)
NONFAT DRY MILK							
GRADE A	\$1.0225 (+.0025)	\$1.0200 (-.0025)	\$1.0200 (N.C.)	\$1.0500 (+.0300)	\$1.0200 (-.0300)	:: (N.C.)	:: \$1.0265 (+.0340)
BUTTER							
GRADE AA	\$2.2475 (+.0575)	\$2.2200 (-.0275)	\$2.2050 (-.0150)	\$2.2150 (+.0100)	\$2.2475 (+.0325)	:: (+.0575)	:: \$2.2270 (+.1200)

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.USA.GOV/DAIRY

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

milk powder is down 18.9% and whey powder is down 39.2%. However, butter imports are up 8.4% and whole milk powder imports are up 34.3%.

OCEANIA OVERVIEW: Australia. Most dairy producers are not purchasing any significant amounts of feed at this time. Good pasture conditions throughout much of the country reduces the need to purchase feed. This may not change until late summer when pastures begin to decline. In Northern Australia, the quality of hay is improving following recent weather damage. Hot and dry weather has helped. Yields have been good, boosting production totals. Demand for hay in coastal areas is the exception to most of the country. Coastal areas have been unusually dry, adversely affecting pastures. Overall, hay purchasing tends to be hand to mouth. Hay interest in the South is very weak. A buyers' market exists and is expected to continue to exist. **New Zealand** November milk production and milk solids lagged the levels one year ago. November 2016 milk production was 2.85 million MT, down from 3.04 million MT in October. During November 2015, milk production was 2.98 million MT. November milk solids, 234.77 million kg, are down from 247.43 million kg in October. During November 2015, milk solids were 248.03 million kg. The lower milk production was not surprising to many New Zealand dairy observers. Rainy weather during November, especially on the South island, was expected to impact milk production. At the December 20 GDT event #178, average prices ranged from 2.3% lower to 3.3% 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, \$5,367 -2.3%; butter, \$4,290 +0.5%; buttermilk powder, \$2,874 +3.1%; cheddar cheese, \$3,826 +1.9%; lactose, \$857 -1.6%; rennet casein, \$6,473 +3.3%; skim milk powder, \$2,621 0.0%; and whole milk powder, \$3,568 -0.8%. The rather tepid GDT outcome is not expected to have much impact on farmgate milk prices in New Zealand, in the view of some observers. Results are still considered adequately strong to support projected milk solids pricing of a larger milk processor, 6 New Zealand Dollars per kilogram of milk solids. This would generate better returns to dairy producers than last season and would help build producer confidence in their ability to work through debt recently acquired to make it through a period of lower returns. Even so, increasing numbers of dairy producers are believed to feel they are experiencing undue pressure from lenders as to their mortgages. **SOUTH AMERICA OVERVIEW:** In **Argentina** and **Uruguay**, farm milk intakes are lower, in line with summer patterns. Milk components continue declining. Overall, milk supplies are in balance with processing needs. With most schools closed during the summer break, bottled milk sales are slightly lower. However, there is good interest from customers for flavored milk. Cheese and butter holiday orders from retailers and some food service channels have been shipped and delivered. According to some industry participants, recent rains have helped improve the quality of pasture and forage in the main dairy areas of Argentina and Uruguay. In the southern states of **Brazil**, farm milk supply is trending lower, following summer trends. However, dairy producers from Minas Gerais and other nearby states note a typical steady milk yields, mainly due to high quality feed. Milk intakes moving into cheese processing are more than suitable. Brazilian cheese manufacturing is active and inventories are building. Large manufacturing milk volumes are clearing into WMP processing as the domestic demand is becoming stronger. Consequently, interest for spot milk loads is increasing. A few weeks ago, the Brazilian government enacted a law requiring manufacturers from the northeastern region to process reconstituted UHT and pasteurized milk only from domestically produced dairy powders. Compared to the past two weeks, as reported by Milkpoint, spot milk prices per liter in Brazil increased from R\$1.11 to R\$1.17 BRL or \$0.35 USD. This week, the average wholesale price per liter for UHT milk is R\$2.05 BRL or \$0.61 USD, based on Wall Street currency exchange rates as of December 19, 2016. According to the Brazilian Institute of Geography and Statistics (IBGE), during Q3, 2016, Brazilian milk production totaled 5.8 billion liters, 2.5% lower compared to the same quarter of 2015. From January to September, milk output was 16.9 billion liters, down 4.8% from the same period of 2015.

NATIONAL RETAIL REPORT (DMN): Dairy advertisements were plentiful for this holiday week. The top four conventional dairy items advertised were all directed toward traditional holiday meals and included cream cheese in 8 ounce containers, ice cream in 48-64 ounce containers, 1 pound packages of butter, and 16 ounce containers of sour cream. This week, total conventional dairy advertisements increased 22%, and organic dairy ads increased 89%. The national average price for 1 pound conventional butter is \$2.60, while 1 pound organic butter is \$5.01, representing an organic price premium of \$2.41. The weighted average price for conventional half gallon egg nog, \$3.59, is down 12 cents from last week. The collective number of conventional cheese ads increased 39%, while organic cheese ads increased 241%. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.16, and organic 8 ounce cheese blocks averaged \$3.39, a \$1.23 difference between organic and conventional prices. Ads for conventional 8 ounce shred cheese averaged \$2.07, while organic 8 ounce shred cheese averaged \$2.99, resulting in an organic premium of 92 cents. Conventional yogurt ads decreased 11%, but organic yogurt ads increased 108%. The average sale price for 4-6 ounce conventional yogurt was \$0.52, while 4-6 ounce organic yogurt averaged \$1.33. The average sale price for 4-6 ounce conventional Greek yogurt was \$0.98, unchanged from last week. There were no organic Greek yogurt ads this week. Organic half gallon milk was the most advertised organic item this week. Organic milk advertisements increased 203%, while ads for conventional milk decreased 4%. There were no reported sales prices for conventional half gallon milk. The weighted average price for organic half gallon milk is \$3.78, down 20 cents from last week.

NOVEMBER MILK PRODUCTION (NASS): Milk production in the 23 major States during November totaled 16.1 billion pounds, up 2.6% from November 2015. October production, unrevised at 16.5 billion pounds, was up 2.7% from October 2015. Production per cow in the 23 major States averaged 1,851 pounds for November, 40 pounds above November 2015. This is the highest production per cow for the month of November since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.67 million head, 33,000 head more than November 2015, and 4,000 head more than October 2016.

NOVEMBER MARKETING AND UTILIZATION SUMMARY (FMMO): During November, 9.024 billion pounds of milk were received from federally pooled producers. This volume of milk is 17.5 percent lower than the November 2015 volume. Regulated handlers pooled 3.514 billion pounds of producer milk as Class I products, up 1.1 percent when compared to the previous year. Class I utilization increased from last year in 5 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 39%, Class II = 16%, Class III = 29%, and Class IV = 16%. The weighted average statistical uniform price was \$16.14 per cwt, up \$0.29 from last month, but down \$1.11 from last year.

JANUARY FEDERAL MILK ORDER ADVANCE CLASS PRICES (FMMO): Under the Federal milk order pricing system, the base Class I price for January 2017 is \$17.45 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$9.61 and the advanced butterfat pricing factor of \$2.3374. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price. The base Class I price increased \$0.57 per cwt when compared to the previous month of December 2016. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.51 per cwt, \$0.044 per gallon; reduced fat milk (2%), \$0.23 per cwt, \$0.020 per gallon; fat-free (skim milk), -\$0.12 per cwt, -\$0.010 per gallon. The advanced Class IV skim milk pricing factor is \$7.07. Thus, the Class II skim milk price for January 2017 is \$7.77 per cwt, and the Class II nonfat solids price is \$0.8633. The two-week product price averages for January 2017 are: butter \$2.1016, nonfat dry milk \$0.9615, cheese \$1.8052 and dry whey \$0.3981.

CME GROUP

MONDAY, DECEMBER 19, 2016

CHEESE – SALES: 6 CARS BARRELS: 3 @ \$1.7000, 1 @ \$1.6900, 1 @ \$1.6875, 1 @ \$1.6850; 3 CARS 40# BLOCKS: 1 @ \$1.7750, 1 @ \$1.8000, 1 @ \$1.7750; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.7900; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6900
 NONFAT DRY MILK – SALES: 2 CARS GRADE A: 1 @ \$1.0075, 1 @ \$1.0200; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.0225; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.0250
 BUTTER – SALES: 6 CARS GRADE AA: 2 @ \$2.2000, 2 @ \$2.2500, 1 @ \$2.2375, 1 @ \$2.2475; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.2700; LAST OFFER UNCOVERED: NONE

TUESDAY, DECEMBER 20, 2016

CHEESE – SALES: 8 CARS BARRELS: 5 @ \$1.6800, 3 @ \$1.6700; 5 CARS 40# BLOCKS: 1 @ \$1.7750, 1 @ \$1.7850, 1 @ \$1.7875, 2 @ \$1.7900; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.7750; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6550; 1 CAR 40# BLOCKS @ \$1.7850
 NONFAT DRY MILK – SALES: 4 CARS GRADE A: 1 @ \$1.0050, 1 @ \$1.0100, 1 @ \$1.0150, 1 @ \$1.0200; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.0100; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.0225
 BUTTER – SALES: 3 CARS GRADE AA: 1 @ \$2.2150, 2 @ \$2.2200; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.2400

WEDNESDAY, DECEMBER 21, 2016

CHEESE – SALES: 11 CARS BARRELS @ \$1.6500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5675; 1 CAR 40# BLOCKS @ \$1.7000
 NONFAT DRY MILK – SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9700; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.0200
 BUTTER – SALES: 5 CARS GRADE AA: 3 @ \$2.2000, 1 @ \$2.2100, 1 @ \$2.2050; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.2000; LAST OFFER UNCOVERED: NONE

THURSDAY, DECEMBER 22, 2016

CHEESE – SALES: 11 CARS BARRELS: 1 @ \$1.5775, 1 @ \$1.5875, 1 @ \$1.5975, 1 @ \$1.5900, 1 @ \$1.5775, 1 @ \$1.5750, 1 @ \$1.5725, 1 @ \$1.5700, 1 @ \$1.5675, 1 @ \$1.5650, 1 @ \$1.5700; 2 CARS 40# BLOCKS: 1 @ \$1.6900, 1 @ \$1.7100; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5675
 NONFAT DRY MILK – SALES: 7 CARS GRADE A: 1 @ \$1.0200, 2 @ \$1.0100, 1 @ \$1.0200, 3 @ \$1.0500; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.0400; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$1.1000
 BUTTER – SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.2150; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.2500

FRIDAY, DECEMBER 23, 2016

CHEESE – SALES: 4 CARS BARRELS: 1 @ \$1.5775, 1 @ \$1.5725, 1 @ \$1.5625, 1 @ \$1.5550; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5525; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5600; 1 CAR 40# BLOCKS @ \$1.6900
 NONFAT DRY MILK – SALES: 1 CAR GRADE A @ \$1.0200; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.0200; LAST OFFER UNCOVERED: NONE
 BUTTER – SALES: 1 CAR GRADE AA @ \$2.2475; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS**NORTHEAST**

Butter production is active with moderate to heavy churning. Butter producers are absorbing sufficient cream volumes to cover projected near term needs as offerings become more available. Heavier churning schedules are likely into next week for most operations as favorable pricing structures develop around surplus cream volumes. Retail and food service orders, although slower this week, are still good. The majority of manufacturers have booked and shipped all holiday orders. While a surge in the butter price is typical the week prior to the holiday, some market participants are still adjusting to strong fluctuations that occurred at the CME the past week. This lends a tone of firmness even as prices withdrew somewhat this week. Prices for domestic bulk butter sales are 5-8 cents over the market of the CME Group, with various time frames and averages used. Tuesday's CME Group cash trading saw Grade AA butter close at \$2.2200, up \$0.1350 from the previous week. The DMN *National Retail Report-Dairy*, for December 16-22, 2016, noted the national advertised weighted average price for 1-pound butter was \$2.77, unchanged from last week, but down 33 cents from a year ago. The Northeast regional butter price was \$3.17, up 45 cents from last week. However, the Southeast price dropped 40 cents, while averaging \$2.86. This week, a cooperative export assistance program accepted requests for export assistance to sell 1.323 million pounds of butter. So far this year, a cooperative export assistance program has assisted to sell 11.076 million pounds of butter (82% milkfat).

