

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (4/7)**

BUTTER: Grade AA closed at \$2.0975. The weekly average for Grade AA is \$2.1280. (+.0265).

CHEESE: Barrels closed at \$1.4350 and 40# blocks at \$1.4600. The weekly average for barrels is \$1.4605 (+.0545) and blocks, \$1.4980 (+.0250).

NONFAT DRY MILK: Grade A closed at \$0.8100. The weekly average for Grade A is \$.8020 (-.0080).

BUTTER HIGHLIGHTS: The United States butter production remains active. In the Northeast, manufacturers are busy clearing available loads of cream to butter facilities. In the Central, some butter producers report lighter butter production this week, than past weeks. In the West, some butter makers are transitioning from print to bulk production. Butter demand is steady. In the Northeast, print shipments have been strong for some facilities. In the Central, cream suppliers report upticks in Class II and Class III orders. In the West, most holiday shipments have been made. Butter inventories continue to build, but in the West, not at the pace some processors projected a few months ago. The market tone is stable to mixed. Bulk butter sales this week are at 4 cents below to 6 cents over the market, with various time periods and averages used. Friday's CME Group cash trading saw Grade AA butter close at \$2.0975, down \$0.0100 from a week ago.

CHEESE HIGHLIGHTS: Cheese production is active across the country. In the Midwest and Northeast, producers report seven-day workweeks in order to keep up with milk supply. Milk continues to flow into cheese vats in abundance. Spot prices in the Midwest ranged from \$1.50 to \$5.00 under Class, although some cheese producers are internally and/or contractually sourced. Midwest contacts suggest some uptick in demand, whereas reports on Western cheese sales point to a lag both internationally and domestically. Cheese inventories are long, and cheese producers are hopeful for increased demand to help manage growing inventories. The cheese market tone is unsteady. The Foreign Agricultural Service (FAS) reports that February 2017 U.S. cheese and curd exports totaled 58.1 million pounds, an 8% increase from a year ago. In CME Group trading Friday, barrels closed at \$1.4350, down \$0.0350 from last Friday. Blocks closed at \$1.4600, down \$0.0600 from last Friday.

FLUID MILK: Milk production is increasing across much of the nation as spring weather takes hold. The exception being Arizona where dairy farmers report milk outputs peaked early in March and are

starting to come out of the spring flush. Milk volumes are growing in the rest of the Western region. California producers feel the spring flush is now at hand. Milk output is improving in areas of Idaho and Utah impacted by flooding last month. There are seasonally heavy milk intakes in the Northeast and Mid-Atlantic states and the spring flush continues in the Southeast. In the Central United States, milk is also readily available. In addition to the strong milk supply, a large processor in the North Central region notified a number of dairy farmers that, due to tightening trade restrictions from Canada, their milk would no longer be purchased by the processor starting in May. Some industry contacts are openly wondering where the extra milk will go since milk is abundant and some spot milk loads are already priced from \$1.50 to \$5.00 under Class. Class I demand is generally steady in the Central and Western regions, but bottlers are pulling back somewhat in the Northeast and New Mexico. A lot of milk is clearing into cheese vats. Condensed skim volumes are moving primarily through contracts with Class IV processors taking moderate to heavy volumes. Ice cream and other Class II manufacturing is picking up. Cream supplies remain plentiful. Cream multiples range from **1.05 to 1.20 in the East** and **1.05 to 1.18 in the West**. In the Central region, Class II cream multiples range from **1.12 to 1.20**.

DRY PRODUCTS: Prices for nonfat dry milk are steady to lower in the Central and Eastern regions, and mostly lower in the West. Central suppliers are trying to clear aging inventories, but buyers and end users report that they are comfortable with their current supplies. Western production is ongoing, pushed by increased regional farm milk production. Western high heat NDM prices are unchanged and Central/East high heat NDM prices are lower on the bottom of the range, but steady at the top of the range. High heat NDM production is light. Central/East dry buttermilk prices are steady. Western dry buttermilk prices are mostly down, following recent NDM downward movements. Prices for dry whole milk are unchanged from last week. Production is irregular, mostly determined by contractual needs. Dry whey prices are unchanged in the West, but mixed in the East and Central regions. Nevertheless, numerous industry contacts across the nation expressed pessimistic views of the whey market. Canadian and European suppliers are exerting greater price pressures in some international markets. In addition, a few Central whey manufacturers report that a number of contractual buyers are requesting delays in

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CME GROUP CASH TRADING

COMMODITY	MONDAY APR 03	TUESDAY APR 04	WEDNESDAY APR 05	THURSDAY APR 06	FRIDAY APR 07	:: WEEKLY CHANGE *	:: WEEKLY AVERAGE #
CHEESE BARRELS	\$1.4950 (+.0250)	\$1.4800 (-.0150)	\$1.4575 (-.0225)	\$1.4350 (-.0225)	\$1.4350 (N.C.)	:: (-.0350)	:: \$1.4605 (+.0545)
40# BLOCKS	\$1.5300 (+.0100)	\$1.5200 (-.0100)	\$1.5000 (-.0200)	\$1.4800 (-.0200)	\$1.4600 (-.0200)	:: (-.0600)	:: \$1.4980 (+.0250)
NONFAT DRY MILK GRADE A	\$.8000 (N.C.)	\$.8000 (N.C.)	\$.8000 (N.C.)	\$.8000 (N.C.)	\$.8100 (+.0100)	:: (+.0100)	:: \$.8020 (-.0080)
BUTTER GRADE AA	\$2.1275 (+.0200)	\$2.1500 (+.0225)	\$2.1450 (-.0050)	\$2.1200 (-.0250)	\$2.0975 (-.0225)	:: (-.0100)	:: \$2.1280 (+.0265)

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

Computed by Dairy Market News for international purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY

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

shipments and pushing back on load amounts and price. Prices for whey protein concentrate 34% are mostly steady within this split market. Contacts report demand ranges from strong for infant formula and sports nutrition to weak for edible WPC 34% used in feed and interchangeable protein uses. Lactose prices are mostly unchanged, but edged back on the top of the range based on adjusted quarterly contracts. Lactose inventories remain tight to comfortable while buyers provide good interest. Rennet casein prices are unchanged and acid casein prices adjusted slightly down at the top of the price range.

ORGANIC DAIRY MARKET NEWS (DMN): At the annual meeting last week of the largest organic farmers' coop in the United States, it was announced that the coop had completed the second consecutive year with organic agricultural sales exceeding \$1 billion. Sales during 2016 grew by 5.8%. Organic dairy is the most significant commodity marketed by the coop. It was announced that during 2016, the coop's parent coop, which purchases organic milk from hundreds of dairy producers nationwide, paid its members the average of \$35.67 a hundredweight for organic milk. The percentage of members producing grassfed reached 10%, also making the coop the largest national processor of 100% grassfed dairy. However, it was acknowledged that while organic milk was in short supply two years ago, currently organic milk supplies are long. This week, organic milk accounts for 33% of total organic dairy retail ad numbers by commodity, a 5% drop off compared to the previous survey period. Regionally, ad volumes for organic milk are higher in the Southeast followed by the Northeast and Southwest, respectively. The organic milk retail price is currently located at/near the reported four-year average. Organic yogurt ads continue to trend higher, up 97% over the previous period.

FEBRUARY DAIRY PRODUCT HIGHLIGHTS (NASS): Butter production was 164 million pounds, 5.8 percent below February 2016, and 7.6 percent below January 2017. American type cheese production totaled 373 million pounds, 1.7 percent above February 2016, but 10.6 percent below January 2017. Total cheese output (excluding cottage cheese) was 942 million pounds, 1.4 percent below February 2016, and 9.9 percent below January 2017. Nonfat dry milk production, for human food, totaled 140 million pounds, 0.1 percent below February 2016, and 8.7 below January 2017. Dry whey production, for human food, was 76.1 million pounds, 3.1 percent above February 2016, and 4.8 percent below January 2017. Ice cream, regular hard production totaled 58.7 million gallons, 2.8 percent below February 2016, but 2.8 percent above January 2017.

MARCH FEDERAL MILK ORDER FINAL CLASS AND COMPONENT PRICES (FMMO): Class Prices: The following are the March 2017 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$16.21 (-\$0.31), Class III: \$15.81 (-\$1.07), and Class IV: \$14.32 (-\$1.27). Component Price Information: Under the Federal milk order pricing system, the butterfat price for March 2017 is \$2.4176 per pound. Thus, the Class II butterfat price is \$2.4246 per pound. The protein and other solids prices for March 2017 are \$1.8198 and \$0.3345 per pound, respectively. These component prices set the Class III skim milk price at \$7.61 per cwt. The March 2017 Class IV skim milk price is \$6.07, which is derived from the nonfat solids price of \$0.6747 per pound. Product Price Averages: The product price averages for March 2017 are: butter: \$2.1679, nonfat dry milk: \$0.8493, cheese: \$1.5551, and dry whey: \$0.5239.

RELEASE DATES FOR FEDERAL MILK ORDER PRICE DATA, 2019-2020 (FMMO): The advanced prices and pricing factors will be released at 3:00 p.m. ET no later than the 23rd of the preceding month. If the release date does not fall on the 23rd, the most current release preceding the 23rd will be used in the price calculation. Likewise, the class and component prices will be released at 3:00 p.m. ET no later than the 5th of the following month. If the release date does not fall on the 5th, the most current release preceding the 5th will be used in the price calculation.

NATIONAL RETAIL REPORT (DMN): Some unusually low advertised prices appeared this week. For example, gallons of conventional milk advertised for \$0.99 in the South Central region. While few in number, those store ads had the effect of keeping the weighted average advertised price for the region the same for conventional milk half gallons and gallons, \$1.79. Also in that region, a few stores ran ads for 8 ounce conventional cheese blocks and shreds priced \$0.49. Even with this aggressive advertised ad pricing, total conventional dairy ad numbers decreased 6%, while organic dairy ads increased 51%. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.11, with ad numbers down 17% from last week. As for 8 ounce conventional cheese shreds, the price averaged \$2.23, with ad numbers down 23%. Overall conventional cheese ad numbers this week are down 11%. There are no ads for organic cheese. The average sale price for 4-6 ounce conventional yogurt is \$0.50, with ad numbers up 15%. The average advertised price for 4-6 ounce conventional Greek yogurt is \$0.99 while organic 4-6 ounce Greek yogurt averages \$1.23. There are no ads this week for 4-6 ounce organic yogurt. Conventional yogurt ad numbers are nearly unchanged while organic yogurt ads increased 75%. The weighted average price for organic half gallon milk is \$3.66. For a conventional half gallon of milk, the average price is \$1.90, an organic price premium of \$1.76. Although the organic milk market by volume is less than 10% of the conventional milk market, and conventional milk in some regions is very challenged to find markets, this week there were more ads for organic milk than conventional milk. Organic milk advertisement numbers decreased 3%, and ad numbers for conventional milk decreased 18%.

MONDAY, APRIL 3, 2017

CHEESE – SALES: 10 CARS BARRELS: 1 @ \$1.4700, 3 @ \$1.4800, 1 @ \$1.4850, 1 @ \$1.4875, 2 @ \$1.4900, 2 @ \$1.4950; 1 CAR 40# BLOCKS @ \$1.5300; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.5300; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.5000
 NONFAT DRY MILK – SALES: NONE; LAST BID UNFILLED: 8 CARS GRADE A: 1 @ \$0.7900, 1 @ \$0.7800, 1 @ \$0.7000, 2 @ \$0.7800, 1 @ \$0.7925, 1 @ \$0.7900, 1 @ \$0.8000; LAST OFFER UNCOVERED: 11 CARS GRADE A: 10 @ \$0.8500, 1 @ \$0.8150
 BUTTER – SALES: 1 CAR GRADE AA @ \$2.1275; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1400

TUESDAY, APRIL 4, 2017

CHEESE – SALES: 13 CARS BARRELS @ \$1.4800; 2 CARS 40# BLOCKS: 1 @ \$1.5100, 1 @ \$1.5200; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4850; 1 CAR 40# BLOCKS @ \$1.5250
 NONFAT DRY MILK – SALES: NONE; LAST BID UNFILLED: 5 CARS GRADE A: 1 @ \$0.7825, 1 @ \$0.7900, 2 @ \$0.7800, 1 @ \$0.7850; LAST OFFER UNCOVERED: 5 CARS GRADE A: 1 @ \$0.8000, 4 @ \$0.8200
 BUTTER – SALES: 5 CARS GRADE AA: 2 @ \$2.1300, 2 @ \$2.1400, 1 @ \$2.1500; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.1275; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1500

WEDNESDAY, APRIL 5, 2017

CHEESE – SALES: 7 CARS BARRELS: 4 @ \$1.4700, 1 @ \$1.4600, 2 @ \$1.4575; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4575; 1 CAR 40# BLOCKS @ \$1.5000
 NONFAT DRY MILK – SALES: 2 CARS GRADE A @ \$0.8000; LAST BID UNFILLED: 5 CARS GRADE A: 1 @ \$0.8000, 2 @ \$0.7800, 1 @ \$0.7000, 1 @ \$0.8000; LAST OFFER UNCOVERED: 9 CARS GRADE A: 5 @ \$0.8350, 1 @ \$0.8250, 3 @ \$0.8350
 BUTTER – SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.1200; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1450

THURSDAY, APRIL 6, 2017

CHEESE – SALES: 10 CARS BARRELS: 7 @ \$1.4575, 3 @ \$1.4500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.4350; 1 CAR 40# BLOCKS @ \$1.4800
 NONFAT DRY MILK – SALES: NONE; LAST BID UNFILLED: 6 CARS GRADE A: 2 @ \$0.8000, 1 @ \$0.7900, 1 @ \$0.8000, 1 @ \$0.7950, 1 @ \$0.7000; LAST OFFER UNCOVERED: 8 CARS GRADE A: 5 @ \$0.8200, 3 @ \$0.8350
 BUTTER – SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.1000; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1200

FRIDAY, APRIL 7, 2017

CHEESE – SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 3 CARS BARRELS @ \$1.4350; 1 CAR 40# BLOCKS @ \$1.4600
 NONFAT DRY MILK – SALES: 7 CARS GRADE A @ \$0.8100; LAST BID UNFILLED: 8 CARS GRADE A: 1 @ \$0.7900, 1 @ \$0.7950, 2 @ \$0.7900, 1 @ \$0.7000, 1 @ \$0.8050, 2 @ \$0.8100; LAST OFFER UNCOVERED: 8 CARS GRADE A: 3 @ \$0.8350, 5 @ \$0.8300
 BUTTER – SALES: 4 CARS GRADE AA: 2 @ \$2.0975, 1 @ \$2.1000, 1 @ \$2.0975; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0500; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1100

BUTTER MARKETS

NORTHEAST

Northeast butter makers are busy churning to reduce the heavy amounts of cream. Manufacturers are working up to 7 days a week. With active butter production, butter stocks continue to clear to storage. The demand for both print and bulk butter has been moderate. Print shipments have been strong for some Northeastern facilities. In addition, there was an uptick in food service interest this week. Eastern bulk butter trading is steady to light with sales ranging 5 to 6 cents over the CME Group, based on various time frames and averages used. There was a small quantity of butter sold to a food service channel at premium prices this week. The market tone is mixed based off the CME Group cash trading. Tuesday, the CME Group cash trading saw Grade AA butter prices close at \$2.1500, up \$0.0500 from last Tuesday's closing price. The CME Group monthly average price for Grade AA butter during March 2017 was \$2.1392, compared to \$1.9605 a year ago. According to the DMN *National Retail Report-Dairy*, for March 31 to April 6, 2017, the Northeast weighted average retail price for 1-pound butter was \$3.23, 16 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 \$2.99-\$4.49.

