

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (3/31)**

BUTTER: Grade AA closed at \$2.1075. The weekly average for Grade AA is \$2.1015. (-.0120).

CHEESE: Barrels closed at \$1.4700 and 40# blocks at \$1.5200. The weekly average for barrels is \$1.4060 (+.0140) and blocks, \$1.4730 (+.0405).

NONFAT DRY MILK: Grade A closed at \$0.8000. The weekly average for Grade A is \$.8100 (-.0095).

BUTTER HIGHLIGHTS: The United States is heavy with cream supplies clearing to butter manufacturers who are busy churning to reduce the surplus cream supply. In the Central, some butter makers are churning cream and sell/store butter, in lieu of selling spot loads. In the West, butter manufacturers are actively churning butter. However, when the warmer weather hits, additional uses for the cream, like ice cream, will be welcomed by butter manufacturers who are looking for ways to clear the excess amounts of cream. In the Northeast, butter facilities are churning away, and product continues to be toppling producers' near term accounts. Butter inventories are building. The butter demand varies. In the Northeast, food service interest continues to be moderate to light as spring break is still in full swing. In the central, butter demand varies by contract. Some producers report being in the mist of spring holiday demand, and some still expect more demand on the road ahead. In the West, demand is steady, but many end users are tentative to take on extra loads to put into storage. The market tone is generally steady. Bulk butter trading stayed the same as last week at 4 cents below to 7 cents over the market, with various time frames and averages used. Friday's CME Group cash trading saw Grade AA butter close at \$2.1075, up \$0.0100 from a week ago.

CHEESE HIGHLIGHTS: Cheese plants, across the country, continue to process cheese at active levels. Cheese production is corresponding to ample milk supplies. Milk, week after week, is flowing into cheese vats. Spot milk offers are in the \$1 under to \$4 under Class III range for Midwestern cheesemakers. Food service demand in the Northeast is stable, and reports from Midwest cheesemakers point to steady sales generally. Western cheese producers report demand is light, with hopeful expectations of a warm spring to promote an early grilling season. Cheese inventories are long, with a few exceptions. Western cheese contacts report near-full warehouses, and storage space that is dwindling. Midwestern cheese inventory reports vary by contact, as some plants are in balance.

However, other producers report selling discounted spot cheese in order to manage inventories. According to the NASS Cold Storage report, U.S. stocks of cheese (total natural) at the end of February 2017 were 1.257 billion pounds, 3% above January 2017 and up 6% from February 2016. Cheese prices on the CME were steady early in the week, but saw a surge on Thursday. In CME Group trading Friday, barrels closed at \$1.4700, up \$0.0800 from last Friday. Blocks closed at \$1.5200, also up \$0.0800 from last Friday.

FLUID MILK: Milk production is stable to increasing in most of the United States. Cow comfort and feedstock output has some fluid milk contacts reporting parts of the country are in the midst of spring flush. Arizona's warmer weather has made that state an exception with lower milk yields; even so, milk output is adequate for processing needs. Bottling demand varies by region. In the Northeast, Class I orders are shy of meeting abundant milk volumes. Bottling sales in Florida are slow. In the Central U.S., some bottlers are seeing a spike in sales from school districts returning from mid-semester breaks and restocking coolers. In the West, bottling orders range from slow to steady. Midwest Class III manufacturers saw spot milk offers in the \$1 to \$4 under Class range. Condensed skim supplies are outweighing demand in both the East and the West. Cream remains available in all regions of the country. Butter producers in both the Midwest and West are opting to churn cream, in lieu of selling it on the spot market. Class II cream demand is on the rise. Some Midwestern and Western contacts report ice cream production/interest is at its apex. Cream multiples, in all Classes, range from .95 to 1.15 in the East, 1.05 to 1.20 in the Midwest, and 1.08 to 1.19 in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk (NDM) prices were mostly steady in the Central and East, but prices were mixed in the West. Central low/medium heat NDM manufacturers are seeing some more interest from export markets, while Eastern NDM contacts report a domestic lull in demand. Western low/medium heat NDM saw little spot activity this week. Contacts across the country report that some domestic buyers/end users are taking a wait-and-see approach to purchasing low/medium heat NDM, and this may put some downward pressure on NDM prices. Low/medium heat NDM inventories are adequate and growing. High heat NDM prices have shifted lower on the bottom of the range in the Central and East, but were mixed in the West.

CONTINUED ON PAGE -1A-

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

ORGANIC DAIRY MARKET NEWS (PAGES 8)
FEBRUARY MILK PRODUCTION (PAGE 9)
FEBRUARY COLD STORAGE (10)

FEBRUARY CONSUMER PRICE INDEX (PAGE 11)
APRIL FEDERAL MILK ORDER ADVANCE CLASS PRICES (PAGE 12)

CME GROUP CASH TRADING

COMMODITY	MONDAY MAR 27	TUESDAY MAR 28	WEDNESDAY MAR 29	THURSDAY MAR 30	FRIDAY MAR 31	:: WEEKLY CHANGE *	:: WEEKLY AVERAGE #
CHEESE BARRELS	\$1.3700 (-.0200)	\$1.3700 (N.C.)	\$1.3700 (N.C.)	\$1.4500 (+.0800)	\$1.4700 (+.0200)	:: (+.0800)	:: \$1.4060 (+.0140)
40# BLOCKS	\$1.4450 (+.0050)	\$1.4450 (N.C.)	\$1.4450 (N.C.)	\$1.5100 (+.0650)	\$1.5200 (+.0100)	:: (+.0800)	:: \$1.4730 (+.0405)
NONFAT DRY MILK GRADE A	\$.8200 (N.C.)	\$.8150 (-.0050)	\$.8075 (-.0075)	\$.8075 (N.C.)	\$.8000 (-.0075)	:: (-.0200)	:: \$.8100 (-.0095)
BUTTER GRADE AA	\$2.1000 (+.0025)	\$2.1000 (N.C.)	\$2.1000 (N.C.)	\$2.1000 (N.C.)	\$2.1075 (+.0075)	:: (+.0100)	:: \$2.1015 (-.0120)

CHEESE: carlot = 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-**

High heat NDM production is generally light, but increasing in the West. High heat NDM inventories are adequate for user needs. Dry buttermilk prices shifted lower on the bottom of the range in the Central and East, and decreased on the top of the mostly price series in the West. Dry buttermilk demand varies by region. In the Central and West, dry buttermilk interest from ice cream makers is on the rise. In the East, demand is moderate to slow. Supplies of dry buttermilk are outpacing demand in the Midwest, but production is as active as dryer time allows. A few spot sales brought dry whole milk prices down on the bottom of the range. Some dry whole milk customers are paying premiums for less than truckload (LTL) amounts. Dry whey prices saw slight increases in all regions of the country. Domestic demand has increased in both the Midwest and Western regions. Production of dry whey is active in the East and Midwest corresponding to cheese production. However, dry whey production in the West is secondary to processing higher protein blends and whey permeate. Dry whey inventories are reportedly tight. Whey protein concentrate 34 percent (WPC34%) prices saw a decrease on the bottom of the range, and a slight increase at the top of the mostly price series. WPC 34% demand was steady for specified brands. Nonfat dry milk prices continue to put downward pressure on the WPC34% market, however producers of desired brands are hesitant to lower prices as demand is not waning in that sector. Production of WPC34% remains steady, as inventories tighten. Lactose prices saw increases on the range and mostly price series. Lactose spot prices are moving up. Lactose shipping has begun for Q2. Demand, both internationally and in the United States, is strong. Lactose inventories are adequate. Rennet and acid casein prices moved up. Interest is on the rise for both rennet and acid.

INTERNATIONAL DAIRY MARKET NEWS (DMN):

WESTERN OVERVIEW: Many Western European dairy processors are expecting to return toward a more normal market in 2017. While the first half of 2017 milk production is generally expected to be lower than the first half of last year, second half production is expected to increase over the corresponding period last year. Overall for the year there may be no annual increase. Several one-time factors will contribute to the outcome, such as the reduction of the dairy herd in Netherlands to meet phosphate limits. On the other hand, if the Netherlands reduction is achieved by moving significant numbers of dairy cattle to other countries, rather than slaughter, that could alter the overall expected outcome. Dairy exports are expected to benefit from a weaker Euro during 2017. Signs that milk production in Oceania may be higher than first expected for 2017 could slow expected export volumes from the EU during 2017, or lead to increased downward price pressure. Several countries in Western Europe continue to produce volumes of milk not used internally for dairy production or bottling, according to CLAL data. Some of this bulk milk is shipped to other European nations for dairy processing. Among these countries are Netherlands, Germany, Austria, France and Ireland. Germany for example, ships fluid milk to Italy for use in making Italian cheeses. **EASTERN OVERVIEW:** While Ukraine and Belarus are geographically adjacent, they have opposite trends as to milk production and dairy exports in recent years. Ukraine milk production and dairy exports have been trending lower according to CLAL. Production has been lower in each of the last 3 years compared to the prior year: 2014, -2.2%; 2015, -4.9%; and 2016, -2.8%. Dairy exports have also been declining in recent years compared with the previous year. In 2013, -20.97%; 2014, -20.65%; 2015, -1.13%; and 2016, -5.58%. In contrast, Belarus, adjacent to Ukraine, has experienced milk production trending upward compared

with the previous year. In 2014, +1.0%; 2015, 5.1; and 2016, 1.4%. Unlike Ukraine, dairy exports have been increasing in recent years compared with the previous year. In 2013, +17.68%; 2014, +2.44%; 2015, +16.7; and 2016, +0.20%. **AUSTRALIA:** Dairy producers in Australia continue to benefit from good pasture conditions. This has slowed interest in purchasing hay, as well as the need to purchase hay. Also benefitting producers is decreasing prices for water. Concerns lie ahead associated with expectations of autumn being hotter and drier than desired. For now however, cow culling rates have slowed. According to Dairy Australia, February 2017 milk production in Australia was 10.0% below February 2016. The state changes from February a year earlier are: New South Wales, -10.7%; Victoria, -11.5%; Queensland, -3.2%; South Australia, -12.1%; Western Australia, -5.7% and Tasmania, -3.9%. July 2016-February 2017 cumulative production is 8.4% below the same period one year ago. The cumulative July 2016-February 2017 changes from July 2015-February 2016 are: New South Wales, -7.1%; Victoria, -9.7%; Queensland, +1.8%; South Australia, -10.9%; Western Australia, -1.5% and Tasmania, -6.3%. Each state's percentage of total January Australian production, is: New South Wales, 12.76%; Victoria, 61.20%; Queensland, 4.81%; South Australia, 5.61%; Western Australia, 4.36%; and Tasmania, 11.25%. Milk components in Australian milk production are higher comparing February 2017 with one year earlier. Milkfat increased 0.8% while Protein increased 1.1%. Milkfat and protein percentage changes (in that order) for each region for February compared with February 2016 are: New South Wales, -0.6%, -0.5%; Victoria, +1.0%, +1.1%; Queensland, -0.1%, -0.2%; South Australia, -0.4%, -0.5%; Western Australia, +2.1%, +0.8%; and Tasmania, +1.7%, +4.3%. **NEW ZEALAND:** New Zealand dairy farmers are emerging from a tough two seasons of enduring some of the lowest milk prices in the world. Going forward, the new 2017/18 season will most likely kick off a new era for New Zealand dairy. February 2017 New Zealand milk production was 1.91 million MT, down from 2.41 million MT in January, according to DCANZ. During February 2016, milk production was 1.97 million MT. February milk solids, 171.17 million kg, are down from 209.69 million kg in January. During February 2016, milk solids were 171.62 million kg. A dairy processor from China is now expanding a processing plant in New Zealand. The addition, will include UHT capacity, an infant formula canning line, blending facilities, and a WMP dryer. The company says it's actively working with farmers in the district to augment its milk supply to meet its growing production needs. Presently, 67 farmers are believed to supply milk to the existing facility. Efforts are underway to secure milk contracts with additional dairy producers to supply milk for the expanded facility. The facility operators are said to be exploring the use of annual set milk price agreements which they hope will be more attractive to producers than current more flexible pricing. There was about 10% more WMP offered at this GDT event than the prior event. Higher volumes offered reflects higher milk production in New Zealand attributed to more favorable weather. Some observers were concerned that the higher volumes might have weakened prices but they are now relieved that even with higher volumes, WMP prices slightly firmed. This has generated some hope for WMP prices moving forward. At the March 21, 2017 GDT event #184, average prices ranged from 10.1% lower to 4.9% higher from the prior event across categories.

CONTINUED ON PAGE -1B-

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

The all contracts price averages (US\$ per MT) and percent changes from the previous averages are: anhydrous milk fat, \$5,799, +3.0%; butter, \$4,910, +4.9%; buttermilk powder, n.a.; cheddar cheese, \$3,406 -1.0%; lactose, \$913 -2.7%; rennet casein, \$5,927 +3.6%; skim milk powder, \$1,948, -10.1%; and whole milk powder, \$2,855 +2.9%.