CENTRAL

Central butter production is mixed this week. With sluggish cream interest from Class II processors, cream supplies are more available

for churning. Therefore, some butter makers are actively churning and are anticipating running full production schedules over the holiday weekend. On the other hand, some butter manufacturers are reducing output rates in order to balance butter stock levels. According to them, the market is weak and they do not want to build large supplies at current prices. Print butter production is present, but is only made for immediate needs. Holiday orders from retailers have been shipped and delivered. Requests from food service are steady, but an uptick is expected through the yearend holidays. Bulk butter prices reported ranged from 2 to 6 cents over the market, with various periods and averages used. DMN *National Retail Report-Dairy* for December 16-22 noted the national weighted average advertised price for a 1 pound package of butter is \$2.77, no change from one week ago, but \$0.33 lower than one year ago. The weighted average price in the Midwest and South Central regions are \$2.54 and \$2.53, respectively. This week, a cooperative export assistance program accepted requests for 1.323 million pounds of butter. So far this year, the program has accepted assistance requests for 11.076 million pounds of butter. Wednesday at the CME Group, Grade AA butter closed at \$2.2050, up \$.1200 from last Wednesday.

WEST

Western butter makers are starting to ease into the seasonal Q1 production schedules, making a little more bulk butter each week. Cream is plentiful as the Class II winter holiday order rush concludes and Class II manufacturers wind down production levels. A few processors say the butter churns are busy trying to clear the excess cream. Butter inventories are seasonally lower and a few industry contacts suggest stocks may be tighter than they have been for some time. Domestic demand is still good as consumers prepare

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NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

<u>WEEK ENDING</u>	<u>BUTTER</u>	<u>CHEESE 40# BLOCKS</u>	<u>CHEESE BARRELS 38% MOISTURE</u>	<u>DRY WHEY</u>	<u>NDM</u>
December 17, 2016	2,0974 3,753,284	1,8329 13,573,837	1,6916 12,247,325	.4030 6,360,381	.9671 15,596,958

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

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for holiday gatherings, but the holiday baking season is passing quickly. Bulk butter pricing in the West this week is even 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 December 16-22 found that the U.S. weighted average advertised price of 1 pound butter is \$2.77, unchanged from last week. The U.S. weighted average price was \$3.10 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$2.59 with a price range of \$1.88-\$2.99. In the Northwest, the weighted average advertised price of 1 pound butter is \$2.50 with a price range of \$2.49-\$2.50. This week, a cooperative export assistance program accepted requests for 1.323 million pounds (600 metric tons) of butter. So far this year, the program has assisted member cooperatives who have contracts to sell 11.1 million pounds of butter (82% milkfat) in export markets. The Grade AA butter price at the CME Group on Wednesday closed at \$2.2050, up \$.1200 from a week ago.

CHEESE MARKETS

NORTHEAST

Cheese production is at seasonal levels. Manufacturers expect output to be somewhat heavier during the yearend holiday period, with extra fluid milk availability due to waning school demand. Manufacturers are careful to maintain stocks at reasonable yearend levels. Aged cheddar is seeing the typical good seasonal interest. Food service interest should continue to hold steady into the New Year. The market undertone is not as firm, as softness in spot cheese prices develops. The *DMN National Retail Report-Dairy*, for December 16-22, 2016, noted the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.30, 7 cents above the national average, with a regional price range of \$1.49-\$3.79. The Southeast 8 oz. block average price was \$2.18, 5 cents below the national average, with a regional price range of \$1.99-\$3.00. The Northeast average advertised price for 8 oz. cheese shreds was \$2.14, equivalent to the national average price, with a regional price range of \$1.66-\$2.99. In the Southeast, the average price for 8 oz. shreds was \$2.04, with prices ranging \$1.67-\$3.00. This week, the Northeast wholesale cheese price for cheddar and Muenster increased \$0.1000 and the process 5# sliced cheese price increased \$0.0350. Grade A Swiss prices are unchanged. Tuesday's CME Group daily cash prices saw barrels closed at \$1.6550, down \$0.0250 from a week ago. Blocks closed Tuesday at \$1.7850, up \$0.0275 from a week ago.

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

Cheddar 40# Block	:	2.2275-2.5125
Process 5# Sliced	:	1.8200-2.3000
Muenster	:	2.2125-2.5625
Grade A Swiss Cuts 10 - 14#	:	3.2700-3.5925

MIDWEST

Midwestern cheese producers report another strong week in orders. Pizza cheese has slowed a bit as more traditional holiday type cheeses are in higher demand. Pizza cheese producers report they are shifting their production to cheeses with a longer shelf life until Super Bowl preparations begin. The trend of longer barrel inventories continues, as blocks tighten and are in higher demand for contract deals throughout 2017. Milk supply reports have been varied. Some cheese producers are buying spot loads at discounted rates, while others report a scarcity of milk. Most report that milk supplies should be up next week with the upcoming school breaks, which will divert the milk from bottling plants to the cheese vats. Producers who report finding milk at discounted rates plan on running on a full schedule throughout the holidays, taking advantage of bargain milk prices. The *DMN National Retail Report-Dairy* shows that December 16-22 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.11, 3 cents below the national average. Midwest prices range from \$1.50-\$3.00. One year ago, the national price was \$2.27. For 8 ounce blocks, the Midwest average price is \$2.14, 9 cents below the national average price. Midwest ads are priced from \$1.25-\$3.00. Last year, the national price was \$2.22. Midwestern wholesale prices are unchanged for Swiss cuts, up \$.1000 for process and up \$.0350 for all other types. This week, a cooperative export assistance program accepted requests for 228,178 pounds (104 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 51.6 million pounds of cheese in export markets. In CME Group trading Wednesday, barrels closed at \$1.5675, down \$.1475 from last Wednesday and blocks closed at \$1.7000, down \$.0575.

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

Process American 5# Loaf	:	1.7775-2.1375
Brick And/Or Muenster 5#	:	2.1325-2.5575
Cheddar 40# Block	:	1.8600-2.2550
Monterey Jack 10#	:	2.1075-2.3125
Blue 5#	:	2.4000-3.3875
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9325-2.8725
Grade A Swiss Cuts 6 - 9#	:	2.7875-2.9050

WEST

Western cheese makers report good consumer demand continuing through the early part of the week. Holiday shipments have been made and industry contacts expect orders to slow over the winter holidays. Domestic demand has helped offset the lack of abundant export opportunities and has provided some price support for current cheese production. End users are making regular purchases and cheese is moving well through existing contracts. Some contacts suggest their purchases would be more active if price levels were lower. According to some buyers, there is plenty of cheese in inventories across the region. Cheese barrels are long and some buyers are making purchases at heavily discounted prices for barrels that have a little more age. These contacts say blocks are also in good supply, tighter than barrels, but no shortage and on hand for most processing needs. Cheese production is active with milk more readily available from bottling channels. The *DMN National Retail Report-Dairy* for the week of December 16-22 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.14, up \$.03 from last week. Packs average \$2.20 in the Southwest and \$2.00 in the Northwest. One year ago, the national price was \$2.27. For 8 ounce blocks, the U.S. price is \$2.23, up \$.33 from last week. Blocks average \$2.23 in the Southwest. There were no reported sale prices in the Northwest this week. One year ago, the national price was \$2.22. In the West, wholesale prices are up \$.1000 for process, and up \$.0350 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged. This week, a cooperative export assistance program accepted requests for 228,178 pounds (104 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 51.6 million pounds of cheese in export markets. In CME Group trading Wednesday, barrels closed at \$1.5675, down \$.1475 from a week ago and blocks closed at \$1.7000, down \$.0575.

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

Process 5# Loaf	:	1.7925-2.0500
Cheddar 40# Block	:	1.8650-2.3100
Cheddar 10# Cuts	:	2.0450-2.2650
Monterey Jack 10#	:	2.0550-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.8475-3.2775

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CHEESE MARKETS

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FOREIGN TYPE CHEESE

Cheese markets in the EU have become more balanced in recent weeks. Price increases have abated, even as inventories remain lower than desirable. Many exporters have successfully developed other export outlets to replace previous exports to Russia. Contracting for the first quarter of 2017 is yielding somewhat weaker prices than currently. In the U.S., wholesale blue, gorgonzola, parmesan and Romano prices increased \$.0350, and 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	2.3275-3.8150*
Gorgonzola	3.6900-5.7400	2.8350-3.5525*
Parmesan (Italy)	-0-	3.7175-5.8075*
Romano (Cows Milk)	-0-	3.5175-5.6675*
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-	3.3075-3.6300
Swiss Cuts Finnish	2.6700-2.9300	-0-

COLD STORAGE

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

	BUTTER	CHEESE
12/19/16	16,196	77,977
12/01/16	16,872	78,273
CHANGE	-676	-296
% CHANGE	-4	-0

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

	2016 Imports (Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Oct Quota	21.4	- 6.0	7.2

TOTAL, JAN - OCT

High Tier	Not available at time of publication.		
Quota	177.1	+ 1.2	59.3

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	70	0	25	0	60
SOUTHEAST STATES	0	0	0	0	0	0

Milk production is increasing in more areas of the East. Bottling plant schedules are being reduced accordingly, as retail sales fail to offset the impact of schools closing for the holiday period. In New England, milk production is steady to slightly heavier. Further south in the Mid-Atlantic, milk output is increasing along normal patterns with volumes advancing marginally in some areas. Farm milk production, in the Southeastern states, is marginally higher. According to FMMA Order #7, the uniform price in Fulton County, GA, for November 2016 was \$18.02 per hundredweight, \$0.70 lower than last month and \$2.19 lower than the previous year. Class I utilization was 78.81 percent during November, an increase of 4.52 percent compared to last month and 0.19 percent higher compared to November 2015. As warmer weather prevails, Florida's milk production is slightly lower. Class I sales are steady to lower. Consequently, milk export shipments grew to 70 loads this week. According to FMMA Order #6, the uniform price in Hillsborough County, FL, for November was \$19.43 per hundredweight, a \$0.96 decline over last month and down \$2.16 from the previous year. Class I utilization was 83.15 percent during November, a rise of 0.06 percent compared to last month, but a 0.73 percent drop compared to November 2015. The fluid **cream** market is weaker. Spot prices are mixed, with **multiples** ranging **1.10-1.30**. Demand was fairly good over the weekend, but has slowed as the week progressed. Cream availability is ample. At the CME Group, Grade AA butter closed Wednesday at \$2.2050, up \$0.1200 from a week ago. The **condensed skim** market is steady to weaker. Offerings are more than ample for slower spot demand. Prices are unchanged this week, but contacts report that offers at distressed pricing are being discussed for the holiday weekend. According to the DMN *National Retail Report-Dairy*, for December 16-22, 2016, the U.S. weighted average advertised price for a gallon of milk was \$2.92, up 57 cents compared to last week and up 20 cents from last year. The Northeast weighted average price for a gallon of milk was \$2.99, 7 cents above the national average and up 33 cents up from last week.

MILK PRODUCTION: According to NASS, milk production in the 23 major states during November 2016 totaled 16.1 billion pounds, up 2.6% from a year ago. Eastern states' milk production are as follows:

November 2016 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Florida	184	- 3.7
New York	1,197	+ 4.4
Pennsylvania	877	+ 2.5
Vermont	219	+ 1.9
Virginia	136	- 2.2

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, DOLLARS PER LB. BUTTERFAT:

F.O.B. producing plants: Northeast-	2.3117-2.7391
F.O.B. producing plants: Upper Midwest-	2.3809-2.5705

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices-	.70-1.01
Northeast - Class III - spot prices -	.80-1.08

MIDWEST

Southern and northern Central region farm milk production is generally steady. A recent cold snap sent temperatures into the subzero range, which challenged cow comfort for dairy operations in the northern tier of states. With adequate feedstocks on hand, though, most dairy producers noted the weather had fairly minor impacts on milk production. Transportation of milk from farm to balancing plant, and from balancing plant to processor, endured some challenges in the northern Plains area over the weekend, but most loads arrived intact. Bottler demand is trending sharply lower. Orders from K-12 school districts plummeted due to the upcoming closures over the yearend holidays. Many higher education institutions are also cutting back orders as the fall semester ends. Spot milk availability improved substantially as a result of lower Class I demand as well as reduced interest from smaller Class II/III operators who are scheduling reduced production time for the holiday week. Milk buyers for Class III operations report the number of loads available this week exceeded expectations. Prices range from \$2.00 to \$4.00 under Class. Cream availability improved throughout the region. End users reported cream loads from the West region are readily clearing into Central II/IV operations. Some churners report offers on spot cream loads carry flat market multiples. Class II multiples are lower, ranging from 1.13-1.22. Recent snow storms finished off field work activities for the season. The DMN *National Retail Report-Dairy* for December 16-22 noted the national weighted average advertised price for one gallon of milk was \$2.92, up \$0.57 from a week ago and \$0.20 higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.05 and \$2.70, respectively. The NASS *Milk Production* report noted November 2016 milk production in the 23 selected states was 16.1 billion pounds, 2.6% above a year ago. Milk cows in the 23 selected states totaled 8.67 million head, 33,000 head more than a year ago. The following table shows Central states included in the report and the monthly milk production changes compared to a year ago:

November 2016 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Illinois	150	...
Indiana	336	+ 1.5
Iowa	404	+ 3.9
Kansas	280	+11.6
Michigan	888	+ 5.3
Minnesota	774	+ 1.3
Ohio	438	+ 0.7
South Dakota	209	+ 5.0
Texas	919	+11.4
Wisconsin	2,414	+ 2.2

-CONTINUED ON PAGE 4A-

FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

November 2016 Milk Production, (USDA-NASS)

WEST

(Million Lb.)

