

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (4/21)**

**BUTTER:** Grade AA closed at \$2.0900. The weekly average for Grade AA is \$2.0730 (-.0133).

**CHEESE:** Barrels closed at \$1.4275 and 40# blocks at \$1.5450. The weekly average for barrels is \$1.4115 (-.0160) and blocks, \$1.4890 (+.0215).

**NONFAT DRY MILK:** Grade A closed at \$0.8550. The weekly average for Grade A is \$0.8500 (+.0237).

**BUTTER HIGHLIGHTS:** The United States butter production is at active levels. Cream is readily available throughout the country. Butter inventories are heavy. In the Northeast and West, there has been seasonally lighter demand. Although, in the West, some industry contacts see some price support coming from firm international butter prices. In the Central region, some manufacturers say orders remain heavy. However, some Central manufacturers are also seeing a post-holiday sales decline. Bulk butter sales are at 4 cents below to 6 cents over the market, with various time frames and averages used. The CME Group weekly average price for Grade AA butter was \$2.0730, down \$0.0133 from last week's average price.

**CHEESE HIGHLIGHTS:** Cheese plants across the nation are handling abundant milk intakes. Class III spot milk prices were reported from \$1.50 to \$5.00 under Class. Cheese production, therefore, continues at active levels. In some cases, processors are seeing seven-day workweeks. Cheese inventories are long throughout the country. In the West, some fast food chains are transitioning from process to natural cheese, and some contacts are curious to see how this will impact the block versus barrel demand. Retail and food service demand are steady in the Midwest. Market undertones in the Midwest and West are unsteady. However, Northeastern contacts find the market tone to be fair. The CME Group weekly average price for barrels was \$1.4115, down \$0.0160 from last week's average. This week's block average price was \$1.4890, up \$.0215 from last week's average price.

**FLUID MILK:** Overall U.S. milk production is increasing. Northeast milk production is higher than one year ago. Southeast milk production is heavy. Milk output is adding to Mid-Atlantic manufacturers' milk supplies. Production in Florida is steady. Midwest milk production shows no signs of a near term slowdown. Spot milk is moving to cheese plants at prices between \$1.50 to \$5.00 below Class. California milk output is climbing, approaching the spring flush. Arizona and New Mexico milk production is steady. Production is stronger in the Pacific Northwest, Idaho, Utah and Colorado. Cream multiples range

from **1.03 to 1.20 in the East** and **1.12 to 1.13 in the West**. In the Central region, Class II cream multiples range from **1.14 to 1.21**.

**DRY PRODUCTS:** All nonfat dry milk prices are stronger for low and high heat in all regions except Central and East high heat, which is steady. The low/medium heat market tone is uncertain/unsettled in all regions. Production and inventories are generally ahead of demand, driven by heavy milk supplies. All buttermilk powder prices are weaker in all regions except steady in the Central and East's bottom of the range. Inventories are adequate. Production in the East is light but in the West, active resulting from heavy cream volumes. Dry whole milk prices are steady to higher. Production is steady to slightly higher to clear some cream volumes. Central and Northeast whey prices are steady to higher in the range while Central prices are lower to steady on the mostly. West prices are also lower to steady on the range and mostly. The market undertone is uncertain/unsettled Central and West, but moderate in the Northeast. Whey protein concentrate 34% prices are mixed. Inventories are relatively tight, with manufacturers working hard to keep pace with contracted commitments. Lactose prices are steady, but rose slightly at the top of the mostly. Inventories are tight to comfortable while production is steady to higher. Rennet casein prices weakened while acid casein prices are steady to lower.

**ORGANIC DAIRY MARKET NEWS (DMN):** The latest AMS national data reports total organic milk products sales for February 2017 were 203 million pounds, down 4.8% from the previous February. January-February 2017 sales are even with January-February 2016.

Total organic whole milk products sales for February 2017, 76 million pounds, were up 1.7% compared with February last year and up 7.2%, January-February compared with the same period of 2016.

March increases in organic milk sales have been reported in the Northeast. Federal Milk Market Order 1 reports utilization of types of organic milk by pool plants. During March 2017, organic whole milk utilization totaled 16.3 million pounds, up from 14.6 million one year earlier, an 11.6% increase. The March 2017 butterfat content was 3.28%, down from 3.29% in March 2016. Organic reduced fat milk utilization for March 2017, 23.1 million pounds, was up from 21.8 million pounds in March 2016, a 6.2% increase. Butterfat this March was 1.25%, up from 1.20% last year.

This week, organic milk accounts for 51% of total organic dairy retail ad numbers by commodity, with the highest volume of ads reported for half gallon packaged organic milk. Regionally, ad volumes

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**CME GROUP CASH TRADING**

COMMODITY	MONDAY APR 17	TUESDAY APR 18	WEDNESDAY APR 19	THURSDAY APR 20	FRIDAY APR 21	:: WEEKLY CHANGE *	:: WEEKLY AVERAGE #
CHEESE BARRELS	\$1.4275 (N.C.)	\$1.4200 (-.0075)	\$1.4000 (-.0200)	\$1.3825 (-.0175)	\$1.4275 (+.0450)	:: (N.C.)	:: \$1.4115 (-.0160)
40# BLOCKS	\$1.4750 (N.C.)	\$1.4750 (N.C.)	\$1.4750 (N.C.)	\$1.4750 (N.C.)	\$1.5450 (+.0700)	:: (+.0700)	:: \$1.4890 (+.0215)
NONFAT DRY MILK GRADE A	\$.8500 (+.0050)	\$.8500 (N.C.)	\$.8475 (-.0025)	\$.8475 (N.C.)	\$.8550 (+.0075)	:: (+.0100)	:: \$.8500 (+.0237)
BUTTER GRADE AA	\$2.0750 (-.0125)	\$2.0625 (-.0125)	\$2.0700 (+.0075)	\$2.0675 (-.0025)	\$2.0900 (+.0225)	:: (+.0025)	:: \$2.0730 (-.0133)

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](http://WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY)

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

for organic milk continue to be higher in the Southeast. Organic ads saw a steep rise of 208% in the Midwest, but waned 62% in the South Central region. The following pie chart shows advertisement percentages of each organic dairy commodity surveyed.

**MARCH MILK PRODUCTION (NASS):** Milk production in the 23 major States during March totaled 17.5 billion pounds, up 1.8 percent from March 2016. February revised production at 15.6 billion pounds, was down 1.2 percent from February 2016. However, production was 2.3 percent above last year after adjusting for the leap year. The February revision represented a decrease of 27 million pounds or 0.2 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 2,012 pounds for March, 18 pounds above March 2016. This is the highest production per cow for the month of March since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.71 million head, 72,000 head more than March 2016, and 15,000 head more than February 2017. Milk production in the United States during the January - March quarter totaled 53.5 billion pounds, up 1.0 percent from the January - March quarter last year. The average number of milk cows in the United States during the quarter was 9.37 million head, 25,000 head more than the October - December quarter, and 57,000 head more than the same period last year.

**ANNUAL MAILBOX MILK PRICES (FMMO & CDFA):** For 2016, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$15.95 per cwt., \$1.07 lower than the all-area average reported for 2015. The component tests of producer milk in 2016 averaged: butterfat, 3.77 percent; protein, 3.12 percent; and other solids, 5.75 percent. On an individual reporting area basis, mailbox prices decreased for all Federal order milk reporting areas, and ranged from \$17.27 in the New England States to \$14.31 in Michigan. The Florida reporting area experienced the largest annual decrease of \$1.92 per cwt, while the New Mexico reporting area experienced the lowest annual decrease of \$0.58 per cwt.

**MAY FEDERAL MILK ORDER ADVANCE CLASS PRICES (FMMO):** Under the Federal milk order pricing system, the base Class I price for May 2017 is \$15.20 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$7.14 and the advanced butterfat pricing factor of \$2.3736. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price. The base Class I price decreased \$0.85 per cwt when compared to the previous month of April 2017. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$0.84 per cwt, -\$0.072 per gallon; reduced fat milk (2%), -\$0.75 per cwt, -\$0.065 per gallon; fat-free (skim milk), -\$0.65 per cwt, -\$0.056 per gallon. The advanced Class IV skim milk pricing factor is \$5.90. Thus, the Class II skim milk price for May 2017 is \$6.60 per cwt, and the Class II nonfat solids price is \$0.7333. Product Price Averages: The two-week product price averages for May 2017 are: butter \$2.1315, nonfat dry milk \$0.8294, cheese \$1.4884 and dry whey \$0.5315.

**MARCH FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY (FMMO):** Handler reports of receipts and utilization under the Federal milk order system for March 2017 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During March, 12.3 billion pounds of milk were received from Federally pooled producers. This volume of milk is 1.0 percent higher than the March 2016 volume. Regulated handlers pooled 3.576 billion pounds of producer milk as Class I products, up 1.0 percent when compared to the previous year. Class I utilization increased in 5 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 29%, Class II = 12%, Class III = 42%, and Class IV = 16%. The weighted average

statistical uniform price was \$16.82 per cwt, down \$0.59 from last month but up \$2.42 from last year.

**NATIONAL RETAIL REPORT-DAIRY (DMN):** This week, total conventional dairy advertisements decreased 22%, but organic dairy ads were up 50%. Conventional butter ads declined 70%, while organic butter ads saw a 90% increase. The national average price for 1 pound conventional butter is \$2.91, while 1 pound organic butter is \$5.12, representing an organic price premium of \$2.21.

Conventional yogurt ads increased 41% and organic yogurt ads increased 30%. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.98, while 4-6 ounce organic Greek yogurt is \$1.39, an organic price premium of \$0.41. The average sale price for 4-6 ounce conventional yogurt is \$0.60, while 4-6 ounce organic yogurt is \$0.80, an organic price premium of \$0.20.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.16, while organic 8 ounce blocks averaged \$4.04, an organic premium of \$1.88. Ads for conventional 8 ounce shred cheese averaged \$2.19, while organic 8 ounce shred averaged \$4.00, an organic premium of \$1.81. The collective number of conventional cheese ads declined 17%.

This week, the difference between the weighted average price for organic half gallon milk, \$3.99, and the weighted average price for conventional half gallon milk, \$2.47, resulted in an organic price premium of \$1.52. Organic milk advertisements increased 95% and ads for conventional milk increased 96%.

