

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (5/26)**

BUTTER: Grade AA closed at \$2.3600. The weekly average for Grade AA is \$2.3690 (-.0050).

CHEESE: Barrels closed at \$1.4800 and 40# blocks at \$1.7325. The weekly average for barrels is \$1.4830 (-.0190) and blocks, \$1.6825 (+.0230).

NONFAT DRY MILK: Grade A closed at \$0.9275. The weekly average for Grade A is \$0.9280 (+.0335).

BUTTER HIGHLIGHTS: Butter prices are stable in the U.S. Some market participants report bulk butter prices are 2 to 7 cents over the market. Cream multiples are mixed this week. Some buyers report seeing signs of strength, although Memorial Day weekend has some butter makers expecting flat market multiples by week's end. Cream is readily available for churns throughout the country. In the Northeast, some manufacturers are clearing heavy cream volumes to advance butter churns. Yet, some manufacturers have stopped churns to sell their cream supply. In the Central, butter churns are continuing at active levels. In the West, butter production is active, however, a few processors would like to slow production to better manage stocks. Butter inventories are manageable to growing. Retail orders are moderate to strong, and the demand is mixed. Some market participants suggest demand may have been stimulated by the possibility of increasing market prices. On the other hand, butter demand has eased slightly because of the U.S. market prices rising. Some buyers are willing to take a wait and see approach, hoping prices will settle at lower levels. The market tone is mostly steady. Friday's CME Group cash trading saw Grade AA butter close at \$2.3600, down \$0.0150 from last Friday.

CHEESE HIGHLIGHTS: Milk is still flowing into cheese vats across the nation. Western milk intakes are regionally variant, but most Midwestern and Northeastern cheese plants are taking in readily available milk. Generally, milk prices remained similar to previous weeks. Midwest cheese contacts reported prices at \$3.00 to \$5.00 under Class. Cheese production continues to fall in line with milk supplies in all regions. Retail demand is improving, and with the inaugural grilling weekend ahead, process cheese producers report increased demand. Northeast and West contacts report that with more competitive global cheese prices, export interests are on the rise. Cheese market tones are fair. However, the relatively large CME block to barrel price disparity has some contacts questioning the near term

stability of the cheese market. CME Group trading Friday, barrels closed at \$1.4800, up \$0.0100 from last Friday. Blocks closed at \$1.7325, up \$0.0625 from last Friday.

FLUID MILK: Across the U.S.A. milk output varies from one region to another. In the Central, the Northeast, the Mid-Atlantic, the Pacific Northwest, and the mountain states of Idaho, Utah, and Colorado, milk production is edging higher, whereas in Florida, Arizona and New Mexico it is lower. Producers' butterfat and total volume of milk receipts reached a new record for the month of April in the Northeast and Mid-Atlantic. Class I interest is steady or lower in all regions due to most schools and colleges closing or getting ready to close for summer vacation and Memorial Day. In the Midwest, Class III intakes improved as the result of an increase in the cheddar block price. Class IV intakes into balancing plants moved up in the Mid-Atlantic and Northeast. Midwestern milk going into Class III is selling at \$3.00 to \$5.00 under class. Cream is readily available in most regions, but it is getting a little tighter in the West. Sales increased in the East and the West. Cream multiples are **1.10-1.28** in the East, **1.16-1.26** in the Midwest, and **1.04-1.22** in the West.

DRY PRODUCTS: Prices for low/medium nonfat dry milk (NDM) f.o.b. spot prices moved higher on both the range and the mostly series. As milk supplies are readily available, low/medium NDM production is active. Inventories are comfortable to heavy. The interest is mixed as some end users are showing increased interest, however, there are others who are taking a wait and see approach to the current upswing. The market tone is mixed. Dry buttermilk prices were steady on the range, but in the West, increased slightly on the top of the mostly series. Spot market trading activity was light this week. Production is steady to limited, but sufficient to meet contracting needs. Supplies are mixed, overall, with drying ongoing to fulfill contractual demands. The market undertone is stable with some signs of firmness based on the increased low/medium heat NDM price. Dry whole milk prices remained unchanged and below the international WMP values. With low competitive prices, domestic processors/brokers could potentially sell dry whole milk outside of the country. Production rates are stable, but are expected to decline in the short run. Inventories are mostly in balance. The demand is fair. Dry whey prices are mixed in the United States. Production is ongoing, although, in the West, a few processors are shifting their production to WPC and WPI.