% Change From

1 Year Ago

In California, farm milk production is higher, in line with seasonal trends. Sales into Class 1 are trending noticeable lower as most educational institutions will be closed during the winter break. Therefore, milk is becoming more available for cheese manufacturing. With many Class 1 processing facilities shutting down throughout the holiday weekend, balancing plants are expected to be actively processing milk. With cooler temperatures averaging 77 degrees in Arizona, milk production continues trending up. Industry participants report plenty of milk is available for most manufacturing needs. Class I orders from educational institutions are lower as most K-12 schools enter the semester break. However, bottled milk demands from some restaurants are active as the upcoming holiday approaches. In New Mexico, milk output is higher, following seasonal patterns. With most schools closing during the winter break, milk sales into Class I are lower. However, bottled milk demands from some food service channels are active ahead of the upcoming holiday. Sales into Class II are down as holiday production is over and orders from retailers have been shipped and delivered. Manufacturing milk volumes moving into Class III are steady. Pacific Northwest milk production remains seasonally strong. Bottling demand has decreased due to educational institutions taking their winter breaks, but industry contacts expect that draw to resume late next week or early the following week. In the interim, a lot of the now liberated milk is finding its way into manufactured dairy product lines. The recent cold snap in the mountain states of Idaho, Colorado and Utah may have suppressed milk production a small amount as cows use their energy to keep comfortable, but so far milk production has exceeded expectations and maintained a steady, solid level. Dairy farmers report good quality feed and in good amounts. Manufacturers have plenty of milk available to them. In most cases, there is enough processing capacity to absorb the milk and not many loads of milk leave the state or immediate region. Depending on use and location, a few spot loads of milk are getting moved at slightly below Class III prices. According to the DMN *National Retail Report-Dairy* for the week of December 16-22, the national weighted average advertised price for one gallon of milk is \$2.92. The weighted average regional prices in the Southwest and Northwest are \$1.99 and \$1.77, respectively. Heavy volumes of western condensed skim are clearing into NDM and MPC processing and are expected to be higher during the upcoming holiday weekend. Condensed skim utilization for cheese fortification is active. With weaker cream demand from sour cream, eggnog, and cream cheese processors, cream is becoming more available for butter making. Some manufacturers are trying to clear heavy cream volumes into churns. Multiples are steady to lower, ranging from 1.04 to 1.17. Market participants are anticipating lower cream premiums in the next few weeks. The NASS *Milk Production* report noted November 2016 milk production in the 23 selected states was 16.1 billion pounds, 2.6% above a year ago. Milk cows in the 23 selected states totaled 8.67 million head, 33,000 head more than a year ago. The following table shows western states included in the report and the monthly milk production changes compared to a year ago:

Arizona	385	+ 1.3
California	3,212	+ 0.2
Colorado	323	+ 5.9
Idaho	1,177	+ 3.6
New Mexico	640	+ 3.7
Oregon	202	- 1.0
Utah	166	- 4.0
Washington	527	- 0.2

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices for low/medium heat nonfat dry milk in the Central region are steady to higher in the mostly series. Current NDM output is slightly above previous weeks. However, manufacturers expect holiday milk volumes to prompt significant increases in low/medium NDM production as the week advances. Producers report inventories as either sold out or balanced. Demand for NDM is mixed as buyers/users reduce current supplies before the end of year. The majority of NDM market sources have finalized contracts for 2017. The high heat NDM spread tightened in the range as prices changed lower on very little spot sales action. However, the high heat NDM market tone is steady.

EAST: Cash market transactions shifted low/medium heat nonfat dry milk prices higher at the top of both the range and mostly series. Production is increasing with heavier output anticipated over the holiday. As inventory control factors into buying decisions, market sources suggest some decline in sales of low/medium heat nonfat dry milk through the end of the year. Demand is good. High heat nonfat dry milk prices are lower with f.o.b. spot trades. Buying interest is mixed, with some additional demand noted from bakery accounts. The market undertone is unchanged. Wednesday at the CME Group, Grade A NDM closed at \$1.0200, up \$0.0225 from last Wednesday's close.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9500 - 1.0800 MOSTLY: .9700 - 1.0200
HIGH HEAT: 1.0600 - 1.1600

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk (NDM) f.o.b. spot prices shifted up on the range and are steady to higher on the mostly series. Spot trading is light to moderate. Demand from hot chocolate dry mix manufacturers is seasonally good. Currently, NDM production is ongoing and expected to be higher as many balancing plants will be actively drying through the upcoming holiday weekend. Therefore, inventories are growing, but are highly committed throughout the end of the year. At this point, NDM processors are holding stocks and limiting tenders in the spot market, anticipating higher prices in the near future. Consequently, some buyers/end users are having some difficulty finding NDM spot loads. The demand from Mexico is active but manufacturers' offers are limited. High heat NDM prices are higher. Production is sporadic, mostly dictated by contractual requirements. Spot trading is light as inventories continue to be tight in most processing plants.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9500 - 1.0700 MOSTLY: .9800 - 1.0200
HIGH HEAT: 1.0550 - 1.1500

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
December 16	\$.9596	4,466,110
December 9	\$.9435	4,626,757

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: Prices for dry buttermilk advanced as new production traded in the f.o.b. spot market. Improved cream availability and depressed multiples encourage churning as sales of condensed buttermilk continue, but at a reduced level. Processors are busy planning weekend dryer schedules with lighter condensed buttermilk interest in mind. Stocks are currently adequate for near term customer needs, but will likely increase over the holiday period. The market undertone is unchanged.

EAST: Dry buttermilk prices are higher on light seasonal trading. Dry buttermilk production volumes are moderate to heavier as churning activity increases. As Class II condensed buttermilk users wrap up production, prior to holiday plant shutdowns, dry buttermilk offerings increased as some sellers look to work off inventories. Market demand, however, is sluggish with very little spot interest. Inventories are mostly in balance and building. The market undertone is primarily steady.

F.O.B. CENTRAL/EAST: .9200 - .9700

DRY BUTTERMILK - WEST

Western dry buttermilk f.o.b. spot prices are mixed on the range, but higher on the mostly series. The rise of NDM values is boosting dry buttermilk pricing. Sales activity in the spot market is light to moderate. Dry buttermilk production is slightly lower as regional butter processors are starting to ease into the seasonal Q1 production schedules. Overall, inventories are steady to lower.

F.O.B. WEST: .9000 - .9800 MOSTLY: .9300 - .9500

DRY WHOLE MILK - NATIONAL

National dry whole milk f.o.b. spot prices are steady on light trading. Demands from the bakery and confectionary sectors are fair. Dry whole milk production is more active as milk butterfat usage from Class II processors is seasonally lower. According to some industry contacts, inventories are readily available in some regions of the country.

F.O.B. PRODUCING PLANT: 1.2500 - 1.5500

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

For central whey, the bottom of the range and top of the mostly price series edged higher this week. Manufacturers report much of their work to get Q1 and 2017 annual contracts is finished. Demand is steady with most current activity flowing through contracts. Some industry contacts say the market has turned quiet as buyers and sellers take a break for the winter holidays. Manufacturers are making only a few offers and buyers seem content to work through existing inventories. Processor inventories are comfortable and possibly a little lower than previous weeks. Dry whey production is steady. Animal feed whey prices are unchanged. Feed whey is moving well through current contracts.

F.O.B. CENTRAL: .3300 - .4400 MOSTLY: .3700 - .4075
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2700 - .3725

DRY WHEY - NORTHEAST

Dry whey prices are unchanged on a firm market. Manufacturers are expecting higher milk inputs for the week, which translates to higher cheese and dry whey production. Demand remains good. Inventories are light with limited offerings available for spot market applications. Some domestic buyers searching for additional loads from processors are unsuccessful and relying on active resale markets for product.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3625 - .4600

DRY WHEY - WEST

Prices for western whey edge higher at the top of both the range and mostly price series. Industry contacts say demand seems good, and in some cases, strong. Inventories are a little lower. Although end users can find whey as needed, some contacts suggest there isn't much excess whey available. Dry whey production is relatively steady and in line with regional cheese production.

NONHYGROSCOPIC: .3500 - .4725 MOSTLY: .3950 - .4325

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices moved higher at the bottom of the range and significantly higher at the top of the mostly price series. Industry contacts continue to report tight inventories for most WPC34%. Demand is relatively strong for some brands, but flat for others. Manufacturers of WPC34% that is interchangeable with other protein sources suggest the market is lackluster and they encounter price pressures regularly. Production is steady to lower as some manufacturers opt to make higher protein concentrations in lieu of WPC34%. Spot loads of highly desired WPC34% brands are often quickly purchased at incrementally higher prices. Resellers are active and achieving sales at well above published prices.

F.O.B. EXTRA GRADE 34% PROTEIN: .7800 - 1.0000 MOSTLY: .8150 - .9500

LACTOSE - CENTRAL AND WEST

Lactose prices are generally steady, but moved higher at the top end of the mostly price series on a few higher-priced spot sales. Some manufacturers continue to report solid demand and relatively tight inventories. Contracting for Q1 lactose needs is getting wrapped up without much price resistance from buyers. However, some industry contacts are starting to see market signals that suggest a softening market. These contacts are trying to figure out what direction the market may take. Some buyers are pushing back on manufacturers' offers and feel sufficient lactose stocks are available. A few industry contacts indicate significant volumes of lactose have recently been offered at discounted prices. Market participants feel this warrants attention, to see whether this is a short term occurrence brought on by processors clearing out inventories or the winter holiday doldrums, or if this is a longer term trend that may indicate the lactose market is slowing.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2400 - .4800 MOSTLY: .3400 - .4000

CASEIN - NATIONAL

Rennet casein prices firmed at the bottom of the price range but are steady at the top. Acid casein prices are steady. Sources indicate that available supplies are beginning to tighten. Exports from major producing countries are mixed. EU casein and caseinate exports year to date through October are up 60.7% compared with 2015 according to Eurolait. The United States received 17.1% of those exports. New Zealand exports through this October were down 5.3% from the same period of 2015. The U.S., the top casein and caseinate export recipient, accounted for 30.4% of New Zealand exports. Argentina, a smaller but regular exporter to the U.S., had casein and caseinate exports through October 65% below the 2015 level. The U.S. received 24.4% of Argentine exports.