CENTRAL

Some butter producers in the Central region report production is lighter than in previous weeks, while others continue at the same active levels. Cream is available, but reported multiples of 1.12 to 1.18 are indicative of tightening availability. Butter makers also report receiving fewer offers from cream suppliers. Cream suppliers

report upticks in Class II and Class III orders are starting to pull some cream away from butter churns. Butter demand is steady. However, some contacts expect butter orders to wane after this week, as they view this as the last spring holiday push. Other contacts expect recent positive media coverage to keep retail butter sales steady. Butter inventories are steadily growing. The butter market tone is stable. DMN *National Retail Report-Dairy* for March 31-April 6 noted the national weighted average advertised price for a 1 pound package of butter is \$3.07, \$0.08 above one week ago and \$0.11 higher than one year ago. The weighted average regional prices in the Midwest and South Central were \$2.50 and \$2.99, respectively. The CME Group monthly average price for Grade AA butter during March was \$2.1392, down from February's \$2.1534, but up from \$1.9605 a year ago. Bulk butter prices reported ranged from 2 to 7 cents over the market, with various periods and averages used. The NASS *Dairy Products* report noted U.S. butter production during February 2017 in the Central region totaled 70.5 million pounds, 3.4 percent lower than one year ago. Total U.S. butter production during February 2017 was 164.3 million pounds, 5.8 percent lower than last year. January through February 2017 U.S. butter production totaled 342.1 million pounds, 2.3 percent lower than the same timeframe in 2016. Wednesday at the CME Group, Grade AA butter closed at \$2.1450, up \$.0450 from last Wednesday.

WEST

Demand for Western butter is still good as the spring holidays approach. However, buyers are trying hard to not overextend themselves and take on more butter than what meets their immediate needs. Most holiday shipments have been made and some butter

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

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
April 1, 2017	2.1456 4,974,519	1.4499 13,193,855	1.4424 12,661,046	.5285 6,486,603	.8272 38,117,981

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

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makers are transitioning from print to bulk butter production. Some manufacturers say inventories are still building, but not at the pace that processors projected a few months ago. Butter production remains active as manufacturers work to clear available cream. 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 31-April 6 found that the U.S. weighted average advertised price of 1 pound butter is \$3.07, up \$.08 from last week. The U.S. weighted average price was \$2.96 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$2.80 with a price range of \$2.49-\$2.99. In the Northwest, the weighted average advertised price of 1 pound butter is \$3.39 with a price range of \$2.99-\$3.99. According to the NASS *Dairy Products* report, U.S. butter production during February 2017, 164.3 million pounds, was 5.8% lower than February 2016, and 7.6% lower than January 2017. U.S. cumulative 2017 butter production through February is 342.1 million pounds, 2.3% lower than the same period last year. In the West, total February butter production was 73.3 million pounds, 11.3% lower than February 2016, and 8.7% lower than January 2017. California February production was 48.6 million pounds, 4.7% lower than last year, and 5.7% lower than last month. The CME Group March 2017 monthly average price for AA butter, \$2.1392, is down from the February monthly average of \$2.1534. One year ago the CME Group monthly average was \$1.9605. The Grade AA butter price at the CME Group on Wednesday closed at \$2.1450, up \$.0450 from a week ago.

2017 U.S. Butter and Milkfat Exports (USDA-FAS)

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
February	4.1	- 54
TOTAL, JAN - FEB	8.2	- 44
1 Canada	3.9	+224
2 Mexico	1.4	- 88
3 Saudi Arabia	0.8	- 21
4 South Korea	0.4	+ 70
5 UAE	0.4	+198

CHEESE MARKETS

NORTHEAST

Northeastern cheese plant production is active. Milk continues to be readily available throughout the region, and the ample volumes are clearing to cheese facilities on time. Cheese plants continue to operate 7-day workweeks. Cheese stocks are building. Domestic cheese prices are now competitive with global prices, and the market expects interest from global channels to pick up. The market undertone varies, with the time and need. This week, a cooperative export assistance program accepted requests for export assistance to sell 2.01 million pounds (911 metric tons) of cheese. Last week at the CME Group, barrel cheese weekly averages increased \$0.0150 and block weekly averages increased \$0.0400. With the result of the weekly averages, there is an upward shift in the East wholesale cheese prices for blocks, process slices and Muenster. Tuesday's CME Group daily cash prices saw barrels close at \$1.4800, up \$0.1100 from a week ago; blocks closed at \$1.5200, up \$0.0750 from a week ago. The CME Group March 2017 monthly average price for barrels was \$1.4072, down from \$1.4530 a year ago; blocks' average price was \$1.4342, down from \$1.4877 a year ago. The DMN Northeast March 2017 monthly average price for cheddar blocks is \$2.0529, compared to \$2.0357 one year ago. Processed 5# sliced average price is \$1.8099, down from \$1.8933 one year ago. The DMN *National Retail Report-Dairy*, for March 31 to April 6, 2017, noted the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.27, 8 cents above the national average, with a regional price range of \$1.77-\$2.99. The Southeast 8 oz. block average price was \$2.33, 14 cents above the national average, with a regional price range of \$1.88-\$2.50. The Northeast average advertised price for 8 oz. cheese shreds was \$2.23, 3 cents above the national average price, with a regional price range of \$1.48-\$2.50. In the Southeast, the average price for 8 oz. shreds was \$2.42, 22 cents above the national average, with prices ranging \$1.88-\$2.50.

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

Cheddar 40# Block	:	1.9325-2.2175
Process 5# Sliced	:	1.5425-2.0225
Muenster	:	1.9175-2.2675
Grade A Swiss Cuts 10 - 14#	:	3.3800-3.7025

MIDWEST

Milk is readily available for cheese producers in the Midwest. Spot milk prices headed into cheese vats were reported from \$1.50 to \$5.00 under Class. A number of Midwestern cheese processors report utilizing contractually supplied and/or internally sourced milk, opting for spot milk only when necessary. Once again, some remodeling and maintenance at cheese plants have other Midwestern producers taking on the extra milk as cooperating cheese plants work out milk exchanges. With the exception of maintenance and updates, most cheese plants continue production at levels corresponding to the ample milk supply. Some specialty cheesemakers report fully active production currently. Specialty and traditional style cheese orders are starting to pick up. Pizza cheese producers are also reporting an increase in buyer interest. Some cheese contacts suggest customers are buying before cheese prices increase further. Generally, cheese inventories are long. The market undertone is uncertain, with signs of near term stability. The DMN *Na-*

tional Retail Report-Dairy shows that March 31-April 6 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.11, 9 cents below the national average. Midwest prices range from \$1.67-\$2.50. One year ago, the national price was \$2.36. For 8 ounce blocks, the Midwest average price is \$2.09, 10 cents below the national average price. Midwest ads are priced from \$1.67-\$2.50. Last year, the national price was \$2.15. The CME Group March 2017 monthly average price for barrels, \$1.4072, is down from the February average of \$1.6230, and down from the monthly average of a year ago, \$1.4530. Blocks' March average price, \$1.4342, is down from the \$1.6199 February monthly average, and down from \$1.4877 one year ago. This week, a cooperative export assistance program accepted requests for 2.01 million pounds (911 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 23.49 million pounds of cheese in export markets. In CME Group trading Wednesday, barrels closed at \$1.4575, up \$.0875 from last Wednesday and blocks closed at \$1.5000, up \$.0550 from last Wednesday. Midwestern wholesale prices are unchanged for Swiss cuts, up \$.0150 for process and up \$.0400 for all other types.

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

Process American 5# Loaf	:	1.5000-1.8600
Brick And/Or Muenster 5#	:	1.8375-2.2625
Cheddar 40# Block	:	1.5650-1.9600
Monterey Jack 10#	:	1.8125-2.0175
Blue 5#	:	2.1050-3.0925
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6375-2.5775
Grade A Swiss Cuts 6 - 9#	:	2.8975-3.0150

WEST

Cheese production in the West is strong as milk continues to be readily available. Industry contacts report a few spot loads of milk available at discounted prices. Some cheesemakers are taking on more milk for cheese production. Inventories are increasing while domestic demand is a little lackluster. Exports have been a little slow to develop, but are expected to rise in the coming weeks if U.S. and international prices stay close. Some industry contacts are hoping for a higher demand that could contribute to an upward price movement. The DMN *National Retail Report-Dairy* for the week of March 31-April 6 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.20, up \$.09 from last week. Packs average \$2.46 in the Southwest and \$2.00 in the Northwest. One year ago, the national price was \$2.36. For 8 ounce blocks, the U.S. price is \$2.19, up \$.07 from last week. Blocks average \$2.46 in the Southwest and \$1.77 in the Northwest. One year ago, the national price was \$2.15. In the West, wholesale prices are up \$.0150 for process, and up \$.0400 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 2.01 million pounds (911 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 23.49 million pounds of cheese in export markets. *Dairy Products* (NASS) reports total 2017 U.S. cheese production, year to date through February, is 1.99 billion pounds, 1.4% above January through February 2016. February 2017 U.S. total cheese production, 941.7 million pounds, is 1.4% below January 2016. In the

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CHEESE MARKETS

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West, total cheese production for February 2017 was 392.9 million pounds, 11.0% less than last month. For total cheese production and various types of cheese, February 2017 U.S. and West cheese production percent changes compared to February 2016 are as follows:

	U.S.	West
Total Cheese	- 1.4%	- 4.5%
American	+1.7%	- 0.4%
Cheddar	+6.9%	+7.1%
Total Italian	- 4.0%	- 9.1%
Mozzarella	- 5.1%	- 9.3%
Swiss	- 2.0%	...

The CME Group March 2017 monthly average price for barrels, \$1.4072, is down from the February 2017 monthly average of \$1.6230, and down from the monthly average of a year ago, \$1.4530. Blocks' March average price, \$1.4342, is down from the \$1.6199 February monthly average, and down from \$1.4877 one year ago. In CME Group trading Wednesday, barrels closed at \$1.4575, up \$.0875 from a week ago and blocks closed at \$1.5000, up \$.0550.

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

Process 5# Loaf	:	1.4875-1.7450
Cheddar 40# Block	:	1.5975-2.0425
Cheddar 10# Cuts	:	1.7775-1.9975
Monterey Jack 10#	:	1.7875-1.9475
Grade A Swiss Cuts 6 - 9#	:	2.9575-3.3875

FOREIGN TYPE CHEESE

European cheese production was balanced throughout the month of March. Cheese is mostly sold on contract, with no spot loads available for additional inquiries. With the approaching holidays, cheese demand is rising. Domestic and outside demands for cut cheese are higher. Interest for German sliced cheese increased within and outside Europe. March monthly average prices for cheese were lower, compared to February. In addition, at the end of the month of March, cheese prices were inconsistent. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices increased \$0.0400. 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	:	: 1.9825-3.4700*
Gorgonzola	: 3.6900-5.7400	:	: 2.4900-3.2075*
Parmesan (Italy)	: -0-	:	: 3.3725-5.4625*
Romano (Cows Milk)	: -0-	:	: 3.1725-5.3225*
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

	BUTTER	:	CHEESE
		:	
04/03/17	25,236	:	97,605
04/01/17	25,185	:	97,569
CHANGE	51	:	36
% CHANGE	0	:	0

2017 U.S. Cheese and Curd Exports (USDA-FAS)

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
February	58.1	+08
TOTAL, JAN - FEB	108.1	+06
1 Mexico	29.0	- 17
2 South Korea	16.7	+17
3 Australia	10.2	+88
4 Japan	8.9	- 19
5 Canada	4.8	+52

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	150	0	140	0	140
SOUTHEAST STATES	0	0	0	0	0	0

Milk production in the Northeast and Mid-Atlantic is seasonally heavy. Balancing facilities' milk intakes inched upwards due to cutbacks from bottling. In New England, temperatures somewhat below normal linger, while thunderstorms hinder grazing, as utilized pastures are drenched. The spring flush continues in the Southeast. Most manufacturers' milk receipts have increased with almost all of the auxiliary cheese plants employed to support heavier milk volumes. Fluid milk sales rose slightly, prompted by retail feature advertisements. Dry conditions persist in some areas. In Florida, milk production hikes continue in some areas of the state, although temperatures in the 90s and very little rain will likely slow output and level milk volumes. Milk sales are mostly light as spring break continues in some service areas, reducing Class I needs. Milk exports total 150 loads, climbing 10 shipments above last week. The **cream** market is long on supplies. Demand is temperate. Some cream based processors report that kosher holiday orders are complete. As a result, cream surpluses could become more abundant. Loads are clearing to local and out-of-region butter makers. Production of bottled cream has been active. **Cream multiples** range **1.05 to 1.20**. The DMN March monthly average for Northeast Class II cream is \$2.3671, compared to \$2.3082 a year ago. **Condensed skim** volumes are moving primarily through contracts. Class IV processing of condensed skim is moderate to heavy. Dryer operations are likely to see a surge in volumes following the holiday period. The DMN March monthly average for Northeast Class II condensed skim is \$0.6213, compared to \$0.6746 a year ago. According to the DMN *National Retail Report-Dairy*, for March 31-April 6, 2017, the U.S. weighted average advertised price for a gallon of milk was \$2.68, up \$0.26 cents compared to last week, but down \$0.08 cents from last year. In the Northeast, the weighted advertised price for a gallon of milk is \$3.69, exceeding the national price by \$1.01. The weighted average price for Southeast gallon milk is \$2.49, \$0.19 below the national weighted average advertised price.

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-	2.2066-2.5218
F.O.B. producing plants: Upper Midwest-	2.3537-2.5218

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

Milk availability in the Central United States is abundant. Precipitation has covered many parts of the Central region throughout the week. Feedstock and forages in the South Central region, with some assistance from the recent rain, are expected to be plentiful. Adding to an expected strong spring flush, a large milk processor in the North Central region notified numerous dairy farmers that, due to tightening trade restrictions from Canada, their milk would no longer

be purchased by the processor starting in May. Some North Central fluid milk and cream contacts question where the additional milk will go. A number of contacts have taken to the phones in order to assist the dairy farmers in their search. Class I interest was reportedly steady, as a majority of school districts are back from spring break. Cheesemakers who are active in the spot market, as a number of cheese producers report using internally and/or contractually sourced milk, saw spot milk prices from \$1.50 to \$5.00 under Class. Cream remains abundant. Class II **cream multiples** range from **1.12 to 1.20**. However, contacts report receiving fewer calls from cream suppliers and expect Class II and Class III cream interest to increase. Although, others assess that cooler weather will deter some interest from ice cream manufacturers until after the spring holiday season. The DMN National Retail Report-Dairy for March 31-April 6 noted the national weighted average advertised price for one gallon of milk was \$2.68, up \$0.26 from a week ago, but \$0.08 lower than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.00 and \$3.14, respectively. The DMN monthly average of the range price series for Upper Midwest Class II cream during March 2017 was \$2.4250, compared to \$2.3704 a year ago. The NASS *Dairy Products* report noted February U.S. regular (hard) ice cream production totaled 58.7 million gallons, down 2.8 percent from last year. January-February U.S. production totals 115.8 million gallons, 1.4 percent below 2016 during the same time span. January production in the Central region totaled 32.4 million gallons, 0.2 percent above a year ago.

