

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (1/13)

BUTTER: Grade AA closed at \$2.2250. The weekly average for Grade AA is \$2.2695 (+.0295).

CHEESE: Barrels closed at \$1.6400 and 40# blocks at \$1.7250. The weekly average for barrels is \$1.6250 (+.0350) and blocks, \$1.7200 (+.0556).

NONFAT DRY MILK: Grade A closed at \$1.0325. The weekly average for Grade A is \$1.0265 (-.0060).

BUTTER HIGHLIGHTS: Nationwide, many butter plants are running at full capacity clearing most of the large cream volumes currently available in the market. Overall, butter supply is above demand as stocks continue building into cold storage for future needs later in the year. Although butter churners are focusing on bulk processing, print production is also active in some plants ahead of the upcoming Super Bowl and spring holidays retail needs. Spot sales activity for bulk is light. This week bulk butter pricing throughout the nation is 2 cents below to 8 cents above, based on the CME Group with various periods and averages used. The NASS *Dairy Products* report noted total U.S. butter production during November 2016 was 143.7 million pounds, 5.7 percent lower than last year. During January–November 2016, U.S. butter production totaled 1.725 billion pounds, 3.0 percent more than the same period in 2015. The Foreign Agricultural Service (FAS) reports November 2016 U.S. exports of butter and milkfat totaled 5.8 million pounds, up 107% from a year ago. Friday at the CME Group, Grade AA butter closed at \$2.2250, up \$.0050 from last Friday.

CHEESE HIGHLIGHTS: Cheese production is active throughout the country this week, although winter storms have caused some delays in Northeastern production schedules. Plentiful milk is reported in the Midwest and West, as more educational institutions return after the holiday break. Midwestern contacts expect readily available milk into next week. Food service orders in the Northeast are steady, but a bit slower in the Midwest. Retail demand is fair to strong again this week. Mozzarella demand in the West is beginning to build for prime pizza cheese season: football playoffs and the Super Bowl. Stocks of fresh blocks are a little harder to find, whereas aged blocks and barrels remain available. The Foreign Agricultural Service (FAS) reports that November 2016 U.S. cheese and curd exports totaled 55.0 million pounds, a 9.0% increase from November 2015. *Dairy Products* (NASS) reports November 2016 total U.S. cheese production, 1.011 billion pounds,

was 2.6% below October 2016. In CME Group trading Friday, barrels closed at \$1.6400, up \$.0650 from last Friday. Blocks closed at \$1.7250, up \$.0550 from last Friday.

FLUID MILK: Across the nation, various weather patterns are influencing milk production and the return of students to classrooms is influencing fluid milk demand. As schools restart after winter breaks, demand for single serve containers has increased. Bottling demand in the Northeast, Mid-Atlantic and Southeast has been strong as wintery conditions prompt an upsurge in fluid milk demand ahead of the storms, and retailers restock shelves following the storms. Milk production in the Northeast and Mid-Atlantic states is mostly steady, while production is building in Florida. Colder weather in the South Central area has suppressed milk output slightly. However, milk handlers in the North Central region report on-farm milk pickups are steady to higher. Demand for spot loads of milk from cheese plant operators is building. Current prices on loads range from \$2.00 under to \$1.50 over Class depending on the type of cheese made. Heavy rains in areas of California have swamped some dairy zones, pushing quality and volumes down a bit. Milk yields in Arizona and New Mexico are rising due to comfortable daytime temperatures in the region. Milk production in the Pacific Northwest is following typical seasonal patterns, returning to normal levels as temperatures moderate. Last week's winter storm in the mountain states suppressed milk production, but industry contacts expect milk volumes to return. Manufacturers are seeing plenty of milk available for processing. Demand for condensed skim is increasing and NDM/SMP manufacturers are pulling heavy volumes. Cream is generally in good supply. The Eastern cream market is weak, but some spot loads are finding homes in the Central region. Ice cream manufacturers are starting to ramp up production schedules. With the Super Bowl approaching, some cream cheese and sour cream producers are pulling more cream. Cream multiples range from **1.00-1.20** in the East, **1.08-1.21** in the Central, and **1.00-1.20** in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk prices are generally higher throughout the country, but edged slightly lower at the bottom of the range in the West region. Industry participants have different opinions about the current market. Some think balanced supplies and strong demand are driving a stronger market, while others feel NDM is readily available and there is no good

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NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY JAN 09	TUESDAY JAN 10	WEDNESDAY JAN 11	THURSDAY JAN 12	FRIDAY JAN 13	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.5750 (N.C.)	\$1.6300 (+.0550)	\$1.6400 (+.0100)	\$1.6400 (N.C.)	\$1.6400 (N.C.)	:: (+.0650)	:: \$1.6250 (+.0350)
40# BLOCKS	\$1.6700 (N.C.)	\$1.7200 (+.0500)	\$1.7350 (+.0150)	\$1.7500 (+.0150)	\$1.7250 (-.0250)	:: (+.0550)	:: \$1.7200 (+.0556)
NONFAT DRY MILK							
GRADE A	\$1.0175 (-.0350)	\$1.0200 (+.0025)	\$1.0300 (+.0100)	\$1.0325 (+.0025)	\$1.0325 (N.C.)	:: (-.0200)	:: \$1.0265 (-.0060)
BUTTER							
GRADE AA	\$2.3000 (+.0800)	\$2.3000 (N.C.)	\$2.2775 (-.0225)	\$2.2450 (-.0325)	\$2.2250 (-.0200)	:: (+.0050)	:: \$2.2695 (+.0295)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes.

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.
Computed by Dairy Market News for international purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY

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

explanation for the strengthening values. High heat NDM prices are unchanged and inventories tend to be tight. Prices for dry buttermilk are mixed and sales transactions light outside of contracts. Whole milk prices are unchanged on light trading. Inventories are steady to slightly higher. Many feel the market tone for dry whey is firm. Prices for dry whey are generally higher and inventories are tight. Whey protein concentrate 34% prices are mostly steady, but moved higher at the top end of the range. Resales of WPC34% that meet infant formula or sports nutrition requirements are often above reported market prices. Industry stocks remain tight. Prices for lactose are steady in a mixed market. Some industry contacts are reporting a slowdown. However, those market contacts involved with 200 mesh, low spore and highly desired brands, are often seeing strong demand and clearing lactose at prices at the upper end of the price range. Rennet and acid casein prices are steady this week as buyers and sellers assess early year price and supply expectations.

ORGANIC DAIRY MARKET NEWS (DMN): AMS reports total organic milk products sales for November 2016, 222 million pounds, were up 11.6% from November the previous year and up 6.0%, January-November compared with the same period of 2015. Total organic whole milk products sales for November 2016, 85 million pounds, were up 21.8% compared with November last year and up 17.0%, January-November compared with the same period of 2015. This week, organic milk accounts for 54% of organic dairy retail ad numbers by commodity, with a 19% decrease in ads over the previous period. Organic yogurt and cream cheese followed at 19% and 16%, respectively, of overall organic dairy advertisements for this survey week.

NATIONAL RETAIL REPORT (DMN): This week, total conventional dairy advertisements declined 21%, but organic dairy ads increased 25%. Conventional butter ads decreased 24%, while organic butter ads saw a 77% drop. The national average price for 1 pound conventional butter is \$3.55, while 1 pound organic butter is \$5.15, representing an organic price premium of \$1.60. Conventional yogurt ads decreased 25%, and organic yogurt ads decreased 47%. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.98. Surveyed retail outlets displayed no advertisements for 4-6 ounce organic Greek yogurt this period. The average sale price for 4-6 ounce conventional yogurt is \$0.45, while 4-6 ounce organic yogurt averaged \$1.12. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.16, up 3 cents from last week. Ads for conventional 8 ounce shred cheese averaged \$2.12, down 3 cents from last week. The collective number of conventional cheese ads decreased 39%, while organic cheese ad numbers saw a 42% decline. This week, the difference between the weighted average price for organic half gallon milk, \$3.75, and the weighted average price for conventional half gallon milk, \$2.85, resulted in an organic price premium of \$0.90. Organic milk advertisements declined 19%, while ads for conventional milk increased 45%. Mailbox Milk Prices for Selected Reporting Areas in Federal Milk Orders and California, October 2016, With Comparisons (FMMO & CDFA): In October 2016, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.40 per cwt, down \$0.70 per cwt from the September 2016 average and down \$1.20 per cwt from the October 2015 average. The component tests of producer milk in October 2016 were: butterfat, 3.82%; protein, 3.18%; and other solids, 5.73%. When compared to the previous month, the October Mailbox prices decreased in all 19 Federal milk order reporting areas. The Ohio reporting area decreased \$1.28 per cwt, while the Appalachian

States reporting area decreased only \$0.22 per cwt when compared to the previous month. Averaged over all Federal milk order reporting areas, the October 2016 Mailbox price decreased an average of \$0.68 per cwt. Mailbox prices in October 2016 ranged from \$18.62 in Florida to \$14.40 in the Michigan reporting area.

NOVEMBER MILK SALES (FMMO): During November, 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.4 percent higher than November 2015. Estimated sales of total conventional fluid milk products decreased 0.2 percent from November 2015 and estimated sales of total organic fluid milk products increased 11.6 percent from a year earlier.

JANUARY SUPPLY AND DEMAND ESTIMATES (FMMO): Milk production for 2016 is raised on slightly larger milk cow numbers. The 2017 milk production forecast is raised from last month as improved returns support increases in both cow numbers and milk per cow. Fat and skim-solids basis exports for 2016 are raised on recent trade data. Imports are unchanged. Exports on a fat basis are reduced slightly for 2017, but are raised on a skim-solids basis. Import forecasts are unchanged for 2017. Dairy product prices and Class prices for 2016 are adjusted to incorporate December price data. For 2017, butter, cheese, nonfat dry milk, and whey prices are raised from last month on demand strength. Class prices for 2017 are raised, reflecting higher product price forecasts. The all milk price range is raised to \$17.60 to \$18.40 per cwt.

CME GROUP

MONDAY, JANUARY 9, 2017

CHEESE – SALES: NONE; LAST BID UNFILLED: 4 CARS BARRELS @ \$1.5650; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK – SALES: 2 CARS GRADE A: 1 @ \$1.0200, 1 @ \$1.0175; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.0150; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.0275
 BUTTER – SALES: 4 CARS GRADE AA: 1 @ \$2.2600, 2 @ \$2.2800, 1 @ \$2.3000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.3500

TUESDAY, JANUARY 10, 2017

CHEESE – SALES: 5 CARS BARRELS: 1 @ \$1.6125, 1 @ \$1.6025, 1 @ \$1.6050, 1 @ \$1.6075, 1 @ \$1.6300; 4 CARS 40# BLOCKS: 1 @ \$1.6900, 2 @ \$1.7000, 1 @ \$1.7200; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6900; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK – SALES: 3 CARS GRADE A: 1 @ \$1.0250, 1 @ \$1.0200, 1 @ \$1.0175; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.0200; LAST OFFER UNCOVERED: NONE
 BUTTER – SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.2700; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.3000

WEDNESDAY, JANUARY 11, 2017

CHEESE – SALES: 2 CARS BARRELS: 1 @ \$1.6350, 1 @ \$1.6400; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6350; 1 CAR 40# BLOCKS @ \$1.7350; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK – SALES: 3 CARS GRADE A: 2 @ \$1.0275, 1 @ \$1.0300; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.0250; LAST OFFER UNCOVERED: NONE
 BUTTER – SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.2775

THURSDAY, JANUARY 12, 2017

CHEESE – SALES: 1 CAR 40# BLOCKS @ \$1.7500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.6800
 NONFAT DRY MILK – SALES: 1 CAR GRADE A @ \$1.0325; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER – SALES: 7 CARS GRADE AA: 1 @ \$2.1700, 1 @ \$2.1800, 1 @ \$2.1900, 1 @ \$2.2000, 1 @ \$2.2025, 1 @ \$2.2350, 1 @ \$2.2450; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

FRIDAY, JANUARY 13, 2017

CHEESE – SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.7250
 NONFAT DRY MILK – SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.0300; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.0500
 BUTTER – SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.2000; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.2250

BUTTER MARKETS

NORTHEAST

Cream supplies for processing butter remain readily available in the region. Sources note that cream supplies that had been moving into Canada have ended. Upon the issuance of new permits, this month, additional allocations will be scheduled into Canada. Butter production outpaces current demand and is increasing producers' stocks. Buying interest does vary as some buyers return to the market following the holiday, while others are still holding off placing new orders. Bulk sales remain slow. Some producers and traders feel that sales activity will be limited to short-term or immediate needs until the butter market stabilizes. The f.o.b. East bulk butter price is reported 5 to 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 \$2.3000, up \$0.0800 from the previous Tuesday. The butter market undertone is unsettled. The DMN *National Retail Report-Dairy*, indicates the January 6-12, 2017 national advertised weighted average price for 1-pound butter was \$3.35, up 66 cents from last week, but down 4 cents from a year ago. The Northeast region's butter price was \$3.39, with a price range of \$2.99-\$4.49. The Foreign Agricultural Service (FAS) reports November 2016 U.S. exports of butter and milkfat totaled 5.8 million pounds, up 107% from a year ago.