MONDAY, APRIL 17, 2017

CHEESE -- SALES: 5 CARS BARRELS @ \$1.4275; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.4275  
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.8500; LAST BID UNFILLED: 10 CARS GRADE A: 1 @ \$0.8125, 2 @ \$0.8300, 3 @ \$0.7900, 1 @ \$0.7000, 1 @ \$0.8125, 2 @ \$0.8400; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$2.0800, 1 @ \$2.0775, 1 @ \$2.0750; LAST BID UNFILLED: 2 CARS GRADE AA: 1 @ \$2.0600, 1 @ \$2.0700; LAST OFFER UNCOVERED: 5 CARS GRADE AA: 1 @ \$2.0900, 1 @ \$2.1100, 1 @ \$2.0775, 1 @ \$2.0900, 1 @ \$2.0750

TUESDAY, APRIL 18, 2017

CHEESE -- SALES: 4 CARS BARRELS @ \$1.4200; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.4200  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 8 CARS GRADE A: 1 @ \$0.8150, 1 @ \$0.8325, 3 @ \$0.7900, 1 @ \$0.8275, 1 @ \$0.8450, 1 @ \$0.7500; LAST OFFER UNCOVERED: 2 CARS GRADE A: 1 @ \$0.9000, 1 @ \$0.8600  
 BUTTER -- SALES: 5 CARS GRADE AA: 2 @ \$2.0700, 1 @ \$2.0675, 1 @ \$2.0650, 1 @ \$2.0625; LAST BID UNFILLED: 6 CARS GRADE AA: 5 @ \$2.0500, 1 @ \$2.0600; LAST OFFER UNCOVERED: 3 CARS GRADE AA: 1 @ \$2.0800, 1 @ \$2.0850, 1 @ \$2.0700

WEDNESDAY, APRIL 19, 2017

CHEESE -- SALES: 1 CAR BARRELS @ \$1.4000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4000  
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.8475; LAST BID UNFILLED: 11 CARS GRADE A: 1 @ \$0.8375, 1 @ \$0.8100, 2 @ \$0.7500, 1 @ \$0.8275, 2 @ \$0.8300, 3 @ \$0.7900, 1 @ \$0.8375; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.8600  
 BUTTER -- SALES: 7 CARS GRADE AA: 1 @ \$2.0425, 1 @ \$2.0550, 1 @ \$2.0625, 1 @ \$2.0650, 1 @ \$2.0625, 1 @ \$2.0675, 1 @ \$2.0700; LAST BID UNFILLED: 6 CARS GRADE AA: 1 @ \$2.0625, 1 @ \$2.0575, 1 @ \$1.9900, 1 @ \$2.0525, 1 @ \$2.0475, 1 @ \$2.0600; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0750

THURSDAY, APRIL 20, 2017

CHEESE -- SALES: 6 CARS BARRELS: 1 @ \$1.3950, 4 @ \$1.3925, 1 @ \$1.3825; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3725; 1 CAR 40# BLOCKS @ \$1.4675; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3900  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 8 CARS GRADE A: 1 @ \$0.8450, 1 @ \$0.8150, 1 @ \$0.8325, 3 @ \$0.7900, 1 @ \$0.8300, 1 @ \$0.8375; LAST OFFER UNCOVERED: 3 CARS GRADE A: 1 @ \$0.8600, 2 @ \$0.8550  
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$2.0725, 1 @ \$2.0675; LAST BID UNFILLED: 2 CARS GRADE AA: 1 @ \$2.0650, 1 @ \$1.9000; LAST OFFER UNCOVERED: 4 CARS GRADE AA: 1 @ \$2.0975, 2 @ \$2.0800, 1 @ \$2.0900

FRIDAY, APRIL 21, 2017

CHEESE -- SALES: 22 CARS BARRELS: 8 @ \$1.3825, 2 @ \$1.3900, 1 @ \$1.3950, 1 @ \$1.4000, 2 @ \$1.4050, 2 @ \$1.4100, 1 @ \$1.4150, 2 @ \$1.4200, 2 @ \$1.4250, 1 @ \$1.4275; 5 CARS 40# BLOCKS: 2 @ \$1.5225, 2 @ \$1.5350, 1 @ \$1.5450; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.4300; 1 CAR 40# BLOCKS @ \$1.5550  
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 2 @ \$0.8575, 1 @ \$0.8550; LAST BID UNFILLED: 8 CARS GRADE A: 1 @ \$0.8200, 1 @ \$0.8525, 1 @ \$0.7500, 1 @ \$0.8525, 1 @ \$0.8300, 2 @ \$0.8350, 1 @ \$0.8525; LAST OFFER UNCOVERED: 2 CARS GRADE A: 1 @ \$0.9000, 1 @ \$0.8675  
 BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$2.0750, 1 @ \$2.0800, 1 @ \$2.0900; LAST BID UNFILLED: 2 CARS GRADE AA: 1 @ \$2.0575, 1 @ \$2.0500; LAST OFFER UNCOVERED: 8 CARS GRADE AA: 5 @ \$2.1200, 1 @ \$2.1000, 1 @ \$2.1100, 1 @ \$2.1000

## BUTTER MARKETS

### NORTHEAST

Cream is readily available in the Northeast. Butter makers are clearing as much cream as possible to churns. Production is steady. The demand for butter has been light this week, based off CME Group trading. Bulk butter sales range 5 to 6 cents over the CME Group, based on various time frames and averages. Butter inventories are growing and the market undertone is fair. Tuesday, the CME Group cash trading saw Grade AA butter prices close at \$2.0625, down \$0.0275 from last Tuesday's closing price. According to the *DMN National Retail Report-Dairy*, for April 14-20, 2017, the Northeast weighted average retail price for 1-pound butter was \$2.79, 8 cents higher than the national average price, but 1 cent lower than last week's Northeast average butter price. Retail markets in the region reported butter prices ranging \$1.99-\$3.00.

### CENTRAL

Butter production continues at active levels. Cream is available, thus production levels are keeping pace with cream supply. Cream multiples into Class IV production range from 1.05 to 1.16. Some stronger-than-expected sales were reported from some butter manufacturers. These manufacturers expected a slowdown after the spring holiday ordering season, but say orders remain heavy. However, some other manufacturers report seeing a post-holiday sales decline and expect a near term slowness in orders. Bulk butter inventories are adequate. The butter market tone is steady. *DMN National Retail Report-Dairy* for April 14-20 noted the national weighted average advertised price for a 1 pound package of butter is \$2.71, \$0.22 below one week ago and \$0.28 lower than one year

ago. The weighted average regional prices in the Midwest and South Central were \$2.53 and \$2.50, respectively. Bulk butter prices reported ranged from 2 to 7 cents over the market, with various periods and averages used. Wednesday at the CME Group, Grade AA butter closed at \$2.0700, down \$.0200 from last Wednesday.

### WEST

Western butter production is steady and continues to transition from print to bulk in the post-spring holiday season. Butter makers are busy trying to find homes for the abundant supplies of milkfat. In some cases, cream is moving around the Western region and finding a place in butter churns, but often at discounted prices. Some butter makers would rather sell off the cream than churn more butter. Inventories are heavy. Some industry contacts anticipate softening butter prices in the near future with the ample cream supplies, seasonally lighter demand, and heavy butter stocks. However, others see some price support coming from firm international butter prices and greater use of cream in ice cream and other Class II dairy products. 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 April 14-20 found that the U.S. weighted average advertised price of 1 pound butter is \$2.71, down \$.22 from last week. The U.S. weighted average price was \$2.99 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$2.75 with a price range of \$0.99-\$3.49. In the Northwest, the weighted average advertised price of 1 pound butter is \$2.37 with a price range of \$1.49-\$3.99. The Grade AA butter price at the CME Group on Wednesday closed at \$2.0700, down \$.0200 from a week ago.

## NATIONAL DAIRY PRODUCTS SALES REPORT

### U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
April 15, 2017	2,1331 3,844,961	1,4985 14,364,443	1,4747 14,198,870	.5286 6,021,086	.8316 26,856,094

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

## CHEESE MARKETS

## NORTHEAST

In the Northeast region, manufacturing plants are actively producing cheese. Production is ongoing in a large portion of the region. With heavy milk volumes, cheese plants continue to fill their intakes at capacity with milk. Cheese stocks are long and the market undertone is fair. In recent news, with Canada's current plan to cut off the import of ultra-filtered milk from American producers, state agriculture officials have contacted the U.S. Department of Agriculture to assist the dairy farmers who have lost a market for their milk. The state agriculture officials gave ideas to USDA to help producers by purchasing cheese in storage and apportion it out through nutritional aid programs. This week, a cooperative export assistance program accepted 15 requests for export assistance to sell 2.335 million pounds (1,059 metric tons) of cheese. Last week at the CME Group, barrel cheese weekly averages decreased \$0.0330 and block weekly averages decreased \$0.0305. With the result of the CME weekly averages, there is a downward shift in the East wholesale cheese prices for blocks, \$-.0300, process slices, \$-.0325 and Muenster, \$-.0300. Tuesday's CME Group daily cash prices saw barrels close at \$1.4200, down \$0.0075 from a week ago; blocks closed at \$1.4750, up \$0.0150 from a week ago. The DMN *National Retail Report-Dairy*, for April 14-20, 2017, noted the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.23, 9 cents below the national average, with a regional price range of \$1.79-\$3.50. The Southeast 8 oz. block average price was \$2.22, 10 cents below the national average, with a regional price range of \$1.67-\$2.50. The Northeast average advertised price for 8 oz. cheese shreds was \$2.42, 11 cents above the national average price, with a regional price range of \$1.99-\$3.49. In the Southeast, the average price for 8 oz. shreds was \$2.36, 5 cents above the national average, with prices ranging \$1.67-\$2.50.

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

Cheddar 40# Block	:	1.9275-2.2125
Process 5# Sliced	:	1.5650-2.0450
Muenster	:	1.9125-2.2625
Grade A Swiss Cuts 10 - 14#	:	3.3100-3.6325

## MIDWEST

Milk continues to be readily available for cheesemakers in the Midwest. A small number of recently cut-off milk producers will now be sending their milk into Midwestern cheese vats. Spot milk prices going into Class III production range from \$1.50 to \$5.00 under Class. Cheese production, in order to keep up with milk supplies, is active. In some cases, cheesemakers are scheduling seven-day workweeks. Cheese demand is generally steady to improving. Retail and food service cheeses are moving at an expected pace. Cheesemakers note that inventories are long, although some cheese producers report that their inventories are starting to become more manageable. The cheese market tone is uncertain, but CME market cash prices have been relatively steady in recent weeks. The DMN *National Retail Report-Dairy* shows that April 14-20 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.21, 10 cents below the national average. Midwest prices range from \$1.33-\$3.00. One year ago, the national price was \$2.50. For 8 ounce blocks, the Midwest average price is \$2.17, 15 cents below the national average price. Midwest ads are priced from \$1.33-\$3.00. Last year, the national price was \$2.33. In CME Group trading Wednesday, barrels closed at \$1.4000, down

\$0.0275 from last Wednesday and blocks closed at \$1.4750, unchanged from last Wednesday. This week, a cooperative export assistance program accepted requests for 2.335 million pounds (1,059 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 28.432 million pounds of cheese in export markets. Midwestern wholesale prices are unchanged for Swiss cuts, down \$.0325 for process and down \$.0300 for all other types.