WEST

California milk production is quickly increasing this week. Their spring flush is finally here after being delayed by recent rains. Some industry contacts believe that milk production will continue to improve during coming weeks. There are adequate supplies of farm milk to meet processing needs. Bottled milk demand is steady. Milk intakes into Class II is increasing in preparation for the holidays. The March 4a price (butter/powder) in California is \$13.96, down \$1.44 from the previous month, but \$1.55 higher from a year ago. This compares to the Federal Order Class IV price of \$14.32 for March. The March 4b price (cheese) is \$13.76, down \$2.05 from the previous month, but \$0.52 above a year ago. This compares to the Federal Order Class III price for March at \$15.81. According to CDFA, April 2017 Class 1 prices in California are \$16.76 in the north and \$17.04 in the south. The statewide average Class 1 price based on production is \$16.78. This price is down \$1.85 from the previous month, but \$1.51 higher than a year ago. Arizona's milk yield is slowly decreasing. The weather is getting warmer, conducive to cows discomfort and reduced milk production. Dairy farmers reached their peak milk output early in March, and are gradually coming out of the spring flush. The demand for Class 1 is steady. Many local handlers have increased their Class II milk intakes for the holidays. Currently, New Mexico milk production continues to increase steadily. Total production is up by a few loads. A small number of cheese factories continue to have minor issues, which slightly decreased their milk intakes into Class III. Other manufacturing plants are taking additional loads to help clear milk supplies. Class I sales are down, but Class II sales are up. Some contacts report that surplus sales to out-of-state manufacturers are slightly higher. Milk production in the Pacific Northwest is slowly growing. Industry contacts report milk intakes are in fairly good balance with processing needs. Bottling demand is steady. Farmers are dealing with wet conditions along the

-CONTINUED ON PAGE 4A-

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coast, but fields are drying out nicely further inland. Water and forages appear to be in good supply for spring milk production. Idaho, Utah and Colorado contacts report plenty of milk is available. Some additional milk is being shipped in from outside the region to keep cheese plants at full capacity, but manufacturers report the number of loads is decreasing as production builds across the region. Milk production is improving in the areas that were impacted by flooding last month. Fields are drying out and small grains are starting to get planted. **Condensed skim** production dropped in the western dairy market as more milk is clearing into nonfat dry milk. Western **cream** production remains strong this week. A few processors stop making butter, but may have to go back to churning after the holidays. Many handlers are turning their cream into cheese and ice cream. Cream premiums in California are about 5 cents. **Cream multiples** across the West are **1.05 to 1.18**. According to the DMN *National Retail Report-Dairy* for the week of March 31-April 6, the national weighted average advertised price for one gallon of milk is \$2.68, up 26 cents from last week, but 8 cents lower from a year ago. The weighted average regional price in the Southwest is \$2.32, with a price range of \$1.89-2.99. The weighted average regional price in the Northwest is \$2.19, with no price range. According to the NASS *Dairy Products* report, hard ice cream production in the West region for February 2017 is 14.1 million gallons, 4% lower than a year ago and 1.6% below the previous month.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Low/medium heat nonfat dry milk (NDM) prices were steady in the mostly price series, but saw a slight decrease at the top of the range. Price changes for low/medium heat NDM resulted from adjustments based on spot sales and pricing indices. Spot trades were similar in frequency to previous weeks. However, many end users report an increase in the amount of spot offers being made than in previous weeks, as suppliers are trying to clear aging inventories. Buyers and end users report that they are currently comfortable regarding their internal stocks of low/medium heat NDM and are awaiting more favorable prices. Low/medium heat NDM inventories are long. The low/medium heat NDM market undertone is uncertain. High heat NDM prices decreased on the bottom of the range, while remaining steady at the top. Spot market activity saw a slight increase over previous weeks. High heat NDM production was light, while inventories are tight to adequate. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during March was \$0.8570, compared to \$0.7778 a year ago. The March monthly average of the range price series for Central and East high heat was \$1.0614 compared to \$0.9724 a year ago. The CME Group monthly average price for Grade A NDM during March was \$0.8080, compared to \$0.7413 a year ago. The NASS *Dairy Products* report noted U.S. human NDM production during February 2017 in the Central region totaled 27.8 million pounds, 16.5 percent higher than one year ago. Total U.S. human NDM production during February 2017 was 140.0 million pounds, 0.01 percent lower than last year. Total U.S. NDM, human, month ending stocks for January were 259.8 million pounds, 19.9 percent above a year ago. During January through February 2017, U.S. human NDM production totaled 293.4 million pounds, 5.8 percent more than the same time spa 2016.

EAST: Low/medium heat nonfat dry milk (NDM) prices are steady to lower in the range due to f.o.b. spot trading and pricing indices. Trading occurred primarily within the boundaries of the unchanged mostly price series. Milk remains plentiful for low/medium heat NDM production, although excess milk is being diverted to Class III facilities. Dryers' schedules are moderate to heavy. As inventories build, buyers are hesitant with purchasing, evident by limited exchanges, and resolved that prices will be pressured even lower. As may be expected, competition with NDM powder in other regions limits outside sales. The undertone of the NDM market continues to weaken. Exports interest is fair. High heat prices are steady to lower. Limited amounts are being processed, especially at plants running near capacity. Wednesday's CME Group cash trading for Grade A nonfat dry milk closed at \$0.8000, down \$0.0075 from last Wednesday. The March 2017 monthly average price, at the CME Group, for NDM is \$0.8080 compared to \$0.7413 the previous year. The DMN monthly average of the range price series for Central and East low/medium heat NDM during March 2017 was \$0.8838, compared to \$0.7778 a year ago. **DAIRY PRODUCTS:** According to NASS, U.S. production of human food nonfat dry milk in the Atlantic region totaled 27.2 million pounds, 0.7% less than a year ago and 6.2% below the previous month. The February 2017 U.S. production of skim milk powder totaled 40.0 million pounds, 0.4% less than a year ago and 27.6% less than last month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7800 - 0.9500 MOSTLY: .8000 - .8600
HIGH HEAT: .8950 - 1.1000

NONFAT DRY MILK - WEST

Western f.o.b. spot prices for low/medium heat nonfat dry milk (NDM) are lower on both the range and mostly price series. Price adjustments are following downward trends in variable contract indices while f.o.b. spot load prices moved lower, too. Spot trading activity is stagnant as the bulk of sales is based on contracts needs. Although cheese and ice cream makers are pulling several condensed skim loads, skim milk intakes clearing into dryers continue to be more than adequate. Thus, low/medium heat nonfat dry milk processing is ongoing, encouraged by increased regional farm milk production. With readily available NDM supplies in the spot market, buyers/traders are receiving several offers from manufacturers at competitive prices. However, looks like the interest for these offers is sluggish at this time. High heat nonfat dry milk prices are unchanged on light trading. Manufacturers report low demand outside of contract requirements. Several bakeries are receiving loads to complete orders for the upcoming spring holidays. Production is sporadic and stocks levels vary from plant to plant. The CME Group monthly average price for Grade A NDM during March was \$0.8080, compared to \$0.7413 a year ago. The March 2017 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$0.8578 compared to \$.7433 a year ago. The average for Western high heat nonfat dry milk is \$1.0467 compared to \$.9708 a year ago. According to California Department of Food and Agriculture (CDFA), February 2017 nonfat dried milk (NDM) production in California totaled 49.3 million pounds, 6.2% lower than a year ago. From January through February 2017, NDM production totaled 102.8 million pounds, up 3.3% from the same period in 2016. The NASS Dairy Products report noted U.S. human NDM production during February 2017 in the West region totaled 85.1 million pounds, 4.4 percent lower than one year ago, and 11.5 percent below the previous month. Total U.S. human NDM production during February 2017 was 140.0 million pounds, 0.1 percent lower than last year. Total U.S. NDM, human, month ending stocks for February were 259.7 million pounds, 19.9 percent above a year ago. According to FAS, during February, U.S. NDM exports totaled 114.6 million pounds, 26% higher than a year ago. From January–February, U.S. NDM exports totaled 219.9 million pounds, 18% above last year during the same time span.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7450 - 0.8800 MOSTLY: .8000 - .8550
HIGH HEAT: .9250 - 1.1000

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
March 31	\$.8310	25,756,620
March 24	\$.8308	21,067,814

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.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

-CONTINUED FROM PAGE 1-**U.S. NDM Exports, H.S. Code 0402100000(FAS)**

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
February Total	114.6	+ 26
TOTAL, JAN - FEB	219.9	+ 18
1 Mexico	98.2	+ 14
2 Philippines	26.9	- 16
3 Indonesia	18.0	+ 47
4 Vietnam	12.2	+ 59
5 China	11.8	+ 97

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices remained steady. Dry buttermilk spot activity was light, while demand is moderate to slow as spring holiday orders are nearing their end. Some ice cream manufacturers are showing interest in buttermilk, but some contacts suggest that current cool weather may slow those orders. Dry buttermilk production is lighter this week, as drying is beginning to correspond with slowing butter churning. Supplies of dry buttermilk are comfortable, as some end users report being adequately stocked internally. The buttermilk market tone is quiet. The NASS *Dairy Products* report noted U.S. dry buttermilk production during February 2017 totaled 10.7 million pounds, 1.3 percent lower than a year ago. Total U.S. dry buttermilk month-ending stocks for February were 26.1 million pounds, 1.5 percent above last year.

EAST: The price range for Eastern dry buttermilk markets remains steady following very limited spot trading. Offerings are noted closer to the lower end of the range. Production is active. Most contacts are trying to move as much condensed buttermilk as possible to circumvent drying costs. Dry buttermilk stocks are adequate and growing as ice cream demand develops. The market undertone for dry buttermilk is depressed, characterized by light demand. The March 2017 Dairy Market News monthly average for the Central and East dry buttermilk series is \$0.9291 compared to \$0.7736 a year ago.

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

DRY BUTTERMILK - WEST

In the West, f.o.b. spot prices for dry buttermilk are mostly down, following recent NDM downward movements. Spot sales activity is slow, as buyers push for lower prices. At this point, the market undertone is steady to weak. Dry buttermilk production is steady, as western butter production remains active. Nevertheless, some condensed buttermilk volumes are clearing into regional Class II facilities. Dry buttermilk inventories are more available in the spot market. The March 2017 Dairy Market News monthly average for the West dry buttermilk mostly series is \$0.9457 compared to \$0.7613 a year ago. The NASS *Dairy Products* report noted U.S. dry buttermilk production during February 2017 totaled 10.7 million pounds, 1.3 percent lower than a year ago. Total U.S. dry buttermilk month ending stocks for February were 26.1 million pounds, 1.5 percent above last year.

F.O.B. WEST: .8000 - .9500

MOSTLY: .8200 - .9000

DRY WHOLE MILK - NATIONAL

National dry whole milk f.o.b. spot prices are unchanged from last week. The market undertone is steady. Overall, the domestic demand for dry whole milk is light. However, some manufacturers expect an uptick in sales during the upcoming confectionery season. Production is irregular, mostly determined by contractual needs. Inventories are mixed throughout the country. The March 2017 Dairy Market News monthly average for the National price series for dry whole milk is \$1.4467 compared to \$1.2883 a year ago. The NASS *Dairy Products* report noted U.S. dry whole milk production during February 2017 totaled 10.2 million pounds, 17.7 percent higher from one year ago, but 14.5 percent lower from the previous month. Total U.S. dry whole milk month ending stocks for February were 21.7 million pounds, 88.6 percent above last year.

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 increased at the top of the range, but saw slight decreases on the bottom and top of the mostly price series. Whey producers are continuing to see Latin American and Asian export interest. However, competition is increasing as contacts report Europe is beginning to offer competitively priced whey to international buyers. Dry whey production continues to climb as readily available milk flows into Class III plants. Some contacts expect that recent pushback at higher dry whey prices, along with building inventory levels, will put some downward pressure on dry whey. Some whey suppliers report that a number of contractual buyers are starting to request delayed shipments in order to manage inventory levels. The dry whey market tone is uncertain. Animal feed whey prices were steady. The animal feed whey spot market was quiet. Animal feed whey inventories range from comfortable to long, as many end users are adequately stocked. The NASS *Dairy Products* report noted U.S. total dry whey production for February 2017 was 76.1 million pounds, up 3.1 percent from a year ago. January through February 2017 U.S. total dry whey production totaled 160.3 million pounds, 1.0 percent above the same time span in 2016. The Central region produced 36.4 million pounds of U.S. human dry whey production in February, 2.6 percent higher than a year ago.

F.O.B. CENTRAL: .3800 - .6100 MOSTLY: .4700 - .5200
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3375 - .4500

DRY WHEY - NORTHEAST

Northeastern manufacturing plants continue to pump out whey. Contracted agreements are seeing product on time. Northeastern whey prices shifted upward on the higher end of the price series this week. Spot loads are limited and contacts do not report any discounts offered. Whey stocks are short. The dry whey demand is active and market undertone is flat. The March 2017 Dairy Market News monthly average for Northeast dry whey was \$0.4898 compared to \$0.2560 one year ago. DAIRY PRODUCTS: According to NASS, February 2017 U.S. human food dry whey production totaled 76.1 million pounds, 3.1% more than a year ago, but 4.8% less than the previous month. The Atlantic region's production of human food dry whey in February 2017 totaled 20.5 million pounds, 1.8% more than a year ago, but 8.2% less than last month.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4300 - .5625

DRY WHEY-WEST

Prices of Western whey are steady on both ends of the range and on the mostly price series. Some industry contacts have a pessimistic view about the whey market. They believe that whey prices might move in a negative direction at some point in the near future. In addition, the whey futures market is not providing carrying opportunities right now. As a result, some market participants are reluctant to hold extra whey in inventories, and a few manufacturers are hesitant to produce extra whey. Western whey inventories are

light, but there is a little more whey currently available. Whey is also encountering greater price competition in some international markets from Canadian and European suppliers. However, demand in domestic and Southeast Asian markets is stable. The DMN monthly average of the mostly price series for West dry whey during March was \$0.4935 compared to \$0.4938 one month ago and \$0.2491 a year ago. NASS reports that February 2017 U.S. human dry whey production, 76.1 million pounds, is up 3.1% from a year ago, but down 4.8% from January 2017. The Western region produced 19.2 million pounds of human dry whey during February, up 5.6% from last year, and up 5.0% from last month. Month ending stocks for U.S. human dry whey, at 69.0 million pounds, are 9.1% lower than one year ago, but up 3.0% from January 2017.