DAIRY PRODUCTS: According to NASS, the U.S. butter production for November 2016 totals 143.7 million pounds, down 5.7% from last year, but up 1.5% from October 2016. Cumulative 2016 butter production through November totals 1.725 billion pounds, 3.0% above the same period for 2015. November butter production in the Atlantic region totaled 14.6 million pounds, up 4.7% from last year and up 7.2% from October 2016.

CENTRAL

With even more educational institutions, namely colleges and universities, reopening this week, cream from bottlers is plentiful for butter producers across the Central region of the U.S. However, contacts report a slight uptick in cream demand from Class II producers aiming to ramp up ice cream production. With the current availability of cream, butter production continues to be active. Most processors continue to focus on bulk production, although some producers report moving primarily to print in order to prepare for the expected strong retail demand at the end of January and into early February. Bulk inventories continue building into storage. Currently, butter demand varies somewhat as some producers report that sales are continuing relatively strongly, while others report a slowdown typical for this time of year. DMN *National Retail Report-Dairy* for January 6-12 noted the national weighted average advertised price for a 1 pound package of butter is \$3.35, \$0.66 above one week ago, but \$0.04 lower than one year ago. The weighted average prices in the Midwest and South Central regions are \$3.00 and \$3.12, respectively. The NASS *Dairy Products* report noted U.S. butter production during November 2016 in the Central region totaled 59.8 million pounds, 2.9 percent lower than one year ago. Total U.S. butter production during November 2016 was 143.7 million pounds, 5.7 percent lower than last year. During January–November 2016, U.S. butter production totaled 1.725 billion pounds, 3.0 percent more than the same period in 2015. Bulk butter prices reported ranged from 2 to 6 cents over the market, with various periods and averages used. Wednesday at the CME Group, Grade AA butter closed at \$2.2775, up \$.0175 from last Wednesday.

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

<u>WEEK ENDING</u>	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
January 7, 2017	2.2742 3,595,521	1.7420 14,226,639	1.6576 9,406,780	.4272 5,228,294	1.0139 11,699,902

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

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WEST

Western butter manufacturers are working hard to find the balance between supply and demand. Although down from peak demand near the fall and winter holidays, domestic butter draws are steady and following seasonal trends. A few industry contacts say current sales are exceeding expectations. With ample supplies of cream, butter production is active. Some manufacturers are using available cream to rebuild butter inventories. They seem eager to put bulk butter into storage for needs later in the year. In other cases, processors are using available cream to make print butter in advance of the spring holidays. Bulk butter pricing in the West this week is 2 cents below 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 January 6-12 found that the U.S. weighted average advertised price of 1 pound butter is \$3.35, up \$.66 from last week. The U.S. weighted average price was \$3.39 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.50 with a price range of \$3.29-\$3.99. In the Northwest, the weighted average advertised price of 1 pound butter is \$2.99. According to the NASS *Dairy Products* report, U.S. butter production during November 2016, 143.7 million pounds, was 5.7% lower than November 2015, but 1.5% higher than October 2016. U.S. cumulative 2016 butter production through November is 1.725 billion pounds, 3.0% higher than the same period last year. In the West, total November butter production was 69.2 million pounds, 9.8% lower than November 2015, and 0.8% lower than October 2016. California November production was 42.1 million pounds, 7.5% lower than last year, and 0.4% lower than last month. The Grade AA butter price at the CME Group on Wednesday closed at \$1.2775, up \$.0175 from a week ago.

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	5.8	+ 107
TOTAL, JAN - NOV	50.0	+ 7
1 Mexico	20.1	+ 122
2 Canada	15.9	+ 134
3 Saudi Arabia	3.8	- 77
4 South Korea	1.4	- 55
5 Taiwan	0.9	+ 11

CHEESE MARKETS

NORTHEAST

Current cheese production is active, although generally lighter than yearend holiday levels. Recent winter storms have caused interruptions in production and delivery schedules. Demand for cheese is rebounding as retailers get back into the market after assessing their post-holiday inventories. Sales are fair to good, as orders for party trays improve. Food service orders are steady. Cheddar aging programs are rebuilding supplies. Cheese yields are good, but off from peak levels. Northeast wholesale cheese prices for cheddar and Muenster increased \$0.0025, while 5# sliced process cheese prices increased \$0.0275. The Grade A Swiss price declined \$0.1750 from last month, a result of adjustments to Class III component prices. Tuesday's CME Group daily cash prices saw barrels close at \$1.6300, up \$0.0350 from a week ago. Blocks closed at \$1.7200, up \$0.0500 from a week ago. The DMN *National Retail Report-Dairy*, for January 6-12, 2017, noted the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.31, 18 cents above the national average, with a regional price range of \$1.66-\$3.00. The Southeast 8 oz. block average price was \$2.11, 2 cents below the national average, with a regional price range of \$1.77-\$2.50. The Northeast average advertised price for 8 oz. cheese shreds was \$2.22, 7 cents above 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 \$2.06, with prices ranging \$1.77-\$2.50. The Foreign Agricultural Service (FAS) reports that November 2016 U.S. cheese and curd exports totaled 55.0 million pounds, a 9% upturn from a year ago. DAIRY PRODUCTS: According to NASS, U.S. total cheese production in November 2016 was 1.0 billion pounds, 2.7% higher than a year ago, but 2.6% below the previous month. In the Atlantic region, total cheese production was 129.1 million pounds, 3.4% higher than a year ago, but 3.8% below the previous month. Total cheese production and percentage changes from one year ago for individual Eastern states are, New Jersey 4.9 million pounds, -3.4%; New York 69.8, +0.1%; Pennsylvania 35.1, +10.7%; and Vermont 12.2 million pounds, +4.5%.

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

Cheddar 40# Block	:	2.1275-2.4125
Process 5# Sliced	:	1.7225-2.2025
Muenster	:	2.1125-2.4625
Grade A Swiss Cuts 10 - 14#	:	3.0950-3.4175

MIDWEST

As colleges and universities return from the holiday break, abundant milk is flowing from bottling plants into cheese vats. Some contacts report an expectation of readily available milk this week into next week, but then a slowdown around the end of January. With the available milk and a steady to relatively strong cheese demand, production levels are fully active. Food service demand is a bit slow this time of year, as contacts expected. However, most producers report steady to strong retail sales, particularly in packaged ready-to-eat cheese varieties. Producers of process cheese are also reporting a strengthening demand. Inventories of aged barrels and blocks remain readily available, while fresh blocks continue to tighten. In CME Group trading Wednesday, barrels closed at \$1.6400, up \$0.0450 from last Wednesday and blocks closed at \$1.7350, up \$0.0750. The Foreign Agricultural Service (FAS) reports that November 2016 U.S. cheese and curd exports totaled 55.0 million pounds, a 9% increase from a year ago. The DMN *National Retail Report-Dairy* shows that January 6-12 Midwest ads for 8 ounce shred cheese have a weighted average

advertised price of \$2.05, 10 cents below the national average. Midwest prices range from \$1.75-\$2.49. One year ago, the national price was \$2.17. For 8 ounce blocks, the Midwest average price is \$1.90, 23 cents below the national average price. Midwest ads are priced from \$1.49-\$2.49. Last year, the national price was \$2.19. Midwestern wholesale prices are down \$.1750 for Swiss cuts, up \$.0275 for process and up \$.0025 for all other types. *Dairy Products* (NASS) reports total 2016 U.S. cheese production, year to date through November, is 11.0 billion pounds, 2.0 percent above January through November 2015. November 2016 total U.S. cheese production, 1.011 billion pounds, is 2.6 percent below October 2016. Central total cheese production for November was 455.5 million pounds, 2.1 percent less than last month. For total cheese production and various types of cheese, November 2016 U.S. and Central cheese production compared to November 2015 were as follows:

	U.S.	Central
Total	+ 2.7%	+ 3.3%
American	+ 3.9%	+ 3.5%
Cheddar	+ 5.9%	+ 7.3%
Total Italian	+ 2.6%	+ 5.2%
Mozzarella	+ 1.6%	+ 1.6%

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

Process American 5# Loaf	:	1.6800-2.0400
Brick And/Or Muenster 5#	:	2.0325-2.4575
Cheddar 40# Block	:	1.7600-2.1550
Monterey Jack 10#	:	2.0075-2.2125
Blue 5#	:	2.3000-3.2875
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8325-2.7725
Grade A Swiss Cuts 6 - 9#	:	2.6125-2.7300

WEST

Western dairy contacts report that although milk intakes are getting used more heavily in bottling, there is still plenty of milk available for making cheese. Cheese production is active and cheese stocks are slowly rebuilding following the peak holiday demand. Industry contacts report block inventories, especially current blocks, are a little tight. But supplies of blocks with more age, and barrels are more readily available. Domestic cheese draws, although slower than the holiday blitz, are solid. In addition, demand for mozzarella is building through the football playoffs and Super Bowl peak pizza event. The DMN *National Retail Report-Dairy* for the week of January 6-12 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.15, down \$.05 from last week. Packs average \$2.20 in the Southwest and \$2.40 in the Northwest. One year ago, the national price was \$2.17. For 8 ounce blocks, the U.S. price is \$2.13, up \$.06 from last week. Blocks average \$1.96 in the Southwest and \$1.67 in the Northwest. One year ago, the national price was \$2.19. In the West, wholesale prices are up \$.0275 for process, and up \$.0025 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are down \$.1750. *Dairy Products* (NASS) reports total 2016 U.S. cheese production, year to date through November, is 11.014 billion pounds, 2.0% above January through November 2015. November 2016 U.S. total cheese production, 1.011 billion pounds, is 2.6% below October 2016. In the West, total cheese production for November 2016 was 426.3 million pounds, 2.8% less than last month. For total cheese production and various types of cheese, November 2016 U.S. and West cheese production percent changes compared to November 2015 are as follows:

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CHEESE MARKETS

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2016 U.S. Cheese and Curd Exports (USDA-FAS)

	U.S.	West		2016 Exports (Million Lb.)	% Change From 1 Year Ago
Total Cheese	+ 2.7%	+ 1.8%			
American	+ 3.9%	+ 4.4%			
Cheddar	+ 5.9%	+ 4.6%	November Total	55.0	+ 9
Total Italian	+ 2.6%	+ 0.1%			
Mozzarella	+ 1.6%	+ 0.6%	TOTAL, JAN - NOV	569.7	- 12
Swiss	+ 3.2%	...	1 Mexico	179.8	- 1
			2 South Korea	82.9	- 29
			3 Japan	54.5	- 23
			4 Australia	29.9	- 16
			5 Canada	26.5	+ 1

In CME Group trading Wednesday, barrels closed at \$1.6400, up \$.0450 from a week ago and blocks closed at \$1.7350, up \$.0750.

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

Process 5# Loaf	:	1.6675-1.9250
Cheddar 40# Block	:	1.7925-2.2375
Cheddar 10# Cuts	:	1.9725-2.1925
Monterey Jack 10#	:	1.9825-2.1425
Grade A Swiss Cuts 6 - 9#	:	2.6725-3.1025

FOREIGN TYPE CHEESE

In Western Europe, cheese production continues to be lower than desired due to tightness in available milk supplies. Most cheesemakers are using all available milk. Cheese production percentage changes reported by Eurolait in some of the significant cheese producing nations of Western European January-October 2016, compared with the same period of 2015, were: Germany, 0.0%; France, -2.3%; Italy, -0.4%; Netherlands, +5.0%; and United Kingdom, 5.4%. U.S. cheese imports January-November, 2016 are -0.8% below the same period of 2015. Main origins and percent of the total are: Italy, 20.8%; France, 10.4%; and New Zealand, 7.9%. In the U.S., wholesale blue, gorgonzola, parmesan and Romano prices increased \$.0025, Swiss Cuts Switzerland decreased \$.1750, and all other varieties are unchanged.