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: 3.0100 - 3.0500
ACID: 3.0500 - 3.1000

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
12/03/2016	60.0	2,701.5	59.6	2,745.0

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

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

CLASS III MILK PRICES (3.5% BF)

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

CLASS IV MILK PRICES (3.5%)

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

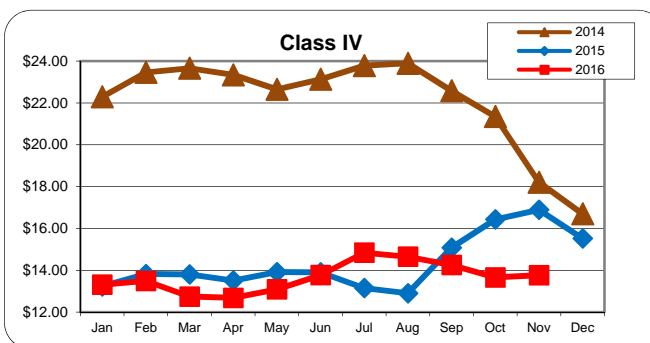
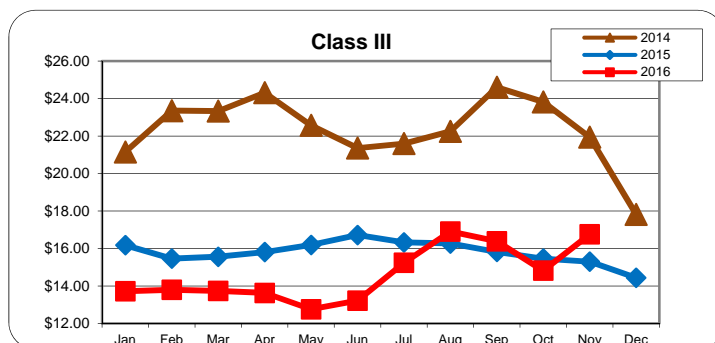
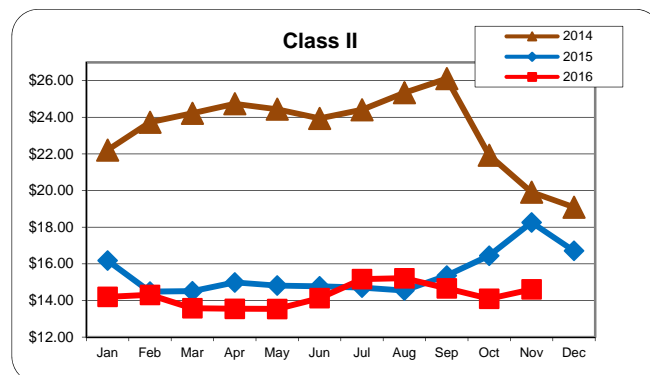
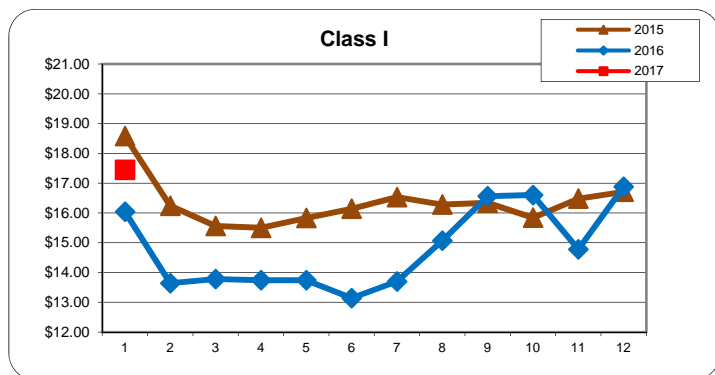
FEDERAL MILK ORDER CLASS PRICES FOR 2016 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.04	13.64	13.78	13.74	13.70	13.14	13.70	15.07	16.56	16.60	14.78	16.88
II	14.19	14.30	13.57	13.54	13.53	14.12	15.16	15.21	14.66	14.09	14.60	
III	13.72	13.80	13.74	13.63	12.76	13.22	15.24	16.91	16.39	14.82	16.76	
IV	13.31	13.49	12.74	12.68	13.09	13.77	14.84	14.65	14.25	13.66	13.76	

FEDERAL MILK ORDER CLASS PRICES FOR 2017 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	17.45											

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



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered December 12 - 23, 2016

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

WESTERN OVERVIEW: EU milk production January-October this year is 1.1% above the same period of 2015 according to Eurolait. However, each month June-October has been below volumes for each of those months of 2015. For this October, among the larger EU milk producing nations, only the Netherlands and Italy have positive milk production compared with October last year. The Netherlands is up 2.0% and Italy is up 1.1%. The following countries reported declines as shown: Denmark, -5.1%; Germany, -3.7%; France, -7.7%; Ireland, -4.3%; and the United Kingdom, -6.0%. Some observers note that with rising milk prices in many EU countries, the negative trend may well turn around in coming months. A significant factor in those countries with lower production has been lower cow numbers. This has occurred either by producers reducing herd size, or in some cases, ceasing dairy production. When higher prices are perceived to have staying power, herd expansions are expected.

BUTTER/BUTTEROIL: Western European butter prices are steady at the bottom of the price range, but slightly weaker at the top. Butteroil prices are mixed. Retail butter sales in the EU have been strong, keeping manufacturers busy. Sales are near the expected peak of the year. In store demand is strong. Interest is much quieter on the industrial side this week. There are active negotiations for first quarter orders. Views diverge, slowing agreements. Buyers are reluctant to commit because current pricing is near the high for 2016. Manufacturers are concerned that cream prices might rise. Until those factors come closer together, contracting is expected to be slow. Butter exports from the EU during October are 8.6% below the level during October last year and Butteroil was 47.1% below last October, according to Eurolait. Butter exports January-October this year are 31% above the same period last year, according to Eurostat.

82% BUTTERFAT: 4,650 - 4,725
99% BUTTERFAT: 4,325 - 5,300

SKIM MILK POWDER (SMP): Skim milk powder prices in Western Europe slightly increased at the bottom of the price range but are unchanged at the top. Manufacturers report that demand for new production is decent but supplies are somewhat limited. SMP exports from the EU during October are 2.1% below the level during October last year according to Eurolait. Cumulative exports January-October this year are 17% below the same period last year, according to Eurostat. The data is viewed as suggesting stronger exports in October than the year to date, reflecting a recent recovery in export strength. The top export destinations are Algeria, Indonesia, and China.

1.25% BUTTERFAT: 2,150 - 2,300

SWEET WHEY POWDER: European sweet whey powder prices are unchanged. Markets are stable, with most buyers adequately stocked and inventories at a good level in the view of manufacturers. Whey powder exports from the EU during October are 7.0% below the level during October last year according to Eurolait. However, cumulative exports January-October this year are 5.5% above the same period last year. The main destinations are China, Indonesia and Malaysia.

NONHYGROSCOPIC: 850 - 1,050

WHOLE MILK POWDER (WMP): Whole milk powder prices in Western Europe slightly increased at each end of the price range, reaching the highest level of 2016. Production is believed to have slightly declined in recent weeks. A number of manufacturers find less profit in WMP than butter and cheese. Tighter milk supplies have, thus, tended to move toward the higher profit items at the expense of WMP. Demand in Europe has been steady. However, there has been very recent buying interest from countries in Africa and the Middle East, which have historically sourced from New Zealand. The reasons for this recent shift have been some slowing of export volumes from New Zealand. WMP exports from the EU during October are 13.6% below the level during October last year according to Eurolait. Exports January-October this year are 3% below the same period last year according to Eurostat.

26% BUTTERFAT: 3,200 - 3,375

EASTERN OVERVIEW: Milk production during October this year compared with October last year is 0.4% lower in Poland, 1.1% lower in Romania, and 0.4% lower in Hungary, according to Eurolait. In Russia, October 2016 imports of a number of dairy products are lower than October 2015. Skim milk powder is down 18.9% and whey powder is down 39.2%. However, butter imports are up 8.4% and whole milk powder imports are up 34.3%.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered December 12 - 23, 2016

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

In **Australia** most dairy producers are not purchasing any significant amounts of feed at this time. Good pasture conditions throughout much of the country reduces the need to purchase feed. This may not change until late summer when pastures begin to decline. In Northern Australia, the quality of hay is improving following recent weather damage. Hot and dry weather has helped. Yields have been good, boosting production totals. Demand for hay in coastal areas is the exception to most of the country. Coastal areas have been unusually dry, adversely affecting pastures. Overall, hay purchasing tends to be hand to mouth. Hay interest in the South is very weak. A buyers' market exists and is expected to continue to exist. **New Zealand** November milk production and milk solids lagged the levels one year ago. November 2016 milk production was 2.85 million MT, down from 3.04 million MT in October. During November 2015, milk production was 2.98 million MT. November milk solids, 234.77 million kg, are down from 247.43 million kg in October. During November 2015, milk solids were 248.03 million kg. The lower milk production was not surprising to many New Zealand dairy observers. Rainy weather during November, especially on the South island, was expected to impact milk production. At the December 20 GDT event #178, average prices ranged from 2.3% lower to 3.3% 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, \$5,367 -2.3%; butter, \$4,290 +0.5%; buttermilk powder, \$2,874 +3.1%; cheddar cheese, \$3,826 +1.9%; lactose, \$857 -1.6%; rennet casein, \$6,473 +3.3%; skim milk powder, \$2,621 0.0%; and whole milk powder, \$3,568 -0.8%. The rather tepid GDT outcome is not expected to have much impact on farmgate milk prices in New Zealand, in the view of some observers. Results are still considered adequately strong to support projected milk solids pricing of a larger milk processor, 6 New Zealand Dollars per kilogram of milk solids. This would generate better returns to dairy producers than last season and would help build producer confidence in their ability to work through debt recently acquired to make it through a period of lower returns. Even so, increasing numbers of dairy producers are believed to feel they are experiencing undue pressure from lenders as to their mortgages.

BUTTER: Oceania butter prices are steady, holding the highest level of 2016. Retail buyers in Australia have mostly secured needed deliveries for the holiday week. Export interest at this time is mostly contract based, rather than new spot sales. Lower milk supplies continue to limit butter production. However, an offsetting factor is that volumes of butter exports from Australia July-October this year decreased 11.1% from the same period last year according to Dairy Australia. The value of butter exports this year is 19.7% below last year. At GDT Event 178 on December 20, 2016, the all contracts butter price increased 0.5% while the January contract declined 0.8%.

82% BUTTERFAT: 4,250 - 4,475

CHEDDAR CHEESE: Cheddar prices in Oceania are steady to slightly lower at the upper end of the price range. Cheese sales interest this week was at a lower level than recent weeks. Many buyers are now more focused on transactions for the first quarter of 2017. Volumes of cheddar exports from Australia July-October this year decreased 3.4% from the same period last year according to Dairy Australia. The value of cheddar exports this year is 10.1% below last year. At GDT Event 178 on December 20, 2016, the all contracts cheddar price increased 1.9%.

39% MAXIMUM MOISTURE: 3,575 - 3,850

SKIM MILK POWDER (SMP): Skim milk powder prices in Oceania are steady this week. Current prices rest at the highest level of 2016. Potential SMP buyers are being very cautious. EU SMP stocks and sales of intervention holdings are keeping most buyers hand to mouth as events are monitored. Manufacturers in Oceania are also cautious about production volumes, so as to minimize financial exposure from holding inventory volumes. Manufacturing to fulfill contracts is much preferred. Volumes of SMP exports from Australia July-October this year decreased 24.7% from the same period last year according to Dairy Australia. The value of SMP exports this year is 33.6% below last year. At GDT Event 178 on December 20, 2016, the all contracts SMP price percentage change was 0.0% while the January contract declined 0.8%.

1.25% BUTTERFAT: 2,325 - 2,400

WHOLE MILK POWDER (WMP): Whole milk powder prices in Oceania are steady this week, remaining at the highest level of 2016. WMP is a favored use of milk in the region. Volumes of WMP exports from Australia July-October this year increased 49.6% from the same period last year according to Dairy Australia. The value of WMP exports this year is 62.9% above last year. However, there has been recent slowing of export volumes from New Zealand to some customers in Africa and the Middle East, which is believed to be related to volumes of milk available. Nevertheless, previously planned offerings of WMP available at this week's GDT event were increased. Some observers believe this resulted in more product being available than demand was prepared for. As a result, at GDT Event 178 on December 20, 2016, the all contracts WMP price declined 0.8% while the January contract price percentage change was 0.0%.