NONHYGROSCOPIC: .4500 - .5900

MOSTLY: .4600 - .5400

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
February Total	32.9	+ 12
TOTAL, JAN - Feb	66.9	+ 13
1 China	28.4	+114
2 Canada	7.5	- 7
3 Mexico	7.0	+15
4 Japan	3.9	- 29
5 Philippines	3.5	- 20

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices edged only slightly back at the top of the mostly prices series, but otherwise held steady. Manufacturers and traders report prices across the full range in a split market. Demand is strong in infant formula and sports nutrition markets and steady within food markets. However, WPC34% demand is weak for edible WPC34% used for feed and other interchangeable protein uses. Inventories are tight, but a few manufacturers suggest there is a little more availability of WPC34%. Some processors say they are making a little more WPC34% right now due to adjustments in manufacturing schedules. The March 2017 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$0.9681 compared to \$0.9905 one month ago and \$0.5852 one year ago. According to the NASS *Dairy Products* report U.S. production of WPC (25.0-49.9% protein) during February 2017 totaled 13.6 million pounds, 12.0% lower than one year ago, and 9.1% lower than January. Year to date total WPC (25.0-49.9% protein) production through February is 28.6 million pounds, 6.2% less than January through February one year ago. Manufacturers' end-of-month stocks for WPC (25.0-49.9% protein) totaled 21.7 million pounds, 25.9% lower than one year ago, and 0.2% less than January 2017.

F.O.B. EXTRA GRADE 34% PROTEIN: .7300 - 1.2350 MOSTLY: .8500 - 1.0550

-CONTINUED ON PAGE 6A-

WHEY, WPC 34%, LACTOSE & CASEIN

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

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
February Total	25.9	+ 35
TOTAL, JAN - FEB	55.3	+ 43
1 China	27.3	+ 82
2 Mexico	6.7	+ 53
3 Canada	5.8	+ 24
4 Philippines	2.8	+ 190
5 Taiwan	2.3	+ 1,061

Rennet casein prices are unchanged. Acid casein prices adjusted slightly down at the top of the price range. The market has been generally stable. Most current needs are covered by contracts, leaving a low level of spot market activity.

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 - 3.7000

LACTOSE - CENTRAL AND WEST

Lactose prices are mostly unchanged, but the top end of the price range moved slightly lower on an adjusted quarterly contract. Manufacturers report there is still good interest from buyers and lactose is moving well through contracts. Inventories are generally tight to comfortable, but a few processors note having a little more stocks on hand. Production is steady to higher. The March 2017 Dairy Market News average of the mostly price series for Central and West lactose was \$0.3826, compared to \$0.3750 one month ago and \$0.2280 one year ago. NASS's *Dairy Products* report shows U.S. lactose production during February 2017 totaled 84.7 million pounds, a 0.9% increase from one year ago. Year to date lactose production through February is 177.3 million pounds, 5.2% more than a year ago. Month ending stocks, at 113.2 million pounds, are 8.0% lower than one year ago, but 2.2% more than January 2017. At the GDT Event 185 on April 4, lactose prices across all contract periods averaged \$0.4205 per pound, up 2.2%.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2500 - .5700 MOSTLY: .3700 - .4300

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
February Total	40.9	- 7
TOTAL, JAN - FEB	88.0	+ 1
1 Mexico	17.6	+ 54
2 China	13.4	- 2
3 New Zealand	10.9	- 43
4 Japan	8.3	+ 1

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

<u>WEEK ENDING</u>	<u>2017 WEEKLY DAIRY COWS</u>	<u>2017 CUMULATIVE DAIRY COWS</u>	<u>2016 WEEKLY DAIRY COWS</u>	<u>2016 CUMULATIVE DAIRY COWS</u>
03/18/2017	54.9	680.3	58.7	729.7

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)

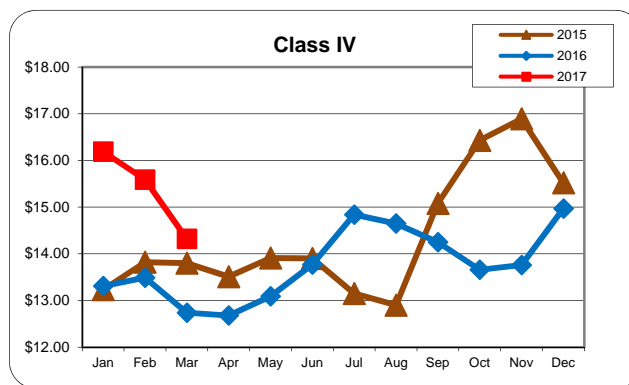
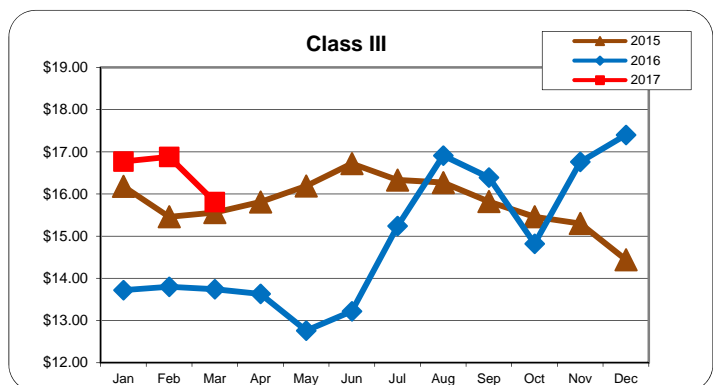
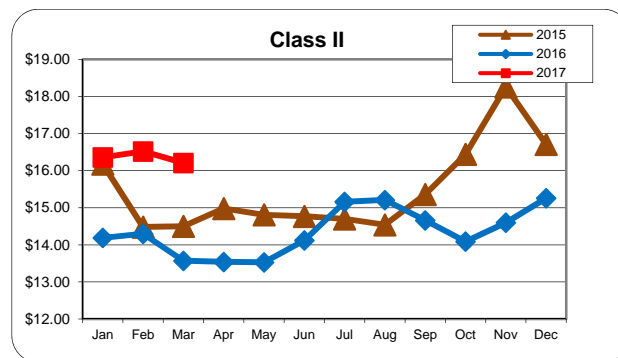
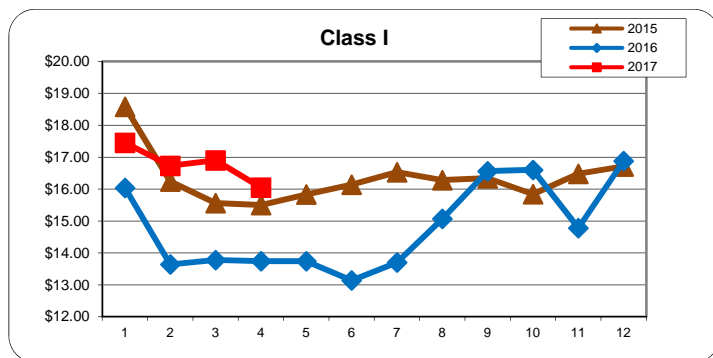
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
2014	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	17.82
2015	16.18	15.46	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%)[illegible]

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



ORGANIC DAIRY MARKET NEWS

Information gathered March 27 - April 7, 2017

ORGANIC DAIRY FLUID OVERVIEW

At the annual meeting last week of the largest organic farmers' coop in the United States, it was announced that the coop had completed the second consecutive year with organic agricultural sales exceeding \$1 billion. Sales during 2016 grew by 5.8%. Organic dairy is the most significant commodity marketed by the coop. It was announced that during 2016, the coop's parent coop, which purchases organic milk from hundreds of dairy producers nationwide, paid its members the average of \$35.67 a hundredweight for organic milk. The percentage of members producing grassfed reached 10%, also making the coop the largest national processor of 100% grassfed dairy. However, it was acknowledged that while organic milk was in short supply two years ago, currently organic milk supplies are long.

According to an organization of organic dairy producers in the Northeast, that has led the coop to initiate some measures to better manage supply until sales reach levels that can handle all available supply of organic milk. One measure, imposing a quota base, does not apply to dairy producers who supply less than 270,000 pounds, about 25 cows in a herd. A \$20 per cwt deduction has been imposed on milk produced over quota volumes. Another national dairy processor has asked for a reduction of 3-4% in volumes from producers, also dropping pay prices. Some smaller organic milk coops have entered into new supply agreements with larger coops.

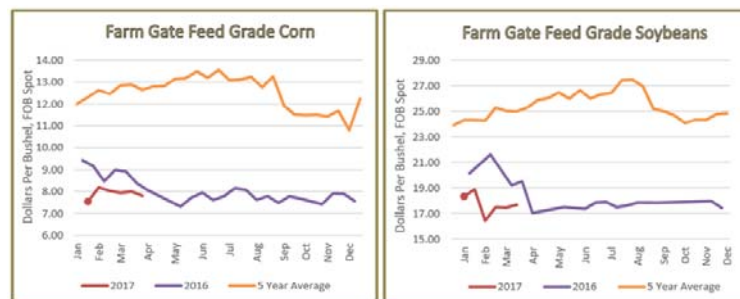
This week a joint venture of an organic cooperative and a primarily conventional dairy processor with a significant distribution system became operational. The goal is to expand organic dairy products into more than 140,000 retail locations served by the distribution system. A benefit is expected to be the new ability to keep manufactured milk products in retail outlets closer to the manufacturing plant, due to more concentrated sales outlets that will now be available. This new joint venture is expected to help increase sales of organic dairy products manufactured by the cooperative, perhaps contributing to removing the recent disincentives to organic milk production imposed due to supplies exceeding demand.

Even in the current organic milk oversupply situation in the view of some, a national private vertically integrated dairy, supplying many stores with private label brand milk and butter, continues to advance efforts to increase organic herd size in the Midwest by up to 30,000 organic cows. This business model has been successful in profitably supplying much of the private label organic milk and butter market, in the view of the Northeast organic dairy producer organization. The business model called cow to carton, includes organic calf and heifer ranches, company owned dairy farms, and a dedicated organic fluid milk and butter plant. This week, plans were announced to construct a new plant in Missouri, the second plant for the firm, expected to be fully operational in early 2019.

The purchase last year by a national organic dairy processor of a conventional butter powder plant in Oregon, has been followed by ongoing efforts to retrofit and put the plant into production to help utilize the organic milk supply in the Northwest. Nonfat dry milk from the plant is now being sold into conventional dairy markets, as work moves toward final preparations to produce and sell organic dairy products.

ORGANIC GRAIN AND FEEDSTUFF MARKETS: Organic feed grade corn demand is moderate, with current trading active at 13 cents lower f.o.b. The bulk of market activity is forward contracts. Organic feed grade soybean demand is light, trading 21 cents higher f.o.b. on limited volumes. Organic soybean meal traded

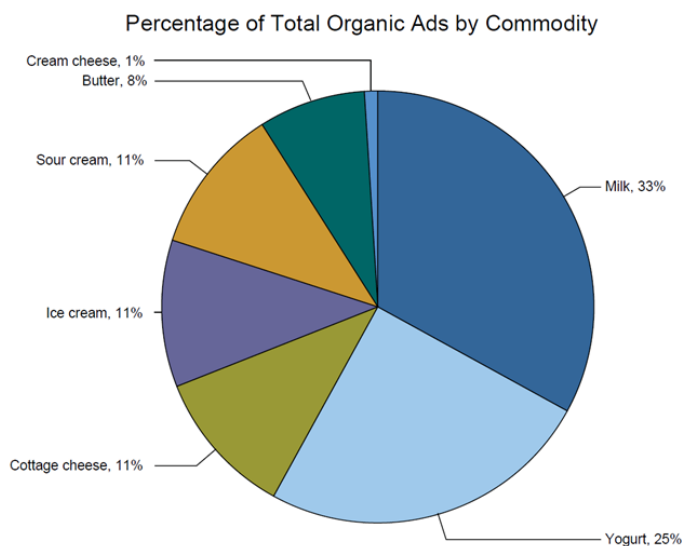
steadily on limited trading and moderated demand. Organic soy oil demand is good, trading 2 cents lower. Forward contract activity on new crop organic grains is very good. Trading is inactive on all other organic commodities. No organic hay trades are available. According to the USDA Foreign Agricultural Services' Global Agricultural Trade System, January 2017 organic corn imports were up 420,697 bushels from the prior year, totaling 2,912,814 bushels. Organic soybean imports were up 185,919 bushels from the prior year, totaling 2,023,047 bushels. Organic durum wheat imports were down 60,144 bushels from the prior year, totaling 49,321 bushels.



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

ORGANIC DAIRY RETAIL OVERVIEW

Organic Dairy Overview. This week, organic milk accounts for 33% of total organic dairy retail ad numbers by commodity, a 5% drop off compared to the previous survey period. Regionally, ad volumes for organic milk are higher in the Southeast followed by the Northeast and Southwest, respectively. The organic milk retail price is currently at/near the reported four-year average. Organic yogurt ads continue to trend higher, up 97% over the previous period. Additionally, the following pie chart shows ad percentages of each organic dairy commodity surveyed.



Data source/graph USDA Dairy Market News

CONTINUED ON PAGE -8A-

ORGANIC DAIRY MARKET NEWS

Information gathered March 27 - April 7, 2017

CONTINUED FROM PAGE -8-

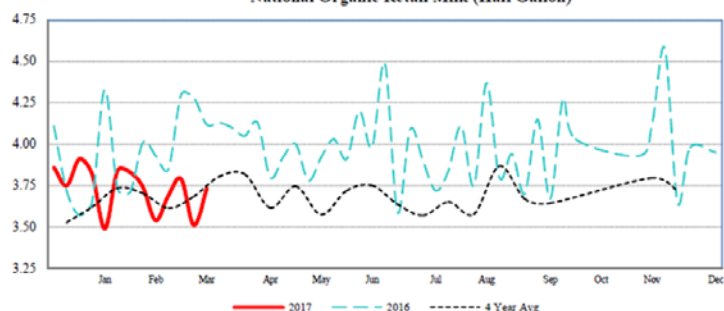
Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from April 7-13, 2017, identifying weekly specials and containing organic dairy content. Retail survey ads reflect “advertised specials” and not the range of non-advertised supermarket cooler prices.