SOUTH AMERICA OVERVIEW: In **Argentina**, favorable drier conditions prevailed in recently wet dairy areas, such as the provinces of Buenos Aires, Córdoba, and Santa Fe. The sunny autumn climate in the aforementioned areas benefited late-season growth of corn/soybeans and helped to alleviate wetness on several dairy farms. Thus, in contrast to the previous weeks, cow's milk production is improving. With one of the main dairy cooperatives closing some processing plants due to financial problems, there is uncertainty about the future of the Argentina's dairy industry. At this point, milk volumes are sufficient to process cheese, but are less than adequate to produce milk powders. Demands for cream based products such as butter, milk caramel and canned sweetened condensed milk are improving as the fall holidays approaches. However, cream supplies are seasonally tight. Thus, premiums for milk fat remain high. According to recent adjusted information by the Ministry of Agriculture, in 2016, farm milk production in Argentina totaled 9,895 million liters, down 1,418 million liters or 13% from the previous year. In **Uruguay**, milk production is improving slightly, as early autumn temperatures are becoming comfortable for dairy herds. Milk butterfat and protein component levels remain steady. Requests for cream from butter and milk caramel manufacturers continue to be strong on a bullish market. According to the National Institute of Milk (INALE), in February, Uruguay farm milk volumes sent to processors were 112.3 million liters, 23.5% below the previous month, and 2.3% lower than a year ago. From January to February, milk shipments totaled 259.3 million liters, down 1.8% from the same period of 2016. In **Brazil**, farm milk output is mostly variable, depending of the region and mixed weather conditions throughout the country. In some dairy basins, cow productivity remains depressed due to the effects of drought prolongation, which is decreasing the quality and availability of pastures/fodders. Overall, milk supplies are well below manufacturing needs. Fluid/UHT requests from several private and public market channels remain strong. Cheese processors continue reporting a reduction in production and high inventory levels. Subsequently, whey supply is low, but demand is stable.

FEBRUARY AGRICULTURAL PRICES HIGHLIGHTS (NASS): The All Milk price received by farmers was \$18.50 in February, up \$2.80 from February 2016. The alfalfa hay price was \$129.00 in February, down \$8.00 from February 2016. The corn price was \$3.44 in February, down -\$0.14 from February 2016. The soybean price was \$9.86 in February, up \$1.35 from February 2016. The milk-feed price ratio was 2.61 in February, up 0.43 from February 2016. The index of prices received by farmers for dairy products during the month of February 2017 was down 2 to 92. Compared to February 2016, the index was up 13.9 points (17.8 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in February 2017 was up 0.1 points to 106.6. Compared with February 2016, the index was up +0.3 points (+0.3 percent).

NATIONAL RETAIL REPORT (DMN): This week, total conventional dairy ad numbers decreased 1%, and organic dairy ads decreased 12%. Notable increased ad emphasis occurred for 1# butter, up 39% and 16 ounce sour cream, up 66%. The weighted average advertised price for butter \$3.07, was up \$0.08 from last week. With 1 # organic butter having an average price of \$4.70, the organic price premium is \$1.63. Sour cream has an average price of \$1.84, up \$0.15

MONDAY, MARCH 27, 2017

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.3850, 1 @ \$1.3800, 1 @ \$1.3750, 1 @ \$1.3700; 3 CARS 40# BLOCKS: 1 @ \$1.4400, 1 @ \$1.4375, 1 @ \$1.4400; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.4450; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3800
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 5 CARS GRADE A: 1 @ \$0.8150, 1 @ \$0.8000, 2 @ \$0.7900, 1 @ \$0.8150; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8350
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.1000; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0925; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1100

TUESDAY, MARCH 28, 2017

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.4450; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3800 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.8125; LAST BID UNFILLED: 4 CARS GRADE A: 1 @ \$0.8150, 2 @ \$0.8000, 1 @ \$0.8075; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8300
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.1000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1100

WEDNESDAY, MARCH 29, 2017

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3700
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.8075; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.7900; LAST OFFER UNCOVERED: 5 CARS GRADE A @ \$0.8300
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.1000; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0900; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1000

THURSDAY, MARCH 30, 2017

CHEESE -- SALES: 18 CARS BARRELS: 3 @ \$1.3700, 3 @ \$1.3800, 1 @ \$1.3900, 3 @ \$1.4000, 2 @ \$1.4100, 2 @ \$1.4175, 1 @ \$1.4200, 1 @ \$1.4300, 1 @ \$1.4400, 1 @ \$1.4500; 7 CARS 40# BLOCKS: 1 @ \$1.4500, 1 @ \$1.4550, 1 @ \$1.4600, 1 @ \$1.4650, 1 @ \$1.4700, 1 @ \$1.4800, 1 @ \$1.5000; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.5100; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4600
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 6 CARS GRADE A: 4 @ \$0.7900, 2 @ \$0.7800; LAST OFFER UNCOVERED: 11 CARS GRADE A: 2 @ \$0.8400, 6 @ \$0.8200, 1 @ \$0.8175, 2 @ \$0.8300
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.1000; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0950; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1200

FRIDAY, MARCH 31, 2017

CHEESE -- SALES: 16 CARS BARRELS: 2 @ \$1.4500, 1 @ \$1.4575, 1 @ \$1.4550, 6 @ \$1.4600, 1 @ \$1.4625, 2 @ \$1.4650, 3 @ \$1.4700; 9 CARS 40# BLOCKS: 2 @ \$1.5100, 1 @ \$1.5050, 1 @ \$1.5000, 1 @ \$1.5025, 1 @ \$1.5100, 1 @ \$1.5125, 1 @ \$1.5175, 1 @ \$1.5200; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4600; LAST OFFER UNCOVERED: 4 CARS BARRELS @ \$1.4800
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.8000; LAST BID UNFILLED: 6 CARS GRADE A: 5 @ \$0.7900, 1 @ \$0.7950; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8075
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$2.1200, 1 @ \$2.1050; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.1075; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

Northeastern butter manufacturers are churning away to reduce the heavy cream supplies. Butter output continues to be in excess of producers' near term accounts. Inventories are building. Demand for print butter varies. Food service interest continues to be moderate to light as spring break is still in effect. The market anticipates an increase from the restaurant sector as the spring celebrations arise. Bulk butter trading is fair with sales ranging 5 to 7 cents over the CME Group, based on various time periods and averages used. The market undertone remains steady. This week, a cooperative export assistance program accepted requests for export assistance to sell 52,360 pounds (23.75 metric tons) of butter. Tuesday, the CME Group cash trading saw Grade AA butter prices close at \$2.1000, down \$0.0200 from a week ago closing price. According to the DMN *National Retail Report-Dairy*, for March 24-30, 2017, the Northeast weighted average retail price for 1-pound butter was \$3.39, 40 cents higher than the national average price, but 16 cents lower than last week's Northeast average butter price. Retail markets in the region reported butter prices ranging \$2.49-\$4.49. COLD STORAGE: The NASS Cold Storage report noted U.S. butter stocks as of February 28, 2017 were 282.6 million pounds, up 20% from last year, and up 28% from last month. Bulk stocks in all warehouses were 235.6 million pounds last year at this time.

CENTRAL

Butter production is active in the Central region of the country. Cream is still available to butter producers, as Class IV multiples are in the 1.05 to 1.17 range. Some butter makers continue to churn

cream and sell/store butter, in lieu of selling spot cream. Butter demand varies by contact. Some butter producers report being in the peak of spring holiday demand, whereas others still expect stronger demand to come. Reports on butter stocks point to a steadily growing availability. The butter market tone is generally steady. DMN *National Retail Report-Dairy* for March 24-30 noted the national weighted average advertised price for a 1 pound package of butter is \$2.99, \$0.25 below one week ago, but \$0.29 higher than one year ago. The weighted average regional prices in the Midwest and South Central were \$2.83 and \$2.41, respectively. This week, a cooperative export assistance program accepted requests for 52,360 pounds (23.75 metric tons) of butter. So far this year, the program has accepted assistance requests for 1.427 million pounds of butter. Bulk butter prices reported ranged from 2 to 7 cents over the market, with various periods and averages used. Wednesday at the CME Group, Grade AA butter closed at \$2.1000, down \$.0200 from last Wednesday.

WEST

Western butter makers still have access to plenty of cream and are actively churning butter. However, as the spring holidays and summer approaches, more cream is getting used for ice cream and other Class II dairy products. Additional uses for the cream are mostly welcomed by butter manufacturers who are looking for ways to clear the excess cream. Butter demand is steady, but many end users are hesitant to take on any extra loads to put into their warehouse. Butter inventories are long. Bulk butter pricing in the West this week is 4 cents below to 1 cent above, based on the CME Group with various time frames and averages used. The DMN *National Retail Report-Dairy* for the week of March 24-30 found

CONTINUED ON PAGE 2A

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
March 25, 2017	2.1658 4,693,479	1.4849 12,756,472	1.4730 13,745,912	.5312 6,155,610	.8379 30,630,051

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

CONTINUED FROM PAGE 2

that the U.S. weighted average advertised price of 1 pound butter is \$2.99, down \$.25 from last week. The U.S. weighted average price was \$2.70 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.34 with a price range of \$2.50-\$3.99. In the Northwest, the weighted average advertised price of 1 pound butter is \$3.09 with a price range of \$2.50-\$3.99. This week, a cooperative export assistance program accepted requests for 52,360 pounds (23.75 metric tons) of butter. So far this year, the program has assisted member cooperatives who have contracts to sell 1.4 million pounds of butter (82% milkfat) in export markets. According to the California Department of Food and Agriculture, February 2017 butter production was 48.6 million pounds, down 4.7% from a year ago. California year-to-date butter production through February is 100.2 million pounds, down 3.5% from 2016 butter production through February. The Grade AA butter price at the CME Group on Wednesday closed at \$2.1000, down \$.0200 from a week ago.

CHEESE MARKETS

NORTHEAST

Cheese production is steady as manufacturing plants continue to clear available milk to vats. Cheese facilities are running at full speed 7 days a week. Food service channels are stable, but with schools still out for break, institution channels are lower. Cheese trading activity continues to be light, with some traders holding steady on purchases and waiting to see if the prices shift downward even more. The cheese market tone varies. Interest is stable, but cheese stocks are increasing. This week, a cooperative export assistance program accepted requests for export assistance to sell 2.381 million pounds (1,088 metric tons) of cheese. At the CME Group, barrel cheese weekly averages increased \$0.0150 and block weekly averages increased \$0.0600. As a result, East wholesale cheese prices for blocks, process slices and Muenster shifted upward this week. Tuesday's CME Group daily cash prices saw barrels close at \$1.3700, down \$0.0200 from a week ago; blocks closed at \$1.4450, up \$0.015 from a week ago. The DMN *National Retail Report-Dairy*, for March 24-30, 2017, noted the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.45, 33 cents above the national average, with a regional price range of \$1.99-\$2.99. The Southeast 8 oz. block average price was \$2.13, 1 cent above the national average, with a regional price range of \$1.67-\$2.50. The Northeast average advertised price for 8 oz. cheese shreds was \$2.36, 25 cents above the national average price, with a regional price range of \$1.99-\$3.00. In the Southeast, the average price for 8 oz. shreds was \$2.13, 2 cents above the national average, with prices ranging \$1.67-\$3.00. **COLD STORAGE:** According to NASS, U.S. stocks of total natural cheese as of February 2017 totaled 1.3 billion pounds, 3 percent more than the previous month, and up 6 percent from a year ago. Swiss cheese totaled 27.1 million pounds, 10 percent more than a year ago, and up 13 percent from last month. In New England, stocks of American cheese totaled 65.7 million pounds 8% more than February 2016 and 1% more than the previous month.

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

Cheddar 40# Block	:	1.8925-2.1775
Process 5# Sliced	:	1.5275-2.0075
Muenster	:	1.8775-2.2275
Grade A Swiss Cuts 10 - 14#	:	3.3800-3.7025

MIDWEST

Milk continues to be available for cheesemakers in the Midwest. Reports from some cheese processors point to an inability to take on any extra spot milk. Spot milk prices have been reported from \$1 to \$4 under Class. Cheese production, with the exception of some plant updates/maintenance, has been active. Reports on domestic demand range from steady to increasing. Whey and lactose interest, both domestically and internationally, is also trending up for Midwestern cheesemakers. Inventory reports vary for cheese. Some producers are comfortable with current stocks, while others have started to sell discounted spot cheese in order to maintain inventory levels. The market tone is uncertain. In CME Group trading Wednesday, barrels closed at \$1.3700, down \$.0400 from last Wednesday and blocks closed at \$1.4450, down \$.0050 from last Wednesday. The DMN *National Retail Report-Dairy* shows that March 24-30 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$1.99, 12 cents below the national average. Midwest prices range from \$1.67-\$2.99. One year ago, the national price was \$2.28. For 8 ounce blocks, the Midwest average price is \$1.97, 15 cents below the national average price. Midwest ads are priced from \$1.67-\$2.99. Last year, the national price was \$2.51.