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

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
	:	:
Blue	: 2.6400-5.2300	: 2.1775-3.6650*
Gorgonzola	: 3.6900-5.7400	: 2.6850-3.4025*
Parmesan (Italy)	: -0-	: 3.5675-5.6575*
Romano (Cows Milk)	: -0-	: 3.3675-5.5175*
Sardo Romano (Argentina)	: 2.8500-4.7800	: -0-
Reggianito (Argentina)	: 3.2900-4.7800	: -0-
Jarlsberg-(Brand)	: 2.9500-6.4500	: -0-
Swiss Cuts Switzerland	: -0-	: 3.1325-3.4550*
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

* = Price change.

COLD STORAGE

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

	BUTTER	CHEESE
	:	:
01/09/17	11,929	81,829
01/01/17	12,740	81,357
CHANGE	-811	472
% CHANGE	-6	1

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	50	0	150	0	0
SOUTHEAST STATES	0	0	0	0	0	0

Northeast and Mid-Atlantic milk production is mostly steady, with seasonal increases in some areas of the region. Excess milk supplies have declined, as wintery conditions prompt upsurges in fluid milk demand and milk moving into bottling pipelines, with the reopening of schools and universities. Class I demand in the Southeast is strong, as retailers restock shelves following an influx of demand due to recent winter snow/ice storms. Milk handlers report loads into manufacturing are little to none. Milk production is growing in Florida. Sales have been stronger coming out of the holiday. Shipments out of state, this week, declined to 50 loads compared to 150 exports last week, due to heightened tourist activity and volumes moving to ultra-filtration plants. The fluid **cream** market remains weak with multiples lowering to flat market for some exchanges. Reported multiples for Class II cream ranges **1.00-1.20** this week. **Condensed skim** sales are increasing as some plants re-establishes regular operating schedules. Movement is occurring into Class III facilities. According to the DMN *National Retail Report-Dairy*, for January 6-12, 2017, the U.S. weighted average advertised price for a gallon of milk was \$2.74, up 5 cents from last week and up 20 cents from last year. The Southeast weighted average price for a gallon of milk was \$3.91, while regional prices ranged \$3.69-3.99.

DAIRY PRODUCTS: According to NASS, November 2016 hard ice cream production in the Atlantic region totaled 13.6 million gallons, 4.8% less than last month and 3.1% less than a year ago. Cumulative U.S. 2016 production through November totaled 722.6 million gallons, 0.2% higher than the previous year total through November. U.S. Yogurt production (plain and flavored) for November totaled 326.4 million pounds, down 14.3% from last month and down 6.1% from the previous year.

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-	2.2400-2.6880
F.O.B. producing plants: Upper Midwest-	2.4192-2.7104

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices-	.60-1.04
Northeast - Class III - spot prices -	.55-1.06

MIDWEST

With recent colder weather in the South Central area, milk handlers report daily milk pickup volumes trended marginally lower during the last several days. However, the trend is not expected to be long-term. North Central area milk handlers indicate trends for on-farm pickup volumes are steady to building. Bottler demand is rebounding as higher education institutions restart, especially for single serve containers. Restaurant demand is moderate. The DMN *National Retail Report-Dairy* for January 6-12 noted the national weighted average advertised price for one gallon of milk was \$2.74, up \$0.05 from a week ago and \$0.20 higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.27

and \$2.63, respectively. Demand from Class II soft serve mix and hard pack ice cream manufacturers for condensed skim and cream is higher. Production coming off multi-serve and stick/cup/cone lines is trending higher to meet spring orders. Cream cheese producers are taking higher volumes of cream as well. Spot cream loads are moving into Classes II, III, and IV. Cream availability on the spot market is mixed as higher cream volumes are clearing into contracts within the region, but spot cream loads from the East region are finding interest in the Central. Multiples are higher as demand builds for cream, ranging 1.08-1.21. Demand for spot milk loads from cheese plant operators is steady to higher. With increased demand, some of the commodity cheese manufacturers are less interested in milk. Due to enhanced pricing on specialty cheeses, producers of those cheese types are better able to pay marginally higher prices for spot milk loads. Current prices on milk loads range from \$2.00 under to \$1.50 over. Some spot milk loads are catch-up loads that could not be delivered during the yearend holidays. The NASS *Dairy Products* report noted November U.S. regular (hard) ice cream production totaled 52.0 million gallons, down 5.3 percent from last year. January -November U.S. production totals 722.6 million gallons, 0.2 percent above 2015 during the same time span. November production in the Central region totaled 26.8 million gallons, 4.3 percent below a year ago.

WEST

Milk production is slightly down in California as heavy rain swamped some dairy zones in the Central Valley. Milk quality has decreased a little bit due to muddy conditions in some dairy farm holding areas. Milk hauling was marginally affected with a few delays in milk deliveries. Nevertheless, milk volumes are more than sufficient to cover manufacturing needs, especially from Class 4b (cheese). Class 1 demands from retailers are improving as some grocery stores stock up ahead of the upcoming holiday weekend. A positive impact of the current weather conditions is that snowpack across the Sierra Nevada is improving. In addition, the drought is easing in some areas of the Central Valley. Therefore, some dairy operators anticipate more water availability during Q2 and Q3. This week, alfalfa fieldwork is inactive due to the cold temperatures. According to CDFA, February 2017 Class 1 prices in California are \$18.13 in the north and \$18.40 in the south. The statewide average Class 1 price based on production is \$18.15. This price is down \$0.63 from the previous month, but \$3.16 higher than a year ago. Unlike California, milk yields from the farm are rising in Arizona, mainly prompted by comfortable daytime temperatures of around 66 degrees. Bottling demand, especially for single serve containers are up as educational institutions are filling pipelines. Class I requests from coffee shops and grocery stores are reported as strong this week. Harvesting of good/excellent quality alfalfa hay is active as well as planting of barley and durum wheat. In New Mexico, milk production is expected to climb up after several bands of cold and wet weather during the last weekend. Pulls from bottlers are strong as most schools are filling pipelines. Class I demands from retailers and food service are fair to good. Sales into Class II and III are slightly up ahead of the football playoffs and Super Bowl. Pacific Northwest milk production is steady and following normal seasonal patterns. A few bouts of cold, wet weather have kept a lid on milk production, but output has quickly returned as the temperatures moderate. Processors report milk intakes are well balanced with manufacturing needs. Bottling demand is steady and has returned to pre-holiday levels. Last week's winter storms and cold temperatures had a downward influence on milk production in the

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FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

mountain states of Idaho, Colorado and Utah. Industry contacts expect milk volumes to recover as warmer temperatures build into the region. While weather events are suppressing production, manufacturers report there seems to be no shortage of milk available for processing. Contacts further report farmers are already making plans to expand or start new dairies in the coming months. The additional cows and already strong milk intakes are prompting some milk handlers to think about how best to balance the milk supply once the region enters into spring flush. According to the DMN *National Retail Report-Dairy* for the week of January 6-12, the national weighted average advertised price for one gallon of milk is \$2.74, up 5 cents from last week and 20 cents higher from a year ago. The weighted average regional price in the Southwest is \$2.68. There were no reported prices for gallon milk in the Northwest this week. Western balancing plant managers are focusing operational schedules on clearing heavy condensed skim volumes into NDM and SMP. Condensed skim usage for cheese fortification is active and demand from ice cream makers is improving, but slowly. Cream is readily available in the West. Most of this cream is clearing into butter churning. With the Super Bowl approaching, some sour cream and cream cheese processors are starting to pull more cream. A few cream loads have been exported to Mexico. Multiples for all classes are steady, ranging from 1.00 to 1.20. According to the NASS *Dairy Products* report, hard ice cream production in the West region for November 2016 is 11.7 million gallons, 9.9% lower than a year ago, and 9.4% lower than the previous month.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Low/medium heat nonfat dry milk prices are higher in the Central region through the range and mostly pricing series. The market undertone remains firm. Sources indicate a few NDM manufacturers are currently holding onto some of their new product in anticipation of prices moving higher based on international market factors. Domestic demand is good, with active export interest. Inventories are sufficient and building. High heat nonfat dry milk market prices are unchanged. Production is sporadic, as inventories remain tight.

DAIRY PRODUCTS: According to NASS, U.S. production of human food nonfat dry milk during November 2016 totaled 126.8 million pounds, 0.9% lower than a year ago and 10% below the previous month. Month ending stocks, at 215.8 million pounds are 8.5% above a year ago. Cumulative U.S. YTD nonfat dry milk production through November totaled 1.6 billion pounds, 4.7% less than 2015 during the same time span.

EAST: East region low/medium heat nonfat dry milk prices are higher in an unsettled market. Manufacturers are confident in the market's momentum. Production is unchanged to higher. Demand is steady in both domestic and foreign markets. Some producers are able to secure long-term (full year) indexed based contracts for 2017. Sources indicate growing inventories. Some market participants anticipate larger NDM purchases will occur as the month progresses. High heat NDM prices are steady. Demand is sluggish, with few loads trading in the spot market. Production is based on contract buyers' immediate needs.

DAIRY PRODUCTS: According to NASS, U.S. production of human food nonfat dry milk in the Atlantic region totaled 24.3 million pounds, 17.5% more than a year ago, but 14.4% below the previous month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9500 - 1.0900 **MOSTLY:** 1.0000 - 1.0600
HIGH HEAT: 1.1000 - 1.1800

U.S. NDM exports totaled 120 million pounds, 28% higher than a year ago. From January–November, U.S. NDM exports totaled 1,147 million pounds, 2% above last year during the same time span.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9625 - 1.1000 **MOSTLY:** 1.0200 - 1.0700
HIGH HEAT: 1.0550 - 1.1650

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
January 6	\$.9884	7,130,717
December 30	\$.9681	3,471,600

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

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	120.0	+ 28
TOTAL, JAN – NOV	1,146.7	+ 2
1 Mexico	493.0	- 2
2 Philippines	173.3	+ 32
3 Indonesia	108.2	+ 37
4 Vietnam	55.8	- 19
5 Malaysia	50.5	+ 4

NONFAT DRY MILK - WEST

F.O.B spot prices for western low/medium heat nonfat dry milk (NDM) are mixed on the range, but higher on the mostly series. There are different opinions from industry participants about the current market situation. Some manufacturers think NDM supplies are in good balance and the strong demand from Mexico is boosting prices. Conversely, some buyers/end users point out that in general, inventories are readily available in the market and there is not a solid explanation for the strengthening in NDM values. Currently, some traders have held a considerable amount of NDM stocks as they anticipate higher prices in the near term as futures values continue improving. Production is active as moderate to heavy condensed skim volumes continue clearing into dryers in most balancing plants. Inventories are steady to higher, but highly committed thru Q1. Prices for high heat nonfat dry milk are steady on very light trading. Production is irregular, mainly driven by contractual requirements. Inventories continue to be very tight. The NASS *Dairy Products* report noted U.S. human NDM production during November 2016 in the West region totaled 72.2 million pounds, 10.4 percent lower than one year ago, and 13.1 percent below the previous month. Total U.S. human NDM production during November 2016 was 126.8 million pounds, 0.9 percent lower than last year. During January–November 2016, U.S. human NDM production totaled 1.593 billion pounds, 4.7 percent less than the same period in 2015. Total U.S. NDM, human, month ending stocks for November were 215.8 million pounds, 8.5 percent above a year ago. According to FAS, during November,

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Prices for Central dry buttermilk are mixed. Volume purchases define the lower end of the range. Dry buttermilk production is somewhat active in response to strong churning activity. Contract accounts are clearing a good portion of new production. Producer supplies of dry buttermilk continue to increase. Spot demand is sluggish. The market undertone is steady.

DAIRY PRODUCTS: According to NASS, U.S. dry buttermilk production during November 2016 totaled 9.8 million pounds, 22.9% more than a year ago and 16.1% more than the last month. Month ending stocks were 20.1 million pounds, up 76.6% from last year and up 13.4% from last month.

EAST: Dry buttermilk prices in the East shifted lower at the bottom of the range, but moved higher at the top of the range. Dry buttermilk production is mostly steady, but higher for some processors. Overall, dry buttermilk volumes in the East remain limited as a drying operation remains offline. However, generated supplies are adequate for near term accounts. Spot activity is intermittent in a fairly quiet market. The dry buttermilk market undertone is firm and consistent with strengthening NDM markets.

F.O.B. CENTRAL/EAST: .8900 - 1.0500

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NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

-CONTINUED FROM PAGE 5-**DRY BUTTERMILK - WEST**

F.O.B. spot prices for western dry buttermilk are steady to higher on the range and mostly series. Sales transactions outside contracts are very light this week. Condensed buttermilk volumes are inching up as cream is readily available and most regional butter plants are running at full capacity. Nevertheless, balancing plant managers continue focusing on clearing current heavy condensed skim loads into NDM and SMP. Consequently, dry buttermilk output is limited and inventories continue tightening. Demands from several food processors are fair to good and the usage for ice cream manufacturing is improving, but slowly. The NASS *Dairy Products* report noted U.S. dry buttermilk production during November 2016 totaled 9.8 million pounds, 22.9 percent higher than a year ago. Total U.S. dry buttermilk month-ending stocks for November were 20.1 million pounds, 76.6 percent above last year.