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

Process American 5# Loaf	:	1.5225-1.8825
Brick And/Or Muenster 5#	:	1.8325-2.2575
Cheddar 40# Block	:	1.5600-1.9550
Monterey Jack 10#	:	1.8075-2.0125
Blue 5#	:	2.1000-3.0875
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6325-2.5725
Grade A Swiss Cuts 6 - 9#	:	2.8275-2.9450

## WEST

Cheese production in the West is active as manufacturers are working at full capacity, processing abundant milk supplies. Stocks for barrels are still sloppy, but blocks supplies are mixed. Commodity type cheese is more plentiful in the dairy market, while high quality blocks are more limited. Several fast food chains are making a move to use more natural cheese on their menus. As a result, some market participants are watching this closely to see how it will impact demand between natural and process cheeses. Cheese is moving well within contracts, but spot sales are limited. A number of contacts report that some cheese buyers are taking a wait and see approach, hoping for favorable prices in the coming weeks. The market undertone is unsteady. The DMN *National Retail Report-Dairy* for the week of April 14-20 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.31, up \$.08 from last week. Packs average \$2.23 in the Southwest and \$2.40 in the Northwest. One year ago, the national price was \$2.50. For 8 ounce blocks, the U.S. price is \$2.32, up \$.21 from last week. Blocks average \$2.86 in the Southwest and \$3.00 in the Northwest. One year ago, the national price was \$2.33. In the West, wholesale prices are down \$.0325 for process, and down \$.0300 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 2.335 million pounds (1059 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 28.432 million pounds of cheese in export markets. In CME Group trading Wednesday, barrels closed at \$1.4000, down \$.0275 from a week ago and blocks closed at \$1.4750, no change from last week.

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

Process 5# Loaf	:	1.5100-1.7675
Cheddar 40# Block	:	1.5925-2.0375
Cheddar 10# Cuts	:	1.7725-1.9925
Monterey Jack 10#	:	1.7825-1.9425
Grade A Swiss Cuts 6 - 9#	:	2.8875-3.3175

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## CHEESE MARKETS

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## FOREIGN TYPE CHEESE

Cheese production is up in the European Union (EU), but inventories continue to decline. Current demands from the cheese industry and consumers are greater than production. There is no cheese available for additional inquiries and many factories are struggling to cover their demand. Cheese exports to Southern Europe for the holiday have also increased. In France, cheese exports remain high. Most French cheeses are exported to EU countries, with 20% delivered to Germany. Cut cheese prices are firmer in the EU countries. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices are down \$0.0300. 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	1.9775-3.4650*
Gorgonzola	3.6900-5.7400	2.4850-3.2025*
Parmesan (Italy)	-0-	3.3675-5.4575*
Romano (Cows Milk)	-0-	3.1675-5.3175*
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-	3.3475-3.6700
Swiss Cuts Finnish	2.6700-2.9300	-0-

\* = Price change.

## COLD STORAGE

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

	<u>BUTTER</u>	<u>: CHEESE</u>
	:	
04/17/17	26,641	: 98,384
04/01/17	25,185	: 97,569
CHANGE	1,456	: 815
% CHANGE	6	: 1



## FLUID MILK AND CREAM

## EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	145	0	150	0	130
SOUTHEAST STATES	0	0	0	0	0	0

According to World Agricultural Supply and Demand Estimates (WASDE), the milk production forecast for 2017 is lowered as reductions in milk per cow offset increases in milk cow numbers. Fat basis imports are reduced on weaker imports of cheese and butterfat products, but imports of milk protein products support a higher skim-solids basis import forecast. Meanwhile, milk production is showing upticks across the majority of the East region. Gains are most noticeable in the Southeast, where sources indicate milk receipts are heavy with all auxiliary plants running full. In the Northeast, the total volume of producer milk receipts continues to top the previous year. According to FMMO #1, in the most recent pool summary (March), Class I usage accounted for 32.1 percent of total milk receipts, an increase of 0.6 percent from February. Demand is flat for Class II processing plants. Farm milk output is adding to Mid-Atlantic manufacturers' milk supplies. Bottling orders are at seasonal levels. Production in Florida is holding steady. Fluid milk sales dipped some this week, as expected after Easter. Export milk shipments are at 145 loads this week. **Cream** supplies remain ample. Buyer interest has grown with Class II use. The market's ability to move spot loads locally, within the East, has improved compared to prior weeks. **Multiples** range **1.03 to 1.20**, with higher multiples based on time of transaction and degree of need. Eastern **condensed skim** volumes are growing. As supply levels become cumbersome, in order to move loads, sellers of condensed skim are bargaining through sharp discounts. According to the DMN *National Retail Report-Dairy*, for April 14-20, 2017, the U.S. weighted average advertised price for a gallon of milk was \$3.79, up \$1.34 compared to last week and up \$1.38 over last year. In the Southeast, the weighted average advertised price for a gallon of milk is \$4.83, surpassing the national weighted average price by \$1.04. Prices for gallon milk ranged \$4.49-\$4.99 in the region.

## 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-	2.1489-2.5036
F.O.B. producing plants: Upper Midwest-	2.3784-2.5244

## PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices-	.25-.95
Northeast - Class III - spot prices -	.30-1.00

## MIDWEST

Field reports in the Central region are similar to last week. The South Central crop outlook is generally on or ahead of prior years' schedules. Some North Central farmers are being hampered by soggy field conditions. Still, milk production continues to show no signs of a near term slowdown. Bottling demand has steadied as holiday breaks are finished. Cheesemakers are receiving spot milk offers from \$1.50 to \$5.00 under Class A. A limited number of milk producers in the Upper Midwest who needed a destination for their milk have made agreements with regional cheese producers. **Cream** remains

readily available. Class II **cream multiples** range from **1.14 to 1.21**. Some butter makers report receiving fewer offers from cream suppliers, but others say availability has not diminished. Ice cream manufacturers' orders for cream vary week to week according to some contacts, but cream suppliers do expect a noticeable uptick in the upcoming weeks as weather has been warmer in the North Central region. Class IV cream multiples were reported in the 1.05 to 1.11 range. The DMN *National Retail Report-Dairy* for April 14-20 noted the national weighted average advertised price for one gallon of milk was \$3.78, up \$1.33 from a week ago, and \$1.37 higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.99 and \$4.21, respectively.

## WEST

California milk output is steadily climbing, following seasonal patterns. Farm milk production is getting close to the spring flush's peak level. Right before the past holiday weekend, fluid milk demand was down, especially in the Northern area. However, this week, demand is slightly improving as most grocery stores and retailers increase their orders. In Arizona, milk production continues steadily as temperatures get warmer, nearing 100 degrees. Dairy processors anticipate milk production to slide downward as they head to the summer. Bottled milk demand remains stable. Milk intakes into Class IV are higher. Manufacturers have sufficient milk for all processing needs. In New Mexico, farm milk yield is steady for the most part. However, a few contacts reported excessive milk supplies outweighing processing capacities in some areas. Class I intakes are slightly improving due to schools resuming their courses after the spring holiday. Class II sales are up. Manufacturing milk volumes into Class III are also higher. Milk production in the Pacific Northwest is getting stronger. Farm conditions and cow comfort are conducive to robust milk output. Bottling demand is following seasonal patterns and is coming back after a slower stretch due to spring breaks at educational institutions. Manufacturers are not having any trouble getting the milk needed for processing. Idaho, Utah and Colorado milk production is steadily increasing. After crummy milk production weather in Idaho late last winter, milk output has caught up with milk needs. Industry contacts are somewhat mixed on their view of milk supplies depending on available processing capacity. A few are saying milk volumes are balanced and comfortable, while others suggest milk has gotten a bit sloppy. Some contacts report spot loads are moving around the region at discounted prices. **Condensed skim** production is steady and sales are flat. **Cream** availability in the Western region is above current processing needs. Brokers are struggling to find homes for cream. Some contacts suggest that less cream is moving to Canada and Mexico. As a result, there is more cream available than expected in the domestic market. A number of manufacturers, who have more than enough cream, are limiting their spot loads purchase. Cream premiums in California are 5 cents. **Cream multiples** are ranging **1.12 to 1.13**. According to the DMN *National Retail Report-Dairy* for the week of April 14-20, the national weighted average advertised price for one gallon of milk is \$3.78, up \$1.33 from last week, and \$1.37 higher from a year ago. The weighted average regional price in the Southwest is \$2.66, with a price range of \$2.19-\$2.99. No ads were reported in the Northwest.

## NONFAT DRY MILK, BUTTERMILK &amp; 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 increased on the range and mostly price series. The frequency of spot activity increased from previous weeks, and contacts point to steady and firming index prices as a catalyst for increased prices. Some contacts also suggest increased export interest has bolstered the market. Production of low/medium heat NDM continues briskly, in order to keep up with the Central region milk supply. Low/medium heat NDM inventories are building. The low/medium heat NDM market tone is uncertain, as some contacts suggest building inventories are outpacing domestic and global demand. High heat NDM prices shifted higher on the bottom of the range. Spot market trading was light. High heat NDM production is steady and inventory reports are mixed, but generally adequate for contractual usage.

**EAST:** Low/medium heat nonfat dry milk (NDM) prices strengthened as spot sales and pricing indices shifted markets slightly higher. The existing NDM market is highly price sensitive, sparked somewhat by current global market situations, as producers report weaker than expected demand. Reports show light activity in the way of new orders as manufacturers' NDM holdings build, with anticipation of lighter than usual sales orders for over the next few weeks. Comparatively, market sources note, "the crystal ball is a bit cloudy now", as NDM prices seek a trading level. Fixed price contracts, for the balance of 2017 continue, as quotes are being obtained based on current market information. International interest is steady. The low/medium NDM market undertone is unsettled. High heat NDM prices moved up at the bottom of the range in a fairly tight spot market. Some purchasing channels report inventories as sold out beyond contractual customer needs. Production continues to be intermittent. Market demand for high heat NDM is at typical seasonal levels. Wednesday's CME Group cash trading for Grade A nonfat dry milk closed at \$0.8475, up \$0.0225 from last Wednesday.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .8000 - 0.8900 MOSTLY: .8300 - .8600  
HIGH HEAT: .9250 - 1.0500

## NONFAT DRY MILK - WEST

F.O.B. spot prices for western low/medium heat nonfat dry milk (NDM) shifted slightly up, in line with upward trends in some variable contract indices. NDM future values for Q2 moved slightly higher, too. The NDM market undertone is unsettled for most industry contacts. Several market participants are puzzled about the upward NDM pricing movements as supply is still large, well above buyers' demand. On the other hand, some NDM processors think the market is mostly in balance and prices are settling. Low/medium heat NDM usage for cheese fortification is active. However, interest from the bakery sector is sluggish. Meanwhile, the demand from Mexico is improving, but slowly. Some NDM/SMP export transactions from the western U.S. to Mexico are reflected in the low end of the pricing range. In the U.S., western production of low/medium nonfat dry milk is very active, following seasonal milk outputs that are at or near to the seasonal peak. Inventories remain steady to building. Prices for high heat NDM are slightly higher on a quiet market. Production is irregular, mostly driven by current contractual requirements. Inventories are in balance with contract needs, but are somewhat tight in the f.o.b. spot market. At the GDT Event 186 on April 18, skim milk powder (SMP) prices across all

contract periods averaged \$.9272 per pound, up 7.1% from the last event. Wednesday's CME Group cash trading for Grade A nonfat dry milk closed at \$0.8475, up \$0.0225 from last Wednesday.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .7900 - 0.8800 MOSTLY: .8100 - .8600  
HIGH HEAT: .9150 - 1.0325

## CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
April 14	\$.8527	17,894,945
April 7	\$.8737	6,448,258

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

## DRY BUTTERMILK - CENTRAL AND EAST

**CENTRAL:** This week, dry buttermilk prices in the Central region slid downward on the top of the range. Dry buttermilk spot offers have been steady. However, most dry buttermilk is moving through contractual means. Interest from ice cream makers is beginning to strengthen. Production is light as dryer time has been limited, and ice cream manufacturers are buying condensed buttermilk, thus sidestepping the drying process. Dry buttermilk inventories are adequate. The dry buttermilk undertone is unsettled.