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

NATIONAL RETAIL ORGANIC DAIRY (Wtd.Avg.Price)

Commodity	This Week	Last Week	Last Year
Butter	\$4.58	\$4.70	\$4.99
Milk			
Half Gal.	\$3.65	\$3.73	\$4.10
Gal.	\$4.99	\$4.49	\$4.93
8 oz.	\$1.00	\$1.00	\$0.96
Yogurt			
4-6 oz. Greek	\$1.23
32 oz. Greek	\$5.50
4-6 oz. Yogurt	\$1.00	\$1.03	\$1.22
32 oz. Yogurt	\$3.23	\$3.99	\$2.86

National Organic Retail Milk (Half Gallon)



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

DAIRY MARKET NEWS DOMESTIC MONTHLY SUMMARY AND AVERAGES FOR MARCH 2017¹ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 9	REPORT NUMBER 10	REPORT NUMBER 11	REPORT NUMBER 12	REPORT NUMBER 13	2017	2016
	MAR 01 - 03	MAR 06 - 10	MAR 13 - 17	MAR 20 - 24	MAR 27 - 31	Average	Average

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	1.6475 - 2.0075	1.5675 - 1.9275	1.5150 - 1.8750	1.4700 - 1.8300	1.4850 - 1.8450	1.7074	1.7271
-- Brick And/Or Muenster 5#	1.9100 - 2.3350	1.8725 - 2.2975	1.7975 - 2.2225	1.7375 - 2.1625	1.7975 - 2.2225	2.0279	2.0743
-- Cheddar 40# Block	1.6375 - 2.0325	1.6000 - 1.9950	1.5250 - 1.9200	1.4650 - 1.8600	1.5250 - 1.9200	1.7404	1.7868
-- Monterey Jack 10#	1.8850 - 2.0900	1.8475 - 2.0525	1.7725 - 1.9775	1.7125 - 1.9175	1.7725 - 1.9775	1.8929	1.9393
-- Blue 5#	2.1775 - 3.1650	2.1400 - 3.1275	2.0650 - 3.0525	2.0050 - 2.9925	2.0650 - 3.0525	2.5767	2.6231
-- Mozzarella 5 - 6#	1.7100 - 2.6500	1.6725 - 2.6125	1.5975 - 2.5375	1.5375 - 2.4775	1.5975 - 2.5375	2.0854	2.1318
-- Grade A Swiss Cuts 6 - 9#	2.8275 - 2.9450	2.8975 - 3.0150	2.8975 - 3.0150	2.8975 - 3.0150	2.8975 - 3.0150	2.9471	2.6482

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 40# Block	2.0050 - 2.2900	1.9675 - 2.2525	1.8925 - 2.1775	1.8325 - 2.1175	1.8925 - 2.1775	2.0529	2.0357
-- Process 5# Sliced	1.6900 - 2.1700	1.6100 - 2.0900	1.5575 - 2.0375	1.5125 - 1.9925	1.5275 - 2.0075	1.8099	1.8933
-- Muenster	1.9900 - 2.3400	1.9525 - 2.3025	1.8775 - 2.2275	1.8175 - 2.1675	1.8775 - 2.2275	2.0704	2.0882
-- Grade A Swiss Cuts 10 - 14#	3.3100 - 3.6325	3.3800 - 3.7025	3.3800 - 3.7025	3.3800 - 3.7025	3.3800 - 3.7025	3.5321	3.2332

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	1.6350 - 1.8925	1.5550 - 1.8125	1.5025 - 1.7600	1.4575 - 1.7150	1.4725 - 1.7300	1.6436	1.6908
-- Cheddar 40# Block	1.6700 - 2.1150	1.6325 - 2.0775	1.5575 - 2.0025	1.4975 - 1.9425	1.5575 - 2.0025	1.7979	1.8168
-- Cheddar 10# Cuts	1.8500 - 2.0700	1.8125 - 2.0325	1.7375 - 1.9575	1.6775 - 1.8975	1.7375 - 1.9575	1.8654	1.8843
-- Monterey Jack 10#	1.8600 - 2.0200	1.8225 - 1.9825	1.7475 - 1.9075	1.6875 - 1.8475	1.7475 - 1.9075	1.8454	1.8643
-- Grade A Swiss Cuts 6 - 9#	2.8875 - 3.3175	2.9575 - 3.3875	2.9575 - 3.3875	2.9575 - 3.3875	2.9575 - 3.3875	3.1634	2.8645

FLUID PRODUCTS

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

-- Northeast - f.o.b	1.9165 - 2.4489	2.1795 - 2.8334	2.2759 - 2.6010	2.2538 - 2.5758	2.0078 - 2.4305	2.3671	2.3082
-- Upper Midwest - f.o.b	2.2146 - 2.4488	2.2667 - 2.5282	2.2759 - 2.6010	2.3612 - 2.5758	2.3671 - 2.5362	2.4250	2.3704

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

-- Class II	0.30 - 1.01	0.25 - 1.01	0.25 - 1.01	0.25 - 1.01	0.20 - 0.95	0.6213	0.6746
-- Class III	0.30 - 0.91	0.25 - 0.97	0.25 - 0.97	0.25 - 0.97	0.20 - 0.97	0.6039	0.6461

DAIRY MARKET NEWS DOMESTIC MONTHLY SUMMARY AND AVERAGES FOR MARCH 2017¹ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 9 ::	REPORT NUMBER 10 ::	REPORT NUMBER 11 ::	REPORT NUMBER 12 ::	REPORT NUMBER 13 ::	2017 : 2016
	-----	-----	-----	-----	-----	Monthly : Monthly
	:: MAR 01 - 03 ::	MAR 06 - 10 ::	MAR 13 - 17 ::	MAR 20 - 24 ::	MAR 27 - 31 ::	Average : Average
DRY PRODUCTS						
NONFAT DRY MILK						
-- Central And East (f.o.b.)						
-- Low/Medium Heat	:: 0.7925 - 1.0000 ::	0.8000 - 1.0000 ::	0.8000 - 0.9650 ::	0.7900 - 0.9600 ::	0.7800 - 0.9600 ::	0.8838 : 0.7778
-- Mostly	:: 0.8500 - 0.9400 ::	0.8500 - 0.9300 ::	0.8300 - 0.8800 ::	0.8000 - 0.8600 ::	0.8000 - 0.8600 ::	0.8570 : 0.7778
-- High Heat	:: 1.0625 - 1.1500 ::	1.0625 - 1.1500 ::	0.9900 - 1.1500 ::	0.9550 - 1.1000 ::	0.9300 - 1.1000 ::	1.0614 : 0.9724
-- West (f.o.b.)						
-- Low/Medium Heat	:: 0.7750 - 1.0200 ::	0.7700 - 1.0000 ::	0.7400 - 0.9275 ::	0.7500 - 0.9000 ::	0.7525 - 0.9000 ::	0.8497 : 0.7473
-- Mostly	:: 0.8800 - 0.9650 ::	0.8200 - 0.9350 ::	0.8000 - 0.8800 ::	0.8100 - 0.8650 ::	0.8150 - 0.8600 ::	0.8578 : 0.7433
-- High Heat	:: 1.0500 - 1.1450 ::	1.0250 - 1.1350 ::	0.9900 - 1.1150 ::	0.9500 - 1.0725 ::	0.9250 - 1.1000 ::	1.0467 : 0.9708
WHEY POWDER (Nonhygroscopic)						
-- Central (f.o.b.)	:: 0.4300 - 0.5700 ::	0.4325 - 0.5550 ::	0.4325 - 0.5550 ::	0.3800 - 0.5900 ::	0.3800 - 0.5900 ::	0.4908 : 0.2333
-- Mostly	:: 0.4600 - 0.5100 ::	0.4600 - 0.5100 ::	0.4600 - 0.5100 ::	0.4600 - 0.5000 ::	0.4725 - 0.5250 ::	0.4869 : 0.2418
-- West (f.o.b.)	:: 0.4500 - 0.5700 ::	0.4300 - 0.5700 ::	0.4300 - 0.5700 ::	0.4300 - 0.5900 ::	0.4500 - 0.5900 ::	0.5078 : 0.2625
-- Mostly	:: 0.4700 - 0.5300 ::	0.4500 - 0.5300 ::	0.4500 - 0.5300 ::	0.4500 - 0.5300 ::	0.4600 - 0.5400 ::	0.4935 : 0.2491
-- Northeast (f.o.b.)	:: 0.4450 - 0.5400 ::	0.4300 - 0.5400 ::	0.4300 - 0.5400 ::	0.4300 - 0.5550 ::	0.4300 - 0.5600 ::	0.4898 : 0.2560
WHEY PROTEIN CONCENTRATE						
-- Central And West (f.o.b.)						
-- Extra Grade 34% Protein	:: 0.8500 - 1.1975 ::	0.8300 - 1.2350 ::	0.8200 - 1.1850 ::	0.7800 - 1.2350 ::	0.7300 - 1.2350 ::	1.0085 : 0.6259
-- Mostly	:: 0.9000 - 1.0650 ::	0.9000 - 1.0650 ::	0.9000 - 1.0525 ::	0.8500 - 1.0525 ::	0.8500 - 1.0575 ::	0.9681 : 0.5852
ANIMAL FEED - WHEY						
-- Central (f.o.b.)						
-- Milk Replacer	:: 0.3375 - 0.4800 ::	0.3375 - 0.4800 ::	0.3375 - 0.4800 ::	0.3375 - 0.4800 ::	0.3375 - 0.4500 ::	0.4055 : 0.1730
BUTTERMILK (Min. 30% protein)						
-- Central And East (f.o.b.)	:: 0.8800 - 1.0500 ::	0.8800 - 1.0500 ::	0.8300 - 1.0000 ::	0.8300 - 1.0000 ::	0.8000 - 1.0000 ::	0.9291 : 0.7736
-- West (f.o.b.)	:: 0.8800 - 1.0500 ::	0.8800 - 1.0500 ::	0.8200 - 1.0500 ::	0.8200 - 1.0000 ::	0.8200 - 1.0000 ::	0.9346 : 0.7489
-- Mostly	:: 0.9800 - 1.0200 ::	0.9800 - 1.0200 ::	0.8800 - 1.0000 ::	0.8500 - 0.9700 ::	0.8500 - 0.9500 ::	0.9457 : 0.7613
DRY WHOLE MILK						
-- National (f.o.b.)	:: 1.4000 - 1.5500 ::	1.4000 - 1.5500 ::	1.4000 - 1.5500 ::	1.4000 - 1.4300 ::	1.3800 - 1.4300 ::	1.4467 : 1.2883
LACTOSE						
-- Central And West (f.o.b.)	:: 0.2400 - 0.5800 ::	0.2400 - 0.5800 ::	0.2400 - 0.5800 ::	0.2400 - 0.5800 ::	0.2500 - 0.5800 ::	0.4111 : 0.2526
-- Mostly	:: 0.3400 - 0.4100 ::	0.3400 - 0.4100 ::	0.3400 - 0.4100 ::	0.3500 - 0.4200 ::	0.3700 - 0.4300 ::	0.3826 : 0.2280
CASEIN - Edible - National (f.o.b.)						
-- Nonrestricted - Rennet	:: 2.8500 - 3.0500 ::	2.7500 - 3.3000 ::	2.7500 - 3.1000 ::	2.8500 - 3.2125 ::	2.9000 - 3.2125 ::	3.0016 : 2.6154
-- Nonrestricted - Acid	:: 3.2000 - 3.3500 ::	3.4500 - 3.7000 ::	3.4500 - 3.7500 ::	3.4500 - 3.7500 ::	3.5000 - 3.8000 ::	3.5630 : 2.7604

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

DAIRY MARKET NEWS INTERNATIONAL MONTHLY SUMMARY AND AVERAGES FOR MARCH 2017¹
 UNLESS OTHERWISE NOTED, PRICES ARE U.S.DOLLARS/MEIRIC TON, F.O.B. PORT)

COMMODITY	::REPORT NUMBER 9		::REPORT NUMBER 11		::REPORT NUMBER 13		2017 *	2016 *
	::-----::		::-----::		::-----::		Monthly	Monthly
	:: MAR 01 - 03		:: MAR 06 - 17		:: MAR 20 - 31		Average	Average
BUTTER (82% BUTTERFAT)								
-- OCEANIA	:: 4500	- 4850	:: 4625	- 4850	:: 4950	- 5475	:: 4936	: 2772
-- WESTERN EUROPE	:: 4250	- 4450	:: 4450	- 4525	:: 4625	- 4725	:: 4551	: 2627
BUTTEROIL (99% BUTTERFAT)								
-- WESTERN EUROPE	:: 4825	- 5300	:: 4975	- 5325	:: 5150	- 5400	:: 5193	: 3713
CHEDDAR CHEESE (39% MAXIMUM MOISTURE)								
-- OCEANIA	:: 3750	- 3925	:: 3500	- 3725	:: 3500	- 3725	:: 3642	: 2585
SKIM MILK POWDER (1.25% BUTTERFAT)								
-- OCEANIA	:: 2450	- 2650	:: 2075	- 2300	:: 1950	- 2025	:: 2148	: 1742
-- SOUTH AMERICA	:: 2575	- 2775	:: 2600	- 3100	:: 2500	- 2900	:: 2762	: 1725
-- WESTERN EUROPE	:: 1950	- 2050	:: 1850	- 2025	:: 1800	- 1925	:: 1913	: 1725
WHEY POWDER (NONHYGROSCOPIC)								
-- WESTERN EUROPE	:: 1075	- 1125	:: 1075	- 1150	:: 1100	- 1150	:: 1116	: 600
WHOLE MILK POWDER (26% BUTTERFAT)								
-- OCEANIA	:: 3200	- 3375	:: 2825	- 3100	:: 2850	- 3125	:: 3016	: 2052
-- SOUTH AMERICA	:: 2850	- 3450	:: 2975	- 3475	:: 3000	- 3500	:: 3226	: 2092
-- WESTERN EUROPE	:: 3025	- 3200	:: 2925	- 3175	:: 2825	- 3075	:: 3015	: 2092

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

CME GROUP AVERAGES FOR MARCH 2017

COMMODITY	::REPORT NUMBER 9		::REPORT NUMBER 10		::REPORT NUMBER 11		::REPORT NUMBER 12		::REPORT NUMBER 13		2017 *	2016 *
	::-----		::-----		::-----		::-----		::-----		Monthly	Monthly
	:: MAR 1 - 3		:: MAR 6 - 10		:: MAR 13 - 17		:: MAR 20 - 24		:: MAR 27 - 31		Average	Average
BUTTER*												
-- GRADE AA												
--Monday	::		::	2.1475	::	2.1625	::	2.1300	::	2.1000	::	:
--Tuesday	::		::	2.1675	::	2.1800	::	2.1200	::	2.1000	::	:
--Wednesday	::	2.2325	::	2.1975	::	2.1500	::	2.1200	::	2.1000	::	:
--Thursday	::	2.1625	::	2.1625	::	2.1100	::	2.1000	::	2.1000	::	:
--Friday	::	2.1625	::	2.1625	::	2.1300	::	2.0975	::	2.1075	::	2.1392 : 1.9605
--Weekly Average**	::	2.1795	::	2.1675	::	2.1465	::	2.1135	::	2.1015	::	:
CHEESE*												
-- BARRELS												
--Monday	::		::	1.4375	::	1.4000	::	1.3600	::	1.3700	::	:
--Tuesday	::		::	1.4300	::	1.4000	::	1.3900	::	1.3700	::	:
--Wednesday	::	1.4650	::	1.4500	::	1.3750	::	1.4100	::	1.3700	::	:
--Thursday	::	1.4650	::	1.4000	::	1.3500	::	1.4100	::	1.4500	::	:
--Friday	::	1.4375	::	1.4000	::	1.3650	::	1.3900	::	1.4700	::	1.4072 : 1.4530
--Weekly Average**	::	1.4760	::	1.4235	::	1.3780	::	1.3920	::	1.4060	::	:
-- 40# BLOCKS												
--Monday	::		::	1.4800	::	1.3675	::	1.4025	::	1.4450	::	:
--Tuesday	::		::	1.4600	::	1.3700	::	1.4300	::	1.4450	::	:
--Wednesday	::	1.4900	::	1.4400	::	1.3600	::	1.4500	::	1.4450	::	:
--Thursday	::	1.4700	::	1.3975	::	1.3600	::	1.4400	::	1.5100	::	:
--Friday	::	1.4800	::	1.3850	::	1.4000	::	1.4400	::	1.5200	::	1.4342 : 1.4877
--Weekly Average**	::	1.5065	::	1.4325	::	1.3715	::	1.4325	::	1.4730	::	:
NONFAT DRY MILK*												
-- GRADE A												
--Monday	::		::	0.8050	::	0.8075	::	0.8050	::	0.8200	::	:
--Tuesday	::		::	0.8000	::	0.8050	::	0.8050	::	0.8150	::	:
--Wednesday	::	0.7925	::	0.8100	::	0.7950	::	0.8225	::	0.8075	::	:
--Thursday	::	0.7975	::	0.8100	::	0.7950	::	0.8450	::	0.8075	::	:
--Friday	::	0.8050	::	0.8100	::	0.8050	::	0.8200	::	0.8000	::	0.8080 : 0.7413
--Weekly Average**	::	0.8085	::	0.8070	::	0.8015	::	0.8195	::	0.8100	::	:

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

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

February 2017 Dairy Products Highlights

Butter production was 164 million pounds, 5.8 percent below February 2016, and 7.6 percent below January 2017. **American type cheese** production totaled 373 million pounds, 1.7 percent above February 2016, but 10.6 percent below January 2017. **Total cheese** output (excluding cottage cheese) was 942 million pounds, 1.4 percent below February 2016, and 9.9 percent below January 2017. **Nonfat dry milk** production, for human food, totaled 140 million pounds, 0.1 percent below February 2016, and 8.7 below January 2017. **Dry whey** production, for human food, was 76.1 million pounds, 3.1 percent above February 2016, and 4.8 percent below January 2017. **Ice cream, regular hard** production totaled 58.7 million gallons, 2.8 percent below February 2016, but 2.8 percent above January 2017.