According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of February 2017 were 1.257 billion pounds, 3% above January 2017 and up 6% from February 2016. American stocks were 8% more, other natural stocks were 3% more, and Swiss stocks were 10% higher than last year. In the East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio), American cheese stocks at the end of February 2017, were 7% higher than last year and 1% more than last month. Other cheese stocks in the East North Central region were 7% higher than February 2016 and 4% more than last month. In the West North Central region (Minnesota, Iowa, Missouri, Kansas, Nebraska, South Dakota and North Dakota), American cheese stocks at the end of February 2017, were 20% higher than last year and 4% higher than last month. Other cheese stocks in the West North Central region were 4% lower than February 2016, but 2% above January 2017. This week, a cooperative export assistance program accepted requests for 2.381 million pounds (1,088 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 21.483 million pounds of cheese in export markets. Midwestern wholesale prices are unchanged for Swiss cuts, up \$.0150 for process and up \$.0600 for all other types.

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

Process American 5# Loaf	:	1.4850-1.8450
Brick And/Or Muenster 5#	:	1.7975-2.2225
Cheddar 40# Block	:	1.5250-1.9200
Monterey Jack 10#	:	1.7725-1.9775
Blue 5#	:	2.0650-3.0525
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5975-2.5375
Grade A Swiss Cuts 6 - 9#	:	2.8975-3.0150

WEST

Western cheese production continues to be active. Milk volumes are plentiful and clearing into the vats. Some contacts believe that the spring flush is right around the corner. A few cheese plants seem to be running below capacity, but for the most part, cheese processors are operating at or near full capacity. Cheese is moving well through contracts, but any additional demand is light. Orders for processed cheese are slower and some market participants are hoping for favorable spring weather to prompt the summer grilling season. Barrel cheese supplies are abundant, somewhat due to additional manufacturing plants coming on line in other regions. Industry contacts suggest warehouses are getting filled, and available storage space is hard to find. Block cheese inventories are ample. The DMN *National Retail Report-Dairy* for the week of March 24-30 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.11, down \$.17 from last week. Packs average \$2.08 in the Southwest and \$2.03 in the Northwest. One year ago, the national price was \$2.28. For 8 ounce blocks, the U.S. price is \$2.12, down \$.06 from last week. Blocks average \$2.10 in the Southwest and \$1.96 in the Northwest. One year ago, the national price was \$2.51. In the West, wholesale prices are up \$.0150 for process, and up \$.0600 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged. This week, a cooperative export assistance program accepted requests for export assistance on contracts to sell 2.381 million pounds (1,088 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 21.483 million pounds of cheese in export markets. According to the California Department of Food and Agriculture, February 2017 cheese production was 192.1 million pounds, down 3.6% from a year ago. California year-to-date

CONTINUED ON PAGE 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

cheese production through February is 0.403 billion pounds, down 2.7% from 2016 cheese production through February. In CME Group trading Wednesday, barrels closed at \$1.3700, down \$.0400 from a week ago and blocks closed at \$1.4450, down \$.0050.

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

Process 5# Loaf	:	1.4725-1.7300
Cheddar 40# Block	:	1.5575-2.0025
Cheddar 10# Cuts	:	1.7375-1.9575
Monterey Jack 10#	:	1.7475-1.9075
Grade A Swiss Cuts 6 - 9#	:	2.9575-3.3875

FOREIGN TYPE CHEESE

EU cheese exports for January 2017 were 13% higher compared with January 2016. In addition, according to Eurolait, in January 2017 the USA was the first destination for European cheese, receiving 16.1% of the total cheese exported by EU countries. Japan was the second destination with 12.4%, while South Korea was third with 7.2%. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices increased \$0.0600 this week. 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	: 1.9425-3.4300*
Gorgonzola	: 3.6900-5.7400	: 2.4500-3.1675*
Parmesan (Italy)	: -0-	: 3.3325-5.4225*
Romano (Cows Milk)	: -0-	: 3.1325-5.2825*
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-	: 3.4175-3.7400
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

	<u>BUTTER</u>	<u>: CHEESE</u>
	:	:
03/27/17	24,979	: 97,427
03/01/17	20,155	: 86,899
CHANGE	4,824	: 10,528
% CHANGE	24	: 12

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	140	0	190	0	170
SOUTHEAST STATES	0	0	0	0	0	0

Milk production continues to climb throughout most of the East region. For the current week, Northeast and Mid-Atlantic milk volumes continue to increase as spring flush nears. Contacts report that milk supplies are more abundant into balancing, as the areas have recovered from an earlier snowstorm, which drove active fluid milk production. However, forecasts indicate a recurrence of wintery conditions in parts of the Northeast by weeks end. In the Southeast, milk production is robust. Milk volumes tend to be excessive of Class I needs. As a result, manufacturers who process southeast milk note stronger milk intakes. According to NASS, Class I utilization was 68.48% in the month of February, 1.28% lower than the previous month and 4.77% lower than last February. Florida's milk production continues to leisurely climb. With spring break still in effect, Class I milk sales remain somewhat suppressed. Export milk shipments totaled 140 loads this week after moving to 190 loads last week. NASS reported the uniform price in Hillsborough County, Fla. was \$21.07 per hundredweight for milk at 3.5% butterfat in February. Therefore, the uniform price fell \$1.15 per hundredweight compared to the previous month, but rose \$2.64 per hundredweight from February a year ago. Cream remains very accessible in the East region. Marketing agents are clearing surplus cream to Class II and Class IV plants in the East and other regions. As a result, sources note **cream multiples** range mostly **0.95 to 1.15** f.o.b., although a few trades extended below and beyond these confines based on day and time of need. **Condense skim** supplies are still heavy, prompted by Eastern milk output. Demand is slow as volumes clear to Class III and IV plants. However, suppliers find it challenging to move burdensome condensed skim loads in the East. As a result, due to delivery costs shippers note limited net value for spots, as condensed skim transfers into other regions. With the announcement of April's Advanced Prices and Pricing Factors, the Class II Nonfat Solids price, \$0.7533, declined \$0.1356 from the previous month. According to the DMN *National Retail Report-Dairy*, for March 24-30, 2017, the U.S. weighted average advertised price for a half gallon of milk was \$1.69, down \$0.74 cents compared to last week and down \$0.73 cents from last year. In the Northeast, the weighted advertised price for a gallon of milk is \$3.69, exceeding the national price by \$1.27.

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-	2.0078-2.4305
F.O.B. producing plants: Upper Midwest-	2.3671-2.5362

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:	
Northeast - Class II - includes monthly formula prices-	.20-.95
Northeast - Class III - spot prices -	.20-.97

MIDWEST

Heavy rainfall early this week in the South Central United States, particularly in drought and wildfire affected areas, is expected to yield healthy pasture and feedstock output. Anticipated volumes of

good quality feedstock is expected to further increase the currently active milk production throughout the Central U.S. Central processing plants are reportedly at or near capacity, thus downtime is very limited. Some contacts are anxious as to what will result from a strong spring flush, with production and processing activity so strong this soon. Class I interest reports varied. Some bottlers saw an increase in orders from school districts returning from spring break, while others have already experienced the post-break uptick and are seeing fair/steady demand. Cheesemakers in the upper Midwest are getting spot milk offers from \$1 to \$4 under Class III. Cheese plants undergoing maintenance are cooperating with other cheese producers in order to find a home for the abundant milk supply. Once again, with an abundance of cream, butter makers in the Central region report churning cream and storing and/or selling the butter, instead of offering cream on the spot market. Class II **cream multiples** range from **1.12 to 1.20**. Class IV cream multiples have been reported at 1.05. Some Midwestern contacts report receiving cream offers from the Western region, namely California. Ice cream production is reportedly in full swing, as Class II cream demand is climbing. Class III demand for cream varies. Some cream suppliers are reporting ebbing Class III interest, whereas others have reported improved Class III requests just ahead of the spring holidays. The DMN *National Retail Report-Dairy* for March 24-30 noted the national weighted average advertised price for one gallon of milk was \$2.42, down \$0.17 from a week ago and \$0.16 lower than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.16 and \$2.28, respectively.

WEST

Farm milk output is up in California. Some industry contacts believe that the spring flush has started this week. Temperatures are getting nicer and more favorable to cows' comfort. Bottled milk demand is steady due to school districts being on spring break. According to California Department of Food and Agriculture, February 2017 pool receipts of milk in the state total 2.96 billion pounds. This is 6.1% lower compared to the same month a year ago. From January through February 2017, receipts are 3.7% lower from the comparable period in 2016. The Value at Test price is \$17.00, \$0.35 lower than the previous month, but \$2.76 above a year ago. The percentage of receipts used in Class 1 products is 13.52%. The February quota price is \$17.19 and the over quota price is \$15.49. These prices are \$0.16 below last month, but \$2.40 higher from a year ago. According to CDFA, February 2017 Class 1 sales in California totaled 49.0 million gallons, down 6.4% from last month, and down 3.5% from the previous year. From January through February 2017, Class 1 sales totaled 103.7 million gallons, down 3.5% from the comparable period in 2016. Arizona's milk yield is lower, but in line with processing needs. Some contacts report that the region is coming into the home stretch of its spring flush. In many manufacturing plants, farm milk is mostly clearing into dry lactose and nonfat dry milk. However, sales have been slower. The requests for bottled milk are stable. Milk production in New Mexico continues to increase. Class I demands are slightly up as many school districts across the region are returning from spring break. Class II sales are slightly lower. Most balancing plants are working at full capacity and meeting processing needs. A few plants have dryer repairs and maintenance works that reduced their Class IV intakes. As a result, more condensed skim is clearing into Class III. Contacts report that some handlers have additional loads of milk and are looking for out of state sale outlets. Greater

-CONTINUED ON PAGE 4A-

-CONTINUED FROM PAGE 4-

Alfalfa field management is required this year due to the presence of Weevil in most of the fields. Pacific Northwest milk production is stable to higher as spring weather builds into the region. Milk intakes are strong along the coast and are a little slower to develop inland. Industry contacts believe production to grow there as well in the next few weeks. Bottlers say demand is stable and matching what is expected. There is plenty of milk available for processing and many manufacturers are at or near capacity. Milk production in the mountain states of Idaho, Utah, and Colorado continues to climb as cow comfort improves. Pastures and hay fields are greening and farmers are just starting to plant small grains. Manufacturers report plenty of milk available for processing. Milk produced in the mountain states is finding a home within the region. A few industry contacts suggest there may be a few loads of milk coming into the region from parts of the Southwest at discounted prices. Reservoirs are filled and some contacts say the water authority may release some water to better manage additional spring melt from the mountains. Farmers expect plenty of water available to support livestock and cropping needs. Western **condensed skim** is readily available. Contacts report that prices are dropping. Sales are low and not keeping up with production. Cream continues to be plentiful throughout the Western region. Cream intakes from Ice cream makers are higher in view of the upcoming summer. Inventories are plentiful and clearing into butter. Some contacts report a shortage of tankers. Many cream sellers have to look for tankers out of their regions. **Cream multiples** are **1.08-1.19**. According to the DMN *National Retail Report-Dairy* for the week of March 24-30, the national weighted average advertised price for one gallon of milk is \$2.42, DOWN 17 cents from last week and 16 cents lower from a year ago. The weighted average regional price in the Southwest is \$2.40, with a price range of \$1.99-2.99. No ads were reported in the Northwest.

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 (NDM) prices were mostly steady on both the range and the mostly price series. Price changes for low/medium heat NDM resulted from adjustments based on spot sales and pricing indices. Spot market activity for low/medium heat NDM was active, and some large volume spot exchanges were reported again this week. Some end users are contentedly stocked, and plan on waiting for a softening price before committing to purchases. However, some Central region contacts expect a near term firmness of low medium heat NDM with increased interest from international markets. Low/medium heat NDM inventories are adequate for both contractual obligations and some spot trading. The low/medium heat NDM market undertone is uncertain. High heat NDM prices decreased on the bottom of the range. Spot market activity was light. High heat NDM production is also light, but adequate to meet current demand.