**EAST:** Dry buttermilk prices are steady to lower in a quiet spot market. Cash transactions for dry buttermilk are tentative as buyers experience price advantages purchasing condensed buttermilk. Buyers are beginning to see a few more spot offers being made available in domestic markets. Interest from ice cream is steady to improving. Production rates are mixed. Dry buttermilk inventories are adequate and held with confidence by most producers. In general, the dry buttermilk market undertone is unsettled.

F.O.B. CENTRAL/EAST: .8000 - .9200

## DRY BUTTERMILK - WEST

In the west, f.o.b. spot prices for dry buttermilk shifted down on both the range and mostly series. Trading activity outside contracts is slow. For most industry participants, the market undertone is steady to weaker. In order to reduce stock levels, some processors are offering/selling multiple loads at discount values, priced around the bottom of the range. Western dry buttermilk demand is fair to weak. However, processors are anticipating a rise in demand in the short term as the ice cream/frozen dessert season approaches. Dry buttermilk production is active as heavy cream volumes continue clearing into butter churning. Therefore, inventories are steady to building. At the GDT Event 186 on April 18, buttermilk powder prices across all contract periods averaged \$.7802 per pound.

F.O.B. WEST: .7500 - .9000 MOSTLY: .8000 - .8500

## NONFAT DRY MILK, BUTTERMILK &amp; WHOLE MILK

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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.

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**DRY WHOLE MILK - NATIONAL**

In the U.S., dry whole milk f.o.b. spot prices are steady to higher as some spot sales pushed sharply up the top of the range. The market undertone is mostly balanced. According to some industry participants, the recent WMP bullish pricing movements at the GDT are boosting national dry whole milk values. However, national dry whole milk prices are well above international WMP values. In this way, some U.S. dry whole milk processors/brokers have a competitive limitation in the foreign market. Production is steady to slightly higher in order to clear some cream volumes throughout the country. Inventories are in balance with contractual needs and are more available in the spot market. At the GDT Event 186 on April 18, whole milk powder (WMP) prices across all contract periods averaged \$1.3599 per pound, up 3.5% from the last event.

F.O.B. PRODUCING PLANT: 1.3800 - 1.5500



**WHEY, WPC 34%, LACTOSE & CASEIN**

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

**DRY WHEY - CENTRAL**

Central dry whey prices increased on the top of the range, but decreased on the bottom of the mostly price series. Contacts suggest the widening price range is due to particular brand specifications sought out by buyers. Dry whey production is in line with active cheese production. Spot market offers were frequent this week, although completed transactions were fairly light. Some end users report taking a wait-and-see approach, as they feel the market is top heavy. However, other contacts expect near term firmness. The dry whey market tone is uncertain. Animal feed whey prices went unchanged this week. The animal feed whey spot market was quiet. Animal feed whey inventory reports vary, and many end users are opting for feed grade nonfat dry milk.

F.O.B. CENTRAL: .3650 - .6200 MOSTLY: .4500 - .5200  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3375 - .4400

**DRY WHEY - NORTHEAST**

Northeastern cheese production is ongoing, keeping whey dryers busy in the region. Generally, whey production is steady. This week, dry whey demand has been light. Some market representatives were offered loads, but do not have the space for it. There has been light trading this week. In addition, market participants are reporting a quieter market than in previous weeks. There has also been talk of the whey market taking a slide, so customers are not bulking up on anything. The market undertone is moderate.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4300 - .5675

**DRY WHEY - WEST**

Western whey prices moved lower on the range and mostly price series. Last week's low offers became some of this week's sales. A few processors are offering whey to end users and traders at discounted prices. Some international markets are currently stronger than domestic markets. A number of industry contacts report that sales into the Southeast Asian market are stable. In some cases the prices are higher than domestic prices. However, Canadian whey prices are presently lower than U.S. whey prices. As a result, Mexican buyers are more inclined to buy from Canada. Production rates are unchanged and inventories remain tight to comfortable. The market tone is unsettled.

NONHYGROSCOPIC: .4000 - .5900 MOSTLY: .4500 - .5400

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices for whey protein concentrate 34% are mixed. While the bottom of the range increased slightly, some spot prices moved the bottom of the mostly price series lower. A few manufacturers report WPC34% is harder to move if interchangeable with other protein sources. These processors view the market tone as being soft. Other manufacturers suggest there is a level of stability at the top of the WPC34% market. Prices for WPC34% are unchanged at the top of both the range and mostly price series. Inventories are relatively tight and manufacturers are working hard to keep pace with contracted commitments. A few processors are hesitant to make more WPC34% unless it can be sold at premium prices. In these cases, WPC34% producers have had to turn some prospective buyers away.

F.O.B. EXTRA GRADE 34% PROTEIN: .7500 - 1.2350 MOSTLY: .8100 - 1.0550

**LACTOSE - CENTRAL AND WEST**

The lactose market is relatively stable. Prices are steady, but rose slightly at the top end of the mostly price series. Manufacturers indicate they are selling the lactose they produce steadily through contracted agreements and a few spot sales. Inventories are tight to comfortable, and production is steady to slightly higher. Demand is firm, especially in some Asian Pacific markets. Manufacturers say buyers from Oceania are seeking out lactose for Q3 needs even as the current milk season comes to a close. Animal feeders in various markets continue to seek out lower priced deals for lactose as they become available. At the GDT Event 186 on April 18, lactose prices across all contract periods averaged \$0.4241 per pound, up 1.2%.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2500 - .5700 MOSTLY: .3700 - .4400

**CASEIN - NATIONAL**

Rennet casein prices weakened this week while acid casein prices are steady to lower. Rennet casein available for exports from the EU has increased, which is believed to have been a factor in weaker prices. Acid casein has been steadier this week. EU exports of caseinates January-February 2017 were 3.8% higher than one year earlier according to Eucolait. Main destinations and percentage of the total were: Thailand, 32.2%; U.S., 17.5%; and Mexico, 12.2%. U.S.A. imports of caseinates January-February 2017 were 13.1% higher than one year earlier. Main origins and percentage of the total were: New Zealand, 52.1%; Netherlands, 11.2%; and Ireland, 7.4%. At GDT event 186 on April 18, the all contracts rennet casein price was \$2.7307, -3.8%, and the May contract was down 10.0%.

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: 2.6700 - 2.9500  
ACID: 3.5000 - 3.6500

**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>
04/01/2017	57.7	797.8	51.7	835.7

**WEBSITE:** [http://www.ams.usda.gov/mnreports/sj\\_ls714.txt](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)

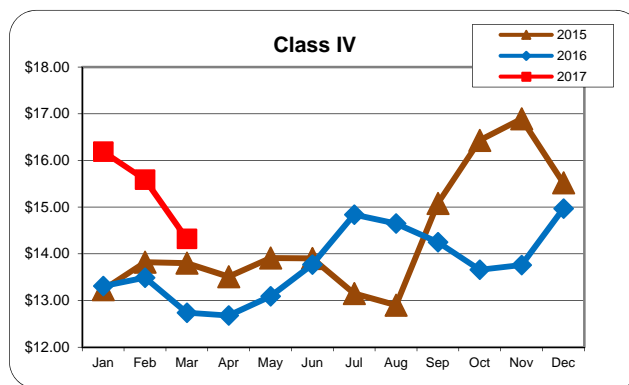
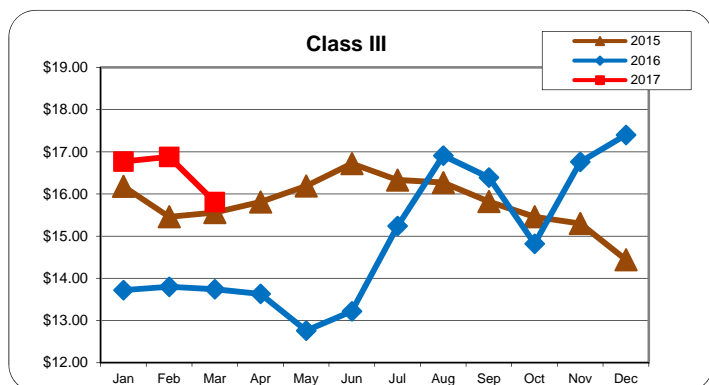
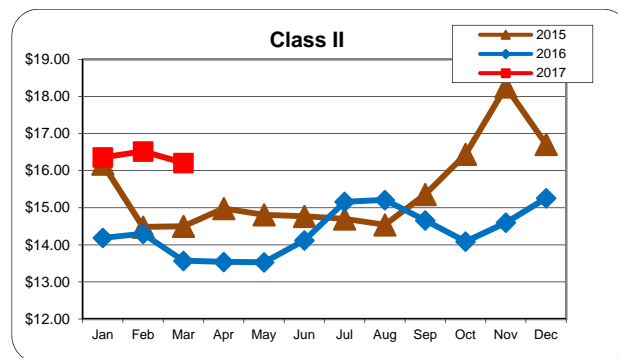
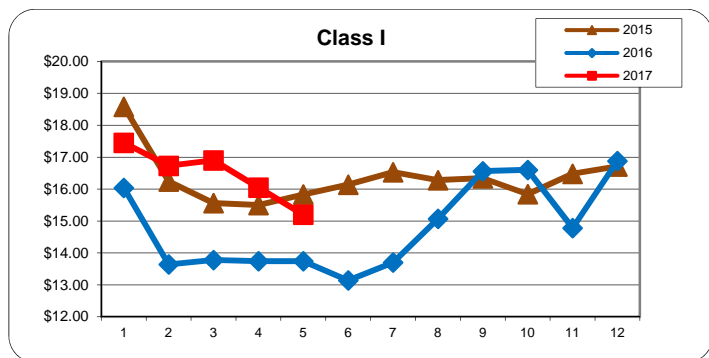
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
2014	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	17.82
2015	16.18	15.46	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](http://www.ams.usda.gov/DairyMarketingStatistics); then select “Prices”; and then select “Principal Pricing Points.”



## ORGANIC DAIRY MARKET NEWS

Information gathered April 10 - 21, 2017

## ORGANIC DAIRY FLUID OVERVIEW

**Organic Milk Product Sales.** There is heightened interest in organic milk sales volumes during this period with many organic processors having taken measures to encourage organic dairy producers to produce less organic milk. Great uncertainty remains as to how long organic milk producers will be dealing with a buyer's market.

The latest AMS national data reports total organic milk products sales for February 2017 were 203 million pounds, down 4.8% from the previous February. January-February 2017 sales are even with January-February 2016.