-CONTINUED ON PAGE 1A-

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

INTERNATIONAL DAIRY MARKET NEWS (PAGES 8-8C)

DAIRY FUTURES (PAGE 9)
APRIL MILK PRODUCTION (PAGE 10)
APRIL COLD STORAGE (PAGE 11)

APRIL CONSUMER PRICE INDEX (PAGE 12)

DAIRY GRAPHS (G1-G2)
NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY MAY 22	TUESDAY MAY 23	WEDNESDAY MAY 24	THURSDAY MAY 25	FRIDAY MAY 26	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4800 (+.0100)	\$1.4725 (-.0075)	\$1.4625 (-.0100)	\$1.5200 (+.0575)	\$1.4800 (-.0400)	:: (+.0100)	:: \$1.4830 (-.0190)
40# BLOCKS	\$1.6500 (-.0200)	\$1.6450 (-.0050)	\$1.6650 (+.0200)	\$1.7200 (+.0550)	\$1.7325 (+.0125)	:: (+.0625)	:: \$1.6825 (+.0230)
NONFAT DRY MILK GRADE A	\$.9250 (+.0100)	\$.9300 (+.0050)	\$.9275 (-.0025)	\$.9300 (+.0025)	\$.9275 (-.0025)	:: (+.0125)	:: \$.9280 (+.0335)
BUTTER GRADE AA	\$2.3625 (-.0125)	\$2.3625 (N.C.)	\$2.3800 (+.0175)	\$2.3800 (N.C.)	\$2.3600 (-.0200)	:: (-.0150)	:: \$2.3690 (-.0050)

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

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

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

Inventories are short to building. The demand is mixed as some producers report selling higher volumes of dry whey. Others state that their sales are slower. The market tone is steady, with signs of weakness. Animal feed whey prices held steady. Whey protein concentrate 34% prices are up slightly at the bottom of the range and top of the mostly price series. Production is steady, but some manufacturers are suggesting they may shift their WPC production to higher protein concentrations. Inventories remain tight. The demand for WPC34% that meets infant formula requirements is strong. For WPC34% that is interchangeable with other protein sources, however, demand is still weak. The market tone is split between those that can formulate away from WPC34% to other proteins, and those that cannot. Lactose prices moved higher on the bottom of the price series, with the rest of prices unchanged. Production is steady and inventories are committed to comfortable, but a few manufacturers have a little excess available. The demand is in good balance with production and international buyers are beginning to stock up for end of year lactose needs. Rennet casein prices shifted upward this week. Acid casein prices shifted lower on the bottom half of the range. Casein continues to move through regular contracts. The market tone for casein is relatively steady.

INTERNATIONAL DAIRY MARKET NEWS: WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: European dairy contacts report generally lower milk intakes than last year, but are seeing some increase in the recent weeks as the weather improves and aids cow comfort. Some industry observers anticipate milk production will continue to grow through the balance of the season as milk prices have improved.

Eurostat reported EU-28 January to March milk deliveries are 2.3 percent lower than the same period last year. Various member states showed the following January to March decreases compared to last year: Germany, 4.4 percent; France, 4.2 percent; UK, 3.2 percent; Belgium, 1.4 percent; and Italy, 1.3 percent. Ireland milk collections increased 1.1 percent.

Manufacturers report good demand for dairy products and stronger prices. Cheese buyers are actively seeking to assure coverage well into the year. Cheese stocks are tight, as are many of the other dairy products. Internal European demand, along with a slight increase in exports, has kept most surplus inventories in check.

EASTERN OVERVIEW: Eastern Europe milk production continues to build with production increases in Poland, Romania and Bulgaria.

European milk deliveries for January-March reported by Eurostat, showed the following year over year changes for selected countries: Poland, +3.5 percent; Romania, +2.3 percent, Bulgaria, +3.5 percent; Lithuania, -2.8 percent; Latvia, -1.1 percent; Estonia, -2.6 percent; and the Czech Republic, -3.2 percent.

OCEANIA OVERVIEW: AUSTRALIA: According to Dairy Australia, April 2017 milk production was down 6.3 percent from April 2016. The state changes from one year earlier are: New South Wales, -1.6 percent; Victoria, -7.1 percent; Queensland, unchanged; South Australia, -10.0 percent, Western Australia, -1.0 percent; Tasmania, -10.6 percent. Australia's milk production season to date is down 8.0 percent compared to last season. The cumulative July 2016-April 2017 changes are: New South Wales, -5.4 percent; Victoria, -9.6 percent; Queensland, +1.4 percent; South Australia, -8.5 percent; Western Australia, -1.5 percent; and Tasmania, -6.8 percent.