EAST: This week, low/medium heat NDM spot trading in the East led to a price shift at the bottom of the range. However, prices are steady in the mostly series. Not many NDM exchanges are taking place, in retrospect to available supplies. At this point, buyers are mainly brokers looking for bargain prices, as most wait for market make-up to pressure prices even lower. A major concern for producers involves the securing of hedging positions where necessary. As such, some manufacturing sources indicate that market improvements may be unlikely through next month, which provides a temporary bleak domestic NDM picture, particularly following last week's very brief rally. The low/medium heat NDM market undertone is steady to weak. The high heat NDM price parallels low heat, with steady to lower movement. With sporadic production, inventories are adequate to tight. Transactions through contracted arrangements limit high heat NDM in the spot market. Wednesday's CME Group cash trading for Grade A nonfat dry milk closed at \$0.8075, down \$0.0150 from last Wednesday.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7800 - 0.9600 MOSTLY: .8000 - .8600
HIGH HEAT: .9300 - 1.1000

NONFAT DRY MILK - WEST

In the West, low/medium heat nonfat dry milk (NDM) f.o.b. spot prices are mixed on both the range and mostly price series. Price changes resulted from adjustments based on few spot sales and contract pricing indices. NDM spot trading activity has been very silent throughout the week as most of the sales are based on contractual requirements. At this point, the market undertone is uncertain. Several NDM customers have a wait and see approach, putting pressure on the market in order to get lower prices. Low/medium heat NDM production is ongoing, with some plant running at full capacity as farm milk intakes increase seasonally. As NDM inventories grow throughout the spring flush, producers are looking for NDM inventories to move continuously. Therefore, manufacturer's offers to traders and end-users are very active. However, as producers' offers remain at the upper end of the price range, interest is slight. NDM/SMP demand from Mexico is sluggish as SMP/NDM stocks are plentiful in this country. In the U.S., high heat NDM prices are mixed on light trading. Some manufacturers increased their high heat nonfat dry milk production this week. Supplies are adequate for contractual customer orders, but limited on the spot market.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7525 - 0.9000 MOSTLY: .8150 - .8600
HIGH HEAT: .9250 - 1.1000

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
March 24	\$.8308	21,067,814
March 17	\$.8425	18,747,522

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

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices decreased on the bottom of the range. Dry buttermilk spot activity saw a slight increase. Dry buttermilk demand is waning, as orders from industrial bakeries have slowed. However, dry buttermilk interest from ice cream makers is starting to increase. Buttermilk drying is active, corresponding to currently active butter production. Some Central region contacts expect a near term decrease in dry buttermilk prices, as current supply is outpacing near term demand. The market tone is uncertain.

EAST: Dry buttermilk f.o.b. spot market prices are unchanged to lower in the East. With moderate to heavy churning at most butter facilities, dry buttermilk production remains steady while competing for dryer time with skim condensed. Overall, dry buttermilk holdings are expanding in excess of producers' near term contractual needs. Demand is moderate to slow as buyers shop around and make purchases geared toward their current needs. Meanwhile, condensed buttermilk exchanges are improving, although strong interest from ice cream processors has yet to take off. Sluggish trading lends to the market's quiet undertone this week.

F.O.B. CENTRAL/EAST: .8000 - 1.0000

DRY BUTTERMILK - WEST

Western f.o.b. spot prices for dry buttermilk are unchanged on the range, but mixed on the mostly series. Spot trading is very light this week. According to some market participants, the current lower NDM values are putting pressure on dry buttermilk prices. Demands from bakers and ice cream makers are fair to good. Active butter production continues to send steady volumes of buttermilk to the dryers. Inventories are mostly in balance with buyer's needs.

F.O.B. WEST: .8200 - 1.0000 MOSTLY: .8500 - .9500

DRY WHOLE MILK - NATIONAL

F.O.B. spot prices for national dry whole milk are mixed on light trading. A few spot sales pulled down the bottom of the price range. Some manufacturers are offering some loads priced at or above \$1.5500 per pound. Meanwhile, some customers are buying in lower quantities (LTL) paying premiums well above the top of the pricing range. The market undertone is unsteady as supply and demand varies in each region of the nation. In the same way, inventories vary from plant to plant.

F.O.B. PRODUCING PLANT: 1.3800 - 1.4300

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 dry whey prices were steady on the range, but increased on the top and bottom of the mostly price series. Some contacts report export interest has increased from both Asia and Latin America. Domestic demand reports point to an uptick as well, adding to a near term firmness. Production of dry whey remains active, and steady cheese production continues to add to whey production. Dry whey spot market reports increased from a relatively quiet previous week. Animal feed whey prices held steady on the bottom of the range, but decreased at the top of the range. Feed grade spot offers were reported. However, buyers/end users were not aggressively seeking out animal feed whey and spot sales were somewhat light. Animal feed whey stocks are adequate.

F.O.B. CENTRAL: .3800 - .5900 MOSTLY: .4725 - .5250
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3375 - .4500

DRY WHEY - NORTHEAST

Northeastern whey held steady on the bottom half of the price range, but shifted upward again on the higher end of the price series this week. Northeastern manufacturing plants are working hard producing cheese up to 7 days a week, keeping whey levels high. Whey production is going strong, carrying out contracts on schedule, but there are spot limitations beyond arranged agreements. Inventories are tightening. The dry whey demand is good and market tone is stable.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4300 - .5600

DRY WHEY - WEST

Western whey prices are higher at the bottom of the range, and bumped slightly higher at both ends of the mostly price series. Market views vary widely among industry contacts. Some market participants suggest tight inventories warrant stable to higher prices. However, others see lower international prices and future prices as signals of impending weakness in the market. Some buyers in Mexico and other Latin America countries are getting Canadian whey offers below U.S. dry whey published prices. In addition, some domestic buyers are hesitant to buy additional loads. Dry whey is still moving well within current contracts. Domestic demand is generally steady. Whey output is down due to manufacturers producing other whey protein concentrations or whey permeate.

NONHYGROSCOPIC: .4500 - .5900 MOSTLY: .4600 - .5400

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices stretched further as several schools of thought are developing within the market. Some industry contacts suggest WPC34% prices are linked to nonfat dry milk prices. That perception is creating weakness within the market and, as a result, the bottom of the range moved lower. On the other hand, manufacturers producing WPC34% that is a desired brand or meets more stringent specifications, feel WPC34% prices should not be hinged to NDM. In those cases, producers are reluctant to lower prices. As a result, the top of the mostly prices series moved slightly higher. WPC34% production is relatively steady, but inventories remain low, especially for WPC34% that meets tight product specifications. Demand is steady to firm for desired brands, but trailing off for WPC34% that is interchangeable with other proteins.

F.O.B. EXTRA GRADE 34% PROTEIN: .7300 - 1.2350 MOSTLY: .8500 - 1.0575

LACTOSE - CENTRAL AND WEST

Lactose prices moved slightly higher at the bottom of the range and at both ends of the mostly price series. Spot sale prices are inching higher as Q2 approaches. Some manufacturers report Q2 contracting is in place and shipments have begun. These processors further state that end users are eager to get coverage and are willing to take advance shipments or additional loads when possible. Domestic and international demand is strong. Lactose inventories are tight to comfortable. A few market participants are trying to assess lactose availability from other world producers and whether that production will be used internally or be released to the market.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2500 - .5800 MOSTLY: .3700 - .4300

CASEIN - NATIONAL

Rennet and acid casein prices slightly firmed at the bottom of the price range while acid casein prices also firmed at the top. Some European manufacturers find casein manufacturing more profitable than skim milk powder. Buyers seeking both acid and rennet have been more in the market in recent weeks.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.9000 - 3.2125
ACID: 3.5000 - 3.8000

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

WEEK ENDING	2017 WEEKLY DAIRY COWS	2017 CUMULATIVE DAIRY COWS	2016 WEEKLY DAIRY COWS	2016 CUMULATIVE DAIRY COWS
03/11/2017	63.0	625.4	59.5	671.0

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
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
2016	13.72	13.80	13.74	13.63	12.76	13.22	15.24	16.91	16.39	14.82	16.76	17.40

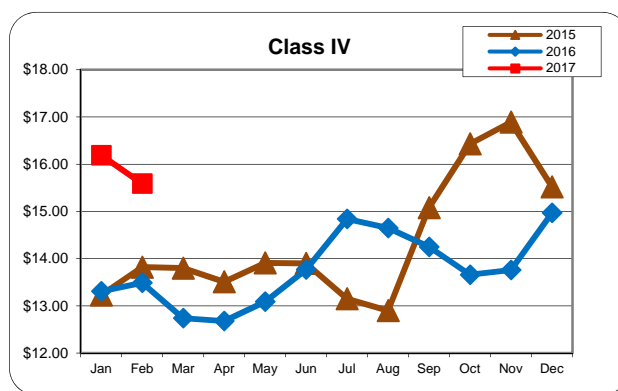
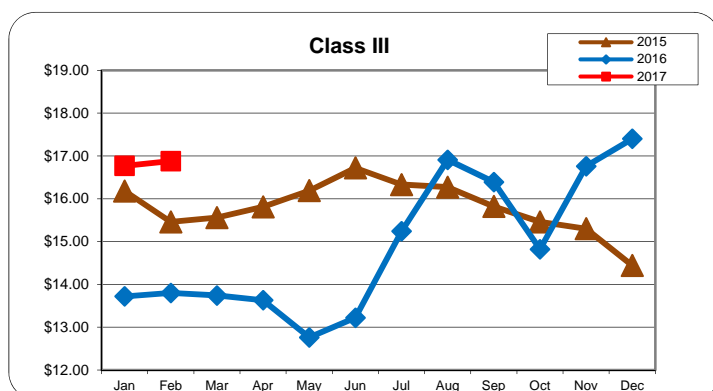
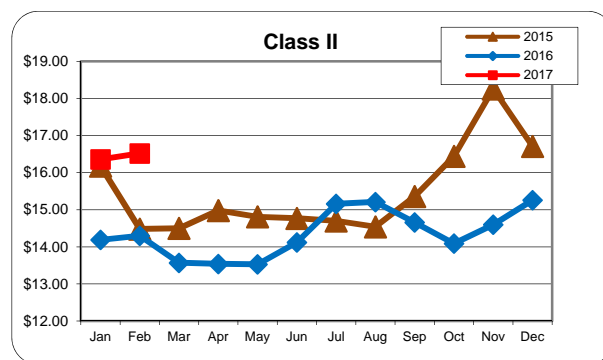
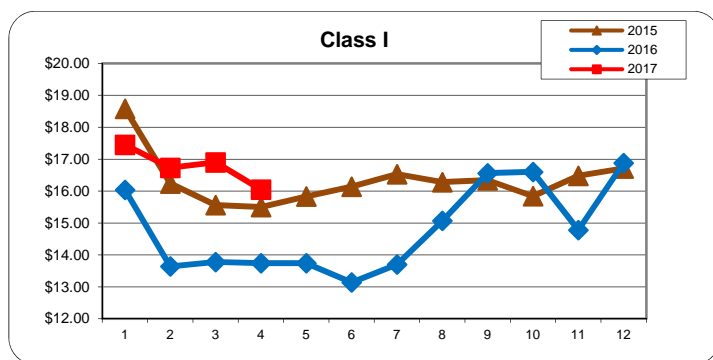
CLASS IV MILK PRICES (3.5%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2016	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	16.73	16.90	16.05								
II	16.36	16.52										
III	16.77	16.88										
IV	16.19	15.59										

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 March 20- 31, 2017

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: Many Western European dairy processors are expecting to return toward a more normal market in 2017. While the first half of 2017 milk production is generally expected to be lower than the first half of last year, second half production is expected to increase over the corresponding period last year. Overall for the year there may be no annual increase. Several one-time factors will contribute to the outcome, such as the reduction of the dairy herd in Netherlands to meet phosphate limits. On the other hand, if the Netherlands reduction is achieved by moving significant numbers of dairy cattle to other countries, rather than slaughter, that could alter the overall expected outcome. Dairy exports are expected to benefit from a weaker Euro during 2017. Signs that milk production in Oceania may be higher than first expected for 2017 could slow expected export volumes from the EU during 2017, or lead to increased downward price pressure.

Several countries in Western Europe continue to produce volumes of milk not used internally for dairy production or bottling, according to CLAL data. Some of this bulk milk is shipped to other European nations for dairy processing. Among these countries are Netherlands, Germany, Austria, France and Ireland. Germany for example, ships fluid milk to Italy for use in making Italian cheeses.

BUTTER/BUTTEROIL: Butter prices in Western Europe firmed, as did butteroil prices. The current supply of butter in Western Europe is seasonally low. With greater consumer interest in dairy fats, some manufacturers are evaluating whether the butter market might face an undersupply situation in the coming months. In other words, butter supplies may remain in short supply during 2017. Supplying domestic markets is expected to be a priority over exports, so exports could suffer if tightness continues. Manufacturers using butter are pondering changing formulations to reduce butter content. However this obviously requires some lead time due to the need to create new product labels as well as changing the manufacturing process.