Total organic whole milk products sales for February 2017, 76 million pounds, were up 1.7% compared with February last year and up 7.2%, January-February compared with the same period of 2016.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, FEBRUARY 2017, WITH COMPARISONS<sup>1/</sup>

Product Name	Sales		Change <sup>2/</sup>	
	FEB	Y-T-D	Prev Yr.	Y-T-D
	Mil. Lbs.		Percent	

## ORGANIC PRODUCTION PRACTICE

Whole Milk	76	163	1.7	7.2
Reduced Fat Milk (2%)	62	133	-8.7	-2.4
Low Fat Milk (1%)	32	67	-8.1	-8.8
Fat-Free Milk (Skim)	23	48	-18.3	-14.2
Flavored Fat-Reduced Milk	9	20	30.0	49.0
Other Fluid Milk Products	0	0	-8.1	-1.6
Total Fat-Reduced Milk 3/	126	268	-8.4	-3.9
Tot. Organic Milk Products	203	431	-4.8	0.0

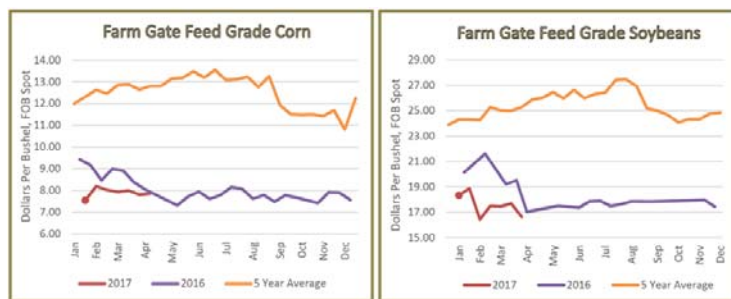
\*Total Fluid Milk Products Adjusted for Calendar Composition will not be published until release of "An Overview of Calendar Composition of Fluid Milk Sales." 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account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

**New England Organic Milk Sales and Sourcing.** March increases in organic milk sales have been reported in the Northeast. Federal Milk Market Order 1 reports utilization of types of organic milk by pool plants. During March 2017, organic whole milk utilization totaled 16.3 million pounds, up from 14.6 million one year earlier, an 11.6% increase. The March 2017 butterfat content was 3.28%, down from 3.29% in March 2016. Organic reduced fat milk utilization for March 2017, 23.1 million pounds, was up from 21.8 million pounds in March 2016, a 6.2% increase. Butterfat this March was 1.25%, up from 1.20% last year.

During February, pooled milk not previously entering the order began to ship into the order from Wisconsin. Pooled milk previously shipping to the order from sources in West Virginia and Ohio stopped shipping.

**The Future of Organic Dairy.** Although the current excess supply of organic milk is a real challenge, there continue to be producers in the transitioning process. Dairy producers also continue to begin transitioning even now under current conditions and some lenders are providing financing. Those taking a longer view expect that organic milk prices will continue to be substantially above conventional milk prices. Consumer demand for organic milk and products seems stronger than for conventional milk. It is reported that new transitioners also mention being attracted by the relative stability of organic milk prices compared with monthly adjustments of conventional milk prices. Some lenders view the current tightness of organic dairy processing capacity as a near-medium term concern that is expected to become resolved. The current situation is not expected to be an impediment to long term prospects for organic dairy, even if it is a genuine problem right now.

**ORGANIC GRAIN AND FEEDSTUFF MARKETS:** Organic feed grade corn demand and activity is moderate, trading 5 cents higher f.o.b. with the bulk of market activity on forward contracts. Organic feed grade soybean demand and activity is moderate, trading 1.04 lower f.o.b. No trend is available for organic feed wheat due to a lack of comparable trades. Organic soybean meal traded \$26.34 lower on limited trades and light demand. Organic soybean oil demand is good, trading 4 cents higher. Forward contract activity for organic grains is very good. Trading is inactive on all other organic commodities. No trend is available for organic hay due to a lack of comparable trades.



Additional livestock and grain market news information is available at: [www.ams.usda.gov/mnreports/lsbncor.pdf](http://www.ams.usda.gov/mnreports/lsbncor.pdf)

## ORGANIC DAIRY RETAIL OVERVIEW

**Organic Dairy Overview.** This week, organic milk accounts for 51% of total organic dairy retail ad numbers by commodity, with the highest volume of ads reported for half gallon packaged organic milk. Regionally, ad volumes for organic milk continue to be higher in the Southeast. Organic ads saw a steep rise of 208% in the Midwest, but waned 62% in the South Central region. The following pie chart shows advertisement percentages of each organic dairy commodity surveyed.

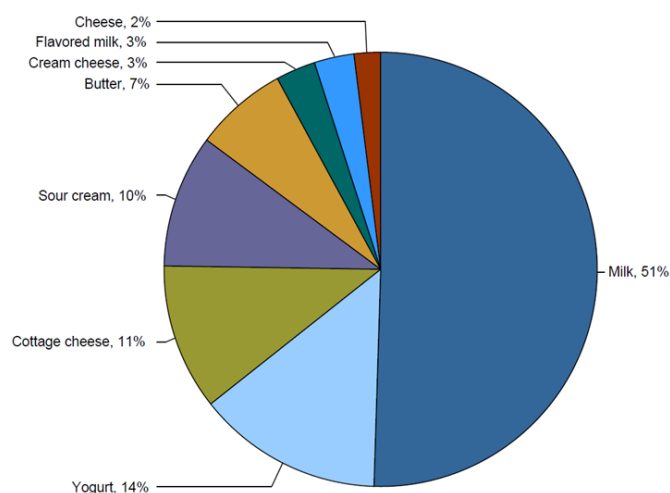
CONTINUED ON PAGE -8A-

## ORGANIC DAIRY MARKET NEWS

Information gathered April 10 - 21, 2017

## CONTINUED FROM PAGE -8-

Percentage of Total Organic Ads by Commodity



Data source/graph USDA Dairy Market News

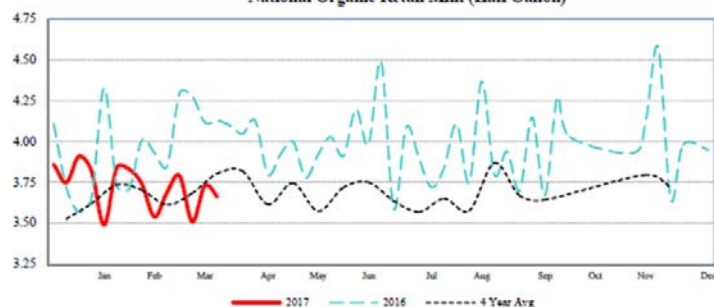
Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from April 21-27, 2017, identifying weekly specials and containing organic dairy content. Retail survey ads reflect “advertised specials” and not the range of non-advertised supermarket 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
<b>Butter</b>	\$5.12	\$5.05	\$4.99
<b>Milk</b>			
Half Gal.	\$3.99	\$3.72	\$4.13
Gal.	\$6.49	\$5.37	\$5.44
8 oz.	\$1.00	\$1.00	\$1.00
<b>Yogurt</b>			
4-6 oz. Greek	\$1.39	\$1.45	\$1.15
32 oz. Greek	\$3.82	...	\$6.29
4-6 oz. Yogurt	\$0.80	...	\$1.05
32 oz. Yogurt	\$2.99	\$2.99	\$2.76

National Organic Retail Milk (Half Gallon)



Data source/graph USDA/AMS/Dairy Market News

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

## March Milk Production

Milk production in the 23 major States during March totaled 17.5 billion pounds, up 1.8 percent from March 2016. February revised production at 15.6 billion pounds, was down 1.2 percent from February 2016. However, production was 2.3 percent above last year after adjusting for the leap year. The February revision represented a decrease of 27 million pounds or 0.2 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 2,012 pounds for March, 18 pounds above March 2016. This is the highest production per cow for the month of March since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.71 million head, 72,000 head more than March 2016, and 15,000 head more than February 2017. Milk production in the United States during the January - March quarter totaled 53.5 billion pounds, up 1.0 percent from the January - March quarter last year. The average number of milk cows in the United States during the quarter was 9.37 million head, 25,000 head more than the October - December quarter, and 57,000 head more than the same period last year.

State	Milk Cows <sup>1,2</sup>				Milk Production <sup>1,3</sup>			
	March		Jan – Mar		March		Jan - Mar	
	2016	2017	2016	2017	2017	Percent change from 2016	2017	Percent change from 2016
	<i>(thousands)</i>				<i>(million lbs)</i>		<i>(million lbs)</i>	
						<i>(percent)</i>		<i>(percent)</i>
AL	--	--	7.0	6.5	--	--	25.0	-3.8
AK	--	--	0.3	0.3	--	--	0.9	12.5
AZ	197	198	196.0	198.0	447	0.4	1,264.0	-0.4
AR	--	--	6.5	6.0	--	--	20.0	-9.1
CA	1,767	1,755	1,768.0	1,755.0	3,501	-2.9	10,038.0	-2.9
CO	149	158	148.0	156.0	353	7.3	1,003.0	5.4
CT	--	--	19.0	19.0	--	--	104.0	1.0
DE	--	--	5.0	5.0	--	--	24.8	-4.6
FL	125	123	126.0	123.0	236	-0.4	675.0	-0.9
GA	--	--	85.0	84.0	--	--	502.0	1.8
HI	--	--	2.4	2.4	--	--	9.3	9.4
ID	591	598	589.0	598.0	1,214	-1.0	3,484.0	-1.3
IL	94	93	94.0	93.0	170	-1.2	486.0	-1.2
IN	184	186	184.0	186.0	368	1.9	1,058.0	1.1
IA	212	216	211.0	216.0	444	2.3	1,269.0	1.8
KS	144	152	143.0	151.0	306	6.6	871.0	6.2
KY	--	--	59.0	56.0	--	--	268.0	-3.6
LA	--	--	13.0	12.0	--	--	46.0	-13.2
ME	--	--	30.0	30.0	--	--	155.0	--
MD	--	--	48.0	47.0	--	--	247.0	--
MA	--	--	11.5	11.5	--	--	54.0	--
MI	416	425	414.0	425.0	956	3.5	2,750.0	3.0
MN	460	459	460.0	460.0	849	1.9	2,443.0	1.0
MS	--	--	10.0	9.5	--	--	39.0	-7.1
MO	--	--	88.0	88.0	--	--	367.0	3.1
MT	--	--	14.0	13.5	--	--	72.0	-2.7
NE	--	--	60.0	60.0	--	--	352.0	0.3
NV	--	--	29.0	31.0	--	--	166.0	3.1
NH	--	--	13.5	13.5	--	--	71.0	-1.4
NJ	--	--	6.5	6.5	--	--	31.0	--
NM	311	327	311.0	326.0	726	9.0	2,042.0	10.6
NY	620	622	620.0	621.0	1,281	3.6	3,697.0	2.8
NC	--	--	47.0	45.0	--	--	248.0	-2.0
ND	--	--	16.0	15.5	--	--	83.0	--
OH	266	262	266.0	262.0	481	1.1	1,380.0	-0.1
OK	--	--	38.0	38.0	--	--	188.0	0.5
OR	126	124	126.0	124.0	218	-4.0	620.0	-4.9
PA	530	525	530.0	525.0	966	3.0	2,751.0	1.5
RI	--	--	0.8	0.8	--	--	3.0	-16.7
SC	--	--	15.0	15.0	--	--	68.0	-1.4
SD	114	117	113.0	117.0	223	3.7	644.0	2.7
TN	--	--	44.0	41.0	--	--	182.0	-2.7
TX	460	507	457.0	500.0	1,065	16.4	2,988.0	16.0
UT	92	92	93.0	92.0	179	1.7	516.0	1.6
VT	131	129	131.0	129.0	235	0.9	680.0	0.1
VA	91	87	91.0	87.0	155	0.6	441.0	-1.1
WA	277	274	277.0	274.0	553	-3.3	1,584.0	-4.5
WV	--	--	9.0	8.0	--	--	33.0	-8.3
WI	1,280	1,280	1,280.0	1,280.0	2,598	1.5	7,462.0	0.2
WY	--	--	6.0	6.0	--	--	34.8	1.2
23 State Total	8,637	8,709	--	--	17,524	1.8	--	--
U.S. <sup>4,5</sup>			9,312.0	9,369.0			53,540.0	1.0

<sup>1</sup> Preliminary. <sup>2</sup> Includes dry cows, excludes heifers not yet fresh. <sup>3</sup> Excludes milk sucked by calves. <sup>4</sup> Includes states for which individual monthly estimates are not available.