Production of Dairy Products									
Product	Feb 2017	Change from			Product	Feb 2017	Change from		
		Feb 2016	Jan 2017	Year to Date ¹			Feb 2016	Jan 2017	Year to Date ¹
	(1,000 lbs)	(percent)				(1,000 lbs)	(percent)		
Butter	164,264	-5.8	-7.6	-2.3	Yogurt (plain and flavored)	365,926	-7.8	-2.4	-6.4
Cheese					Dry whey, human food	76,056	3.1	-4.8	---
American types ²	373,174	1.7	-10.6	3.0	Dry whey, animal feed	1,964	14.4	-18.5	---
Cheddar	275,254	6.9	-11.7	5.9	Dry whey, total ⁸	78,020	3.4	-5.2	1.0
Other American	97,920	-10.4	-7.6	---	Reduced lactose & minerals				
Brick & Muenster	13,008	-8.1	-13.7	---	Human food	2,938	12.1	-20.2	---
Cream & Neufchatel	67,483	-4.7	-13.5	---	Animal feed	2,307	-2.2	-21.4	---
Hispanic	21,802	5.9	2.5	---	Lactose, human food & animal feed	84,663	0.9	-8.6	5.2
Total Italian types	407,134	-4.0	-10.3	0.2	Whey protein concentrate				
Mozzarella	315,605	-5.1	-10.4	-0.2	Human food ⁹	36,463	-0.3	-8.5	---
Other Italian	91,529	0.2	-9.9	---	Animal feed ⁹	240	20.0	-26.6	---
Swiss	23,975	-2.0	-7.6	---	Total ⁹	36,703	-0.2	-8.6	1.4
All other types	35,132	2.5	6.1	---	25.0-49.9 percent ¹⁰	13,623	-12.0	-9.1	---
Total	941,708	-1.4	-9.9	1.4	50.0-89.9 percent ¹⁰	23,080	8.4	-8.3	---
Cottage cheese, curd ³	31,585	-0.5	3.8	---	Whey protein isolates ¹¹	9,713	22.9	-3.1	---
Cottage cheese, cream ⁴	25,938	2.8	9.2	1.4					
Cottage cheese, lowfat ⁵	28,132	-2.0	4.2	-3.8					
Dry buttermilk	10,672	-1.3	-9.5	---	Frozen products				
Dry whole milk	10,178	17.7	-14.5	---	Ice cream, regular hard	58,712	-2.8	2.8	-1.4
Milk protein conc. (MPC), total ⁶	19,730	18.9	14.1	---	Ice cream, lowfat, hard	15,834	9.7	18.2	---
Nonfat dry milk (NDM), human	140,035	-0.1	-8.7	5.8	Ice cream, lowfat, soft	17,085	2.3	10.0	---
Skim milk powders (SMP) ⁷	40,031	-0.4	-27.6	4.2	Ice cream, lowfat, total	32,919	5.7	13.8	8.8
Sour cream	101,655	-1.7	-8.6	3.1	Sherbet, hard	2,750	-14.1	-9.1	2.0
					Frozen yogurt, total	5,109	-5.0	6.1	4.5

Manufacturers' Stocks, End of Month ¹²							
Product	Feb 2017	Feb 2016	Jan 2017	Product	Feb 2017	Feb 2016	Jan 2017
	(1,000 lbs)	(percent)			(1,000 lbs)	(percent)	
Dry whey, human food	68,974	-9.1	3.0	Whey protein concentrate			
Dry whey, animal feed	1,927	19.2	137.0	Human food ⁹	58,308	-21.0	---
Reduced lactose & minerals—human & animal ¹³	5,981	-21.1	-5.7	Animal feed ⁹	613	-5.8	-56.1
Lactose, human food & animal feed	113,226	-8.0	2.2	Total ⁹	58,921	-20.9	-1.3
Dry buttermilk	26,059	1.5	17.0	25.0-49.9 percent ¹⁰	21,718	-25.9	-0.2
Nonfat dry milk, human food	259,746	19.9	14.5	50.0-89.9 percent ¹⁰	37,203	-17.7	-1.9
				Whey protein isolates ¹¹	23,291	48.2	-2.2

¹ 2016 cumulative as percent change of 2015 cumulative. ² Includes Cheddar, Colby, Monterey and Jack. ³ Mostly used for processing into cream or lowfat cottage cheese. ⁴ Fat content 4 percent or more. ⁵ Fat content less than 4 percent. ⁶ Dry milk protein concentrate, 40-89.9 percent. ⁷ Includes protein standardized and blends. ⁸ Excludes all modified dry whey products. ⁹ Whey protein concentrate, 25.0 to 89.9 percent. ¹⁰ Whey protein concentrate, human and animal. ¹¹ Whey protein isolates, 90.0 percent or greater. ¹² Stocks held by manufacturers at all points and in transit. ¹³ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. **Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Dairy Products*, (April 2017).

Federal Milk Order Final Class and Component Prices, March 2017

Class Prices: The following are the March 2017 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$16.21 (-\$0.31), Class III: \$15.81 (-\$1.07), and Class IV: \$14.32 (-\$1.27).

Component Price Information: Under the Federal milk order pricing system, the butterfat price for March 2017 is \$2.4176 per pound. Thus, the Class II butterfat price is \$2.4246 per pound. The protein and other solids prices for March 2017 are \$1.8198 and \$0.3345 per pound, respectively. These component prices set the Class III skim milk price at \$7.61 per cwt. The March 2017 Class IV skim milk price is \$6.07, which is derived from the nonfat solids price of \$0.6747 per pound.

Product Price Averages: The product price averages for March 2017 are: butter: \$2.1679, nonfat dry milk: \$0.8493, cheese: \$1.5551, and dry whey: \$0.5239.

Federal Milk Order Minimum Class Prices for Milk of 3.5 Percent Butterfat ^{1,2}						
Federal Milk Order Marketing Areas ³	Order Number	March 2017				April 2017
		Class I	Class II	Class III	Class IV	Class I
		(dollars per 100 pounds)				
Northeast (Boston) ⁴	001	20.15	16.21	15.81	14.32	19.30
Appalachian (Charlotte) ⁵	005	20.30	16.21	15.81	14.32	19.45
Florida (Tampa) ⁶	006	22.30	16.21	15.81	14.32	21.45
Southeast (Atlanta) ⁷	007	20.70	16.21	15.81	14.32	19.85
Upper Midwest (Chicago) ⁸	030	18.70	16.21	15.81	14.32	17.85
Central (Kansas City) ⁹	032	18.90	16.21	15.81	14.32	18.05
Mideast (Cleveland) ¹⁰	033	18.90	16.21	15.81	14.32	18.05
Pacific Northwest (Seattle) ¹¹	124	18.80	16.21	15.81	14.32	17.95
Southwest (Dallas) ¹²	126	19.90	16.21	15.81	14.32	19.05
Arizona (Phoenix)	131	19.25	16.21	15.81	14.32	18.40
All-Market Average	---	19.79	16.21	15.81	14.32	18.94

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

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

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

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

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

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

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

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

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

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

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

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

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

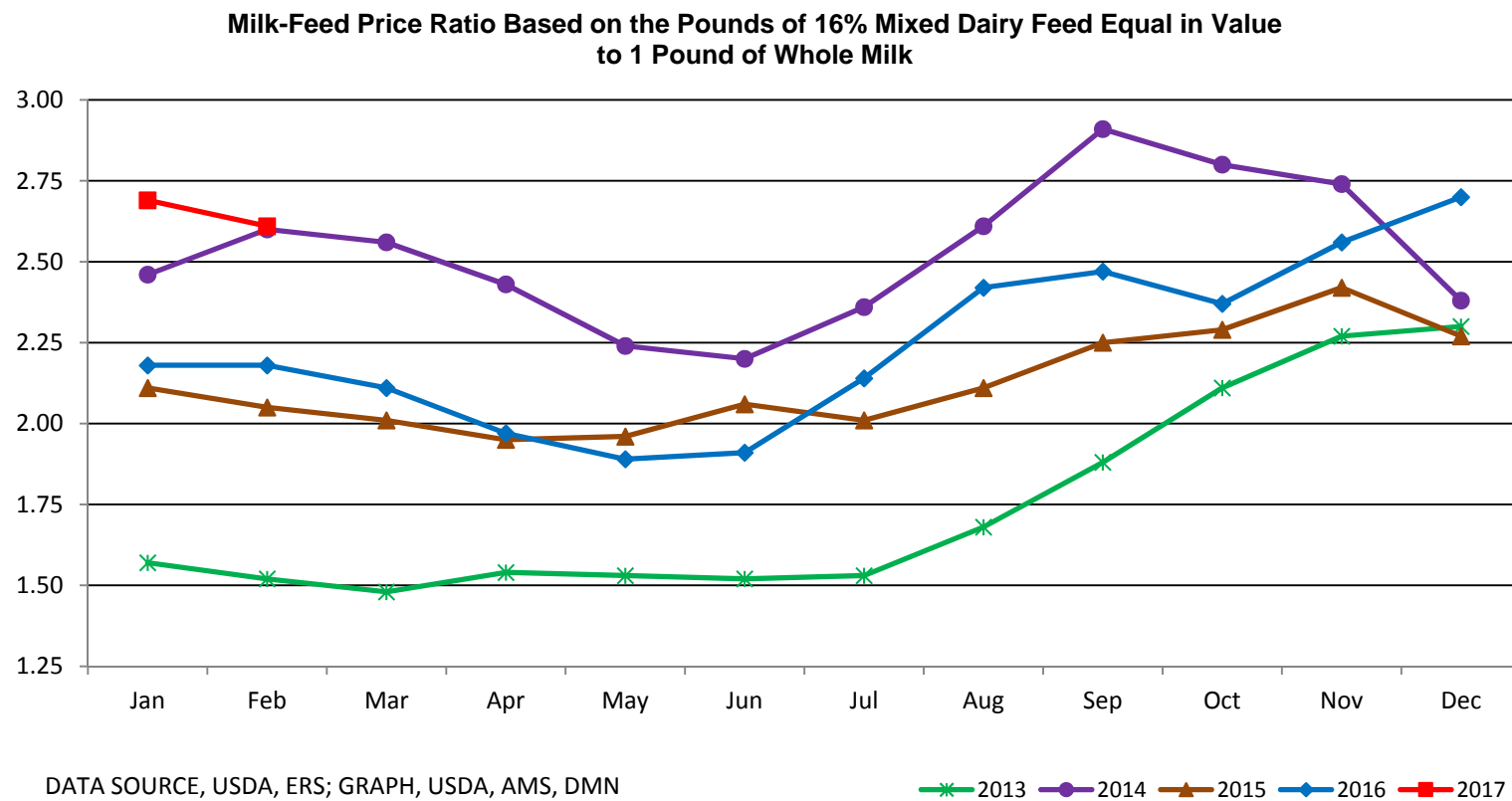
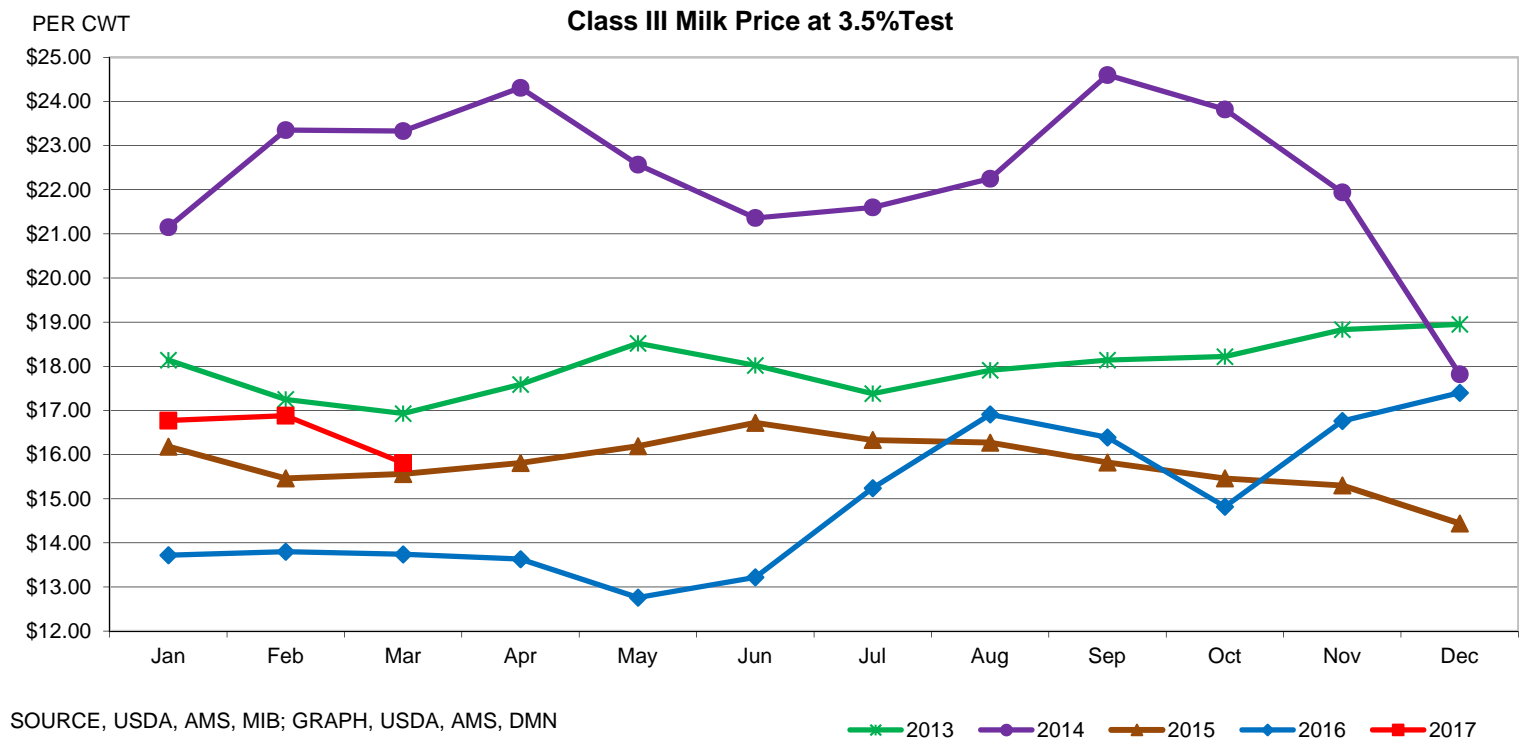
Release Dates for Federal Milk Order Price Data, 2019-2020

Listed below are the release dates for price announcements used in the Federal milk order program applicable to January 2019 through December 2020. The advanced prices and pricing factors will be released at 3:00 p.m. ET no later than the 23rd of the preceding month. If the release date does not fall on the 23rd, the most current release preceding the 23rd will be used in the price calculation. Likewise, the class and component prices will be released at 3:00 p.m. ET no later than the 5th of the following month. If the release date does not fall on the 5th, the most current release preceding the 5th will be used in the price calculation.