Butter production in Western Europe during January this year was 1.1% lower than January last year according to Eurostat. EU exports of butter during January 2017 declined 10.5% from January one year earlier, according to Eucolait. Export volumes and primary destinations are shown in the following table:

Main Three Destinations
January 2017

Destination	Quantity (MT)	% of total
USA	1,857	19.3%
Saudi Arabia	624	6.5%
Singapore	561	5.8%

EU imports of butter during January 2017 increased 42.1% from January one year earlier, according to Eucolait. Import volumes and primary sources are shown in the following table:

Main Three Origins
January 2017

Origin	Quantity (MT)	% of Total
New Zealand	670	98.6%
Norway	3	0.5%
Jordan	3	0.4%

EU exports of butteroil during January 2017 declined 77.6% from January one year earlier, according to Eucolait. Export volumes and primary destinations are shown in the following table:

Main Three Destinations
January 2017

Destination	Quantity (MT)	% of Total
Saudi Arabia	332	21.9%
Indonesia	289	19.0%
China	144	9.5%

82% BUTTERFAT:	4,625 - 4,725
99% BUTTERFAT:	5,150 - 5,400

SKIM MILK POWDER (SMP): Skim milk powder prices in Western Europe weakened at each end of the price range. This continues a weaker trend.

Current SMP stocks still leave Europe oversupplied. Most sources do not expect an increase in SMP production during 2017, and possibly a decline. Current production is primarily to fill existing contracts. Manufacturers are making contract deliveries on time. New contracting has been quite slow in recent weeks. Buyers feel no pressure to lock in supplies or pricing due to the expected continuing price weakness and oversupply. In fact, preparations are underway for a new round of intervention sales.

There is nearly universal agreement that only significantly increased exports can reduce SMP stocks, both intervention and privately held. Absent a robust increase in exports, there is apprehension that SMP stocks in Europe will increase during 2017. However, there is awareness of keen competition with the U.S. which has stocks of non-fat dry milk at favorable prices also seeking export markets. Some sources are suggesting that the volumes of intervention stocks involved can realistically best be reduced in the near term by donating stocks to help refugees or poor people in the Middle East or Africa.

Western European SMP production during January this year was 8.1% lower than January last year according to Eurostat. EU exports of SMP during January 2017 declined 7.8% from January one year earlier, according to Eucolait. Export volumes and primary destinations are shown in the following table:

Main Three Destinations
Jan-Feb 2017

Destination	Quantity	% of Total
Algeria	7,876	13.8%
Philippines	5,968	10.5%
Indonesia	5,701	10.0%

1.25% BUTTERFAT:	1,800 - 1,925
------------------	---------------

CONTINUED TO PAGE 8

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered March 20- 31, 2017

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.

CONTINUED FROM PAGE 8

SWEET WHEY POWDER: Sweet whey prices in Western Europe are steady to slightly higher. The market undertone is stable.

A number of European whey manufacturers believe exports can increase 2% for the year and production will support the increased volumes. EU exports of whey during January 2017 increased 2.4% from January one year earlier, according to Eucolait. Export volumes and primary destinations are shown in the following table:

Main Three Destinations
January 2017

Destination	Quantity	% of Total
China	12,777	27.7%
Indonesia	7,479	16.2%
Malaysia	3,821	8.3%

EU imports of whey during January 2017 decreased 18.7% from January one year earlier, according to Eucolait. Export volumes and primary destinations are shown in the following table:

Main Three Origins
January 2017

Destination	Quantity	% of Total
Switzerland	5,353	87.4%
Norway	551	9.0%
United States	93	1.5%

NONHYGROSCOPIC: 1,100 - 1,150

WHOLE MILK POWDER (WMP): Whole milk powder prices weakened at each end of the price range.

WMP in Europe is considered to have production overcapacity relative to expected demand in 2017. A concern is that could lead to overproduction and resulting impacts on prices and sales. Current demand is quiet.

WMP production In Europe during January this year was 0.7% lower than January last year according to Eurostat. Production has declined in Denmark, France, Sweden and Poland. Belgium, Germany and Netherlands have kept production closer to levels last year.

EU exports of WMP during January 2017 increased 18.1% from January one year earlier, according to Eucolait. Export volumes and primary destinations are shown in the following table:

Main Three Destinations
January 2017

Destination	Quantity (MT)	% of Total
Algeria	6,217	17.9%
Oman	5,973	17.2%
China	2,241	6.5%

26% BUTTERFAT: 2,825 - 3,075

EASTERN OVERVIEW: While Ukraine and Belarus are geographically adjacent, they have opposite trends as to milk production and dairy exports in recent years.

Ukraine milk production and dairy exports have been trending lower according to CLAL. Production has been lower in each of the last 3 years compared to the prior year: 2014, -2.2%; 2015, -4.9%; and 2016, -2.8%. Dairy exports have also been declining in recent years compared with the previous year. In 2013, -20.97%; 2014, -20.65%; 2015, -1.13%; and 2016, -5.58%.

In contrast, Belarus, adjacent to Ukraine, has experienced milk production trending upward compared with the previous year. In 2014, +1.0%; 2015, 5.1; and 2016, 1.4%. Unlike Ukraine, dairy exports have been increasing in recent years compared with the previous year. In 2013, +17.68%; 2014, +2.44%; 2015, +16.7; and 2016, +0.20%.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered March 20 - 31, 2017

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

AUSTRALIA: Dairy producers in Australia continue to benefit from good pasture conditions. This has slowed interest in purchasing hay, as well as the need to purchase hay. Also benefitting producers is decreasing prices for water. Concerns lie ahead associated with expectations of autumn being hotter and drier than desired. For now however, cow culling rates have slowed.

According to Dairy Australia, February 2017 milk production in Australia was 10.0% below February 2016. The state changes from February a year earlier are: New South Wales, -10.7%; Victoria, -11.5%; Queensland, -3.2%; South Australia, -12.1%; Western Australia, -5.7% and Tasmania, -3.9%. July 2016-February 2017 cumulative production is 8.4% below the same period one year ago. The cumulative July 2016-February 2017 changes from July 2015-February 2016 are: New South Wales, -7.1%; Victoria, -9.7%; Queensland, +1.8%; South Australia, -10.9%; Western Australia, -1.5% and Tasmania, -6.3%. Each state's percentage of total January Australian production, is: New South Wales, 12.76%; Victoria, 61.20%; Queensland, 4.81%; South Australia, 5.61%; Western Australia, 4.36%; and Tasmania, 11.25%.

Milk components in Australian milk production are higher comparing February 2017 with one year earlier. Milkfat increased 0.8% while Protein increased 1.1%.

Milkfat and protein percentage changes (in that order) for each region for February compared with February 2016 are: New South Wales, -0.6%, -0.5%; Victoria, +1.0%, +1.1%; Queensland, -0.1%, -0.2%; South Australia, -0.4%, -0.5%; Western Australia, +2.1%, +0.8%; and Tasmania, +1.7%, +4.3%.

NEW ZEALAND: New Zealand dairy farmers are emerging from a tough two seasons of enduring some of the lowest milk prices in the world. Going forward, the new 2017/18 season will most likely kick off a new era for New Zealand dairy.

February 2017 New Zealand milk production was 1.91 million MT, down from 2.41 million MT in January, according to DCANZ. During February 2016, milk production was 1.97 million MT. February milk solids, 171.17 million kg, are down from 209.69 million kg in January. During February 2016, milk solids were 171.62 million kg.

A dairy processor from China is now expanding a processing plant in New Zealand. The addition, will include UHT capacity, an infant formula canning line, blending facilities, and a WMP dryer. The company says it's actively working with farmers in the district to augment its milk supply to meet its growing production needs. Presently, 67 farmers are believed to supply milk to the existing facility. Efforts are underway to secure milk contracts with additional dairy producers to supply milk for the expanded facility. The facility operators are said to be exploring the use of annual set milk price agreements which they hope will be more attractive to producers than current more flexible pricing.

There was about 10% more WMP offered at this GDT event than the prior event. Higher volumes offered reflects higher milk production in New Zealand attributed to more favorable weather. Some observers were concerned that the higher volumes might have weakened prices but they are now relieved that even with higher volumes, WMP prices slightly firmed. This has generated some hope for WMP prices moving forward.

At the March 21, 2017 GDT event #184, average prices ranged from 10.1% lower to 4.9% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous averages are: anhydrous milk fat, \$5,799, +3.0%; butter, \$4,910, +4.9%; buttermilk powder, n.a.; cheddar cheese, \$3,406 -1.0%; lactose, \$913 -2.7%; rennet casein, \$5,927 +3.6%; skim milk powder, \$1,948, -10.1%; and whole milk powder, \$2,855 +2.9%.

BUTTER: Butter prices moved higher in Oceania, following the trend in many areas of dairy fats showing price strength. New Zealand is regarded as the dominant exporter of butter globally. Some concerns are voiced as to the ability of New Zealand butter manufacturers to meet global demand if European butter exports pull back, so as to continue to meet internal European demand.

Declining New Zealand butter exports compared with one year ago contribute to this concern. Sellers and buyers in Oceania butter markets are much attuned to the tightness of butter supplies in Europe, substantially diminishing a potential alternative source. Moreover there is still a preference by some New Zealand dairy manufacturers to marginally channel milk to whole milk powder rather than butter.

New Zealand exports of butter year to date January-February 2017 declined 18.2% from the same period one year earlier, according to Euclait. Export volumes and primary destinations are shown in the following table:

Main Three Destinations
Jan-Feb 2017

Destination	Quantity (MT)	% of Total
China	6,595	13.4%
Australia	3,982	8.1%
Egypt	3,296	6.7%

At GDT Event 184 on March 21, the butter all contracts price increased 4.9% and the April contract price increased 24.0%.

82% BUTTERFAT: 4,950 - 5,475

SKIM MILK POWDER (SMP): Skim milk powder prices in Oceania weakened at each end of the price range. Intervention stocks in the EU as well as U.S. stocks of nonfat dry milk, are contributing to this being a buyers' market. Additionally, new intervention purchases in the EU are considered to be a distinct possibility. There is limited ability for sellers to move prices up with all the sourcing options open to buyers. New concerns being voiced are that U.S. milk volumes may shift even more into NDM production because U.S. cheese production, now with record stocks in cold storage, may be nearing reasonable limits of storage capacity.

New Zealand exports of SMP during February 2017 declined 21.8% from February one year earlier, according to Euclait. Export volumes and primary destinations are shown in the following table:

Main Three Destinations
Jan-Feb 2017

Destination	Quantity	% of Total
China	20,472	26.4%
Philippines	8,885	11.5%
Malaysia	6,559	8.5%

CONTINUED TO PAGE 8AA

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered March 20 - 31, 2017

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.

CONTINUED FROM PAGE 8A

At GDT Event 184 on March 21, the SMP all contracts price decreased 10.1%, no April contract price was reported, and the May price declined 13.5%.

1.25% BUTTERFAT: 1,950 - 2,025

CHEDDAR CHEESE: Cheddar cheese prices in Oceania are steady. Many buyers and sellers believe the market is in a good equilibrium. Stocks are ample to meet orders. Buyers are able to take contracted deliveries on schedule, and are generally doing so.

New Zealand exports of cheese year to date January-February 2017 declined 15.8% from the same period one year earlier, according to Eucolait. Export volumes and primary destinations are shown in the following table:

Main Three Destinations
Jan-Feb 2017

Destination	Quantity (MT)	% of Total
Australia	12,183	20.5%
Japan	9,509	16.0%
China	7,624	12.8%

At GDT Event 184 on March 21, the cheddar all contracts price decreased 1.0% and the April contract price decreased 0.4%.

39% MAXIMUM MOISTURE: 3,500 - 3,725

observers were concerned that the higher volumes might have weakened prices but they are now relieved that even with higher volumes, WMP prices slightly firmed. This has generated some hope for WMP prices moving forward. At GDT Event 184 on March 21, the WMP all contracts price increased 2.9% and the April contract price increased 3.9%.

26% BUTTERFAT: 2,850 - 3,125

Exchange rates for selected foreign currencies:
March 27, 2017

.0641 Argentina Peso	.0154 India Rupee
.7619 Australian Dollar	.0090 Japan yen
.3199 Brazil Real	.0529 Mexican Peso
.7475 Canadian Dollar	.7043 New Zealand Dollar
.0015 Chile Peso	.2559 Poland Zloty
1.0864 Euro	.0356 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0529) = 18.9036$ Mexican Pesos. Source: "Wall Street Journal"

WHOLE MILK POWDER (WMP): Whole milk powder prices in Oceania firmed at each end of the price range. Price strength is attributed to buyers returning to the market to secure supplies. In recent weeks with weakening prices, many buyers stepped back, relying on existing stocks as they evaluated trends. Now a number of current buyers are acting to assure needed stocks of WMP.