F.O.B. WEST: .9200 - 1.0500 MOSTLY: .9500 - 1.0200

DRY WHOLE MILK - NATIONAL

National dry whole milk f.o.b. spot prices are unchanged on light trading. With the winter season in full swing, demand from hot chocolate dry mix processors remain active. Production is slightly improving in some plants, as the current interest for butterfat is weak. However, in other processing facilities, drying schedules are irregular as operators are focusing on converting condensed skim into NDM and SMP. Dry whole milk inventories are steady to slightly higher throughout the country. The NASS *Dairy Products* report noted U.S. dry whole milk production during November 2016 totaled 6.7 million pounds, 12.0 percent higher than a year ago. Total U.S. dry whole milk month-ending stocks for November were 12.1 million pounds, 62.9 percent above last year.

F.O.B. PRODUCING PLANT: 1.4400 - 1.6000

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Central whey prices moved higher through the full range and at the bottom of the mostly price series. Manufacturers report strong demand in some Mexican markets, but have also gotten pushback on price in others. Domestic demand is steady and many end users are content to work through existing contracts. A few end users are finding extra loads of whey harder to find. Inventories are tighter and more highly committed. Production is fairly steady. However, some processors note lower outputs due to more whey getting processed into higher whey proteins than heading straight for the dryers. Animal feed whey prices moved slightly higher at the top of the range. Some manufacturers say they are getting more offers of whey that is slightly out of spec from processors. The NASS *Dairy Products* report noted U.S. total dry whey production for November 2016 was 73.5 million pounds, down 6.9 percent from a year ago. January-November U.S. total dry whey production totals 878.3 million pounds, 0.5 percent below the same time span in 2015. The Central region accounted for 50.4 percent (36.0 million pounds) of U.S. human dry whey production in November. This production is 7.0 percent more than a year ago. Total U.S. dry whey month ending stocks for November were 61.8 million pounds, 6.0 percent above a year ago.

F.O.B. CENTRAL: .3800 - .4875

MOSTLY: .4025 - .4300

F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER:

.3150 - .4200

DRY WHEY - NORTHEAST

Dry whey prices are unchanged to slightly higher. Contacts report a slow week for spot market activity. Stocks are, in general, tight. Production is steady. Some Eastern producers report inventories are sold out through the first quarter. Traders looking to replenish inventory are finding it hard to do. Consequently, resellers are fulfilling some buyers' needs. The market undertone remains firm. DAIRY PRODUCTS: According to NASS, November 2016 U.S. human food dry whey production totaled 71.4 million pounds, 7.5% less than a year ago and 12.6% less than the previous month. The Atlantic region's production of human food dry whey in November 2016 totaled 21.2 million pounds, 1.4% more than a year ago and 1.2% more than last month.

F.O.B. NORTHEAST:

EXTRA GRADE AND GRADE A: .3900 - .4675

DRY WHEY - WEST

The full western whey price range and the bottom of the mostly price series moved higher. Industry contacts describe whey stocks as tight or highly committed. Manufacturers have opted to make high end whey protein concentrations in lieu of dry whey over the last few months. As a result, dry whey production has not been able to keep pace with current demand. Western whey contacts report good demand from domestic and Mexican buyers. Some industry contacts feel market prices of whey and high end whey proteins could soon reach a tipping point when manufacturers may decide it is advantageous to make whey in lieu of higher whey proteins. NASS reports that November 2016 U.S. human whey production, 71.4 million pounds, is down 7.5% from a year ago, and down 12.6% from October 2016. The Western region produced 14.2 million pounds of edible dry whey during November, down 37.3% from last year, and down 41.3% from October. Month ending stocks for U.S. human whey, at 60.6 million pounds, are 8.2% higher than one year ago and up 1.6% from October 2016.

NONHYGROSCOPIC: .4000 - .5500

MOSTLY: .4350 - .4750

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are mostly steady, but moved higher at the top end of the price range. Industry stocks remain tight and manufacturers say they need to turn down a lot of entreaties from customers because they do not have enough WPC34% to meet current obligations. Demand is further intensified by the seasonally strong demand for WPC 34% and higher whey protein concentrations used in sports nutrition and New Year's resolutions. Industry contacts report resales of WPC34% that meets infant formula and sports nutrition requirements are often made above reported market prices. A few contacts suggest market tone is flat for WPC34% that is interchangeable with other protein sources. Some buyers are sourcing their protein needs from alternative proteins or from suppliers outside the U.S. in order to assure coverage. According to the NASS *Dairy Products* report U.S. production of WPC (25.0-49.9% protein) during November 2016 totaled 16.1 million pounds, 0.2% lower than one year ago, but 13.3% higher than October. Year to date total WPC (25.0-49.9% protein) production through November is 163.2 million pounds, 19.3% less than January through November one year ago. Manufacturers' end-of-month stocks for WPC (25.0-49.9% protein) totaled 19.3 million pounds, 21.3% lower than one year ago, but 7.0% more than October 2016.

F.O.B. EXTRA GRADE 34% PROTEIN: .8000 - 1.0675 MOSTLY: .8500 - .9825

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	38.5	+ 52
TOTAL, JAN - NOV	381.1	+ 4
1 China	133.7	+41
2 Canada	38.2	- 4
3 Mexico	35.9	- 15
4 Vietnam	28.2	+73
5 Philippines	25.9	- 12

-CONTINUED ON PAGE 6A-

WHEY, WPC 34%, LACTOSE & CASEIN

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

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	28.2	+ 49
TOTAL, JAN – NOV	285.5	+ 35
1 China	140.7	+ 73
2 Mexico	36.8	+ 32
3 Canada	30.6	- 14
4 Malaysia	16.8	+247
5 Indonesia	9.6	- 6

Casein rennet and acid prices are steady this week. Many buyers as well as sellers, are assessing price/supply expectations moving forward in the first part of the year. Lower seasonal milk production volumes in New Zealand and Western Europe present new uncertainty as to casein pricing expectations. United States imports of caseinates January-November 2016 were 5.2% below the same period of 2015 according to Eurolait. The main origins of imported caseinates were New Zealand, 44.9%; Netherlands, 13.2%; and Ireland, 10.5%.

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 - 3.0400
ACID: 3.0500 - 3.1000

LACTOSE - CENTRAL AND WEST

Prices for lactose are unchanged in a mixed market. Some industry contacts report a slowdown for lower mesh lactose. They suggest lactose is readily available globally and the realities of unsold production is putting the brakes on market growth. Market participants are considering whether the market run-up has reached the top or whether the slowing skim milk powder standardization in Oceania or the coming Chinese New Year is creating a seasonal lull. The exception to the quiet market appears to be lactose that is 200 mesh, low spore or highly desired brands. These industry contacts report low inventories and high demand. They are not seeing a seasonal slowdown to markets and prices, for this lactose is commonly clearing in the upper half of the price range. NASS's *Dairy Products* report shows U.S. lactose production during November 2016 totaled 87.2 million pounds, a 5.7% increase from one year ago. Year to date lactose production through November is 995.6 million pounds, 4.0% more than a year ago. Month ending stocks, at 101.2 million pounds, are 0.6% lower than one year ago, and 2.9% lower than October 2016.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2400 - .5800 MOSTLY: .3400 - .4000

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

	2016 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	50.6	+ 18
TOTAL, JAN - NOV	529.1	+ 11
1 New Zealand	90.3	+ 39
2 China	86.6	+ 13
3 Mexico	67.2	+ 10
4 Japan	43.9	+ 19
5 Indonesia	39.3	+ 48

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
12/24/2016	53.5	2,874.9	42.6	2,908.3

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

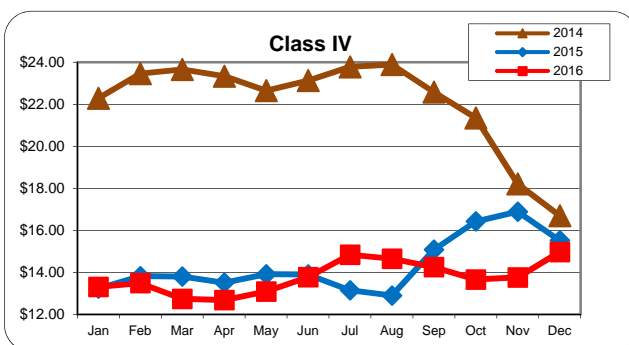
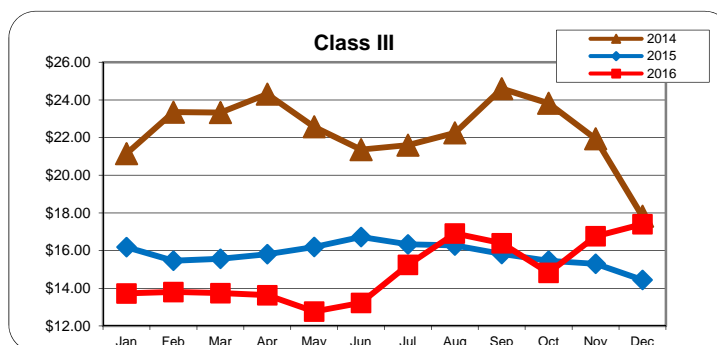
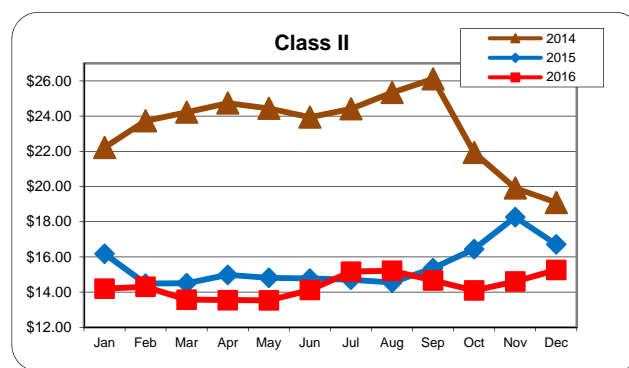
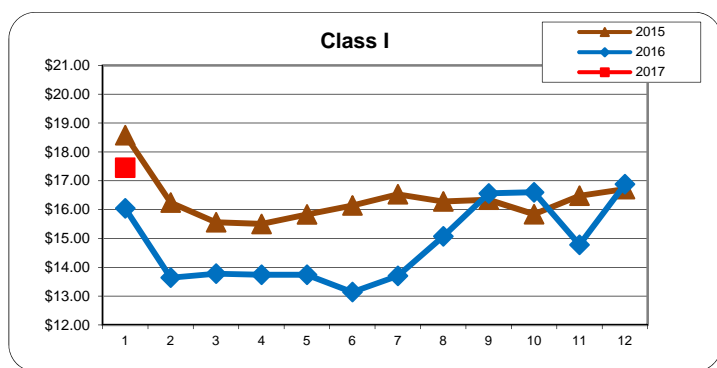
FEDERAL MILK ORDER CLASS PRICES FOR 2016 (3.5%)

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	15.26
III	13.72	13.80	13.74	13.63	12.76	13.22	15.24	16.91	16.39	14.82	16.76	17.40
IV	13.31	13.49	12.74	12.68	13.09	13.77	14.84	14.65	14.25	13.66	13.76	14.97

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."