<sup>5</sup> Milk cows will not add due to rounding. **Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. *Milk Production*, (April 2017).



## Mailbox Milk Prices for Selected Reporting Areas in Federal Milk Orders and California, 2016 Annual Averages, with Comparisons<sup>1</sup>

For 2016, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$15.95 per cwt., \$1.07 lower than the all-area average reported for 2015. The component tests of producer milk in 2016 averaged: butterfat, 3.77 percent; protein, 3.12 percent; and other solids, 5.75 percent. On an individual reporting area basis, mailbox prices decreased for all Federal order milk reporting areas, and ranged from \$17.27 in the New England States to \$14.31 in Michigan. The Florida reporting area experienced the largest annual decrease of \$1.92 per cwt, while the New Mexico reporting area experienced the lowest annual decrease of \$0.58 per cwt.

Reporting Area <sup>2</sup>	Mailbox Milk Price <sup>3</sup>		
	2015	2016	Difference
	<i>(dollars per hundredweight)</i>		
New England States <sup>4</sup>	18.55	17.27	-1.28
New York	17.20	15.97	-1.23
Eastern Pennsylvania <sup>5</sup>	17.13	16.03	-1.10
Appalachian States <sup>6</sup>	17.90	16.46	-1.44
Southeast States <sup>7</sup>	18.16	16.27	-1.89
Southern Missouri <sup>8</sup>	17.70	16.15	-1.55
Florida	19.15	17.23	-1.92
Western Pennsylvania <sup>9</sup>	17.29	16.07	-1.22
Ohio	17.29	16.05	-1.24
Indiana	16.46	15.76	-0.70
Michigan	16.04	14.31	-1.73
Wisconsin	17.68	16.59	-1.09
Minnesota	17.46	16.45	-1.01
Iowa	17.10	16.29	-0.81
Illinois	17.31	16.34	-0.97
Corn Belt States <sup>10</sup>	16.06	15.28	-0.78
Western Texas <sup>11</sup>	16.05	15.33	-0.72
New Mexico	15.01	14.43	-0.58
Northwest States <sup>12</sup>	16.41	15.81	-0.60
All Reported Areas <sup>13</sup>	17.02	15.95	-1.07
California <sup>14</sup>	15.08	14.68	-0.40

<sup>1</sup> Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. Mailbox price does include, for the most part, the assessment under the Cooperatives Working Together (CWT) program.

<sup>2</sup> Information is shown for those areas for which prices are reported for at least 75 percent of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from that area.

<sup>3</sup> Figures are annual averages -- the weighted average of the monthly figures.

<sup>4</sup> Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

<sup>5</sup> All counties to the east of those listed in footnote <sup>9</sup>.

<sup>6</sup> Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

<sup>7</sup> Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi.

<sup>8</sup> The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these.

<sup>9</sup> The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these.

<sup>10</sup> Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in footnote <sup>8</sup>.

<sup>11</sup> All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby.

<sup>12</sup> Includes Oregon and Washington.

<sup>13</sup> Weighted average of the information for all selected reporting areas in Federal milk orders.

<sup>14</sup> Calculated by California Department of Food and Agriculture. Annual average is a weighted average.

Report Contact: Randal Stoker, [randal.stoker@usda.gov](mailto:randal.stoker@usda.gov) or 202-690-1932.

## FEDERAL MILK ORDER ADVANCE CLASS PRICES, MAY 2017

**Base Class I Price:** Under the Federal milk order pricing system, the base Class I price for May 2017 is \$15.20 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$7.14 and the advanced butterfat pricing factor of \$2.3736. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price.

**Comparison to Previous Month:** The base Class I price decreased \$0.85 per cwt when compared to the previous month of April 2017. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$0.84 per cwt, -\$0.072 per gallon; reduced fat milk (2%), -\$0.75 per cwt, -\$0.065 per gallon; fat-free (skim milk), -\$0.65 per cwt, -\$0.056 per gallon.

**Class II Price Information:** The advanced Class IV skim milk pricing factor is \$5.90. Thus, the Class II skim milk price for May 2017 is \$6.60 per cwt, and the Class II nonfat solids price is \$0.7333.

**Product Price Averages:** The two-week product price averages for May 2017 are: butter \$2.1315, nonfat dry milk \$0.8294, cheese \$1.4884 and dry whey \$0.5315.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <sup>1 2</sup>				
Federal Milk Order Marketing Area <sup>3</sup>	Order Number	May 2017		
		Class I Price (3.5%)	Class I Skim Milk Price	Class I Butterfat Price
		<i>\$ per cwt</i>	<i>\$ per cwt</i>	<i>\$ per pound</i>
Northeast (Boston) <sup>4</sup>	001	18.45	10.39	2.4061
Appalachian (Charlotte) <sup>5</sup>	005	18.60	10.54	2.4076
Florida (Tampa) <sup>6</sup>	006	20.60	12.54	2.4276
Southeast (Atlanta) <sup>7</sup>	007	19.00	10.94	2.4116
Upper Midwest (Chicago) <sup>8</sup>	030	17.00	8.94	2.3916
Central (Kansas City) <sup>9</sup>	032	17.20	9.14	2.3936
Mideast (Cleveland) <sup>10</sup>	033	17.20	9.14	2.3936
Pacific Northwest (Seattle) <sup>11</sup>	124	17.10	9.04	2.3926
Southwest (Dallas) <sup>12</sup>	126	18.20	10.14	2.4036
Arizona (Phoenix)	131	17.55	9.49	2.3971
All-Market Average		18.09	10.03	2.4025

<sup>1</sup> 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.

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

<sup>3</sup> Names in parentheses are the major city in the principal pricing point of the markets.

<sup>4</sup> 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.

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

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

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

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

<sup>9</sup> 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.

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

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

<sup>12</sup> 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.

### Federal Milk Order Marketing and Utilization Summary, March 2017

**Highlights.** Handler reports of receipts and utilization under the Federal milk order system for March 2017 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During March, 12.3 billion pounds of milk were received from Federally pooled producers. This volume of milk is 1.0 percent higher than the March 2016 volume. Regulated handlers pooled 3.576 billion pounds of producer milk as Class I products, up 1.0 percent when compared to the previous year. Class I utilization increased in 5 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 29%, Class II = 12%, Class III = 42%, and Class IV = 16%. The weighted average statistical uniform price was \$16.82 per cwt, down \$0.59 from last month but up \$2.42 from last year.

#### Price and Pool Statistics for Federal Milk Order Marketing Areas for the Month of March 2017

Federal Milk Order Marketing Area <sup>1</sup>	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I		Utilization of Producer Milk in All Classes <sup>3</sup>				Uniform Price <sup>2</sup>
		Total	Change from Prev. Year	Total	Change from Prev. Year	Class I	Class II	Class III	Class IV	
		<i>(million lbs)</i>	<i>(percent)</i>	<i>(million lbs)</i>	<i>(percent)</i>	<i>(percent)<sup>3</sup></i>				<i>(\$ per cwt)</i>
Northeast (Boston)	001	2,396.0	3.9	768.3	0.8	32	24	25	19	17.30
Appalachian (Charlotte)	005	502.7	1.4	350.7	5.2	70	15	5	9	19.06
Florida (Tampa)	006	235.5	-2.5	196.5	-3.6	83	11	3	2	21.28
Southeast (Atlanta)	007	513.2	1.0	334.8	0.4	65	13	13	9	19.15
Upper Midwest (Chicago)	030	2,936.4	-6.1	292.0	-1.1	10	2	83	5	16.05
Central (Kansas City)	032	1,495.4	10.7	428.5	2.1	29	12	43	17	16.24
Mideast (Cleveland)	033	1,855.7	5.1	566.0	4.2	31	18	33	18	16.43
Pacific Northwest (Seattle)	124	619.2	3.4	164.6	-1.8	27	7	30	36	15.93
Southwest (Dallas)	126	1,239.4	-2.7	363.4	-1.3	29	9	43	19	17.00
Arizona (Phoenix)	131	458.0	-1.3	111.5	-1.0	24	9	23	44	16.02
All Market Average or Total		12,251.6	1.0	3,576.3	1.0	29	12	42	16	16.82

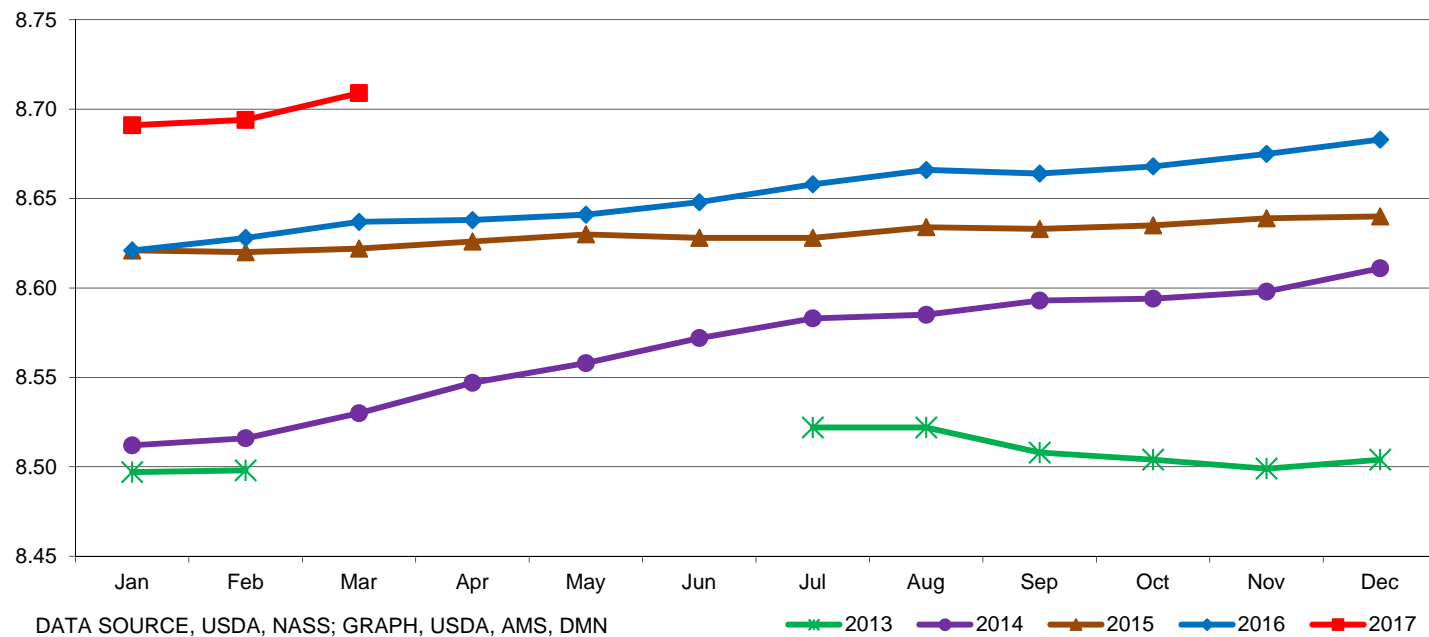
<sup>1</sup> Names in parentheses are the major city in the principal pricing point of the market.