New Zealand exports of WMP year to date January-February 2017 declined 8.9% from the same period one year earlier, according to Eucolait. Export volumes and primary destinations are shown in the following table:

Main Three Destinations
Jan-Feb 2017

Destination	Quantity (MT)	% of Total
China	65,267	27.6%
UAE	26,872	11.4%
Algeria	17,469	7.4%

There was about 10% more WMP offered at this GDT event than the prior event. Higher volumes offered reflects higher milk production in New Zealand which is attributed to more favorable weather. Some

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 184 Recap - March 21, 2017													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Apr-17		May-17		Jun-17		Jul-17		Aug-17		Sep-17			
Anhydrous Milk Fat	\$5,948	2.4%	\$5,876	6.1%	\$5,730	1.1%	\$5,657	-2.1%	\$5,684	2.1%	n.a.		\$5,799	3.0%
Butter	\$5,995	24.0%	\$4,975	5.9%	\$4,665	1.2%	\$4,520	-0.2%	\$4,380	-3.9%	n.a.		\$4,910	4.9%
Buttermilk Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Cheddar	\$3,480	-0.4%	\$3,440	0.3%	\$3,341	-1.6%	\$3,396	-1.8%	n.a.		n.a.		\$3,406	-1.0%
Lactose	n.a.		\$913	-2.7%	n.a.		n.a.		n.a.		n.a.		\$913	-2.7%
Rennet Casein	\$6,038	9.5%	\$5,891	3.0%	\$5,879	3.5%	\$6,208	1.5%	n.a.		n.a.		\$5,927	3.6%
Skim Milk Powder	n.a.		\$1,926	-13.5%	\$1,936	-7.4%	\$1,986	-9.3%	\$2,050	-5.1%	n.a.		\$1,948	-10.1%
Sweet Whey Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Whole Milk Powder	\$2,853	3.9%	\$2,857	3.2%	\$2,854	3.0%	\$2,855	0.3%	\$2,841	-0.4%	n.a.		\$2,855	2.9%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 184 Recap - March 21, 2017													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Apr-17		May-17		Jun-17		Jul-17		Aug-17		Sep-17			
Anhydrous Milk Fat	\$2.6980	2.4%	\$2.6653	6.1%	\$2.5991	1.1%	\$2.5660	-2.1%	\$2.5782	2.1%	n.a.	\$2.6304	3.0%	
Butter	\$2.7193	24.0%	\$2.2566	5.9%	\$2.1160	1.2%	\$2.0503	-0.2%	\$1.9868	-3.9%	n.a.	\$2.2272	4.9%	
Buttermilk Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	n.a.		
Cheddar	\$1.5785	-0.4%	\$1.5604	0.3%	\$1.5155	-1.6%	\$1.5404	-1.8%	n.a.		n.a.	\$1.5450	-1.0%	
Lactose	n.a.		\$0.4141	-2.7%	n.a.		n.a.		n.a.		n.a.	\$0.4141	-2.7%	
Rennet Casein	\$2.7388	9.5%	\$2.6721	3.0%	\$2.6667	3.5%	\$2.8159	1.5%	n.a.		n.a.	\$2.6885	3.6%	
Skim Milk Powder	n.a.		\$0.8736	-13.5%	\$0.8782	-7.4%	\$0.9008	-9.3%	\$0.9299	-5.1%	n.a.	\$0.8836	-10.1%	
Sweet Whey Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	n.a.		
Whole Milk Powder	\$1.2941	3.9%	\$1.2959	3.2%	\$1.2946	3.0%	\$1.2950	0.3%	\$1.2887	-0.4%	n.a.	\$1.2950	2.9%	

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

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered March 20 - 31, 2017

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**, favorable drier conditions prevailed in recently wet dairy areas, such as the provinces of Buenos Aires, Córdoba, and Santa Fe. The sunny autumn climate in the aforementioned areas benefited late-season growth of corn/soybeans and helped to alleviate wetness on several dairy farms. Thus, in contrast to the previous weeks, cow's milk production is improving. With one of the main dairy cooperatives closing some processing plants due to financial problems, there is uncertainty about the future of the Argentina's dairy industry. At this point, milk volumes are sufficient to process cheese, but are less than adequate to produce milk powders. Demands for cream based products such as butter, milk caramel and canned sweetened condensed milk are improving as the fall holidays approaches. However, cream supplies are seasonally tight. Thus, premiums for milk fat remain high.

According to recent adjusted information by the Ministry of Agriculture, in 2016, farm milk production in Argentina totaled 9,895 million liters, down 1,418 million liters or 13% from the previous year.

In **Uruguay**, milk production is improving slightly, as early autumn temperatures are becoming comfortable for dairy herds. Milk butterfat and protein component levels remain steady. Requests for cream from butter and milk caramel manufacturers continue to be strong on a bullish market.

According to the National Institute of Milk (INALE), in February, Uruguay farm milk volumes sent to processors were 112.3 million liters, 23.5% below the previous month, and 2.3% lower than a year ago. From January to February, milk shipments totaled 259.3 million liters, down 1.8% from the same period of 2016.

In **Brazil**, farm milk output is mostly variable, depending of the region and mixed weather conditions throughout the country. In some dairy basins, cow productivity remains depressed due to the effects of drought prolongation, which is decreasing the quality and availability of pastures/fodders. Overall, milk supplies are well below manufacturing needs. Fluid/UHT requests from several private and public market channels remain strong. Cheese processors continue reporting a reduction in production and high inventory levels. Subsequently, whey supply is low, but demand is stable.

WHOLE MILK POWDER (WMP): In the Southern Cone of South America, WMP f.o.b. export prices shifted higher, in line with recent upward movements at the GDT. The scarcity of condensed milk supplies in the region is also boosting WMP values. In Brazil, demand for WMP from the food processing industry is robust, but WMP supply is less than adequate to cover buyers/end users' needs. Consequently, Brazilian customers are paying higher premiums for WMP, reflected at the top of the price range. Nevertheless, regional WMP export activity is irregular, driven by supply availability. In the Brazilian market, some WMP tenders from manufacturers can be found priced above \$3,550 per metric ton.

At the GDT Event 184 on March 21, whole milk powder (WMP) prices across all contract periods averaged \$2,855 per metric ton, up 2.9% from the last event.

26% BUTTERFAT: 3,000 - 3,500

SKIM MILK POWDER (SMP): In the Southern Cone of South America, SMP f.o.b. export prices shifted lower, following recent downward movements at the GDT. However, SMP prices in South America remains above international values as there are very limited SMP supplies throughout the region. The market remains unbalanced as the SMP supply is well below current buyers' needs. Sporadic trading activity from Uruguay/Argentina to Brazil is reflected on the top of the pricing range. Meanwhile, the bottom value of the range is mirroring light SMP exports from the Southern Cone to countries outside Mercosur such as Russia and Algeria.

At the GDT Event 184 on March 21, skim milk powder (SMP) prices across all contract periods averaged \$1,948 per metric ton, down 10.1% from the last event.

1.25% BUTTERFAT: 2,500 – 2,900

CME GROUP, INC FUTURES

Selected settling prices

Month	03/17	03/20	03/21	03/22	03/23	03/24	03/27	03/28	03/29	03/30
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
MAR 17	15.73	15.72	15.76	15.74	15.80	15.82	15.83	15.83	15.83	15.82
APR 17	15.28	15.10	15.46	15.41	15.05	14.99	15.00	15.16	15.19	15.33
MAY 17	15.40	15.20	15.73	15.73	15.41	15.26	15.29	15.59	15.63	15.89
JUN 17	15.84	15.61	16.01	16.00	15.80	15.70	15.72	15.93	16.01	16.19
JUL 17	16.37	16.10	16.50	16.52	16.33	16.29	16.32	16.50	16.55	16.73
AUG 17	16.64	16.43	16.68	16.72	16.63	16.64	16.67	16.81	16.78	16.94
SEP 17	16.75	16.53	16.79	16.81	16.71	16.74	16.78	16.91	16.93	17.07
OCT 17	16.57	16.36	16.56	16.59	16.51	16.59	16.60	16.80	16.74	16.94
NOV 17	16.42	16.25	16.40	16.43	16.39	16.44	16.47	16.59	16.59	16.80
DEC 17	16.33	16.13	16.31	16.32	16.28	16.35	16.37	16.52	16.51	16.63
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
MAR 17	14.41	14.41	14.41	14.41	14.41	14.41	14.41	14.41	14.41	14.41
APR 17	14.13	14.10	14.10	14.15	14.15	14.15	14.15	14.15	14.15	14.15
MAY 17	14.19	14.19	14.28	14.33	14.41	14.35	14.28	14.20	14.20	14.33
JUN 17	14.46	14.46	14.54	14.62	14.66	14.51	14.45	14.44	14.44	14.46
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
MAR 17	218.43	218.25	217.98	217.98	217.00	217.00	217.00	217.73	217.73	217.63
APR 17	216.80	214.25	214.50	214.03	211.00	213.00	212.00	212.03	212.50	213.50
MAY 17	217.00	216.20	216.20	215.50	212.00	214.00	213.93	213.93	213.93	214.50
JUN 17	218.75	217.00	217.90	216.95	214.50	215.25	215.25	215.50	215.50	215.98
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
MAR 17	85.25	85.30	85.25	85.25	85.30	85.38	85.40	85.53	85.53	85.65
APR 17	82.73	82.75	83.98	84.50	86.58	84.73	84.53	84.58	84.00	84.00
MAY 17	83.95	84.00	85.00	86.25	88.80	86.00	85.63	85.40	85.60	85.75
JUN 17	85.28	86.00	87.38	88.50	90.28	87.78	86.50	86.98	86.98	87.03
WHEY (Electronic-Traded) (¢/lb)										
MAR 17	51.40	51.50	51.50	51.73	51.98	52.00	52.00	52.00	52.00	52.25
APR 17	49.00	48.75	48.65	49.10	49.10	49.10	49.20	49.00	49.03	50.65
MAY 17	45.25	43.75	43.85	44.75	45.48	45.48	45.75	45.75	46.75	47.80
JUN 17	42.03	40.25	40.30	41.25	42.25	43.00	43.70	43.70	44.50	45.55
CHEESE CSC (Electronic-Traded) (\$/lb)										
MAR 17	1.55	1.56	1.56	1.56	1.56	1.56	1.58	1.56	1.56	1.56
APR 17	1.52	1.51	1.55	1.53	1.50	1.50	1.50	1.51	1.52	1.52
MAY 17	1.56	1.54	1.60	1.60	1.56	1.55	1.54	1.57	1.58	1.59
JUN 17	1.61	1.61	1.64	1.65	1.62	1.60	1.60	1.61	1.62	1.63
JUL 17	1.69	1.67	1.70	1.71	1.69	1.68	1.68	1.69	1.70	1.71

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

February Agricultural Prices Highlights

The All Milk price received by farmers was \$18.50 in February, up \$2.80 from February 2016. The alfalfa hay price was \$129.00 in February, down \$8.00 from February 2016. The corn price was \$3.44 in February, down -\$0.14 from February 2016. The soybean price was \$9.86 in February, up \$1.35 from February 2016. The milk-feed price ratio was 2.61 in February, up 0.43 from February 2016.

The index of prices received by farmers for dairy products during the month of February 2017 was down 2 to 92. Compared to February 2016, the index was up 13.9 points (17.8 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in February 2017 was up 0.1 points to 106.6. Compared with February 2016, the index was up +0.3 points (+0.3 percent).