26% BUTTERFAT: 3,050 - 3,500

**Exchange rates for selected foreign currencies:
December 19, 2016**

.0630 Argentina Peso	.0147 India Rupee
.7244 Australian Dollar	.0085 Japan yen
.2972 Brazil Real	.0491 Mexican Peso
.7457 Canadian Dollar	.6929 New Zealand Dollar
.0015 Chile Peso	.2351 Poland Zloty
1.0403 Euro	.0349 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: (1/.0491) = 20.3666 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 178 Recap - December 20, 2016													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Jan-17		Feb-17		Mar-17		Apr-17		May-17		Jun-17			
Anhydrous Milk Fat	\$5,551	1.3%	\$5,354	-2.6%	\$5,305	-3.6%	\$5,360	-2.6%	\$5,416	-1.2%	\$5,445	-0.5%	\$5,367	-2.3%
Butter	\$4,318	-0.8%	\$4,296	0.4%	\$4,300	1.4%	\$4,280	0.8%	\$4,300	1.3%	\$4,025	-7.4%	\$4,290	0.5%
Buttermilk Powder	n.a.		\$2,890	3.8%	\$2,825	0.9%	n.a.		n.a.		n.a.		\$2,874	3.1%
Cheddar	\$3,820	-5.0%	\$3,778	-4.6%	\$3,773	4.7%	\$3,829	5.6%	\$4,500	17.2%	n.a.		\$3,826	1.9%
Lactose	n.a.		\$857	-1.6%	n.a		n.a.		n.a.		n.a.		\$857	-1.6%
Rennet Casein	\$6,705	3.2%	\$6,381	1.4%	\$6,562	6.7%	\$6,515	5.6%	n.a.		n.a.		\$6,473	3.3%
Skim Milk Powder	\$2,620	-0.8%	\$2,571	-0.2%	\$2,715	0.1%	\$2,709	1.0%	\$2,666	-0.9%	\$2,720	5.0%	\$2,621	0.0%
Sweet Whey Powder	n.a.		n.a.		n.a		n.a.		n.a.		n.a.		n.a	
Whole Milk Powder	\$3,590	0.0%	\$3,497	-2.3%	\$3,660	1.7%	\$3,568	-1.1%	\$3,606	-0.3%	\$3,642	-0.1%	\$3,568	-0.8%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 178 Recap - December 20, 2016													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Jan-17		Feb-17		Mar-17		Apr-17		May-17		Jun-17			
Anhydrous Milk Fat	\$2.5179	1.3%	\$2.4286	-2.6%	\$2.4063	-3.6%	\$2.4313	-2.6%	\$2.4567	-1.2%	\$2.4698	-0.5%	\$2.4345	-2.3%
Butter	\$1.9586	-0.8%	\$1.9487	0.4%	\$1.9505	1.4%	\$1.9414	0.8%	\$1.9505	1.3%	\$1.8257	-7.4%	\$1.9459	0.5%
Buttermilk Powder	n.a.		\$1.3109	3.8%	\$1.2814	0.9%	n.a.		n.a.		n.a.		\$1.3036	3.1%
Cheddar	\$1.7327	-5.0%	\$1.7137	-4.6%	\$1.7114	4.7%	\$1.7368	5.6%	\$2.0412	17.2%	n.a.		\$1.7355	1.9%
Lactose	n.a.		\$0.3887	-1.6%	n.a		n.a.		n.a.		n.a.		\$0.3887	-1.6%
Rennet Casein	\$3.0414	3.2%	\$2.8944	1.4%	\$2.9765	6.7%	\$2.9552	5.6%	n.a.		n.a.		\$2.9361	3.3%
Skim Milk Powder	\$1.1884	-0.8%	\$1.1662	-0.2%	\$1.2315	0.1%	\$1.2288	1.0%	\$1.2093	-0.9%	\$1.2338	5.0%	\$1.1889	0.0%
Sweet Whey Powder	n.a.		n.a.		n.a		n.a.		n.a.		n.a.		n.a.	
Whole Milk Powder	\$1.6284	0.0%	\$1.5862	-2.3%	\$1.6602	1.7%	\$1.6184	-1.1%	\$1.6357	-0.3%	\$1.6520	-0.1%	\$1.6184	-0.8%

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

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered December 12 - 23, 2016

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

SOUTH AMERICA OVERVIEW: In Argentina and Uruguay, farm milk intakes are lower, in line with summer patterns. Milk components continue declining. Overall, milk supplies are in balance with processing needs. With most schools closed during the summer break, bottled milk sales are slightly lower. However, there is good interest from customers for flavored milk. Cheese and butter holiday orders from retailers and some food service channels have been shipped and delivered. According to some industry participants, recent rains have helped improve the quality of pasture and forage in the main dairy areas of Argentina and Uruguay. In the southern states of Brazil, farm milk supply is trending lower, following summer trends. However, dairy producers from Minas Gerais and other nearby states, note atypical steady milk yields, mainly due to high quality feed. Milk intakes moving into cheese processing are more than suitable. Brazilian cheese manufacturing is active and inventories are building. Large manufacturing milk volumes are clearing into WMP processing as the domestic demand is becoming stronger. Consequently, interest for spot milk loads is increasing. A few weeks ago, the Brazilian government enacted a law requiring manufacturers from the northeastern region to process reconstituted UHT and pasteurized milk only from domestically produced dairy powders. Compared to the past two weeks, as reported by Milkpoint, spot milk prices per liter in Brazil increased from R\$1.11 to \$1.17 BRL or \$0.35 USD. This week, the average wholesale price per liter for UHT milk is R\$2.05 BRL or \$0.61 USD, based on Wall Street currency exchange rates as of December 19, 2016. According to the Brazilian Institute of Geography and Statistics (IBGE), during Q3, 2016, Brazilian milk production totaled 5.8 billion liters, 2.5% lower compared to the same quarter of 2015. From January to September, milk output was 16.9 billion liters, down 4.8% from the same period of 2015.

WHOLE MILK POWDER (WMP): Whole milk powder (WMP) f.o.b. export prices in the Southern Cone of South America were adjusted lower. Currently, Brazil is actively processing WMP for strong domestic demand. This is putting pressure on imported WMP prices coming to Brazil mainly from Uruguay and Argentina, reflected on the top of the range. On the other end, large export transactions outside the Mercosur block continue active at prices below \$3,000 per metric ton, mirrored at the bottom price of the range. Overall, WMP drying schedules are ongoing throughout the zone. Inventories are steady to higher in Brazil, but slightly lower in Argentina and Uruguay. According to the Ministry of Industry, Trade, and Services (MDIC), Brazil WMP imports from January to November 2016 totaled 116,750 MT, up 115% from the same period in 2015. From this total, imports from Uruguay and Argentina represented 68% and 28%, respectively. At the GDT Event 178 on December 20, whole milk powder (WMP) prices across all contract periods averaged \$3,568 per metric ton, down 0.8% from last event.

26% BUTTERFAT:

2,850 - 3,450

CME GROUP, INC FUTURES

Selected settling prices

Month	12/09	12/12	12/13	12/14	12/15	12/16	12/19	12/20	12/21	12/22
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
DEC 16	17.10	17.17	17.23	17.25	17.31	17.32	17.34	17.33	17.31	17.38
JAN 17	16.68	17.28	17.13	17.09	16.96	16.95	17.19	16.99	16.62	16.73
FEB 17	16.88	17.62	17.48	17.41	17.25	17.14	17.33	17.20	16.90	17.00
MAR 17	17.01	17.74	17.58	17.57	17.40	17.35	17.49	17.41	17.20	17.25
APR 17	17.00	17.68	17.48	17.64	17.42	17.48	17.63	17.59	17.40	17.42
MAY 17	17.05	17.62	17.46	17.64	17.48	17.50	17.65	17.63	17.49	17.54
JUN 17	17.25	17.66	17.50	17.69	17.55	17.55	17.63	17.64	17.58	17.64
JUL 17	17.48	17.77	17.63	17.70	17.58	17.62	17.75	17.71	17.74	17.76
AUG 17	17.60	17.85	17.68	17.71	17.66	17.66	17.80	17.76	17.78	17.81
SEP 17	17.65	17.85	17.73	17.76	17.71	17.75	17.86	17.85	17.85	17.90
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
DEC 16	15.04	15.03	15.02	15.02	15.03	15.05	15.05	15.05	15.05	15.05
JAN 17	15.53	15.53	15.56	15.74	15.90	16.09	16.30	16.30	16.46	16.46
FEB 17	15.92	15.99	15.99	16.20	16.33	16.53	16.58	16.78	16.74	16.74
MAR 17	16.10	16.21	16.21	16.40	16.51	16.78	16.96	17.00	17.01	17.00
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
DEC 16	209.00	209.00	209.00	209.00	209.53	210.23	209.78	210.25	210.25	210.28
JAN 17	207.88	211.00	211.03	211.03	211.03	216.03	220.00	221.53	222.25	223.00
FEB 17	209.05	211.48	212.03	213.03	214.00	217.53	220.85	223.00	225.00	225.73
MAR 17	209.45	212.75	214.15	215.15	215.28	220.28	223.85	224.53	226.48	227.25
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
DEC 16	96.03	96.00	95.98	96.50	96.90	97.00	96.98	97.00	96.95	96.95
JAN 17	102.98	102.75	102.75	104.45	105.90	106.28	105.75	105.65	105.38	106.40
FEB 17	106.90	106.88	106.88	107.88	109.50	110.25	110.38	109.90	109.18	110.03
MAR 17	109.50	109.50	109.03	110.98	111.78	112.00	112.00	112.00	111.60	112.00
WHEY (Electronic-Traded) (¢/lb)										
DEC 16	39.25	39.25	38.85	38.75	39.05	39.75	39.90	39.93	39.93	39.93
JAN 17	41.30	41.50	41.50	41.50	41.60	42.48	42.73	42.73	42.50	42.55
FEB 17	42.18	42.18	42.28	42.28	43.13	43.13	43.20	43.75	43.50	44.00
MAR 17	41.03	42.50	42.75	42.75	43.03	43.60	43.93	44.70	43.80	44.25
CHEESE CSC (Electronic-Traded) (\$/lb)										
DEC 16	1.78	1.79	1.79	1.79	1.80	1.80	1.79	1.79	1.79	1.80
JAN 17	1.71	1.78	1.75	1.76	1.74	1.74	1.76	1.74	1.70	1.70
FEB 17	1.74	1.80	1.79	1.79	1.77	1.75	1.76	1.76	1.72	1.73
MAR 17	1.74	1.82	1.80	1.80	1.77	1.76	1.78	1.77	1.75	1.75
APR 17	1.75	1.81	1.79	1.80	1.78	1.78	1.79	1.79	1.77	1.77

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

November Milk Production

Milk production in the 23 major States during November totaled 16.1 billion pounds, up 2.6 percent from November 2015. October production, unrevised at 16.5 billion pounds, was up 2.7 percent from October 2015.

Production per cow in the 23 major States averaged 1,851 pounds for November, 40 pounds above November 2015. This is the highest production per cow for the month of November since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.67 million head, 33,000 head more than November 2015, and 4,000 head more than October 2016.

November 2016 Milk Cows and Milk Production, by States							
State	Milk Cows ¹		Milk per Cow ²		Milk Production ²		
	2015	2016	2015	2016	2015	2016	Change from 2015
	(thousands)		(pounds)		(million pounds)		(percent)
AZ	195	197	1,950	1,955	380	385	1.3
CA	1,776	1,765	1,805	1,820	3,206	3,212	0.2
CO	147	152	2,075	2,125	305	323	5.9
FL	125	120	1,530	1,535	191	184	-3.7
ID	587	599	1,935	1,965	1,136	1,177	3.6
IL	94	93	1,600	1,610	150	150	--
IN	184	185	1,800	1,815	331	336	1.5
IA	210	212	1,850	1,905	389	404	3.9
KS	142	148	1,770	1,890	251	280	11.6
MI	411	423	2,050	2,100	843	888	5.3
MN	460	461	1,660	1,680	764	774	1.3
NM	322	323	1,915	1,980	617	640	3.7
NY	620	620	1,850	1,930	1,147	1,197	4.4
OH	266	262	1,635	1,670	435	438	0.7
OR	126	124	1,620	1,630	204	202	-1.0
PA	530	525	1,615	1,670	856	877	2.5
SD	110	115	1,810	1,820	199	209	5.0
TX	462	490	1,785	1,875	825	919	11.4
UT	95	90	1,820	1,845	173	166	-4.0
VT	131	129	1,640	1,700	215	219	1.9
VA	90	88	1,545	1,540	139	136	-2.2
WA	277	275	1,905	1,915	528	527	-0.2
WI	1,280	1,277	1,845	1,890	2,362	2,414	2.2
23 State Total	8,640	8,673	1,811	1,851	15,646	16,057	2.6

¹ Includes dry cows. Excludes heifers not yet fresh.

² Excludes milk sucked by calves.

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

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, NOVEMBER 2016

Highlights. Handler reports of receipts and utilization under the Federal milk order system for November 2016 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During November, 9.024 billion pounds of milk were received from Federally pooled producers. This volume of milk is 17.5 percent lower than the November 2015 volume. Regulated handlers pooled 3.514 billion pounds of producer milk as Class I products, up 1.1 percent when compared to the previous year. Class I utilization increased from last year in 5 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 39%, Class II = 16%, Class III = 29%, and Class IV = 16%. The weighted average statistical uniform price was \$16.14 per cwt, up \$0.29 from last month but down \$1.11 from last year.