<sup>2</sup> Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus

<sup>3</sup> Totals may not add to 100 percent due to rounding.

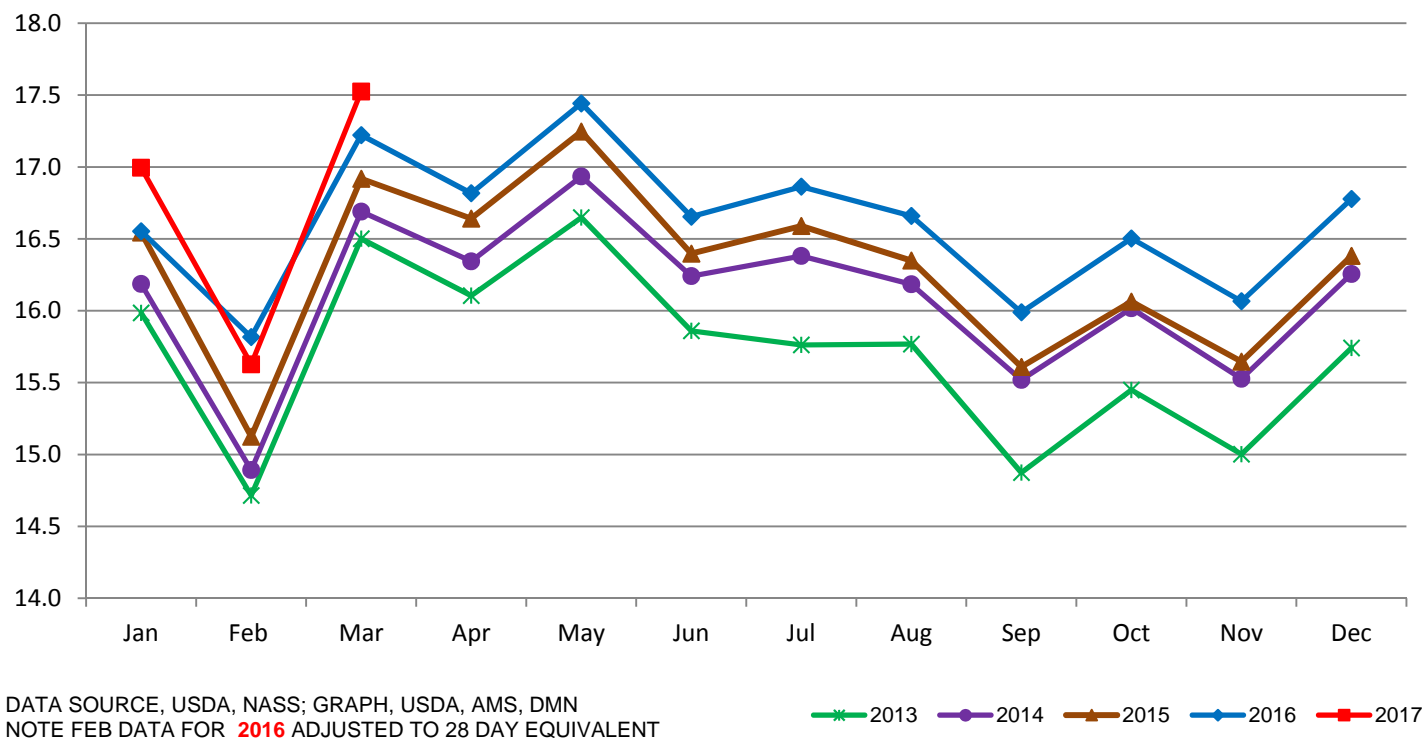
MILLION HEAD

## Milk Cow Numbers - 23 Selected States



BILLION POUNDS

## Milk Production - 23 Selected States





## Dairy Market News Branch

Agricultural  
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# National Retail Report-Dairy

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### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 04/21/2017 to 04/27/2017

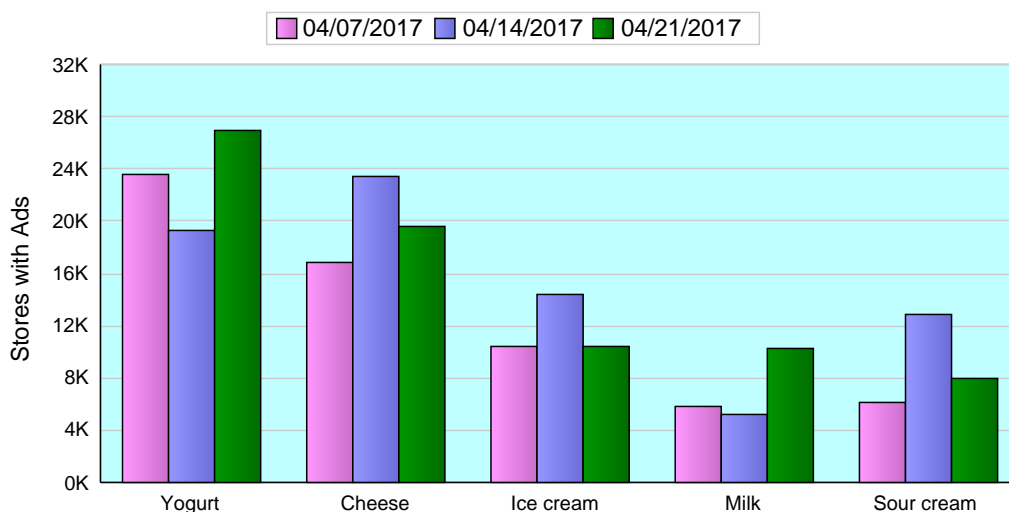
This week, total conventional dairy advertisements decreased 22%, but organic dairy ads were up 50%. Conventional butter ads declined 70%, while organic butter ads saw a 90% increase. The national average price for 1 pound conventional butter is \$2.91, while 1 pound organic butter is \$5.12, representing an organic price premium of \$2.21.

Conventional yogurt ads increased 41% and organic yogurt ads increased 30%. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.98, while 4-6 ounce organic Greek yogurt is \$1.39, an organic price premium of \$0.41. The average sale price for 4-6 ounce conventional yogurt is \$0.60, while 4-6 ounce organic yogurt is \$0.80, an organic price premium of \$0.20.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.16, while organic 8 ounce blocks averaged \$4.04, an organic premium of \$1.88. Ads for conventional 8 ounce shred cheese averaged \$2.19, while organic 8 ounce shred averaged \$4.00, an organic premium of \$1.81. The collective number of conventional cheese ads declined 17%.

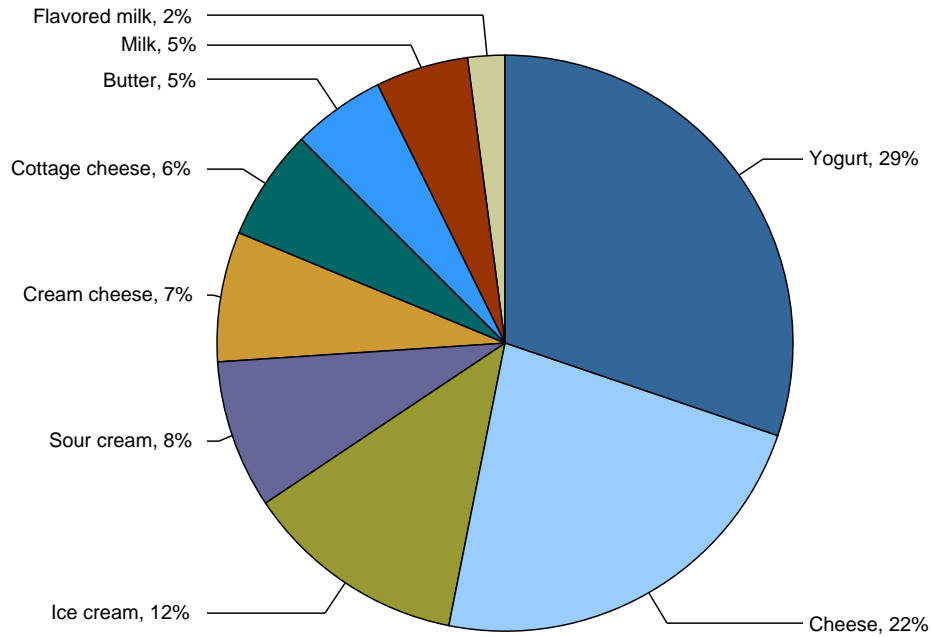
This week, the difference between the weighted average price for organic half gallon milk, \$3.99, and the weighted average price for conventional half gallon milk, \$2.47, resulted in an organic price premium of \$1.52. Organic milk advertisements increased 95% and ads for conventional milk increased 96%.