Selected Milk Prices, Milk Cows, and Feed Prices, Selected States and U.S., February 2017 with Comparisons								
State	All-Milk price ^{1,2}		Alfalfa hay, baled		Corn for Grain		Soybeans	
	Feb		Feb		Feb		Feb	
	2016	2017	2016	2017	2016	2017	2016	2017
	(dollars per cwt)		(dollars per ton)		(dollars per bushel)		(dollars per bushel)	
AZ	14.30	17.20	150.00	165.00	---	---	---	---
CA	14.32	17.44	160.00	165.00	---	---	---	---
CO	16.20	18.70	160.00	150.00	3.51	3.46	---	---
ID	15.70	18.40	150.00	130.00	---	---	---	---
IN	15.80	18.70	---	---	3.92	3.73	8.80	10.10
IA	15.60	19.20	107.00	90.00	3.48	3.39	8.36	9.71
MI	14.80	17.50	135.00	150.00	3.71	3.52	8.59	10.00
MN	16.10	18.70	90.00	77.00	3.31	3.25	8.12	9.54
NM	14.60	17.10	185.00	165.00	---	---	---	---
NY	16.70	19.10	216.00	196.00	---	---	---	---
OH	16.60	19.30	170.00	155.00	3.86	3.69	8.87	10.20
PA	17.10	19.60	211.00	178.00	3.86	4.04	---	---
TX	16.00	19.30	204.00	168.00	4.26	3.83	---	---
WA	16.00	18.90	155.00	120.00	---	---	---	---
WI	16.10	19.00	83.00	92.00	3.44	3.36	8.55	9.85
U.S.	15.70	18.50	137.00	129.00	3.58	3.44	8.51	9.86

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

Milk-Feed Price Ratio, Selected States and U.S., February 2017 with Comparisons			
Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ¹			
State ²	Feb 2016	Jan 2017	Feb 2017
IA	2.41	3.07	3.08
MI	2.03	2.37	2.30
MN	2.71	3.24	3.22
OH	2.10	2.70	2.48
WI	2.69	3.25	3.04
U.S.	2.18	2.69	2.61

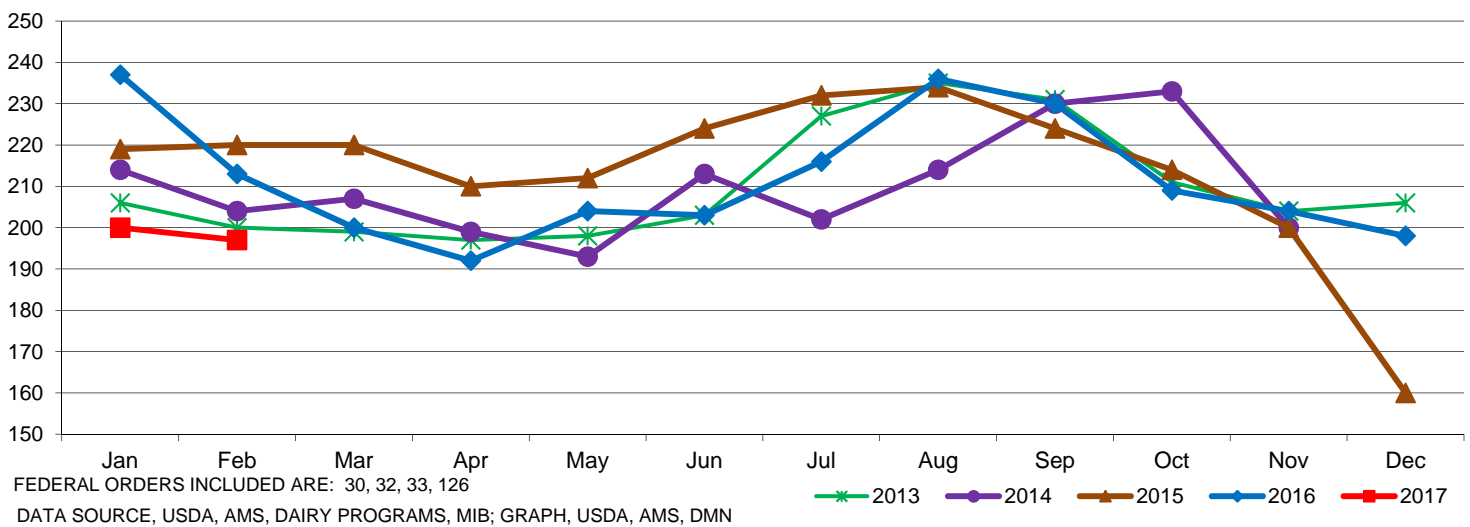
¹ The price of commercial prepared dairy feed is based on current United States prices received for corn, soybeans, and alfalfa. The modeled feed uses 51 percent corn, 8 percent soybeans, and 41 percent alfalfa hay. ² Available states that provided all necessary data to compute milk-feed price ratios.

General Price Measures, U.S., February 2017 with Comparisons			
Item	Feb 2016	Jan 2017	Feb 2017
Index Numbers (1990-92=100):			
Prices received by farmers for dairy production	78.1	94.0	92.0
Prices paid by farmers for commodities and services, interest taxes, and wage rates	106.3	106.5	106.6

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Agricultural Prices, March 2017*.

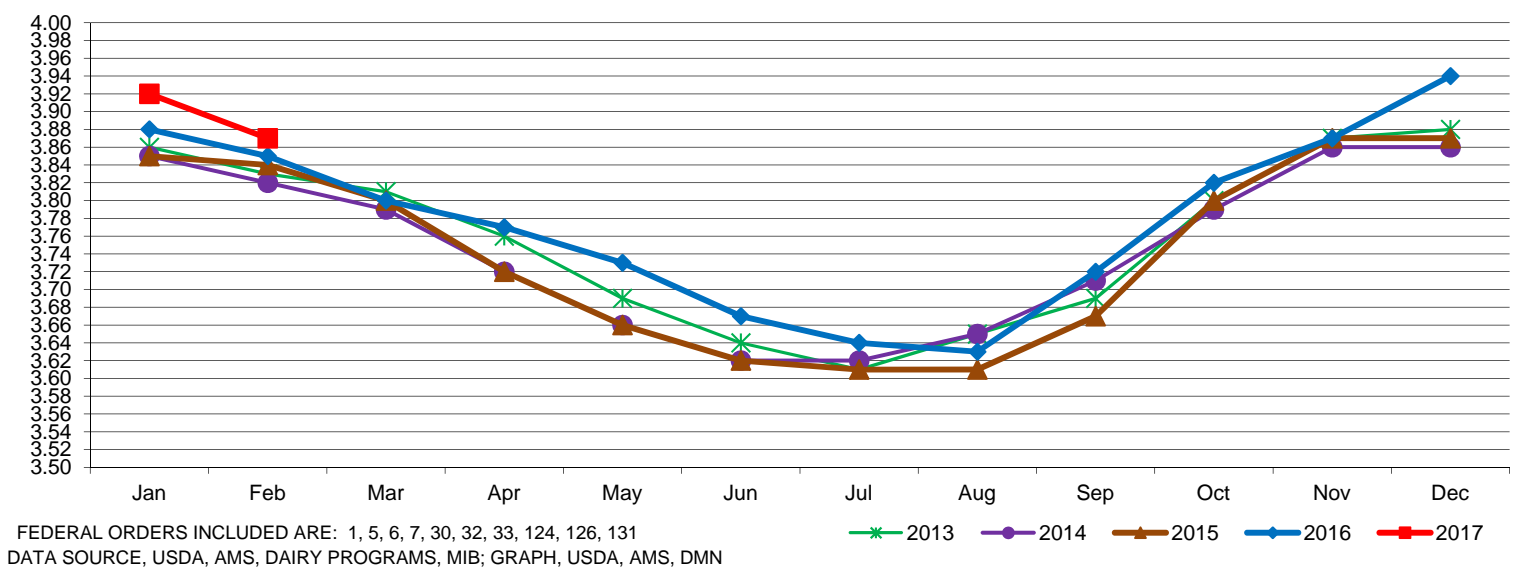
Average Somatic Cell Count of Producer Milk in Four Federal Milk Orders Combined

THOUSANDS



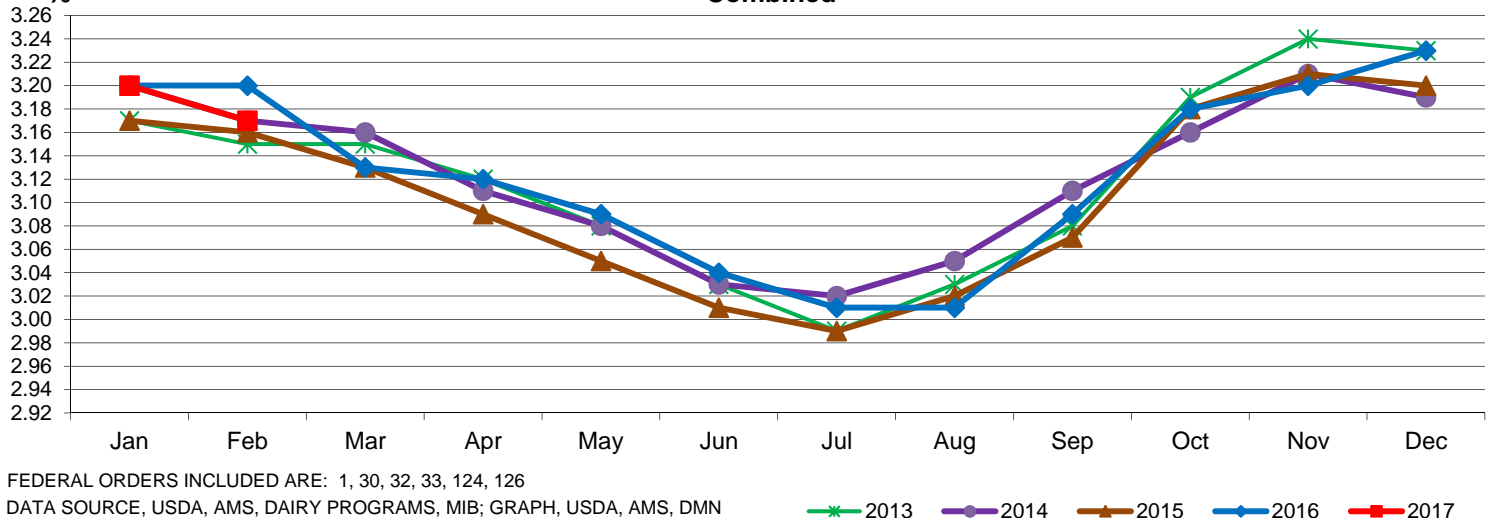
Average Butterfat Test of Producer Milk in All Federal Milk Orders Combined

%



Average Protein (True) Test of Producer Milk in Six Component Pricing Federal Milk Orders Combined

%





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 84- Number 13

Issued Weekly

Friday, March 31, 2017

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 03/31/2017 to 04/06/2017

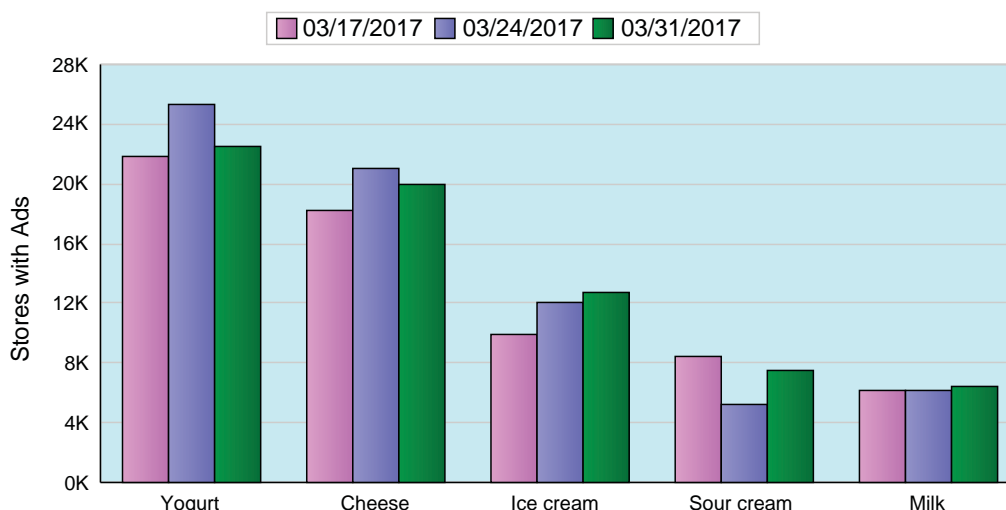
This week, total conventional dairy ad numbers decreased 1%, and organic dairy ads decreased 12%. Notable increased ad emphasis occurred for 1# butter, up 39% and 16 ounce sour cream, up 66%. The weighted average advertised price for butter \$3.07, was up \$0.08 from last week. With 1 # organic butter having an average price of \$4.70, the organic price premium is \$1.63. Sour cream has an average price of \$1.84, up \$0.15 from a week ago.

The average sale price for 4-6 ounce conventional yogurt is \$0.55, while 4-6 ounce organic yogurt averaged \$1.03, an organic price premium of \$0.48. The average advertised price for 4-6 ounce conventional Greek yogurt is \$0.97. There are no ads this week for 4-6 ounce organic Greek yogurt. Conventional yogurt ad numbers declined 8% while organic yogurt ad numbers declined 39%.

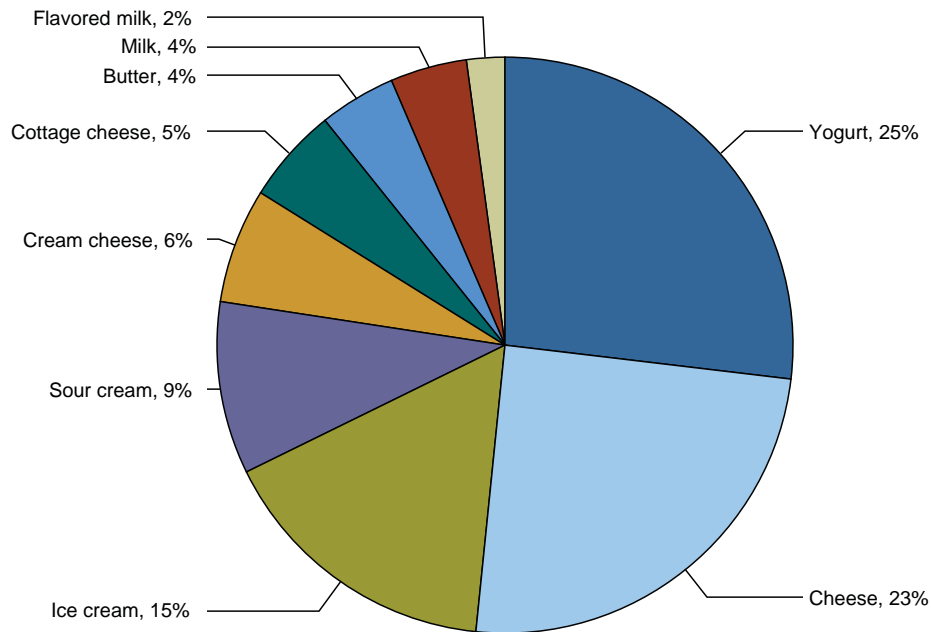
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.19, while organic 8 ounce blocks averaged \$3.98, a \$1.79 organic premium. As for 8 ounce conventional cheese shreds, the price averaged \$2.20 while 8 ounce organic cheese shreds averaged \$3.18, a \$0.98 organic premium. There were nearly 20 times more ads for conventional cheese than organic cheese.