ORGANIC DAIRY MARKET NEWS

Information gathered January 2 - 13, 2017

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales. AMS reports total organic milk products sales for November 2016, 222 million pounds, up 11.6% from November the previous year and up 6.0%, January-November compared with the same period of 2015. Total organic whole milk products sales for November 2016, 85 million pounds, were up 21.8% compared with November last year and up 17.0%, January-November compared with the same period of 2015.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, November 2016, WITH COMPARISONS^{1/}

Product Name

	Sales		Change ^{2/}	
	NOV	Y-T-D	Prev Yr.	Y-T-D
	Mil. Lbs.		Percent	

ORGANIC PRODUCTION PRACTICE

Whole Milk	85	867	21.8	17.0
Reduced Fat Milk (2%)	70	724	17.5	9.1
Low Fat Milk (1%)	33	392	-1.7	-2.9
Fat-Free Milk (Skim)	24	285	-13.8	-10.3

Flavored Fat-Reduced Milk	10	86	22.2	-8.4
Other Fluid Milk Products	0	2	--	--
Total Fat-Reduced Milk 3/	137	1,488	6.1	0.5
Tot. Organic Milk Products	222	2,357	11.6	6.0

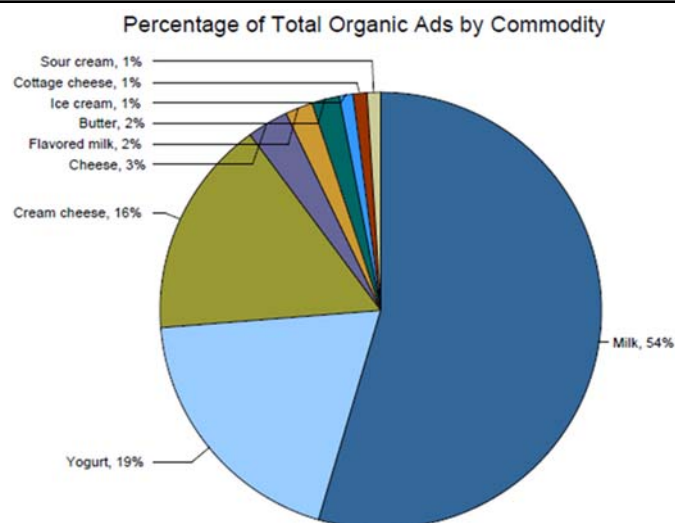
*Total Fluid Milk Products Adjusted for Calendar Composition will not be published until release of "An Overview of Calendar Composition of Fluid Milk Sales." 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; 3/ Organic fat-reduced milk categories are total of reduced fat, low-fat, skim, and flavored fat reduced milk.

January European Organic Milk Pay Pricing: An international dairy processor in the Netherlands has announced its January 2017 guaranteed price for organic raw milk. The price is 48.00 Euros/100 kg. exclusive of VAT. This presumes milk having a protein content of 3.47%, a fat content of 4.41%, and a lactose content of 4.51%. The amounts paid apply to an average supply of 600,000kg of organic milk annually. During 2017, the outdoor grazing premium will be 1.50 Euros/100 kg of milk. The premium is paid if the dairy cows graze outdoors for at least six hours per day for at least 120 days per year.

ORGANIC DAIRY RETAIL OVERVIEW

Organic Dairy Retail Expansion: A national organic dairy brand is expanding its distribution network during 2017, from traditional grocery stores, into drugstores, mom and pop markets and discount outlets, such as dollar stores. A number of the organic dairy products involved are pasteurized using the high temperature /short time (HTST) process. It is hoped that this broader distribution model for organic dairy will help alleviate the recent challenge of marketing higher organic dairy volumes during 2017.

Organic Dairy Overview. This week, organic milk accounts for 54% of organic dairy retail ad numbers by commodity, with a 19% decrease in ads over the previous period. Organic yogurt and cream cheese followed at 19% and 16%, respectively, of overall organic dairy advertisements for this survey week. The remaining percentages for organic dairy commodities are shown in the following pie chart.



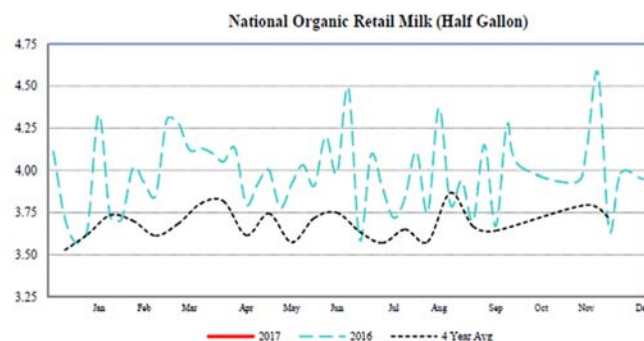
Data source/graph USDA Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from January 6-19, 2017, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

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

NATIONAL RETAIL ORGANIC DAIRY (Wtd.Avg.Price)

Commodity	This Week	Last Week	Last Year
Butter	\$5.15	\$5.65	\$5.16
Milk			
Half gal.	\$3.75	\$3.86	\$3.57
Gal.	\$5.98	\$5.40	\$6.99
8 oz.	\$1.06	...	\$0.96
Yogurt			
4-6 oz. Greek	...	\$1.18	\$1.33
32 oz. Greek	\$4.72	\$4.99	...
4-6 oz. Yogurt	\$1.12	\$1.33	\$1.50
32 oz. Yogurt	\$3.26	\$3.33	\$2.49



ORGANIC GRAIN AND FEEDSTUFF MARKETS: The Bi-Weekly National Organic Comprehensive Report which is the source for this information, last released data through December 21, 2016. The next release date will be January 18, 2017. The complete last report can be retrieved using this link: www.ams.usda.gov/mnreports/lbncor.pdf

Mailbox Milk Prices for Selected Reporting Areas in Federal Milk Orders and California, October 2016, With Comparisons

In October 2016, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.40 per cwt, down \$0.70 per cwt from the September 2016 average and down \$1.20 per cwt from the October 2015 average. The component tests of producer milk in October 2016 were: butterfat, 3.82%; protein, 3.18%; and other solids, 5.73%. When compared to the previous month, the October Mailbox prices decreased in all 19 Federal milk order reporting areas. The Ohio reporting area decreased \$1.28 per cwt, while the Appalachian States reporting area decreased only \$0.22 per cwt when compared to the previous month. Averaged over all Federal milk order reporting areas, the October 2016 Mailbox price decreased an average of \$0.68 per cwt. Mailbox prices in October 2016 ranged from \$18.62 in Florida to \$14.40 in the Michigan reporting area.

Reporting Area ¹	Mailbox Milk Price ²		
	October 2015	September 2016	October 2016
	<i>(dollars per hundredweight)</i>		
New England States ³	19.29	18.13	17.73
New York	17.95	16.82	16.44
Eastern Pennsylvania ⁴	18.06	16.86	16.53
Appalachian States ⁵	18.83	18.00	17.78
Southeast States ⁶	18.92	18.48	17.84
Southern Missouri ⁷	19.35	18.66	18.34
Florida	19.76	19.65	18.62
Western Pennsylvania ⁸	18.27	17.04	16.42
Ohio	18.09	17.26	15.98
Indiana	16.99	16.80	16.04
Michigan	16.78	15.32	14.40
Wisconsin	17.85	17.78	16.93
Minnesota	17.63	17.63	16.95
Iowa	17.35	17.59	17.21
Illinois	17.98	17.55	16.88
Corn Belt States ⁹	16.70	16.36	15.55
Western Texas ¹⁰	16.71	16.69	15.72
New Mexico	15.55	15.63	14.64
Northwest States ¹¹	17.35	17.13	16.40
All Federal Order Areas ¹²	17.60	17.10	16.40
California ¹³	15.82	15.63	15.13

¹ Areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders.

² Net pay prices received by dairy farmers for milk. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are weighted averages of the prices reported for all orders receiving milk from the reporting area and are reported at the average butterfat tests. Prices include, for the most part, the assessment under the Cooperatives Working Together (CWT) program.

³ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

⁴ Includes all counties to the east of those listed in ⁸.

⁵ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

⁶ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi.

⁷ Includes the counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these.

⁸ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these.

⁹ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in ⁷.

¹⁰ Includes all counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby.

¹¹ Includes Oregon and Washington.

¹² Weighted average of prices for all selected reporting areas.

¹³ Calculated by California Department of Food and Agriculture, and published at:

<https://www.cdffa.ca.gov/dairy/uploader/postings/mailboxmap/Default.aspx>

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

November Milk Sales

During November, 4.2 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.4 percent higher than November 2015. Estimated sales of total conventional fluid milk products decreased 0.2 percent from November 2015 and estimated sales of total organic fluid milk products increased 11.6 percent from a year earlier.

Estimated Total U.S. Sales of Fluid Milk Products, November 2016, with Comparisons ^{1,4}				
Product Name	Sales		Change from: ²	
	November	Year to Date	Previous Year	Year to Date
	<i>(million pounds)</i>		<i>(percent)</i>	
Conventional Production Practice				
Whole Milk	1,225	13,126	5.4	4.7
Flavored Whole Milk	56	561	10.0	7.4
Reduced Fat Milk (2%)	1,304	14,219	-1.0	-2.0
Low Fat Milk (1%)	552	6,202	-5.6	-5.3
Fat-Free Milk (Skim)	373	4,291	-11.2	-11.3
Flavored Fat-Reduced Milk	347	3,493	3.5	2.7
Buttermilk	49	469	2.4	0.0
Other Fluid Milk Products	49	116	6.6	17.1
Total Fat-Reduced Milk ³	2,576	28,205	-3.0	-3.7
Total Conventional Milk Products	3,955	42,477	-0.2	-1.0
Organic Production Practice				
Whole Milk	85	867	21.8	17.0
Reduced Fat Milk (2%)	70	724	17.5	9.1
Low Fat Milk (1%)	33	392	-1.7	-2.9
Fat-Free Milk (Skim)	24	285	-13.8	-10.3
Flavored Fat-Reduced Milk	10	86	22.2	-8.4
Other Fluid Milk Products	0	2	----	----
Total Fat-Reduced Milk ³	137	1,488	6.1	0.5
Total Organic Milk Products	222	2,357	11.6	6.0
Total Fluid Milk Products	4,177	44,834	0.4	-0.7

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

Packaged Sales of Total Fluid Milk Products in Federal Milk Orders and California, November 2016, with Comparisons ¹					
Marketing Area	Order Number	Sales		Change from: ²	
		November	Year to Date	Previous Year	Year to Date
		<i>(million pounds)</i>		<i>(percent)</i>	
Northeast	001	706	7,589	-0.2	-1.6
Appalachian	005	276	2,963	0.1	-0.2
Florida	006	234	2,535	1.3	1.7
Southeast	007	389	4,121	1.8	-0.6
Upper Midwest	030	317	3,424	0.0	-0.3
Central	032	359	3,806	1.2	0.4
Mideast	033	461	4,941	0.8	-0.7
Pacific Northwest	124	170	1,823	-0.6	-0.3
Southwest	126	390	4,094	3.8	0.9
Arizona	131	90	969	-1.9	-1.9
California ³	---	453	4,982	-3.1	-3.0
All Orders (Total)		3,390	36,266	0.8	-0.4
All Areas (Total)		3,843	41,247	0.4	-0.7

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

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

January Supply and Demand Estimates

Milk production for 2016 is raised on slightly larger milk cow numbers. The 2017 milk production forecast is raised from last month as improved returns support increases in both cow numbers and milk per cow. Fat and skim-solids basis exports for 2016 are raised on recent trade data. Imports are unchanged. Exports on a fat basis are reduced slightly for 2017, but are raised on a skim-solids basis. Import forecasts are unchanged for 2017. Dairy product prices and Class prices for 2016 are adjusted to incorporate December price data. For 2017, butter, cheese, nonfat dry milk, and whey prices are raised from last month on demand strength. Class prices for 2017 are raised, reflecting higher product price forecasts. The all milk price range is raised to \$17.60 to \$18.40 per cwt.

U.S. Milk Supply and Use					
Commodity	2015	2016		2017 Projected	
		Projected	Estimated		
		Dec	Jan	Dec	Jan
Milk	(billion pounds)				
Production	208.6	212.4	212.5	216.8	217.1
Farm Use	1.0	1.0	1.0	1.0	1.0
Fat Basis Supply					
Beginning Commercial Stocks	11.2	13.3	13.3	14.0	13.4
Marketings	207.7	211.5	211.5	215.9	216.1
Imports	5.7	7.0	7.0	7.0	7.0
Total Commercial Supply	224.6	231.8	231.9	236.8	236.5
Fat Basis Use					
Commercial Exports	8.8	8.8	9.1	8.4	8.3
Ending Commercial Stocks	13.3	14.0	13.4	13.7	13.2
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	202.5	209.0	209.4	214.8	215.0
Skim-Solid Basis Supply					
Beginning Commercial Stocks	13.1	13.9	13.9	13.8	14.3
Marketings	207.7	211.5	211.5	215.9	216.1
Imports	6.0	6.4	6.4	6.2	6.2
Total Commercial Supply	226.7	231.7	231.8	235.8	236.6
Skim-Solids Basis Use					
Commercial Exports	37.3	38.7	38.9	40.1	40.2
Ending Commercial Stocks	13.9	13.8	14.3	13.2	12.9
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	175.5	179.2	178.6	182.5	183.5

NOTE: Totals may not add due to rounding.