Hay transactions continue in Australia, but in a rather limited fashion as the impact of rainfall across the entire eastern seaboard suppresses market activity. There were limited changes to the hay

price this week. Farmers are assessing their needs, for the remainder of the year. A few growers are looking to offload volumes at a reduced price, as they hope to break even and to clear sheds. With enough feed in sheds and grass in paddocks, others intend to wait for a firmer market. However, poor quality silage has been a challenge and a number of farmers are looking for alternatives.

NEW ZEALAND: Apart from the endless precipitation over recent months, season-to-date milk production is higher than year ago volumes. With the steady rainfall, trailed by a couple of hurricanes in April, some expected moisture levels would likely suppress field conditions, and subsequently pasture use. However, farms worked through the events to realize gains in farm milk production.

At the May 16 GDT event #188, all contracts prices ranged from 3.7 percent lower to 11.2 percent higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous averages are: anhydrous milk fat, \$6,631, +8.2 percent; butter, \$5,479, +11.2 percent; buttermilk powder, \$1,980, +7.0 percent; cheddar cheese, \$3,726, +0.6 percent; lactose, \$967, +2.0 percent; rennet casein, \$6,259, -3.7 percent; skim milk powder, \$1,998, +1.0 percent; and whole milk powder, \$3,312, +1.3 percent.

SOUTH AMERICA OVERVIEW: Farm milk production is steadily increasing in Argentina, as temperatures are conducive to boost cows' comfort. The weather conditions in the provinces of Santa Fe and Córdoba are improving. Meanwhile, some dairy operations (tambos) in Buenos Aires are still recovering from recent floods, which hampered corn/soybean harvesting, but provided abundant moisture for the upcoming winter grain crop. Although milk output is higher, farm milk/cream intakes remain less than sufficient to meet all manufacturing needs. Therefore, some processors are prioritizing bottled milk and cheese production. The cream market undertone remains strong as demand is above supply. Farm gate prices remain high, which in turn is increasing the costs of processing. As a result, customers are paying higher prices at retail outlets. In this way, bottled milk consumption is decreasing. Therefore, in order to improve milk consumption, some consumer protection organizations presented this week in the Chamber of Deputies a bill that aims to set a maximum price for fluid milk.

According to the Ministry of Agriculture, in April 2017, **Argentina** milk production was 5 percent higher than the same month of last year, which was the time when the heavy rains and floods started hitting the main dairy zone. During April 2017, prices paid to producers increased by 58 percent from April 2016.

Milk production is slowly inching up in **Uruguay**, following seasonal patterns. Although milk/cream intakes are increasing, supplies are less than adequate to meet all requests from manufacturers. Most cream supplies are highly committed through contracts. As in Argentina, in Uruguay, the consumption of fluid milk continues falling due to the high inflation. Butter processing is limited, determined by the availability of cream.

Scattered rain showers returned to key dairy states in **Brazil**, hampering milk yields in some dairy farms. The moisture was beneficial for second-crop corn. Overall, milk supply remains less than sufficient to cover all processing needs with the exception of cheese and bottled milk. Cheese production is active as many processors are capitalizing on low spot milk prices. Sales of cheese to various market channels are increasing. This is helping to reduce high cheese stock levels in some plants. UHT milk sales are light, while inventories are building. Meanwhile, the whey market continues strengthening.

-CONTINUED ON PAGE 1B-

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

APRIL MILK PRODUCTION (NASS): Milk production in the 23 major States during April totaled 17.2 billion pounds, up 2.0 percent from April 2016. March revised production, at 17.6 billion pounds, was up 1.9 percent from March 2016. The March revision represented an increase of 30 million pounds or 0.2 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,967 pounds for April, 20 pounds above April 2016. This is the highest production per cow for the month of April since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.72 million head, 81,000 head more than April 2016, and 8,000 head more than March 2017.

APRIL COLD STORAGE (NASS): On April 30, 2017, U.S. cold storage holdings of butter totaled 292.3 million pounds, up 7 percent from last month, but down 1 percent from last year. Natural American cheese holdings total 835.1 million pounds, up 4 percent from the previous month and 14 percent more than April 2016. Total natural cheese stocks were 1.3 billion pounds, up 3 percent from the previous month and up 10 percent from April 2016.