Year and Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date ¹	Time Period of AMS Prices ²	Release Date ¹	Time Period of AMS Prices ²
2019				
January	Dec. 19, 2018	12/8, 15	Jan. 30	1/5, 12, 19, 26
February	Jan. 16	1/5, 12	Feb. 27	2/2, 9, 16, 23
March	Feb. 21	2/9, 16	Apr. 3	3/2, 9, 16, 23, 30
April	Mar. 20	3/9, 16	May 1	4/6, 13, 20, 27
May	Apr. 17	4/6, 13	Jun. 5	5/4, 11, 18, 25, 6/1
June	May 22	5/11, 18	Jul. 3	6/8, 15, 22, 29
July	Jun. 19	6/8, 15	Jul. 31	7/6, 13, 20, 27
August	Jul. 17	7/6, 13	Sep. 5	8/3, 10, 17, 24, 31
September	Aug. 21	8/10, 17	Oct. 2	9/7, 14, 21, 28
October	Sep. 18	9/7, 14	Oct. 30	10/5, 12, 19, 26
November	Oct. 23	10/12, 19	Dec. 4	11/2, 9, 16, 23, 30
December	Nov. 20	11/9, 16	Jan. 2, 2020	12/7, 14, 21, 28
2020				
January	Dec. 18, 2019	12/7, 14	Feb. 5	1/4, 11, 18, 25, 2/1
February	Jan. 23	1/11, 18	Mar. 4	2/8, 15, 22, 29
March	Feb. 20	2/8, 15	Apr. 1	3/7, 14, 21, 28
April	Mar. 18	3/7, 14	Apr. 29	4/4, 11, 18, 25
May	Apr. 22	4/11, 18	Jun. 3	5/2, 9, 16, 23, 30
June	May 20	5/9, 16	Jul. 1	6/6, 13, 20, 27
July	Jun. 17	6/6, 13	Aug. 5	7/4, 11, 18, 25, 8/1
August	Jul. 22	7/11, 18	Sep. 2	8/8, 15, 22, 29
September	Aug. 19	8/8, 15	Sep. 30	9/5, 12, 19, 26
October	Sep. 23	9/12, 19	Nov. 4	10/3, 10, 17, 24, 31
November	Oct. 21	10/10, 17	Dec. 2	11/7, 14, 21, 28
December	Nov. 18	11/7, 14	Dec. 30	12/5, 12, 19, 26

¹ The normal release dates for this price data are Wednesdays (unless a Federal holiday falls between Monday and Wednesday of the week, then the data will be released on Thursday). ² Weekly sales periods end on the indicated date and include applicable averages. The National Dairy Products Sales report is normally released on Wednesday of the following week.

<http://www.ams.usda.gov/AMSV1.0/DairyProductMandatoryReporting>



PER POUND

PER POUND

PER POUND

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	\$1.26	\$1.25	\$1.21	\$1.23	\$1.27	\$1.31	\$1.35	\$1.37			\$1.60	\$1.70
2014	\$1.78	\$1.79	\$1.78	\$1.78	\$1.76	\$1.66	\$1.61	\$1.55	\$1.43	\$1.33	\$1.27	\$1.23
2015	\$1.17	\$1.10	\$1.01	\$0.95	\$0.91	\$0.86	\$0.79	\$0.64	\$0.56	\$0.53	\$0.53	\$0.53
2016	\$0.54	\$0.57	\$0.58	\$0.60	\$0.62	\$0.66	\$0.70	\$0.72	\$0.73	\$0.77	\$0.80	\$0.87
2017	\$0.94	\$1.00	\$0.98									

GRAPH/SOURCE USDA. AMS. DMN

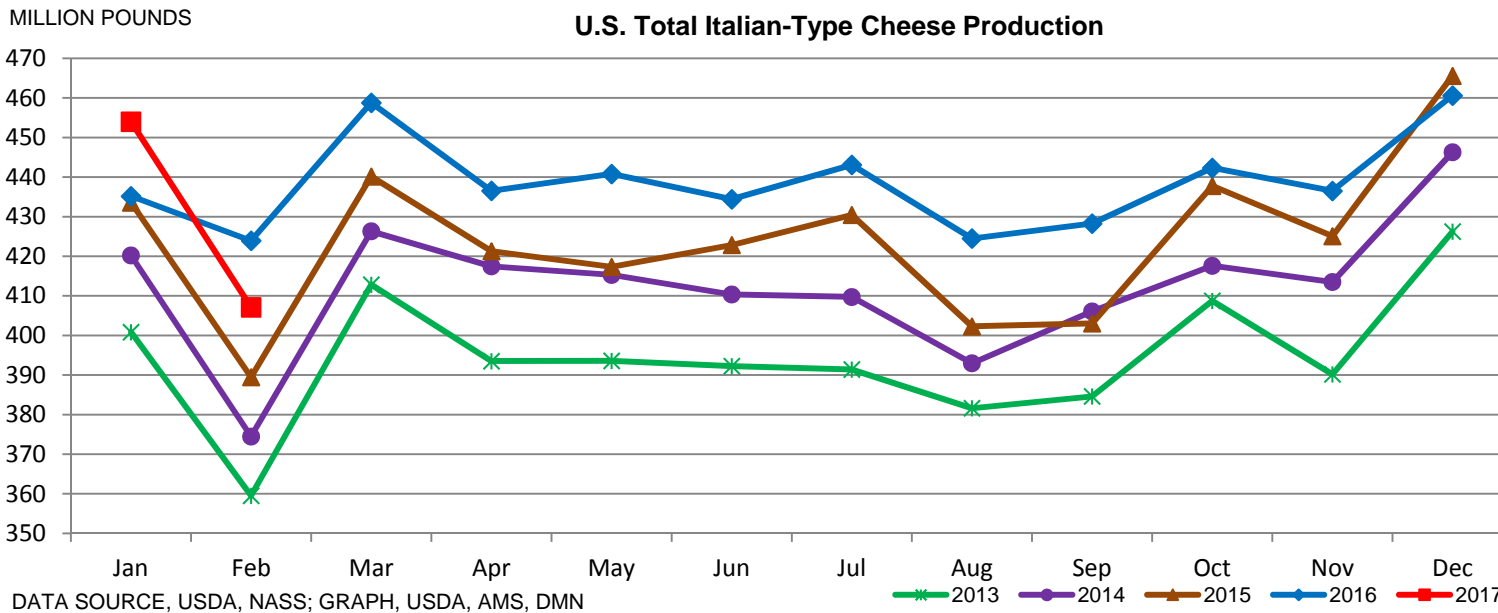
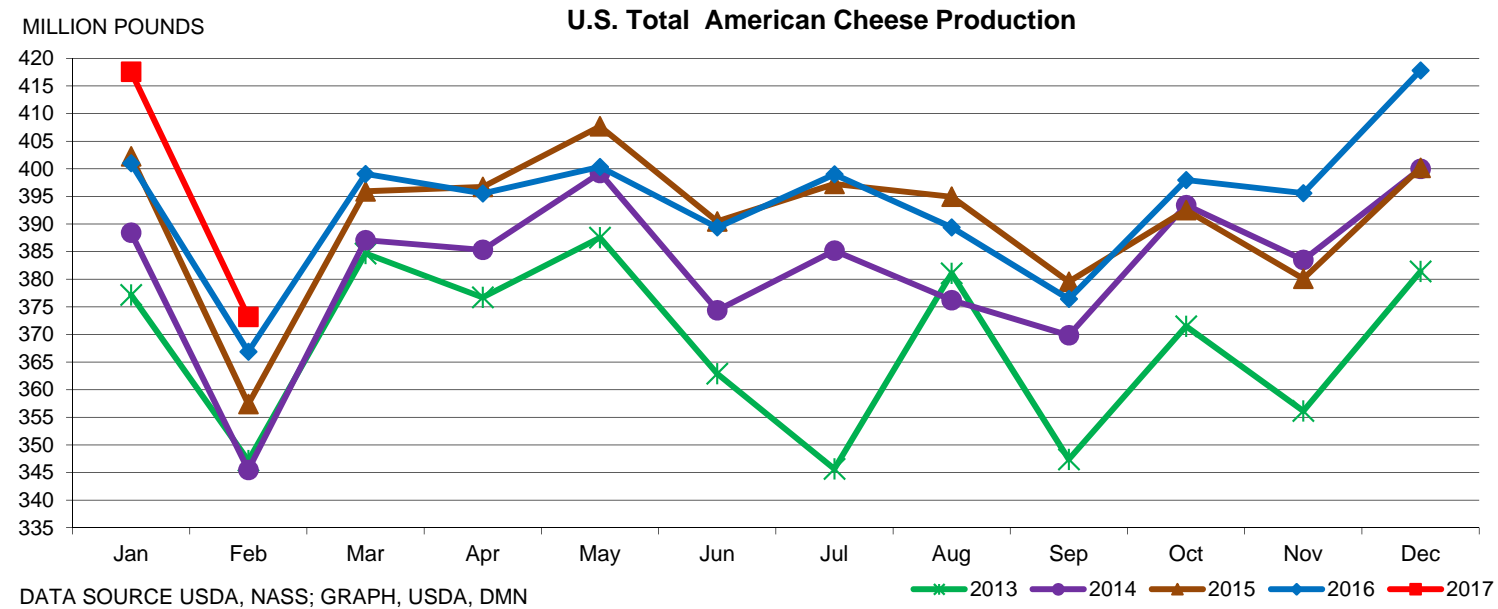
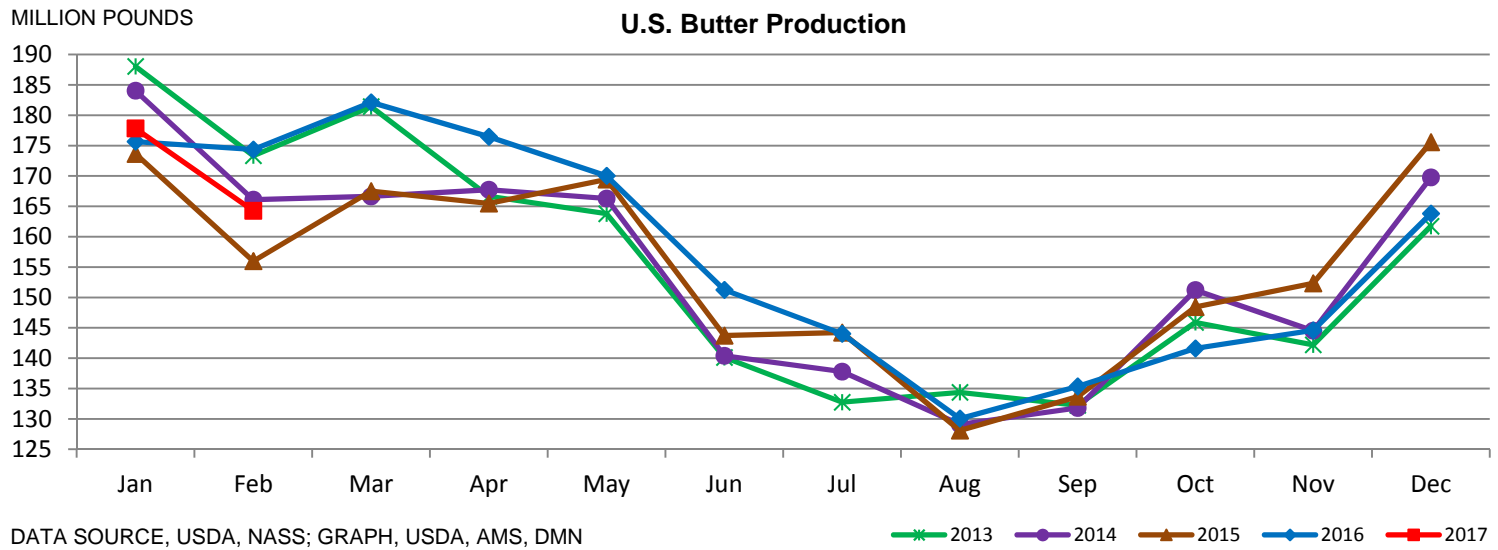
PER POUND

PER POUND

PER POUND

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	\$1.25	\$1.24	\$1.21	\$1.23	\$1.27	\$1.31	\$1.35	\$1.37			\$1.60	\$1.70
2014	\$1.75	\$1.76	\$1.75	\$1.75	\$1.73	\$1.65	\$1.60	\$1.55	\$1.43	\$1.33	\$1.27	\$1.22
2015	\$1.15	\$1.08	\$1.00	\$0.95	\$0.91	\$0.85	\$0.78	\$0.63	\$0.55	\$0.52	\$0.52	\$0.52
2016	\$0.52	\$0.55	\$0.56	\$0.59	\$0.61	\$0.65	\$0.69	\$0.71	\$0.72	\$0.76	\$0.79	\$0.85
2017	\$0.92	\$0.98	\$0.96									

GRAPH/SOURCE USDA. AMS. DMN





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 14

Issued Weekly

Friday, April 7, 2017

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 04/07/2017 to 04/13/2017

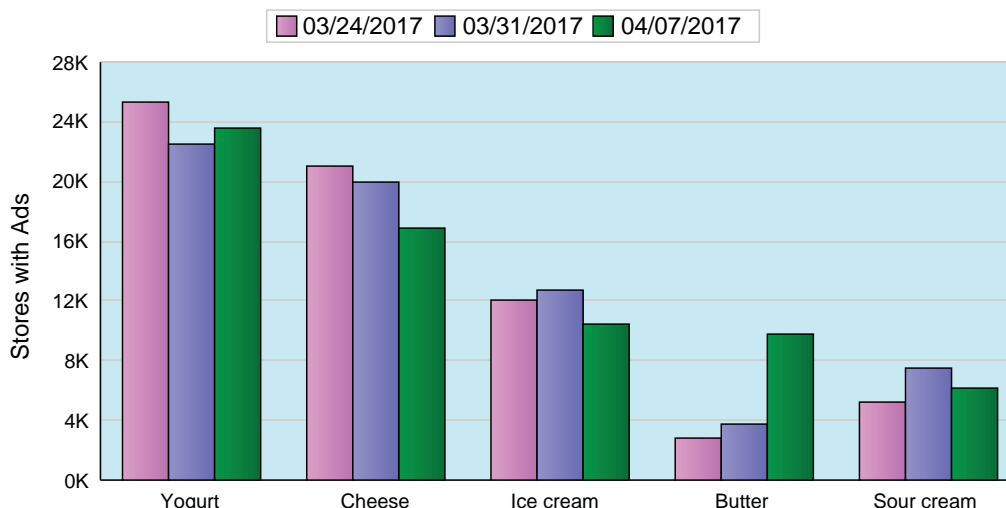
Some unusually low advertised prices appeared this week. For example, gallons of conventional milk advertised for \$0.99 in the South Central region. While few in number, those store ads had the effect of keeping the weighted average advertised price for the region the same for conventional milk half gallons and gallons, \$1.79. Also in that region, a few stores ran ads for 8 ounce conventional cheese blocks and shreds priced \$0.49. Even with this aggressive advertised ad pricing, total conventional dairy ad numbers decreased 6%, while organic dairy ads increased 51%.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.11, with ad numbers down 17% from last week. As for 8 ounce conventional cheese shreds, the price averaged \$2.23, with ad numbers down 23%. Overall conventional cheese ad numbers this week are down 11%. There are no ads for organic cheese.