The weighted average price for organic half gallon milk is \$3.73. For a conventional half gallon of milk, the average price is \$1.87, an organic price premium of \$1.86. Organic milk advertisement numbers increased 8%, while ad numbers for conventional milk increased 1%.

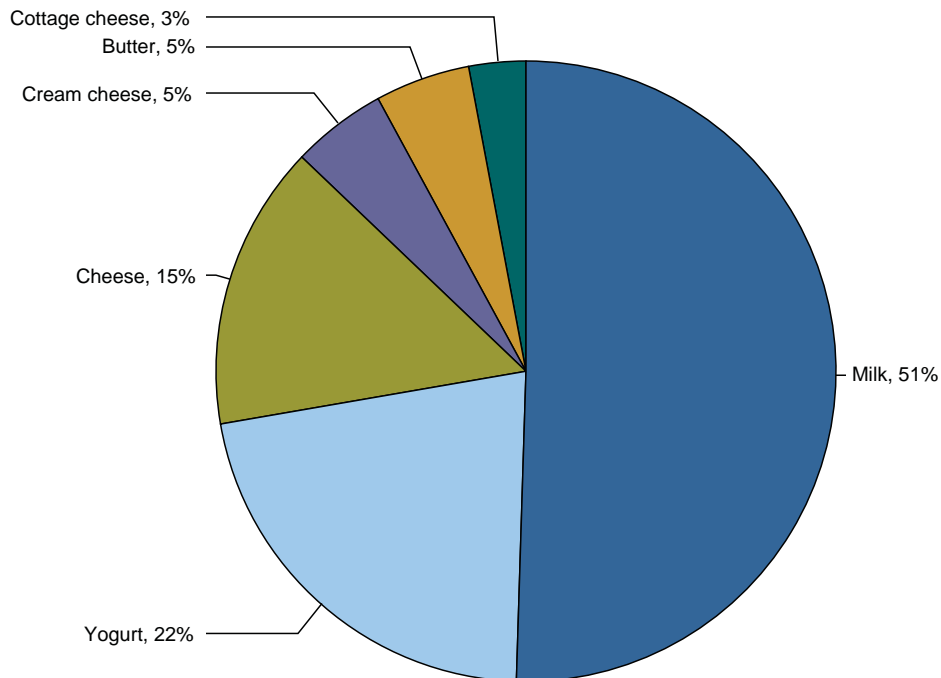
Top 5 Commodities Featured



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 #	3489	3.07	2504	2.99	5121	2.96
Cheese	Natural Varieties	8 oz block	7664	2.19	8770	2.12	7313	2.15
Cheese	Natural Varieties	1 # block	920	2.90	376	3.16	640	3.62
Cheese	Natural Varieties	2 # block	814	6.21	514	6.55	1670	6.20
Cheese	Natural Varieties	8 oz shred	8007	2.20	10046	2.11	9218	2.36
Cheese	Natural Varieties	1 # shred	1573	3.81	1261	3.56	350	2.77
Cottage cheese		16 oz	4053	2.21	4553	1.91	5586	1.87
Cream cheese		8 oz	5096	1.94	6623	1.82	5629	1.59
Flavored milk	All fat tests	half gallon	662	2.24	613	1.61	732	1.73
Flavored milk	All fat tests	gallon	608	2.73	339	2.07	704	2.46
Ice cream		48-64oz	12694	2.98	12070	3.02	14012	3.13
Milk	All fat tests	half gallon	1308	1.87	1042	1.69	945	1.67
Milk	All fat tests	gallon	1748	2.68	1975	2.42	3796	2.76
Sour cream		16 oz	7448	1.84	4497	1.69	5393	1.66
Yogurt	Greek	4-6 oz	11940	.97	13805	.97	14086	.95
Yogurt	Greek	32 oz	2106	4.64	1805	4.23	2289	3.89
Yogurt	Yogurt	4-6 oz	6505	.55	5486	.54	6011	.50
Yogurt	Yogurt	32 oz	440	2.36	1815	2.59	829	2.68

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	1144	3.23	2.99-3.48	1411	3.06	2.50	53	2.50
Cheese	Natural Varieties	8 oz block	1.77-2.99	2179	2.27	1.88-2.50	2361	2.33	1.67-2.50	1373	2.09
Cheese	Natural Varieties	1 # block	1.99-5.99	436	2.79						
Cheese	Natural Varieties	8 oz shred	1.48-2.50	2720	2.23	1.88-2.50	1853	2.42	1.67-2.50	1373	2.11
Cheese	Natural Varieties	1 # shred	3.79-3.99	331	3.86	3.99	1002	3.99			
Cottage cheese		16 oz	1.69-3.00	900	2.08	1.50-3.00	1602	2.61	1.99-2.50	429	2.15
Cream cheese		8 oz	0.99-2.50	2090	2.01	1.50-2.50	2122	1.91	1.48-2.00	429	1.87
Flavored milk	All fat tests	half gallon							1.99-2.49	320	2.32
Flavored milk	All fat tests	gallon	3.99	62	3.99				2.99	81	2.99
Ice cream		48-64oz	1.99-3.99	2303	2.75	2.19-3.99	4473	2.75	1.50-4.49	2185	2.89
Milk	All fat tests	half gallon	2.29	62	2.29	1.49-3.00	429	2.18	1.09-1.19	244	1.15
Milk	All fat tests	gallon	3.69	137	3.69	2.49	90	2.49	1.58-2.50	207	2.00
Sour cream		16 oz	1.49-2.00	1670	1.61	1.49-3.00	3391	2.04	1.68-2.50	454	2.07
Yogurt	Greek	4-6 oz	0.80-1.25	2301	.99	0.80-1.50	3837	.96	0.70-1.29	2071	.98
Yogurt	Greek	32 oz	3.99-5.49	418	4.47	3.78-4.49	1278	4.38	5.99	348	5.99
Yogurt	Yogurt	4-6 oz	0.33-1.00	2959	.57	0.33-1.00	985	.49	0.44-0.66	1477	.51
Yogurt	Yogurt	32 oz	2.50	207	2.50				1.99-2.00	126	2.00

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 #	2.99	72	2.99	2.49-2.99	635	2.80	2.99-3.99	174	3.39
Cheese	Natural Varieties	8 oz block	1.25-2.00	928	1.68	1.88-2.99	688	2.46	1.67-1.88	135	1.77
Cheese	Natural Varieties	1 # block				2.99-3.00	484	3.00			
Cheese	Natural Varieties	2 # block				4.99-6.99	483	5.92	5.99-7.99	331	6.62
Cheese	Natural Varieties	8 oz shred	1.25-2.50	1177	1.75	1.88-2.99	688	2.46	1.67-2.50	196	2.00
Cheese	Natural Varieties	1 # shred				2.99-3.00	240	2.99			
Cottage cheese		16 oz	1.66-2.50	360	1.95	1.25	63	1.25	1.00-2.50	699	1.72
Cream cheese		8 oz	1.25-1.67	251	1.34				1.99-2.99	204	2.49
Flavored milk	All fat tests	half gallon	2.19	54	2.19	2.99	167	2.99	0.99	121	.99
Flavored milk	All fat tests	gallon	1.99-2.99	240	2.40	1.89	120	1.89	3.49	105	3.49
Ice cream		48-64oz	2.00-5.00	1256	3.34	2.00-5.99	1874	3.46	2.50-3.99	603	3.56
Milk	All fat tests	half gallon	1.09-1.79	285	1.52	2.99	167	2.99	1.29	121	1.29
Milk	All fat tests	gallon	1.99-4.29	637	3.14	1.89-2.99	388	2.32	2.19	289	2.19
Sour cream		16 oz	1.25-2.50	827	1.65	1.25-1.69	241	1.57	1.00-2.50	865	1.66
Yogurt	Greek	4-6 oz	0.79-1.00	1284	.94	0.88-1.00	1849	.97	0.59-1.00	598	.93
Yogurt	Greek	32 oz				3.50	62	3.50			
Yogurt	Yogurt	4-6 oz	0.50-0.88	231	.78	0.40-0.88	626	.58	0.50-0.79	227	.58
Yogurt	Yogurt	32 oz				2.50	107	2.50			

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

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 #	306	4.70	273	5.17	555	5.23
Cheese	Natural Varieties	8 oz block	210	3.98			420	4.40
Cheese	Natural Varieties	8 oz shred	767	3.18	114	4.29	69	3.99
Cottage cheese		16 oz	196	2.99	549	3.00	114	3.00
Cream cheese		8 oz	309	2.59	139	2.70		
Flavored milk	All fat tests	half gallon			214	3.99		
Ice cream		48-64oz					1083	4.00
Milk	All fat tests	half gallon	2734	3.73	2744	3.51	3503	4.13

Wtd Avg - Simple weighted average



Milk	All fat tests	gallon	309	4.49			448	4.69
Milk	All fat tests	8 oz UHT	321	1.00	372	1.00	539	1.03
Sour cream		16 oz			734	3.10	310	2.02
Yogurt	Greek	4-6 oz			1452	1.00	1360	1.28
Yogurt	Greek	32 oz			246	3.99	289	5.49
Yogurt	Yogurt	4-6 oz	1250	1.03	411	1.42		
Yogurt	Yogurt	32 oz	167	3.99	228	4.04	543	3.59

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.99-4.99	237	4.61						
Cheese	Natural Varieties	8 oz shred				3.00	502	3.00			
Cream cheese		8 oz	2.99	59	2.99				2.50	250	2.50
Milk	All fat tests	half gallon	3.49-4.49	557	3.94	2.99-4.49	807	3.76	2.99-4.49	726	3.70
Milk	All fat tests	gallon	4.99	84	4.99	6.49	84	6.49			
Yogurt	Yogurt	4-6 oz				1.00	1083	1.00			

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 #							5.00	69	5.00
Cheese	Natural Varieties	8 oz block	3.49	141	3.49				4.99	69	4.99
Cheese	Natural Varieties	8 oz shred	3.00-3.49	196	3.35				3.99	69	3.99
Cottage cheese		16 oz	2.99	196	2.99						
Milk	All fat tests	half gallon	2.99	78	2.99	2.99-4.49	384	3.67	2.99-4.50	182	3.50
Milk	All fat tests	gallon	2.99	141	2.99						
Milk	All fat tests	8 oz UHT	1.00	80	1.00	1.00	241	1.00			
Yogurt	Yogurt	4-6 oz				1.25	167	1.25			
Yogurt	Yogurt	32 oz				3.99	167	3.99			

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 84, Report 13

March 31, 2017

GENERAL NUMBER

(608) 422-8587

Elizabeth Frederick

(608) 422 -8587

Elizabeth.Frederick@AMS.USDA.GOV

EAST

Daniel Johnson

(608) 422-8605

Daniel.Johnson@AMS.USDA.GOV

Jessica Mueller

(608) 422-8589

Jessica.Mueller@AMS.USDA.GOV

CENTRAL

Israel Weber

(608) 422-8601

Israel.Weber@AMS.USDA.GOV

SOUTHWEST/SOUTH AMERICA

AJ (Angel José) Terán

(608) 422-8593

Angel.Terán@AMS.USDA.GOV

Florence Kone-Gonzalez

(608) 422-8594

Florence.KoneGonzalez@AMS.USDA.GOV

NORTHWEST/MOUNTAIN

Mike Bandli

(608) 422-8592

Mike.Bandli@AMS.USDA.GOV

ORGANIC/EUROPE & OCEANIA

Eric Graf

(608) 422-8590

Eric.Graf@AMS.USDA.GOV

ACTING NATIONAL SUPERVISOR

Janet Linder

(608) 422-8588

Janet.Linder@AMS.USDA.GOV

INTERNET ADDRESS

www.ams.usda.gov/market-news/dairy

MARKET NEWS PORTAL

www.marketnews.usda.gov/mnp/da-home

RECORDED INFORMATION SYSTEM

(608) 422-8602

FAX

(608) 240-6689

USDA, Dairy Market News
4600 American Parkway, STE 106
Madison, WI 53718-8334