Continued on page 12

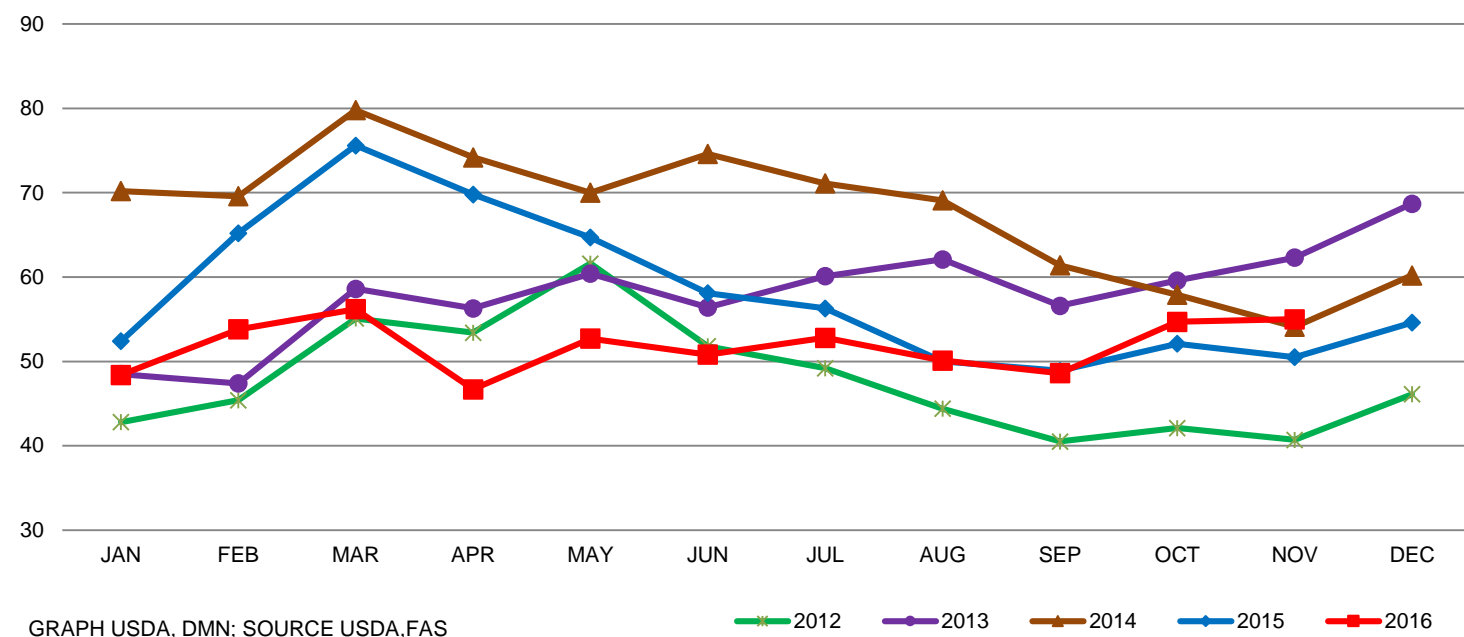
January Milk Supply and Demand Estimates-cont'd

U.S. Dairy Prices						
Commodity	2015	2016		2017 Projected		
		Projected	Estimated			
		Dec	Jan	Dec	Jan	
Product Prices ¹	(dollars per pound)					
	Cheese	1.6454	1.595-1.605	1.6050	1.650-1.730	1.675-1.755
	Butter	2.0670	2.060-2.090	2.0777	1.920-2.030	2.095-2.205
	Nonfat Dry Milk	0.9016	0.820-0.840	0.8292	0.950-1.010	0.990-1.050
	Dry Whey	0.3804	0.280-0.290	0.2875	0.380-0.410	0.415-0.445
Milk Prices ²	(dollars per cwt)					
	Class III	15.80	14.75-14.85	14.87	15.85-16.65	16.35-17.15
	Class IV	14.35	13.65-13.85	13.77	14.20-15.10	15.25-16.15
	All Milk ³	17.12	16.05-16.15	16.20	16.85-17.65	17.60-18.40
Milk Production	Quarterly					
	2016 IV	2017 I ⁴	2017 II ⁴	2017 III ⁴	2017 IV ⁴	
	(billion pounds)					
	52.5	53.8	55.6	53.9	53.8	
	(dollars per cwt)					
	All Milk Price ^{2,3}	17.40-17.50	18.00-18.40	17.30-18.00	17.45-18.45	17.70-18.70
	Class III Price ²	16.30-16.40	16.40-16.80	16.40-17.10	16.45-17.45	16.20-17.20
	Class IV Price ²	14.05-14.25	15.65-16.15	15.30-16.10	15.20-16.30	14.95-16.05

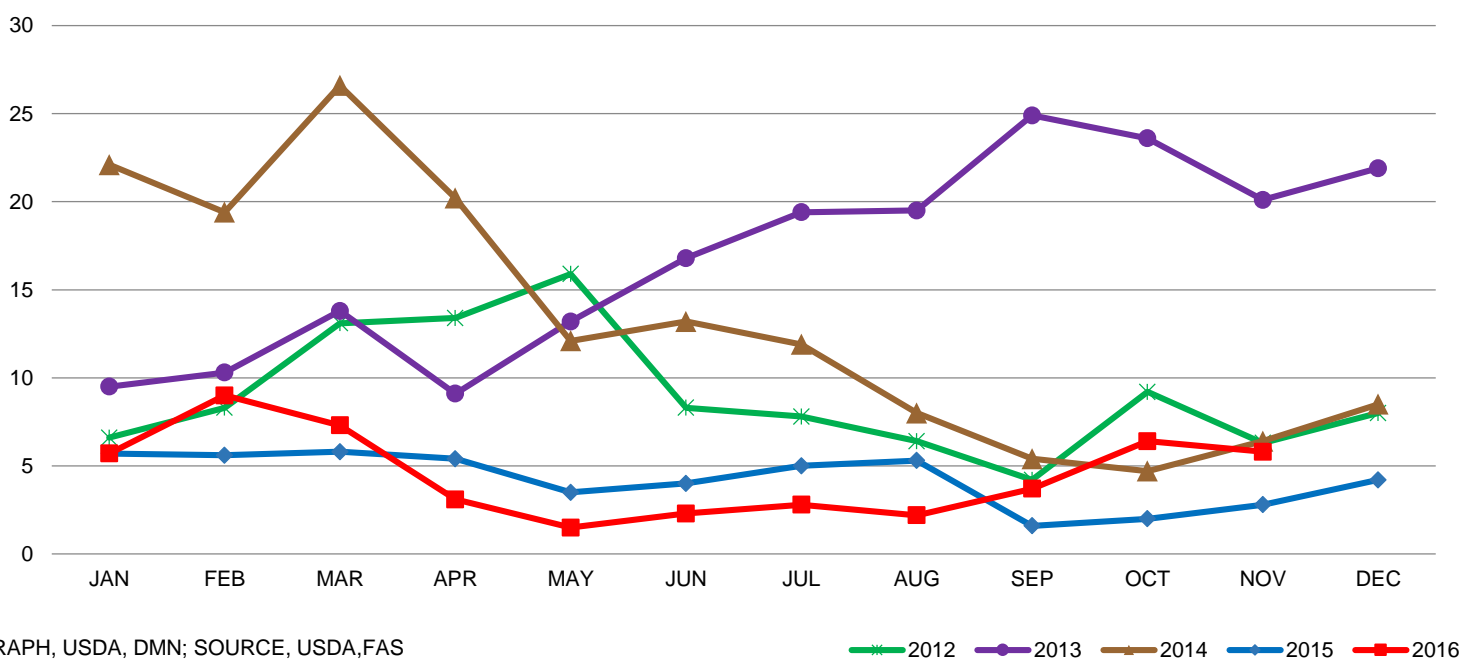
¹ Simple average of monthly prices calculated from AMS weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/rules-regulations/mmr/dmr>; scroll down to Publications, National Dairy Products Sales Reports, and select Current Release & Archives.” ² Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test. ³ Does not reflect any deductions from producers as authorized by legislation. ⁴ Projection.

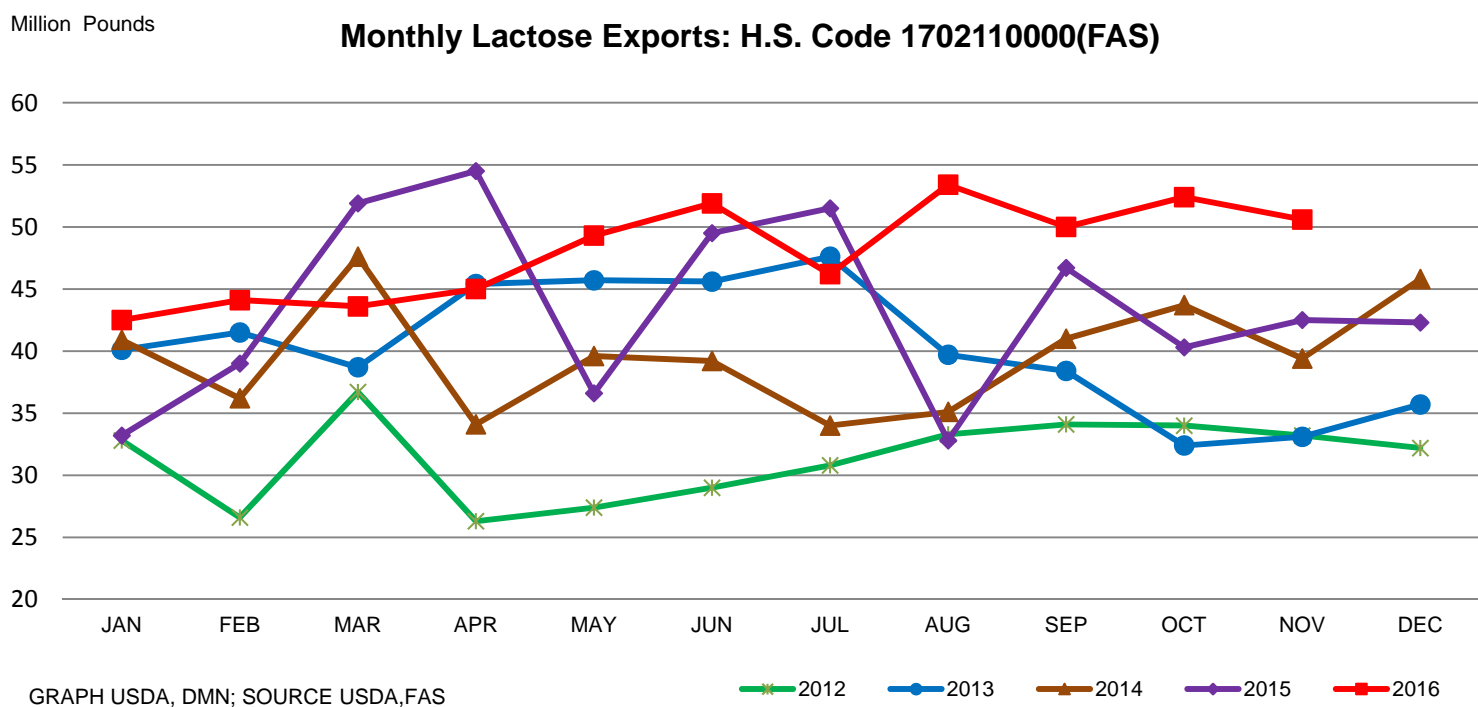
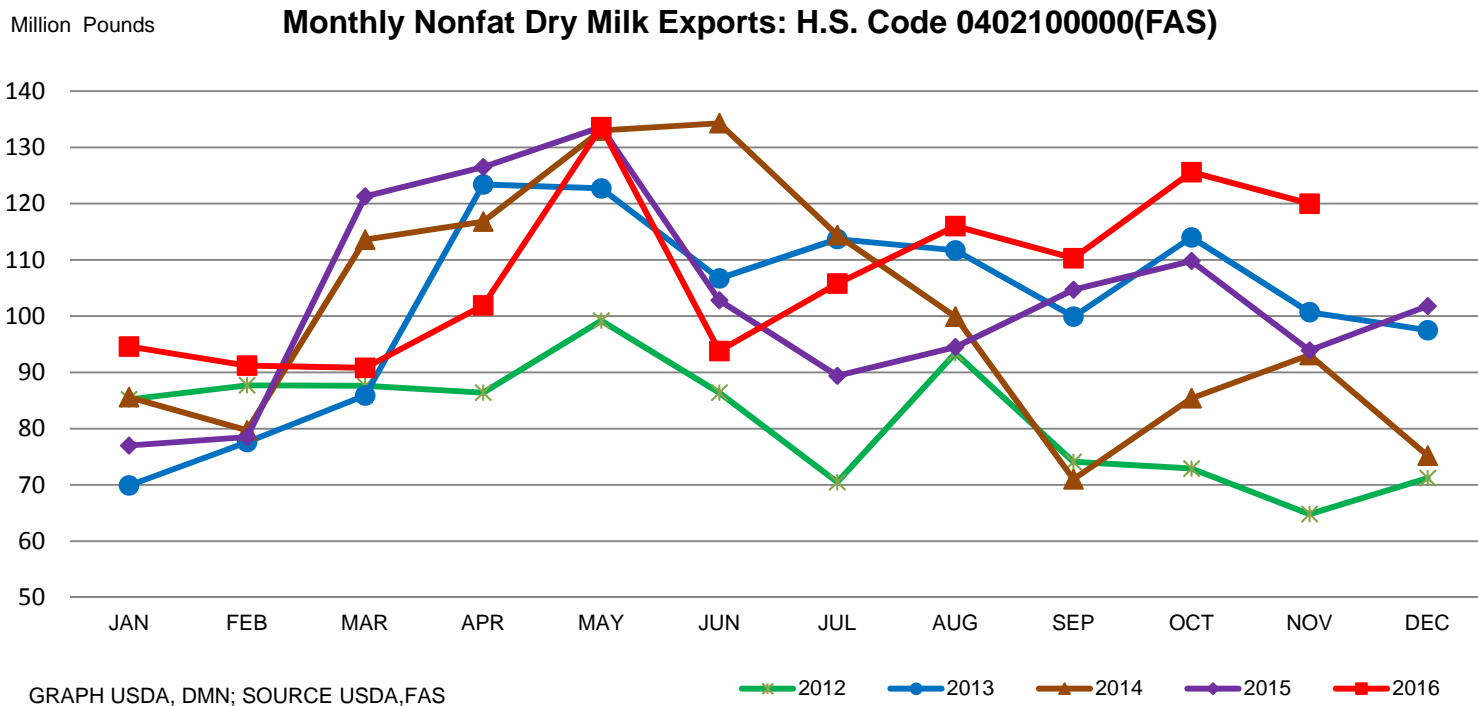
Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-561, January 12, 2017*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Carolyn Liebrand, AMS; Paul Kiendl, FAS; Jerry Cessna, ERS; and Milton Madison, FSA].