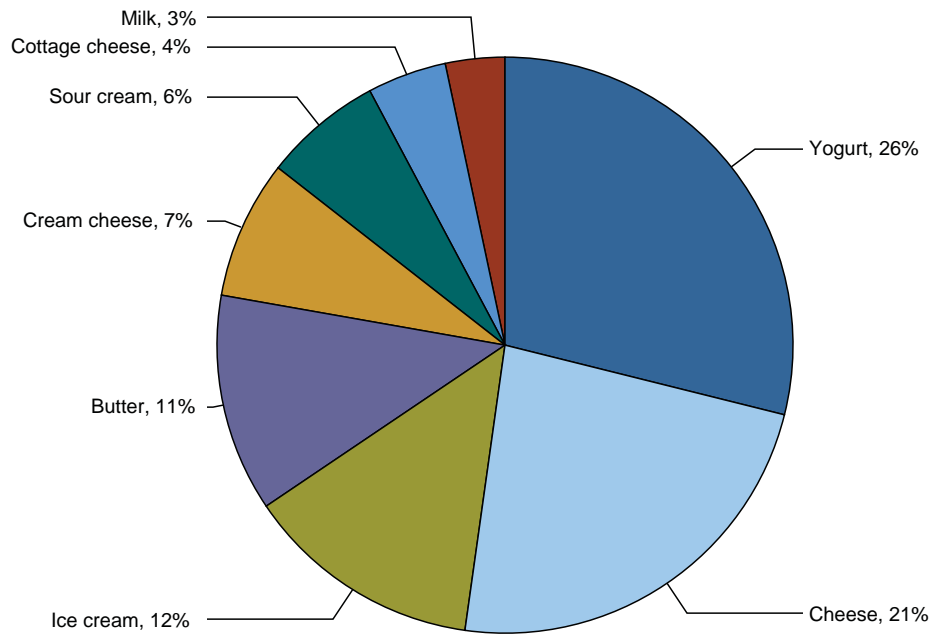
The average sale price for 4-6 ounce conventional yogurt is \$0.50, with ad numbers up 15%. The average advertised price for 4-6 ounce conventional Greek yogurt is \$0.99 while organic 4-6 ounce Greek yogurt averages \$1.23. There are no ads this week for 4-6 ounce organic yogurt. Conventional yogurt ad numbers are nearly unchanged while organic yogurt ads increased 75%.

The weighted average price for organic half gallon milk is \$3.66. For a conventional half gallon of milk, the average price is \$1.90, an organic price premium of \$1.76. Although the organic milk market by volume is less than 10% of the conventional milk market, and conventional milk in some regions is very challenged to find markets, this week there were more ads for organic milk than conventional milk. Organic milk advertisement numbers decreased 3%, and ad numbers for conventional milk decreased 18%.

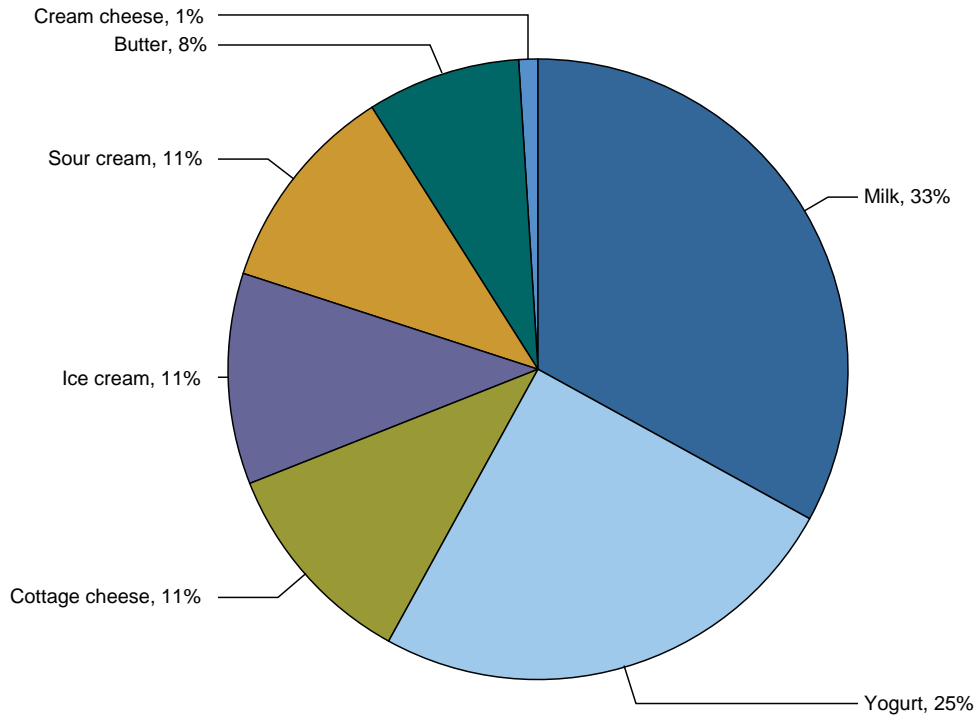
Top 5 Commodities Featured



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 #	8977	2.93	3489	3.07	1741	3.05
Cheese	Natural Varieties	8 oz block	6339	2.11	7664	2.19	7901	2.42
Cheese	Natural Varieties	1 # block	1976	3.92	920	2.90	1675	3.12
Cheese	Natural Varieties	2 # block	793	5.37	814	6.21	1059	6.67
Cheese	Natural Varieties	8 oz shred	6189	2.23	8007	2.20	7903	2.27
Cheese	Natural Varieties	1 # shred	1567	3.90	1573	3.81	1592	3.09
Cottage cheese		16 oz	2935	2.02	4053	2.21	1809	2.35
Cream cheese		8 oz	5362	1.68	5096	1.94	3367	1.97
Flavored milk	All fat tests	half gallon	340	1.80	662	2.24	656	2.56
Flavored milk	All fat tests	gallon			608	2.73	985	3.35
Ice cream		48-64oz	9355	3.04	12694	2.98	13420	3.22
Milk	All fat tests	half gallon	560	1.90	1308	1.87	695	2.15
Milk	All fat tests	gallon	1951	2.45	1748	2.68	2803	2.42
Sour cream		16 oz	5077	1.75	7448	1.84	3321	1.81
Yogurt	Greek	4-6 oz	10158	.99	11940	.97	12665	.96
Yogurt	Greek	32 oz	2559	4.48	2106	4.64	2997	4.79
Yogurt	Yogurt	4-6 oz	7471	.50	6505	.55	7541	.60
Yogurt	Yogurt	32 oz	778	3.37	440	2.36	489	2.37

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.49-3.49	2312	2.80	1.99-3.00	1300	2.82	2.48-3.50	2232	2.78
Cheese	Natural Varieties	8 oz block	1.99-3.50	2287	2.18	1.99-2.50	1385	2.15	0.97-3.00	1042	1.99
Cheese	Natural Varieties	1 # block	3.99	182	3.99	3.99	502	3.99	3.79-3.99	460	3.88
Cheese	Natural Varieties	8 oz shred	1.99-3.00	1735	2.32	1.99-2.50	828	2.22	1.67-2.50	1239	2.07
Cheese	Natural Varieties	1 # shred	3.99	110	3.99	3.99	502	3.99	3.79-3.99	460	3.88
Cottage cheese		16 oz	1.66-2.29	1883	2.07	2.00	233	2.00	1.50-2.00	452	1.68
Cream cheese		8 oz	0.85-2.50	1793	1.82	0.85-2.00	1515	1.49	1.25-2.49	902	1.83
Flavored milk	All fat tests	half gallon	2.49	62	2.49				0.77	53	.77
Ice cream		48-64oz	1.99-4.99	2009	2.85	2.00-4.49	2167	2.88	2.48-4.49	1770	3.37
Milk	All fat tests	half gallon				1.49-1.50	234	1.49	2.99	127	2.99
Milk	All fat tests	gallon	3.69	137	3.69	2.49	90	2.49	1.89-1.99	278	1.94
Sour cream		16 oz	1.50-2.00	2312	1.73	1.50-2.00	1158	1.67	1.29-2.00	595	1.57
Yogurt	Greek	4-6 oz	0.69-1.00	2995	.97	0.88-1.25	2187	1.01	0.88-1.25	1672	1.03
Yogurt	Greek	32 oz	3.49-4.50	412	3.98	3.78-4.49	1278	4.38	3.49-5.99	419	4.87
Yogurt	Yogurt	4-6 oz	0.33-0.60	1465	.48	0.33-1.00	2741	.52	0.33-0.60	1506	.44
Yogurt	Yogurt	32 oz	2.49-4.99	451	4.18				2.19	81	2.19

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 #	2.49-4.37	822	3.10	2.49-3.50	1539	3.10	2.50-5.69	772	3.48
Cheese	Natural Varieties	8 oz block	0.49-2.50	643	1.92	1.99-2.50	687	2.36	1.25-1.99	295	1.57
Cheese	Natural Varieties	1 # block	3.79	219	3.79	3.50-4.99	547	3.93	3.79	66	3.79
Cheese	Natural Varieties	2 # block	4.99	196	4.99	5.99	178	5.99	4.99-6.99	419	5.28
Cheese	Natural Varieties	8 oz shred	0.49-2.99	966	2.12	1.99-3.00	837	2.43	1.25-2.79	584	2.18
Cheese	Natural Varieties	1 # shred	3.79	219	3.79	3.79	210	3.79	3.79	66	3.79
Cottage cheese		16 oz	2.00	137	2.00	1.99-2.49	230	2.35			
Cream cheese		8 oz	0.99-1.78	565	1.47	1.67-1.99	331	1.90	0.99-2.00	256	1.44
Flavored milk	All fat tests	half gallon	2.00	54	2.00				1.49-1.99	171	1.80
Ice cream		48-64oz	2.00-4.50	1198	3.09	2.48-4.99	1735	3.29	1.99-3.49	476	2.33
Milk	All fat tests	half gallon	1.79	133	1.79				1.49	66	1.49
Milk	All fat tests	gallon	0.99-3.49	426	1.79	1.99-3.99	777	2.72	1.79-3.69	243	2.59
Sour cream		16 oz	2.00	372	2.00	1.99-2.00	474	2.00	1.99-2.00	166	1.99
Yogurt	Greek	4-6 oz	0.79-1.00	1031	.94	0.88-1.25	1534	.99	0.79-1.00	739	.94
Yogurt	Greek	32 oz				4.99	345	4.99	4.49	105	4.49
Yogurt	Yogurt	4-6 oz	0.50	481	.50	0.40-1.25	465	.80	0.38-0.50	813	.41
Yogurt	Yogurt	32 oz	2.50	141	2.50				1.99	105	1.99

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

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 #	800	4.58	306	4.70	114	4.99
Cheese	Natural Varieties	8 oz block			210	3.98	307	4.74
Cheese	Natural Varieties	8 oz shred			767	3.18	425	3.99
Cheese	Natural Varieties	1 # shred					244	5.99
Cottage cheese		16 oz	1083	3.99	196	2.99		
Cream cheese		8 oz	123	2.50	309	2.59		
Ice cream		48-64oz	1083	3.99				
Milk	All fat tests	half gallon	1713	3.66	2734	3.73	2130	4.10
Milk	All fat tests	gallon	1167	4.99	309	4.49	524	4.93

Wtd Avg - Simple weighted average



Milk	All fat tests	8 oz UHT	399	1.00	321	1.00	1231	.96
Sour cream		16 oz	1083	2.99			180	3.49
Yogurt	Greek	4-6 oz	1769	1.23				
Yogurt	Greek	32 oz	356	5.50				
Yogurt	Yogurt	4-6 oz			1250	1.03	833	1.22
Yogurt	Yogurt	32 oz	356	3.23	167	3.99	710	2.86

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 #							3.99-4.49	229	4.23
Cottage cheese		16 oz				3.99	1083	3.99			
Cream cheese		8 oz							2.50	123	2.50
Ice cream		48-64oz				3.99	1083	3.99			
Milk	All fat tests	half gallon	3.99	439	3.99	2.99-3.99	408	3.20	2.99	98	2.99
Milk	All fat tests	gallon	4.99	84	4.99	4.99	1083	4.99			
Sour cream		16 oz				2.99	1083	2.99			
Yogurt	Greek	4-6 oz	0.88-1.25	686	1.20	1.25	1083	1.25			
Yogurt	Yogurt	32 oz	3.50	167	3.50						

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 #	4.49-4.99	415	4.73	4.49	90	4.49	4.99	66	4.99
Milk	All fat tests	half gallon	3.49-3.99	234	3.67	3.50-3.99	465	3.87	3.89	69	3.89
Milk	All fat tests	8 oz UHT	1.00	158	1.00	1.00	241	1.00			
Yogurt	Greek	32 oz				5.00-5.99	356	5.50			
Yogurt	Yogurt	32 oz	2.99	72	2.99	2.99	117	2.99			

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

Wtd Avg - Simple weighted average



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 14

April 7, 2017

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