Price and Pool Statistics for Federal Milk Order Marketing Areas for the Month of November 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	2,174.6	4.5	752.9	-0.3	35	22	26	17	16.34
Appalachian (Charlotte)	005	434.9	-5.1	326.5	-0.6	75	15	3	7	17.48
Florida (Tampa)	006	225.7	-2.3	187.6	-3.2	83	11	3	3	19.43
Southeast (Atlanta)	007	414.3	0.8	326.5	1.0	79	15	3	3	18.02
Upper Midwest (Chicago)	030	1,862.0	-34.6	293.1	-0.3	16	9	68	7	16.24
Central (Kansas City)	032	954.8	-23.4	417.8	3.3	44	15	24	17	15.40
Mideast (Cleveland)	033	1,444.4	-3.2	562.4	4.4	39	21	21	19	15.38
Pacific Northwest (Seattle)	124	556.0	-21.9	162.8	-2.4	29	7	26	37	15.07
Southwest (Dallas)	126	579.7	-46.0	371.8	2.8	64	18	1	17	15.96
Arizona (Phoenix)	131	378.1	-0.8	112.1	3.4	30	12	22	36	15.52
ALL MARKET AVERAGE OR TOTAL ³		9,024.4	-17.5	3,513.6	1.1	39	16	29	16	16.14

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.

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FEDERAL MILK ORDER ADVANCE CLASS PRICES, JANUARY

Base Class I Price: Under the Federal milk order pricing system, the base Class I price for January 2017 is \$17.45 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$9.61 and the advanced butterfat pricing factor of \$2.3374. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I Price.

Comparison to Previous Month: The base Class I price increased \$0.57 per cwt when compared to the previous month of December 2016. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.51 per cwt, \$0.044 per gallon; reduced fat milk (2%), \$0.23 per cwt, \$0.020 per gallon; fat-free (skim milk), -\$0.12 per cwt, -\$0.010 per gallon.

Class II Price Information: The advanced Class IV skim milk pricing factor is \$7.07. Thus, the Class II skim milk price for January 2017 is \$7.77 per cwt, and the Class II nonfat solids price is \$0.8633.

Product Price Averages: The two-week product price averages for January 2017 are: butter \$2.1016, nonfat dry milk \$0.9615, cheese \$1.8052 and dry whey \$0.3981.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION ^{1 2}				
Federal Milk Order Marketing Area ³	Order Number	January 2017		
		Class I Price (3.5%)	Class I Skim Milk Price	Class I Butterfat Price
		<i>\$ per cwt</i>	<i>\$ per cwt</i>	<i>\$ per pound</i>
Northeast (Boston) ⁴	001	20.70	12.86	2.3699
Appalachian (Charlotte) ⁵	005	20.85	13.01	2.3714
Florida (Tampa) ⁶	006	22.85	15.01	2.3914
Southeast (Atlanta) ⁷	007	21.25	13.41	2.3754
Upper Midwest (Chicago) ⁸	030	19.25	11.41	2.3554
Central (Kansas City) ⁹	032	19.45	11.61	2.3574
Mideast (Cleveland) ¹⁰	033	19.45	11.61	2.3574
Pacific Northwest (Seattle) ¹¹	124	19.35	11.51	2.3564
Southwest (Dallas) ¹²	126	20.45	12.61	2.3674
Arizona (Phoenix)	131	19.80	11.96	2.3609
All-Market Average		20.34	12.50	2.3663

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

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

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

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

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

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

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

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

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

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

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

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

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

CRITERIA USED BY STATE AND NATIONAL WEEKLY NONFAT DRY MILK SALES SURVEYS
NATIONAL DAIRY PRODUCTS SALES REPORT (AMS) SURVEY (Valid beginning April 1, 2012)

NDM Varieties Included	Manufacturer Exemptions	Minimum Transaction Size	Sales Time Frame	Include	Grade	Packaging	Exclude
<ul style="list-style-type: none"> Non-Fortified 	Processes and markets less than 1 million pounds of NDM per calendar year	None	Sunday -- Saturday (Published electronically on Wednesdays, no later than 3:00 pm ET, with data for previous week. If a federal holiday falls on Monday, Tuesday, or Wednesday in any given week, then published electronically on Thursdays, no later than 3:00 pm ET)	<ul style="list-style-type: none"> NDM prepared using low or medium heat process Complete transactions (product shipped out and title transfers) Brokerage fees paid by the manufacturer Clearing charges paid by the manufacturer Prices as F.O.B. plant or F.O.B. storage facility 	<ul style="list-style-type: none"> USDA Extra Grade USPH Grade A 	<ul style="list-style-type: none"> 25 kg bag 50 lb bag Tote Tanker 	<ul style="list-style-type: none"> Forward pricing sales in which the selling price is established (and not adjusted) 30 or more days before the transaction is completed Intra-company sales on NDM Resales of purchased NDM NDM certified as organic by a USDA-accredited certifying agent Sales of NDM produced under faith-based close supervision and marketed at a higher price than the manufacturer's wholesale market price for the basic commodity Premium assisted sales* Sales of NDM more than 180 days old Instant NDM Skim milk powder High heat NDM

CALIFORNIA WEIGHTED AVERAGE PRICE (CWAP) SURVEY

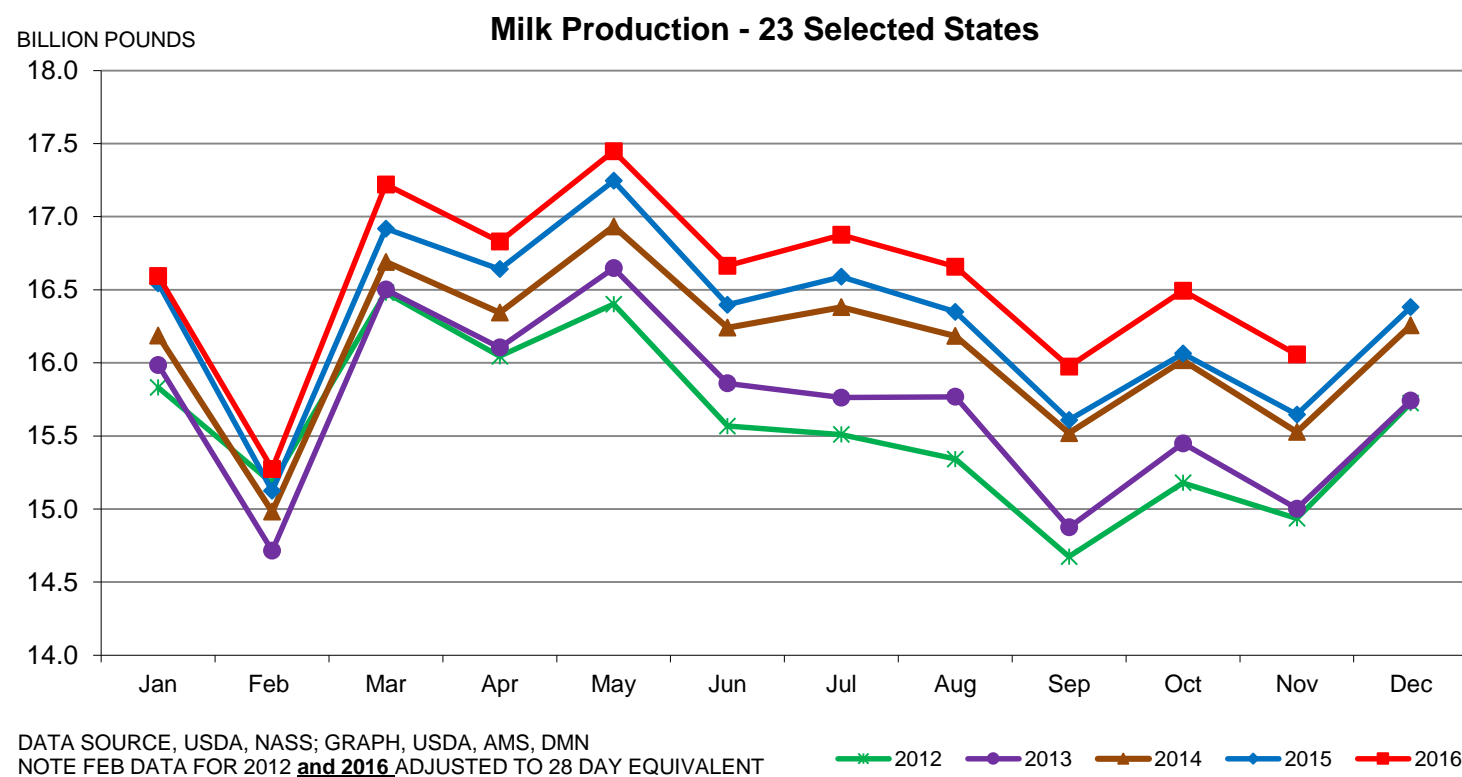
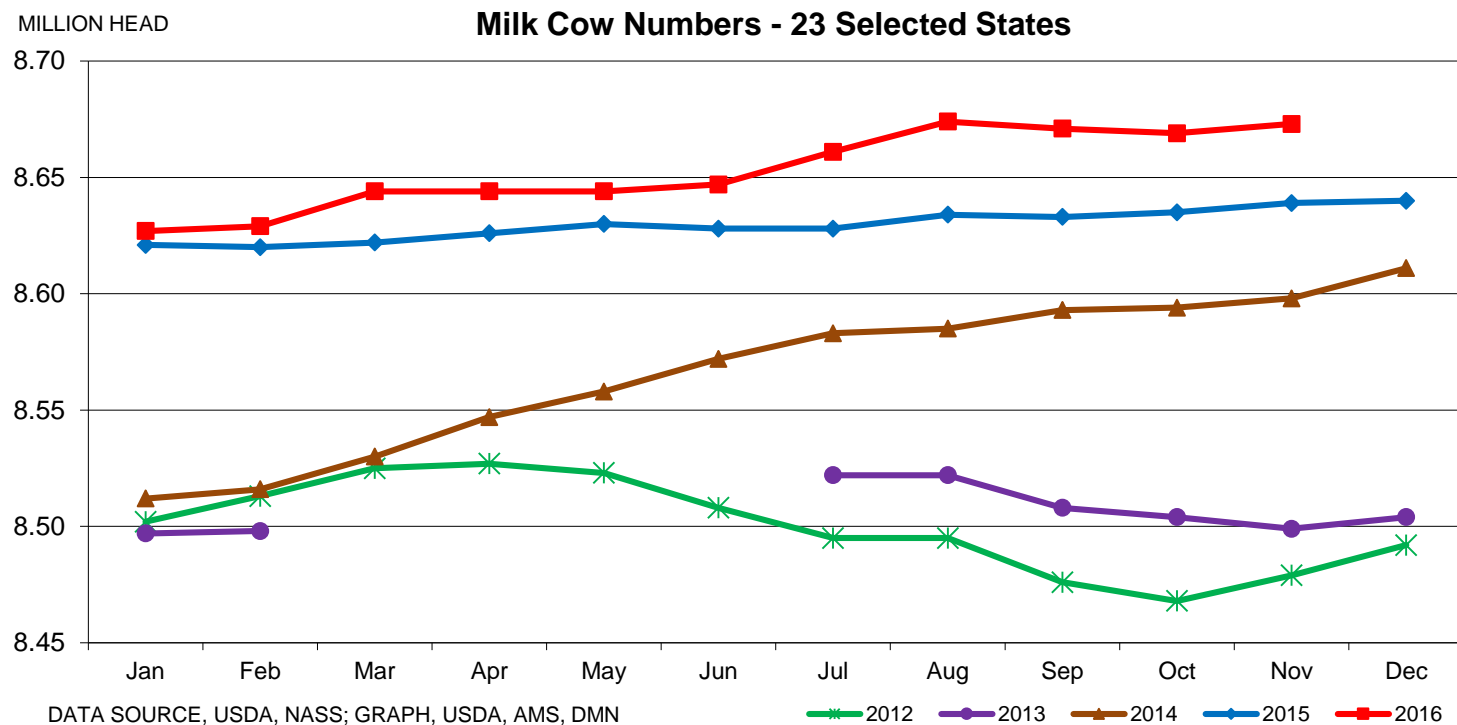
NDM Varieties Included	Manufacturer Exemptions	Minimum Transaction Size	Sales Time Frame	Include	Grade	Packaging	Exclude
<ul style="list-style-type: none"> Vitamin-Fortified rBST-free Low heat Medium heat High heat 	None	None	Saturday – Friday (Published electronically on Tuesdays, with data for previous week)	<ul style="list-style-type: none"> Complete transactions (product shipped out and title transfers) Fixed price contract sales within 150 days of first shipment date Prices as F.O.B. processing plant/storage center All indexed contract sales Energy surcharges Container costs Sales to CCC DEIP sales 	<ul style="list-style-type: none"> USDA Extra Grade Grade A 	All container sizes	<ul style="list-style-type: none"> Organic Skim milk Whole milk Dry buttermilk Instant NDM Dry whey products Intra-company sales Resales Transportation charges Clearing charges Broker fees