Million Pounds

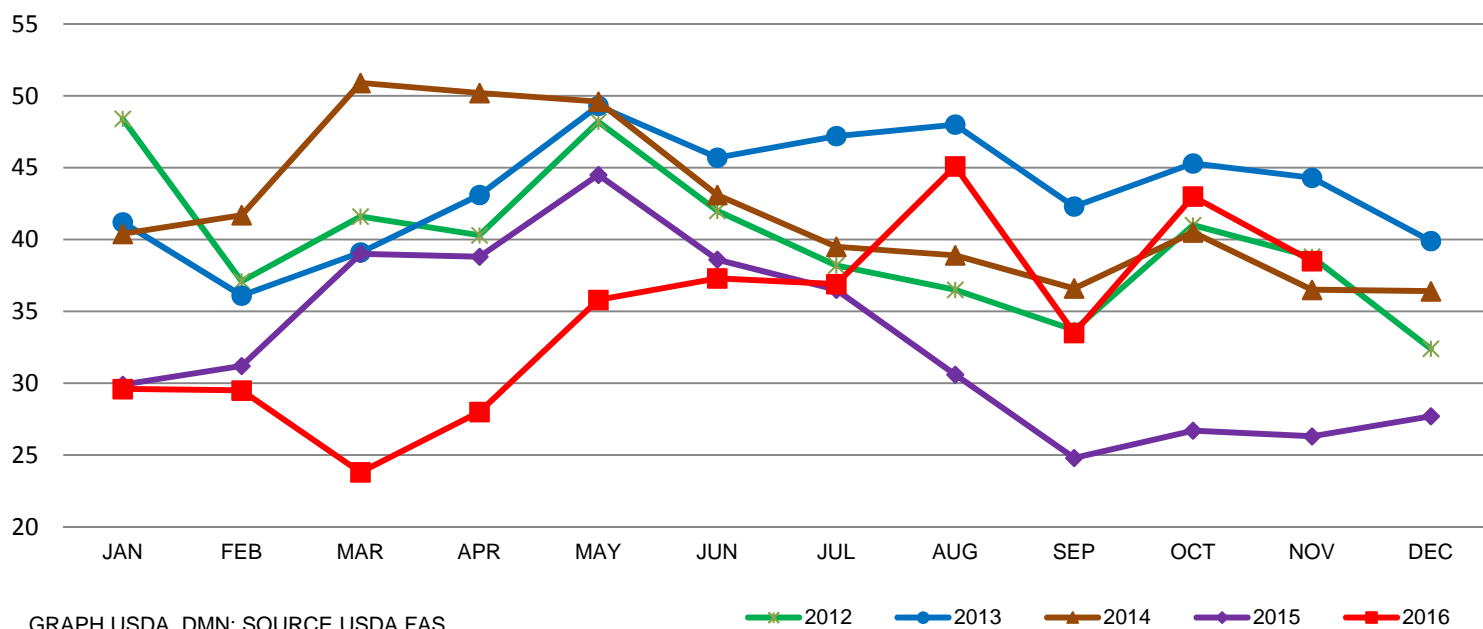
Cheese and Curd Exports (FAS)

Million Pounds

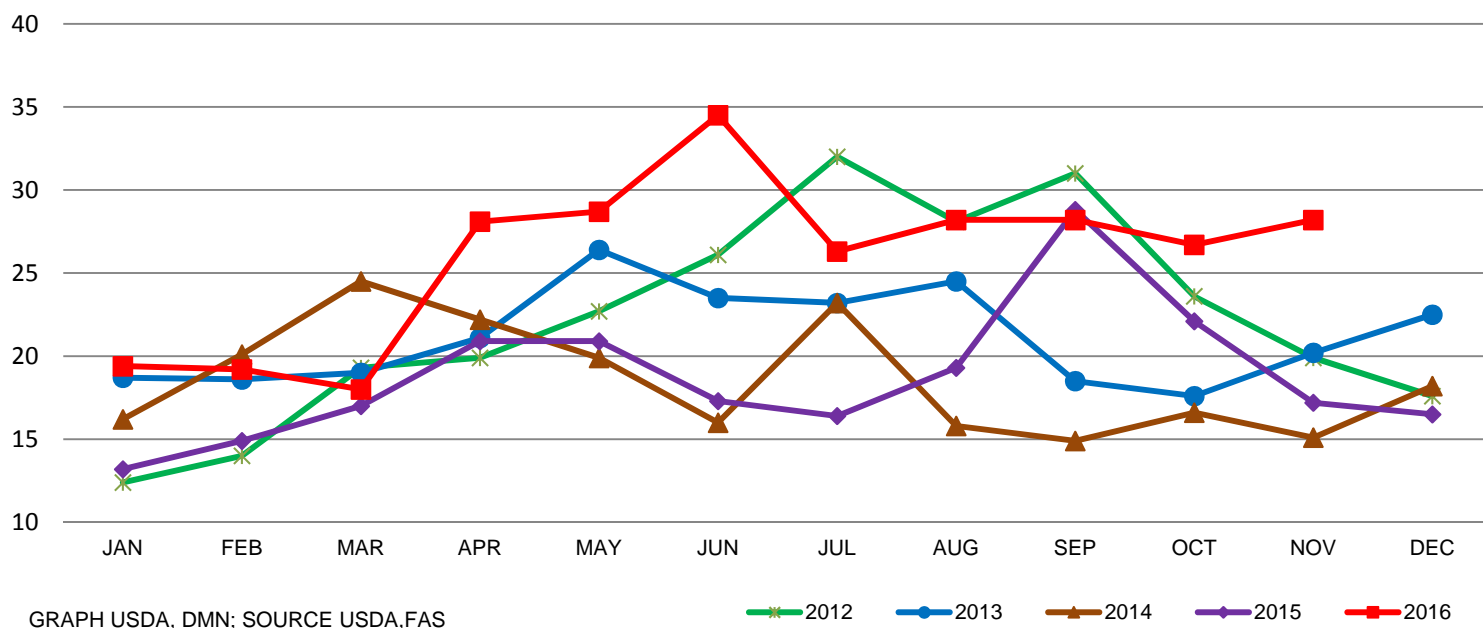
U.S. Butter and Milkfat Exports (FAS)



Million Pounds

Monthly Dry Whey Exports: H.S. Code 0404104000(FAS)

Million Pounds

Monthly WPC <80% Exports: H.S. Code 0404100500(FAS)



Dairy Market News Branch

Agricultural
Marketing
Service

National Retail Report-Dairy

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

Volume 84- Number 2

Issued Weekly

Friday, January 13, 2017

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 01/13/2017 to 01/19/2017

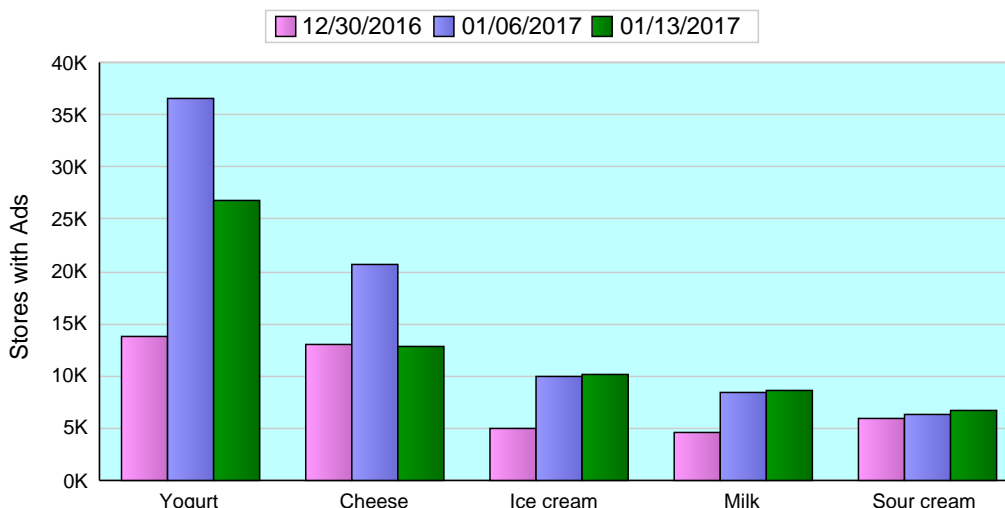
This week, total conventional dairy advertisements declined 21%, but organic dairy ads increased 25%. Conventional butter ads decreased 24%, while organic butter ads saw a 77% drop. The national average price for 1 pound conventional butter is \$3.55, while 1 pound organic butter is \$5.15, representing an organic price premium of \$1.60.

Conventional yogurt ads decreased 25%, and organic yogurt ads decreased 47%. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.98. Surveyed retail outlets displayed no advertisements for 4-6 ounce organic Greek yogurt this period. The average sale price for 4-6 ounce conventional yogurt is \$0.45, while 4-6 ounce organic yogurt averaged \$1.12.

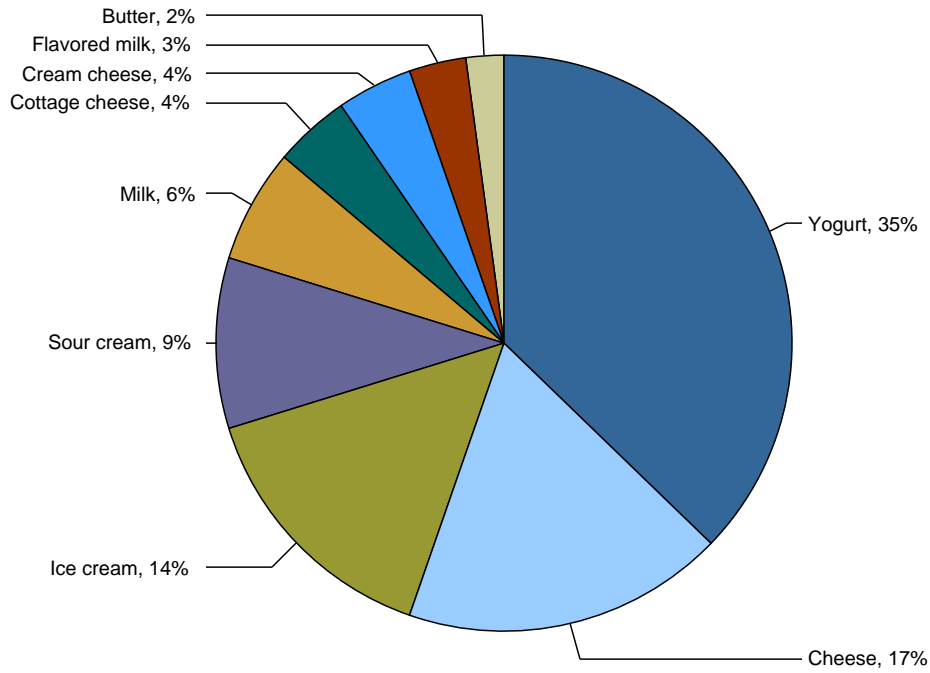
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.16, up 3 cents from last week. Ads for conventional 8 ounce shred cheese averaged \$2.12, down 3 cents from last week. The collective number of conventional cheese ads decreased 39%, while organic cheese ad numbers saw a 42% decline.