Top 5 Commodities Featured

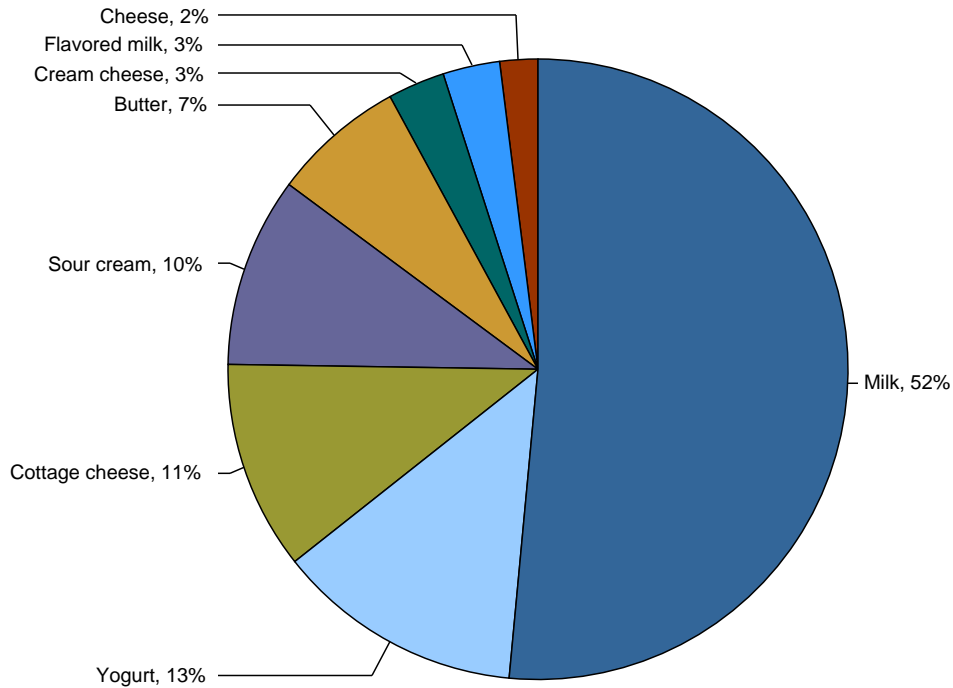




Percentage of Total Conventional Ads by Commodity



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 #	4575	2.91	15001	2.71	3105	3.31
Cheese	Natural Varieties	8 oz block	8847	2.19	7455	2.32	9053	2.32
Cheese	Natural Varieties	1 # block	1180	3.20	2922	3.18	1148	4.14
Cheese	Natural Varieties	2 # block	705	6.22	656	5.99	421	6.16
Cheese	Natural Varieties	8 oz shred	7931	2.19	9973	2.31	12449	2.37
Cheese	Natural Varieties	1 # shred	766	3.34	2401	3.39	678	4.27
Cottage cheese		16 oz	5037	1.78	5665	1.89	5955	1.89
Cream cheese		8 oz	6031	1.86	15210	1.69	4267	1.89
Flavored milk	All fat tests	half gallon	365	2.03	769	2.09	276	2.39
Flavored milk	All fat tests	gallon	1024	2.30	408	2.77	739	2.97
Ice cream		48-64oz	10402	3.02	14379	2.97	12774	3.32
Milk	All fat tests	half gallon	892	2.47	544	2.33	848	1.47
Milk	All fat tests	gallon	3444	2.44	1671	3.78	4016	2.35
Sour cream		16 oz	6896	1.58	11685	1.71	6138	1.55
Yogurt	Greek	4-6 oz	13132	.98	9341	.98	13506	.95
Yogurt	Greek	32 oz	3414	4.44	2318	4.69	551	4.86
Yogurt	Yogurt	4-6 oz	7656	.60	6047	.53	4635	.55
Yogurt	Yogurt	32 oz	1295	2.48	371	2.29	1402	2.70

## REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.00-3.99	1073	3.19	1.99-3.59	1462	3.28	1.99-3.00	1354	2.28
Cheese	Natural Varieties	8 oz block	1.49-3.50	2821	2.29	1.67-3.00	1649	2.32	1.79-3.50	1538	2.07
Cheese	Natural Varieties	1 # block	2.99-3.50	471	3.17	2.99-3.50	234	3.24	2.99-3.99	470	3.18
Cheese	Natural Varieties	8 oz shred	1.49-3.00	2144	2.26	1.67-3.00	2047	2.12	1.50-2.50	770	2.12
Cheese	Natural Varieties	1 # shred				2.99-3.50	234	3.24	2.99-3.99	470	3.18
Cottage cheese		16 oz	1.49-2.99	1642	2.04	1.25-2.50	1145	1.73	1.00-1.98	755	1.27
Cream cheese		8 oz	1.50-2.00	879	1.71	1.49-2.50	3032	1.98	0.85-2.50	1115	1.35
Flavored milk	All fat tests	half gallon	2.99	137	2.99				1.99	107	1.99
Flavored milk	All fat tests	gallon							1.69-3.49	273	2.72
Ice cream		48-64oz	1.99-3.99	3392	2.86	2.39-4.99	2794	3.05	2.39-3.99	2004	3.06
Milk	All fat tests	half gallon							0.69-3.50	424	2.21
Milk	All fat tests	gallon	3.49-3.99	199	3.65				1.58-3.99	440	2.66
Sour cream		16 oz	1.49-2.00	2107	1.82	1.25-2.00	1436	1.52	1.00-1.99	1471	1.47
Yogurt	Greek	4-6 oz	0.75-1.25	3678	1.00	1.00	3863	1.00	0.77-1.29	1920	1.01
Yogurt	Greek	32 oz	3.79-4.99	511	4.12	4.49-5.00	2172	4.74	2.19-4.49	368	3.74
Yogurt	Yogurt	4-6 oz	0.33-1.25	2136	.69	0.40-0.60	1668	.50	0.39-0.66	966	.56
Yogurt	Yogurt	32 oz	2.50-2.79	254	2.57	2.49	64	2.49	1.88-3.00	450	2.34

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 #	2.49-3.88	515	2.81				2.99-3.99	166	3.36
Cheese	Natural Varieties	8 oz block	1.50-4.99	1277	2.10	1.88-2.99	1038	2.07	1.67-2.00	463	1.79
Cheese	Natural Varieties	2 # block	4.99-5.99	219	5.63	5.99-7.99	379	6.88	4.99	105	4.99
Cheese	Natural Varieties	8 oz shred	1.50-2.99	1171	2.16	1.88-3.00	962	2.43	1.67-2.00	752	1.87
Cheese	Natural Varieties	1 # shred				4.99	62	4.99			
Cottage cheese		16 oz	1.25-2.50	438	1.70	1.25-2.49	991	1.85	1.25	66	1.25
Cream cheese		8 oz	2.49-2.58	374	2.50	1.99	345	1.99	1.25-2.50	199	1.94
Flavored milk	All fat tests	half gallon							0.99	121	.99
Flavored milk	All fat tests	gallon	1.99	342	1.99	1.89-1.99	364	1.96			
Ice cream		48-64oz	2.50-3.50	506	3.08	2.88-3.50	1203	3.21	2.49-4.00	416	2.95
Milk	All fat tests	half gallon	3.99	196	3.99	0.99	90	.99	0.99-4.50	182	2.17
Milk	All fat tests	gallon	1.77-2.99	899	2.24	1.89-2.99	1572	2.41	1.79	289	1.79
Sour cream		16 oz	0.99-1.69	1021	1.36	1.25-2.00	744	1.57	1.25	66	1.25
Yogurt	Greek	4-6 oz	0.79-1.39	824	.94	0.69-1.00	1291	.94	0.69-1.00	1460	.90
Yogurt	Greek	32 oz	4.99	74	4.99				3.50	289	3.50
Yogurt	Yogurt	4-6 oz	0.40-1.25	1044	.63	0.50-0.70	1535	.55	0.40-1.39	304	.83
Yogurt	Yogurt	32 oz				2.50	137	2.50	2.49-2.99	350	2.58

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.99	2	3.99	4.69	3	4.69
Cheese	Natural Varieties	8 oz block	1.50-2.50	27	2.37	3.89	34	3.89
Cheese	Natural Varieties	1 # block	5.98-5.99	5	5.98			
Cheese	Natural Varieties	2 # block	7.99	2	7.99			
Cheese	Natural Varieties	8 oz shred	1.50-2.50	27	2.37	2.79-3.89	58	3.43
Cream cheese		8 oz	1.20	2	1.20	1.79-2.00	85	1.94
Flavored milk	All fat tests	gallon	3.79	11	3.79	5.29	34	5.29
Ice cream		48-64oz	4.48-5.49	9	5.15	3.50-7.99	78	5.21
Milk	All fat tests	gallon	3.79	11	3.79	4.79	34	4.79
Sour cream		16 oz				2.00-2.29	51	2.14
Yogurt	Greek	4-6 oz	0.99-1.25	32	1.07	0.79-0.88	64	.88
Yogurt	Yogurt	4-6 oz				0.69	3	.69
Yogurt	Yogurt	32 oz	2.50-3.98	16	2.90	2.50	24	2.50

## NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD	LAST WEEK	LAST YEAR
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Wtd Avg - Simple weighted average



			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	791	5.11	417	5.05	267	4.99
Cheese	Natural Varieties	8 oz block	71	4.04			180	3.29
Cheese	Natural Varieties	1 # block	61	4.99				
Cheese	Natural Varieties	8 oz shred	69	4.00			114	3.49
Cheese	Natural Varieties	1 # shred					244	7.49
Cottage cheese		16 oz	1260	3.93	1083	3.99	1465	3.16
Cream cheese		8 oz	307	2.89	776	2.49		
Flavored milk	All fat tests	half gallon	289	4.59				
Milk	All fat tests	half gallon	5654	3.99	1580	3.72	1342	4.13
Milk	All fat tests	gallon	180	6.49	410	5.37	487	5.44
Milk	All fat tests	8 oz UHT	127	1.00	1064	1.00	559	1.00
Sour cream		16 oz	1083	2.99	1083	2.99	1587	3.07
Yogurt	Greek	4-6 oz	221	1.39	676	1.45	940	1.15
Yogurt	Greek	32 oz	342	3.82			453	6.29
Yogurt	Yogurt	4-6 oz	351	.80			769	1.05
Yogurt	Yogurt	32 oz	588	2.99	482	2.99	1500	2.76

## REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99-5.49	344	5.19	4.97	214	4.97	5.49	53	5.49
Cottage cheese		16 oz	3.99	72	3.99	3.99	1083	3.99			
Cream cheese		8 oz							2.49	225	2.49
Milk	All fat tests	half gallon	3.99-4.99	1019	4.41	2.99-4.29	1490	4.13	2.99-4.29	671	3.66
Milk	All fat tests	gallon							6.49	180	6.49
Milk	All fat tests	8 oz UHT							1.00	127	1.00
Sour cream		16 oz				2.99	1083	2.99			
Yogurt	Greek	4-6 oz	1.39	221	1.39						
Yogurt	Greek	32 oz	3.99	221	3.99						
Yogurt	Yogurt	4-6 oz	1.67	60	1.67						
Yogurt	Yogurt	32 oz							2.99	588	2.99



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				4.99	178	4.99			
Cheese	Natural Varieties	8 oz block							4.00	69	4.00
Cheese	Natural Varieties	1 # block							4.99	61	4.99
Cheese	Natural Varieties	8 oz shred							4.00	69	4.00
Cottage cheese		16 oz							3.29	105	3.29
Cream cheese		8 oz	3.99	82	3.99						
Flavored milk	All fat tests	half gallon							4.59	289	4.59
Milk	All fat tests	half gallon	2.99	219	2.99	2.99-3.99	1163	3.81	2.99-4.69	1054	4.03
Yogurt	Greek	32 oz	3.50	121	3.50						
Yogurt	Yogurt	4-6 oz							0.62	289	.62

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	6.29	2	6.29			
Cheese	Natural Varieties	8 oz block	5.49	2	5.49			
Milk	All fat tests	half gallon	2.99-5.98	35	3.55	5.97	3	5.97
Yogurt	Yogurt	4-6 oz	1.33	2	1.33			

#### REGIONAL DEFINITIONS

As used in this report, regions include the following states:

NORTHEAST U.S.	Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New jersey, New York, Pennsylvania, Rhode Island and Vermont
SOUTHEAST U.S.	Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia
MIDWEST U.S.	Iowa, Illinois, Indiana, Kentucky, Michigan, Minnesota, North Dakota, Nebraska, Ohio, South Dakota and Wisconsin
SOUTH CENTRAL U.S.	Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas
SOUTHWEST U.S.	Arizona, California, Nevada and Utah
NORTHWEST U.S.	Idaho, Montana, Oregon, Washington, and Wyoming
ALASKA	Alaska
HAWAII	Hawaii
NATIONAL	Continental United States





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