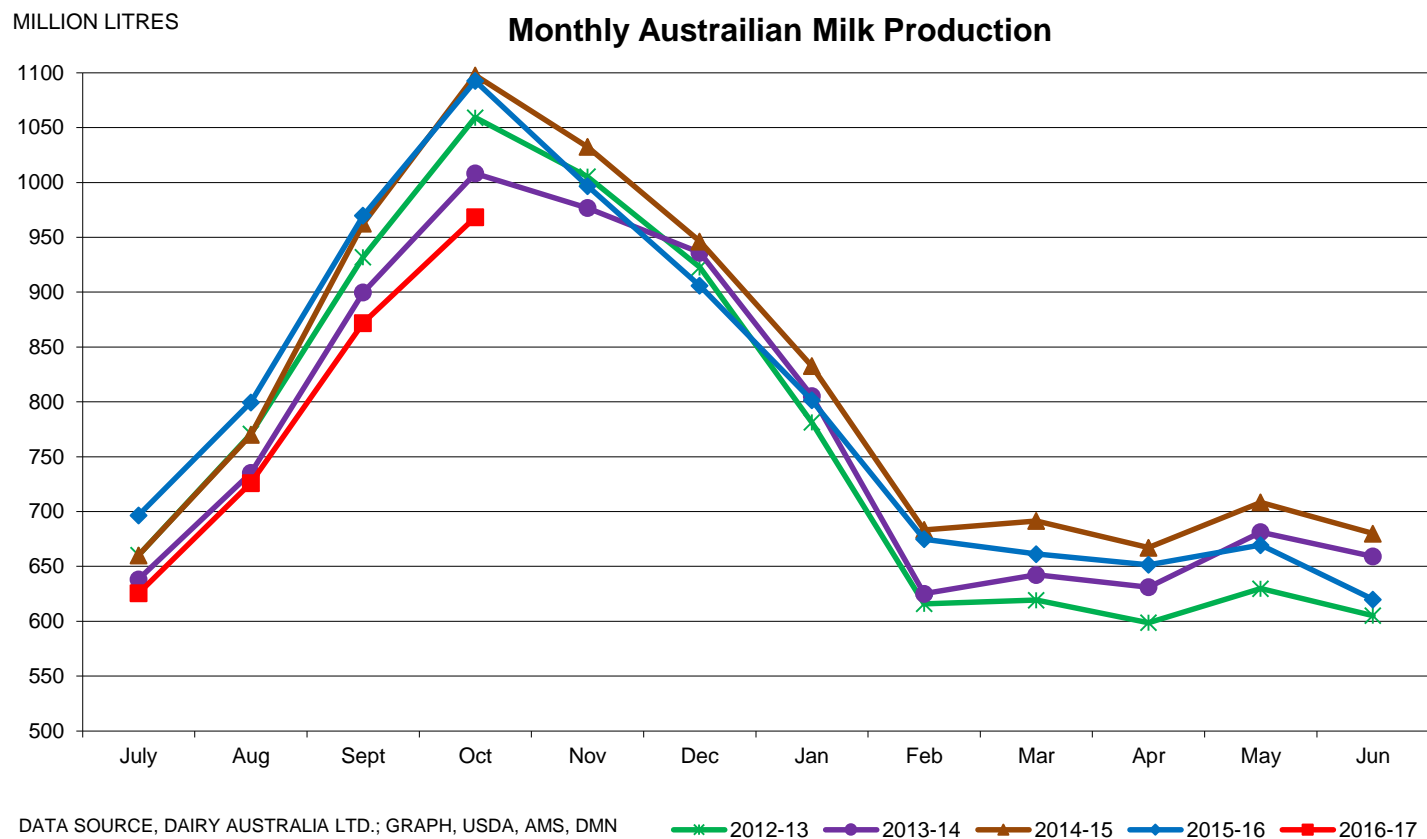
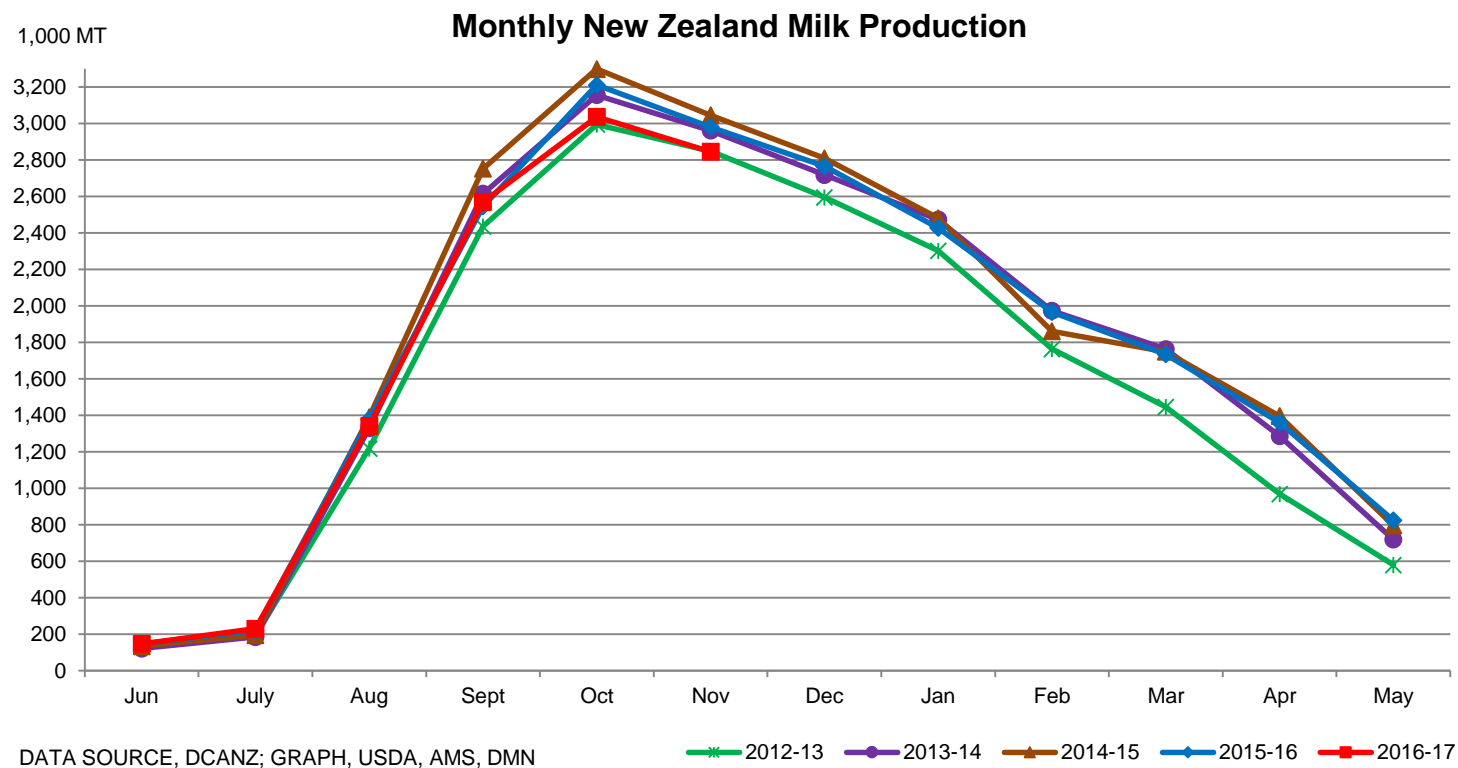
(12/2016) Table by AMS, Dairy Market News, summarized from information found at various official state and federal web locations, including: <http://www.cdfa.ca.gov/>, <http://www.gpo.gov/fdsys/pkg/FR-2012-02-15/pdf/2012-3566.pdf>

Access Agricultural Marketing Service, Dairy Programs survey information at: <https://mpr.datamart.ams.usda.gov/>

Access California Weighted Average Prices survey information at: http://www.cdfa.ca.gov/dairy/pdf/Prices_Grid.pdf

*Updated to reflect discontinuation of DEIP and clarify disallowance of new premium assisted programs that may be offered







Dairy Market News Branch

Agricultural
Marketing
Service

National Retail Report-Dairy

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

Volume 83- Number 51

Issued Weekly

Friday, December 23, 2016

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 12/23/2016 to 12/29/2016

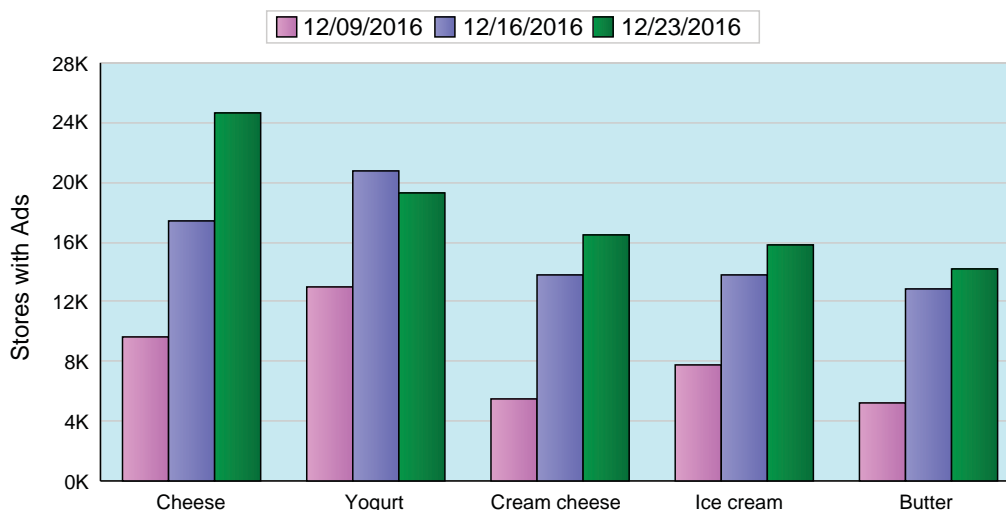
Dairy advertisements were plentiful for this holiday week. The top four conventional dairy items advertised were all directed toward traditional holiday meals and included cream cheese in 8 ounce containers, ice cream in 48-64 ounce containers, 1 pound packages of butter, and 16 ounce containers of sour cream. This week, total conventional dairy advertisements increased 22%, and organic dairy ads increased 89%. The national average price for 1 pound conventional butter is \$2.60, while 1 pound organic butter is \$5.01, representing an organic price premium of \$2.41. The weighted average price for conventional half gallon egg nog, \$3.59, is down 12 cents from last week.

The collective number of conventional cheese ads increased 39%, while organic cheese ads increased 241%. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.16, and organic 8 ounce cheese blocks averaged \$3.39, a \$1.23 difference between organic and conventional prices. Ads for conventional 8 ounce shred cheese averaged \$2.07, while organic 8 ounce shred cheese averaged \$2.99, resulting in an organic premium of 92 cents.