This week, the difference between the weighted average price for organic half gallon milk, \$3.75, and the weighted average price for conventional half gallon milk, \$2.85, resulted in an organic price premium of \$0.90. Organic milk advertisements declined 19%, while ads for conventional milk increased 45%.

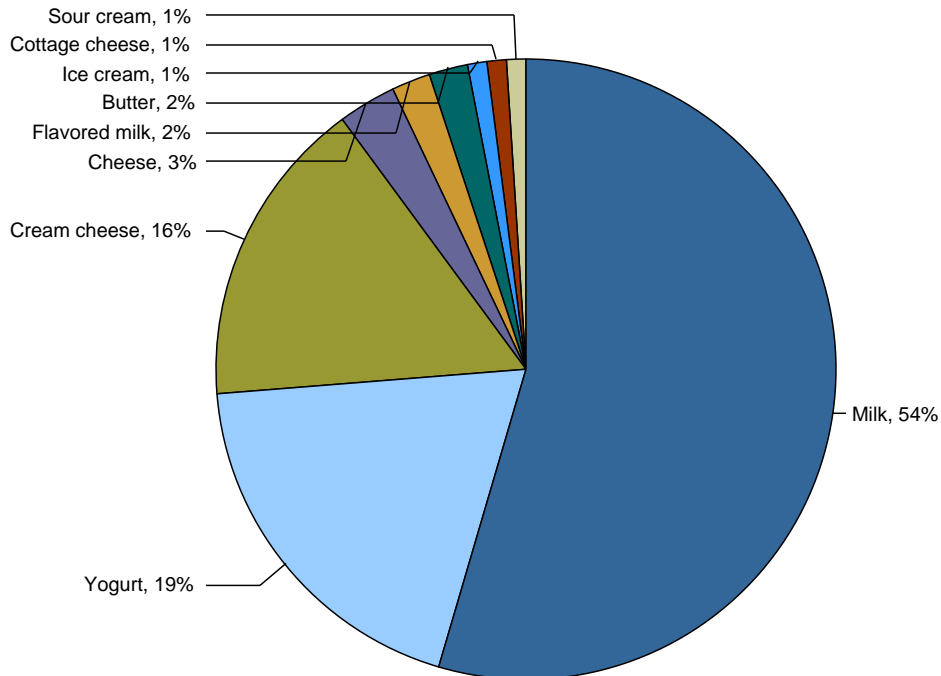
Top 5 Commodities Featured



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 #	1567	3.55	2071	3.35	3859	3.57
Cheese	Natural Varieties	8 oz block	4610	2.16	9026	2.13	8977	2.35
Cheese	Natural Varieties	1 # block	1475	3.40	988	3.38	2656	3.53
Cheese	Natural Varieties	2 # block	344	6.87	591	6.25	918	5.35
Cheese	Natural Varieties	8 oz shred	4782	2.12	8815	2.15	7895	2.51
Cheese	Natural Varieties	1 # shred	1304	3.54	931	3.97	1891	3.13
Cottage cheese		16 oz	3141	1.78	6480	1.62	4317	1.77
Cream cheese		8 oz	2556	2.08	4492	1.95	4030	1.83
Flavored milk	All fat tests	half gallon	2312	1.91	1196	2.07	495	1.63
Flavored milk	All fat tests	gallon	74	2.58	518	3.04	271	2.89
Ice cream		48-64oz	10090	3.26	8921	2.87	9779	3.26
Milk	All fat tests	half gallon	1955	2.85	1015	1.23	1088	2.21
Milk	All fat tests	gallon	2255	3.06	1885	2.74	2091	2.62
Sour cream		16 oz	6573	1.72	6119	1.65	6850	1.65
Yogurt	Greek	4-6 oz	13083	.98	13044	.95	17423	.93
Yogurt	Greek	32 oz	1742	3.79	2728	3.80	2789	4.13
Yogurt	Yogurt	4-6 oz	9060	.45	14003	.55	4712	.49
Yogurt	Yogurt	32 oz	1278	2.81	3963	2.16	2875	2.05

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.99-4.49	431	3.95	4.99	214	4.99			
Cheese	Natural Varieties	8 oz block	1.66-2.50	1045	2.19	1.67-2.50	762	1.99	1.67-3.00	2038	2.02
Cheese	Natural Varieties	1 # block	2.50-3.99	344	3.28				2.99	247	2.99
Cheese	Natural Varieties	2 # block				5.99	64	5.99			
Cheese	Natural Varieties	8 oz shred	1.99-3.00	761	2.43	1.67-3.00	943	2.27	1.67-2.00	1712	1.91
Cheese	Natural Varieties	1 # shred	2.99-3.99	272	3.49				2.99-4.50	366	3.48
Cottage cheese		16 oz	1.69-2.50	1229	2.01	1.00-2.00	175	1.35	1.00-2.00	604	1.20
Cream cheese		8 oz	1.50-2.99	1012	1.94	1.66-2.50	428	2.08	2.00-2.50	177	2.17
Flavored milk	All fat tests	half gallon	1.50	110	1.50	1.50	1002	1.50	1.25-2.50	472	2.04
Flavored milk	All fat tests	gallon							2.50	53	2.50
Ice cream		48-64oz	2.22-3.99	2406	2.80	2.49-3.50	2060	3.06	1.50-4.99	1276	3.29
Milk	All fat tests	half gallon				1.67-3.79	1116	3.57	0.78-1.99	488	1.24
Milk	All fat tests	gallon	2.50-3.00	162	2.69	3.50-4.29	735	4.04	1.99-2.50	296	2.28
Sour cream		16 oz	1.49-2.99	1611	1.82	1.28-2.00	1062	1.58	1.00-2.00	1303	1.30
Yogurt	Greek	4-6 oz	0.69-1.20	2540	.98	0.88-1.25	4109	1.02	0.78-1.50	1985	.97
Yogurt	Greek	32 oz	3.49-4.50	256	4.25	3.49	87	3.49	3.49-5.00	837	3.86
Yogurt	Yogurt	4-6 oz	0.33-0.69	2691	.47	0.33-0.50	2965	.41	0.33-0.66	1657	.44

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	2.50-2.69	239	2.59				2.50-2.69	241	2.55

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-3.49	538	2.76	2.99-3.49	307	3.39	3.49	69	3.49
Cheese	Natural Varieties	8 oz block	1.50-3.50	320	2.28	2.88-3.50	241	3.34	1.67	121	1.67
Cheese	Natural Varieties	1 # block	2.99-3.97	359	3.27	2.77-2.99	236	2.88	4.49	289	4.49
Cheese	Natural Varieties	2 # block				6.99	246	6.99			
Cheese	Natural Varieties	8 oz shred	1.50-2.49	522	2.05	1.99-2.88	535	2.09	1.67-1.99	226	1.82
Cheese	Natural Varieties	1 # shred	2.99	141	2.99	2.77-2.99	236	2.88	4.49	289	4.49
Cottage cheese		16 oz	1.00-2.50	281	2.08	1.00-2.50	850	1.87			
Cream cheese		8 oz	1.50-3.50	201	2.30	1.50-3.50	399	2.68	1.50	289	1.50
Flavored milk	All fat tests	half gallon	2.39	74	2.39	1.99	244	1.99	0.99-3.49	410	2.75
Ice cream		48-64oz	1.50-5.99	1869	3.60	2.67-4.99	1912	3.75	2.99-3.00	463	3.00
Milk	All fat tests	half gallon	3.99	72	3.99	3.49-3.99	124	3.74	0.99	121	.99
Milk	All fat tests	gallon	2.99-4.29	188	3.37	1.99-3.38	537	2.74	1.79	289	1.79
Sour cream		16 oz	1.00-2.00	338	1.68	1.00-3.00	1538	1.98	1.59-3.00	647	1.92
Yogurt	Greek	4-6 oz	0.79-1.00	1359	.95	0.88-1.00	2083	.94	0.75-1.00	848	.93
Yogurt	Greek	32 oz				3.49	246	3.49	3.50	289	3.50
Yogurt	Yogurt	4-6 oz	0.29-1.00	817	.55	0.39-0.50	837	.47			
Yogurt	Yogurt	32 oz	2.50-4.49	242	3.50	3.99	244	3.99	1.67	289	1.67

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.50	2	3.50	4.29	6	4.29
Cheese	Natural Varieties	8 oz block	3.50	49	3.50	3.00	34	3.00
Cheese	Natural Varieties	2 # block	5.99-6.49	7	6.35	7.99	27	7.99
Cheese	Natural Varieties	8 oz shred	3.50	49	3.50	3.00	34	3.00
Cottage cheese		16 oz	2.69	2	2.69			
Cream cheese		8 oz	1.50-2.00	13	1.58	2.50	37	2.50
Flavored milk	All fat tests	gallon	2.79	21	2.79			
Ice cream		48-64oz	3.50-4.00	47	3.78	3.50-4.99	57	4.36
Milk	All fat tests	half gallon				2.89	34	2.89
Milk	All fat tests	gallon	2.79	21	2.79	4.99	27	4.99
Sour cream		16 oz	1.50-3.50	23	1.67	2.50	51	2.50
Yogurt	Greek	4-6 oz	0.89-1.33	67	1.25	1.00-1.33	92	1.28
Yogurt	Greek	32 oz				4.49	27	4.49
Yogurt	Yogurt	4-6 oz	0.68-0.70	5	.69	0.49-0.60	88	.55
Yogurt	Yogurt	32 oz	2.49-3.29	23	2.56			



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 #	160	5.15	701	5.65	380	5.16
Cheese	Natural Varieties	8 oz block	84	3.50	251	3.76	177	3.99
Cheese	Natural Varieties	8 oz shred	145	4.42	143	3.29	615	3.55
Cottage cheese		16 oz	64	5.99	72	3.99		
Cream cheese		8 oz	1329	2.50	72	2.50		
Flavored milk	All fat tests	half gallon	195	4.68				
Ice cream		48-64oz	117	5.99	1083	3.99		
Milk	All fat tests	half gallon	3967	3.75	4626	3.86	2459	3.57
Milk	All fat tests	gallon	195	5.98	806	5.40	105	6.99
Milk	All fat tests	8 oz UHT	254	1.06			1119	.96
Sour cream		16 oz	63	3.69	161	2.99		
Yogurt	Greek	4-6 oz			921	1.18	1293	1.33
Yogurt	Greek	32 oz	394	4.72	478	4.99		
Yogurt	Yogurt	4-6 oz	122	1.12	745	1.33	430	1.50
Yogurt	Yogurt	32 oz	1018	3.26	764	3.33	121	2.49

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 #	4.99	108	4.99						
Cheese	Natural Varieties	8 oz block	3.50	84	3.50						
Cheese	Natural Varieties	8 oz shred	4.00	84	4.00				4.99	61	4.99
Cottage cheese		16 oz							5.99	61	5.99
Cream cheese		8 oz				2.50	1083	2.50			
Flavored milk	All fat tests	half gallon				4.68	195	4.68			
Milk	All fat tests	half gallon	2.29-4.49	714	3.70	3.50-4.68	1668	3.79	2.99-3.49	401	3.06
Milk	All fat tests	gallon				5.98	195	5.98			
Milk	All fat tests	8 oz UHT	1.25	59	1.25	1.00	195	1.00			
Sour cream		16 oz							3.69	61	3.69
Yogurt	Yogurt	4-6 oz	1.25	59	1.25				0.99	61	.99
Yogurt	Yogurt	32 oz				3.50	195	3.50	2.99	588	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
Butter		1 #				5.49	50	5.49			
Cream cheese		8 oz				2.49	246	2.49			
Ice cream		48-64oz				5.99	117	5.99			
Milk	All fat tests	half gallon	3.99	62	3.99	3.99-4.49	530	4.22	3.49-3.99	578	3.74
Yogurt	Greek	32 oz							3.99-4.99	394	4.72
Yogurt	Yogurt	32 oz	3.99	121	3.99	3.50	114	3.50			

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	5.49	2	5.49			
Cottage cheese		16 oz	5.98	3	5.98			
Milk	All fat tests	half gallon	2.99	11	2.99	5.97	3	5.97
Sour cream		16 oz	3.69	2	3.69			
Yogurt	Yogurt	4-6 oz	1.00	2	1.00			

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 84, Report 2

January 13, 2017

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