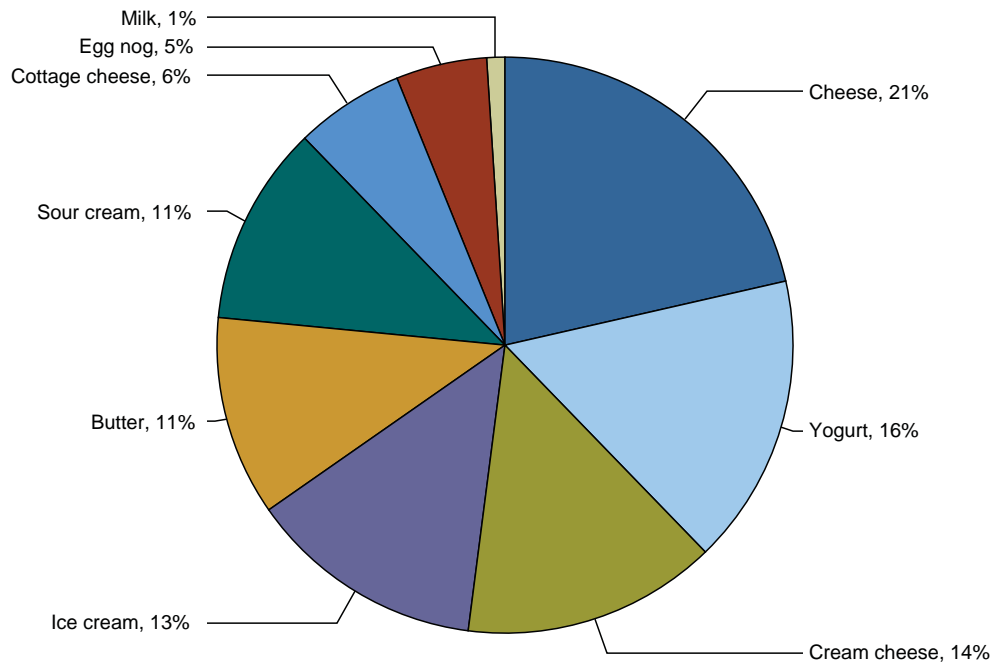
Conventional yogurt ads decreased 11%, but organic yogurt ads increased 108%. The average sale price for 4-6 ounce conventional yogurt was \$0.52, while 4-6 ounce organic yogurt averaged \$1.33. The average sale price for 4-6 ounce conventional Greek yogurt was \$0.98, unchanged from last week. There were no organic Greek yogurt ads this week.

Organic half gallon milk was the most advertised organic item this week. Organic milk advertisements increased 203%, while ads for conventional milk decreased 4%. There were no reported sales prices for conventional half gallon milk. The weighted average price for organic half gallon milk is \$3.78, down 20 cents from last week.

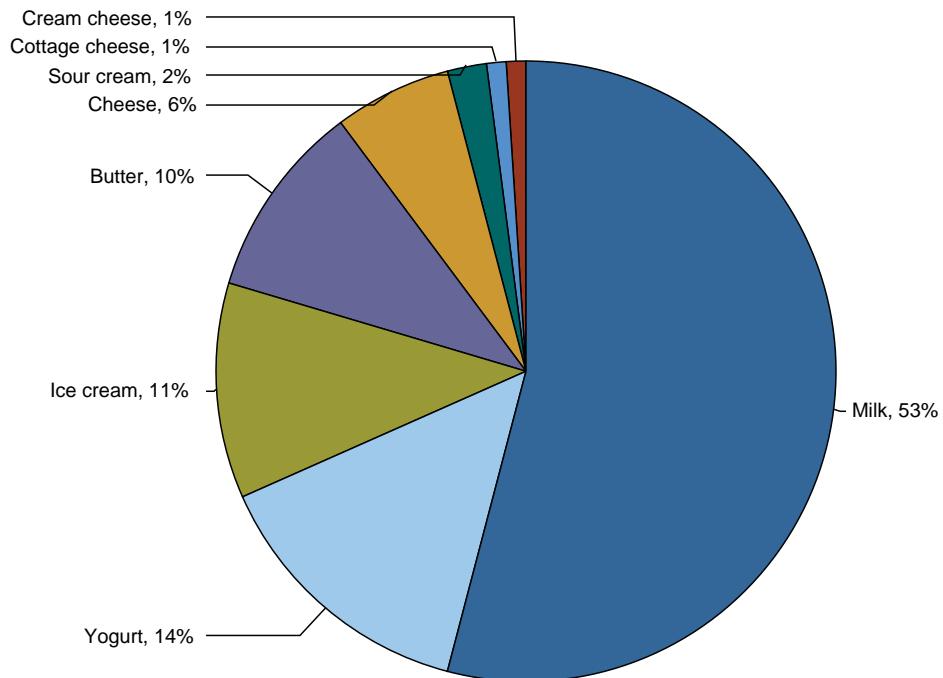
Top 5 Commodities Featured



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 #	13194	2.60	12152	2.77	11067	3.03
Cheese	Natural Varieties	8 oz block	10934	2.16	7547	2.23	10422	2.19
Cheese	Natural Varieties	1 # block	570	3.71	859	3.91	1347	3.69
Cheese	Natural Varieties	2 # block	1210	6.24	1131	6.19	1227	6.55
Cheese	Natural Varieties	8 oz shred	10895	2.07	7227	2.14	9300	2.27
Cheese	Natural Varieties	1 # shred	441	4.47	488	4.16	806	3.99
Cottage cheese		16 oz	6654	1.86	2897	1.83	5360	1.84
Cream cheese		8 oz	16361	1.53	13689	1.51	16051	1.49
Egg nog		quart	780	2.76	620	2.74	1129	2.95
Egg nog		half gallon	5312	3.59	2530	3.71	1648	3.82
Flavored milk	All fat tests	half gallon	322	2.67	349	1.82	400	3.36
Flavored milk	All fat tests	gallon			403	3.73		
Ice cream		48-64oz	14751	3.08	12562	3.05	15347	2.97
Milk	All fat tests	half gallon			767	1.99		
Milk	All fat tests	gallon	1708	2.50	1008	2.92	1064	2.72
Sour cream		16 oz	12361	1.74	8751	1.67	14415	1.81
Yogurt	Greek	4-6 oz	9659	.98	9829	.98	11584	.96
Yogurt	Greek	32 oz	1470	4.31	1005	4.44	906	3.99
Yogurt	Yogurt	4-6 oz	4496	.52	6274	.61	1207	.51
Yogurt	Yogurt	32 oz	2314	2.17	3023	2.16	430	2.42

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	3501	2.60	1.99-3.00	2710	2.56	1.88-3.50	2629	2.56
Cheese	Natural Varieties	8 oz block	1.49-3.00	4590	2.19	1.67-3.00	2708	2.09	1.25-2.49	1354	2.10
Cheese	Natural Varieties	1 # block	2.99-3.49	209	3.16	2.50	60	2.50	1.50	57	1.50
Cheese	Natural Varieties	2 # block	5.49-6.99	329	6.08	5.98-5.99	259	5.98	8.99	180	8.99
Cheese	Natural Varieties	8 oz shred	1.77-3.49	2798	2.18	1.67-2.49	3154	1.99	1.77-2.50	1477	2.11
Cheese	Natural Varieties	1 # shred	3.99	135	3.99						
Cottage cheese		16 oz	1.77-2.99	1559	2.24	1.00-2.00	2177	1.77	0.80-2.50	743	1.43
Cream cheese		8 oz	0.79-2.99	4356	1.58	0.79-2.00	4534	1.46	0.79-2.79	2571	1.35
Egg nog		quart	3.99	135	3.99				2.48-3.00	287	2.81
Egg nog		half gallon	2.99-4.99	1834	4.15	2.98-3.50	803	3.12	2.99-3.99	654	3.17
Flavored milk	All fat tests	half gallon	2.99	137	2.99	2.29	64	2.29			
Ice cream		48-64oz	1.99-4.49	3743	2.51	1.99-5.48	4267	3.37	2.49-4.50	2189	3.10
Milk	All fat tests	gallon				2.50	1083	2.50	1.68-2.50	191	2.09
Sour cream		16 oz	0.99-2.00	3767	1.75	0.98-2.00	3098	1.77	0.99-2.00	1691	1.55
Yogurt	Greek	4-6 oz	0.75-1.00	1916	.97	0.75-1.00	2623	.98	0.75-1.00	1916	.96

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	3.79-4.99	733	4.39	2.50	214	2.50	5.00	180	5.00
Yogurt	Yogurt	4-6 oz	0.44-0.62	1554	.50	0.44-0.50	1652	.48	0.39-0.68	656	.49
Yogurt	Yogurt	32 oz	2.50-2.88	237	2.59	2.00	1083	2.00	1.99-2.00	799	1.99

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.69-2.99	1930	2.57	1.88-3.49	1967	2.74	1.99-3.50	457	2.75
Cheese	Natural Varieties	8 oz block	0.99-3.00	1269	1.95	1.66-3.00	826	2.66	1.79-1.99	187	1.86
Cheese	Natural Varieties	1 # block				4.99	244	4.99			
Cheese	Natural Varieties	2 # block	4.99	262	4.99	5.99	114	5.99	5.99	66	5.99
Cheese	Natural Varieties	8 oz shred	0.99-2.50	1676	1.94	1.66-3.00	1347	2.22	1.79-2.00	443	1.94
Cheese	Natural Varieties	1 # shred				3.49-4.99	306	4.69			
Cottage cheese		16 oz	1.25-2.58	1606	1.86	1.25-2.00	231	1.63	1.25-2.50	338	1.81
Cream cheese		8 oz	0.88-2.00	1911	1.66	1.48-2.00	1951	1.69	0.99-2.00	1038	1.51
Egg nog		quart	1.99-2.69	358	2.27						
Egg nog		half gallon	2.99-3.99	450	3.21	2.99-3.50	927	3.12	3.49-4.59	644	3.98
Flavored milk	All fat tests	half gallon	2.50	121	2.50						
Ice cream		48-64oz	1.99-5.00	1837	3.48	1.88-3.50	1336	2.72	2.50-5.00	1379	3.56
Milk	All fat tests	gallon	1.78-3.99	371	2.80	1.99	63	1.99			
Sour cream		16 oz	1.00-2.00	1849	1.75	1.00-2.50	1480	1.83	1.25-1.99	476	1.70
Yogurt	Greek	4-6 oz	0.89-1.00	885	.99	0.87-1.00	1265	.97	0.75-1.19	1054	1.02
Yogurt	Greek	32 oz	4.49	54	4.49				5.00	289	5.00
Yogurt	Yogurt	4-6 oz	0.46-0.89	413	.76	0.48-0.50	221	.49			
Yogurt	Yogurt	32 oz	2.99-3.49	195	3.30						

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

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 #	975	5.01	725	5.00	879	5.13
Cheese	Natural Varieties	8 oz block	376	3.39	180	3.29	84	3.50

Wtd Avg - Simple weighted average



Cheese	Natural Varieties	1 # block	178	3.49				
Cheese	Natural Varieties	8 oz shred	59	2.99			438	3.73
Cottage cheese		16 oz	141	3.29	141	3.29		
Cream cheese		8 oz	141	2.50	152	2.52		
Egg nog		quart			3	3.99		
Ice cream		48-64oz	1083	3.99	1220	4.21	117	4.99
Milk	All fat tests	half gallon	4397	3.78	927	3.98	3025	3.89
Milk	All fat tests	gallon	301	5.59	180	5.99	137	6.98
Milk	All fat tests	8 oz UHT	304	.83	543	1.07	596	1.07
Sour cream		16 oz	180	2.50	294	2.50	472	2.25
Yogurt	Greek	4-6 oz			62	.60		
Yogurt	Greek	32 oz			147	3.99	298	3.34
Yogurt	Yogurt	4-6 oz	195	1.33	195	1.33	137	1.00
Yogurt	Yogurt	32 oz	1104	3.70	221	3.99	1417	2.50

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 #							4.49	119	4.49
Cheese	Natural Varieties	8 oz block							3.29	180	3.29
Cheese	Natural Varieties	8 oz shred	2.99	59	2.99						
Ice cream		48-64oz				3.99	1083	3.99			
Milk	All fat tests	half gallon	3.49-5.99	1900	4.29	2.50-4.49	918	3.31	2.50-3.99	828	3.38
Milk	All fat tests	gallon							5.99	180	5.99
Milk	All fat tests	8 oz UHT	0.83	304	.83						
Sour cream		16 oz							2.50	180	2.50
Yogurt	Yogurt	4-6 oz				1.33	195	1.33			
Yogurt	Yogurt	32 oz	2.99-3.99	1043	3.68	3.99	61	3.99			

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.99-5.49	268	5.09	3.99-5.99	286	5.17	5.00	302	5.00
Cheese	Natural Varieties	8 oz block	3.49	196	3.49						
Cheese	Natural Varieties	1 # block	3.49	178	3.49						
Cottage cheese		16 oz	3.29	141	3.29						
Cream cheese		8 oz	2.50	141	2.50						
Milk	All fat tests	half gallon	2.99-3.99	429	3.48	3.99	174	3.99	2.99	148	2.99

Wtd Avg - Simple weighted average



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
Milk	All fat tests	gallon							4.99	121	4.99

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



Dairy Market News

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

Volume 83, Report 51

December 23, 2016

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