APRIL CONSUMER PRICE INDEX (BLS): The April CPI for all food is 249.7, up 0.5 percent from 2016. The dairy products index is 217.8, down 0.2 percent from a year ago. The following are the April to April changes for selected products: fresh whole milk is 0.1 percent; cheese, -0.8 percent; and butter, -0.3 percent.

NATIONAL RETAIL REPORT-DAIRY (DMN): This week, total conventional dairy advertisements increased 43 percent, but organic dairy ads decreased 12 percent. For conventional ice cream, the national weighted average advertised price for 48-64 ounce containers, \$2.91, is up 1 cent from last week. Ads for conventional 1 pound butter and flavored milk, in both half gallon and gallon sizes, increased noticeably from last week's numbers. Conventional yogurt ads increased 12 percent, and organic yogurt ads increased 19 percent. The average sale price for 32 ounce conventional yogurt is \$2.57. The average sale price for 32 ounce organic yogurt is \$2.77, resulting in an organic price premium of \$0.20. The average sale price for 32 ounce conventional Greek yogurt is \$4.55. There were no ads for 32 ounce organic Greek yogurt. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.08, down 18 cents from last week, with ads increasing 6 percent. There were no ads for organic 8 ounce cheese blocks. The advertised price for conventional 8 ounce shred cheese averaged \$2.19, up 1 cent from last week, as ads increased 17 percent. There were no ads for organic 8 ounce cheese shreds. This week, the difference between the weighted average price for organic half gallon milk, \$3.74, and the weighted average price for conventional half-gallon milk, \$2.39, resulted in an organic price premium of \$1.35. Organic milk advertisements decreased 26 percent, but ads for conventional milk increased 25 percent.

MONDAY, MAY 22, 2017

CHEESE -- SALES: 10 CARS BARRELS: 4 @ \$1.4650, 3 @ \$1.4700, 3 @ \$1.4800; 8 CARS 40# BLOCKS: 5 @ \$1.6600, 1 @ \$1.6575, 1 @ \$1.6550, 1 @ \$1.6500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.4800; 1 CAR 40# BLOCKS @ \$1.6500

NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.9275, 1 @ \$0.9250; LAST BID UNFILLED: 5 CARS GRADE A: 1 @ \$0.9250, 1 @ \$0.8950, 3 @ \$0.8800; LAST OFFER UNCOVERED: 2 CARS GRADE A: 1 @ \$0.9350, 1 @ \$0.9300

BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$2.3700, 1 @ \$2.3625; LAST BID UNFILLED: 4 CARS GRADE AA: 1 @ \$2.3350, 2 @ \$2.3500, 1 @ \$2.3475; LAST OFFER UNCOVERED: 3 CARS GRADE AA: 1 @ \$2.4000, 1 @ \$2.3700, 1 @ \$2.3625

TUESDAY, MAY 23, 2017

CHEESE -- SALES: 11 CARS BARRELS: 3 @ \$1.4750, 2 @ \$1.4725, 1 @ \$1.4700, 1 @ \$1.4750, 1 @ \$1.4700, 2 @ \$1.4750, 1 @ \$1.4725; 5 CARS 40# BLOCKS: 1 @ \$1.6425, 2 @ \$1.6500, 2 @ \$1.6450; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4750; 1 CAR 40# BLOCKS @ \$1.6500

NONFAT DRY MILK -- SALES: 6 CARS GRADE A: 1 @ \$0.9250, 1 @ \$0.9225, 4 @ \$0.9300; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9300; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9350

BUTTER -- SALES: NONE; LAST BID UNFILLED: 4 CARS GRADE AA: 1 @ \$2.3450, 2 @ \$2.3550, 1 @ \$2.3625; LAST OFFER UNCOVERED: 4 CARS GRADE AA: 1 @ \$2.3800, 1 @ \$2.3900, 1 @ \$2.4250, 1 @ \$2.3675

WEDNESDAY, MAY 24, 2017

CHEESE -- SALES: 5 CARS 40# BLOCKS: 1 @ \$1.6450, 1 @ \$1.6500, 1 @ \$1.6550, 1 @ \$1.6600, 1 @ \$1.6650; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4625; 1 CAR 40# BLOCKS @ \$1.6700

NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.9250; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9275; LAST OFFER UNCOVERED: 6 CARS GRADE A: 1 @ \$0.9300, 1 @ \$0.9400, 1 @ \$0.9300, 1 @ \$0.9350, 1 @ \$0.9325, 1 @ \$0.9300

BUTTER -- SALES: 5 CARS GRADE AA: 3 @ \$2.3775, 1 @ \$2.3825, 1 @ \$2.3800; LAST BID UNFILLED: 4 CARS GRADE AA: 1 @ \$2.3775, 1 @ \$2.3625, 1 @ \$2.3700, 1 @ \$2.3800; LAST OFFER UNCOVERED: 2 CARS GRADE AA: 1 @ \$2.3850, 1 @ \$2.3900

THURSDAY, MAY 25, 2017

CHEESE -- SALES: 21 CARS BARRELS: 5 @ \$1.4700, 3 @ \$1.4800, 3 @ \$1.4900, 4 @ \$1.5000, 2 @ \$1.5100, 2 @ \$1.5200, 1 @ \$1.5300, 1 @ \$1.5200; 2 CARS 40# BLOCKS: 1 @ \$1.7100, 1 @ \$1.7200; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.5000; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5300

NONFAT DRY MILK -- SALES: 17 CARS GRADE A: 3 @ \$0.9300, 1 @ \$0.9325, 4 @ \$0.9350, 1 @ \$0.9300, 4 @ \$0.9375, 1 @ \$0.9350, 1 @ \$0.9400, 1 @ \$0.9375, 1 @ \$0.9300; LAST BID UNFILLED: 2 CARS GRADE A: 1 @ \$0.9275, 1 @ \$0.8900; LAST OFFER UNCOVERED: 11 CARS GRADE A: 1 @ \$0.9400, 10 @ \$0.9375

BUTTER -- SALES: NONE; LAST BID UNFILLED: 4 CARS GRADE AA: 2 @ \$2.3700, 2 @ \$2.3750; LAST OFFER UNCOVERED: 2 CARS GRADE AA: 1 @ \$2.4025, 1 @ \$2.4400

FRIDAY, MAY 26, 2017

CHEESE -- SALES: 8 CARS BARRELS: 2 @ \$1.5200, 3 @ \$1.5125, 2 @ \$1.4850, 1 @ \$1.4825; 2 CARS 40# BLOCKS: 1 @ \$1.7200, 1 @ \$1.7325; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4800; 1 CAR 40# BLOCKS @ \$1.7325

NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 4 CARS GRADE A: 1 @ \$0.9150, 2 @ \$0.9100, 1 @ \$0.9250; LAST OFFER UNCOVERED: 12 CARS GRADE A: 2 @ \$0.9500, 1 @ \$0.9450, 2 @ \$0.9375, 5 @ \$0.9500, 1 @ \$0.9450, 1 @ \$0.9275

BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$2.3725, 1 @ \$2.3750, 1 @ \$2.3700, 1 @ \$2.3600; LAST BID UNFILLED: 7 CARS GRADE AA: 5 @ \$2.3000, 1 @ \$2.3600, 1 @ \$2.3500; LAST OFFER UNCOVERED: 4 CARS GRADE AA: 1 @ \$2.4500, 1 @ \$2.3725, 1 @ \$2.4400, 1 @ \$2.3725

BUTTER MARKETS**NORTHEAST**

Butter production is strong to decreased in balancing operations in the East. Some manufacturers are clearing heavy cream supplies to advance butter churns. Yet, some manufacturers have stopped churning to sell their cream supply. Cream buyers report mixed multiples, as there have been signs of strength. Although, with the upcoming holiday weekend, some manufacturing plants are shutting down production and extra cream is expected to be in the market. Inventories are manageable to building. In all, supplies are sufficient for contract needs and additional demand. Butter prices are steady, as some market participants see a rise in the demand for butter. Retail orders are strong to moderate this week for the upcoming holiday weekend. The market tone is steady. Tuesday, the CME Group cash trading saw Grade AA butter prices close at \$2.3625, down \$0.0675 from last Tuesday's closing price. This week, a cooperative export assistance program accepted requests for export assistance to sell 220,462 pounds (100 metric tons) of butter. According to the *DMN National Retail Report-Dairy*, for May 19-25, 2017, the Northeast weighted average retail price for 1-pound butter was \$3.35, 14 cents higher than the national average price, but 58 cents lower than last week's Northeast average butter price. Retail markets in the region reported butter prices ranging \$2.50-\$4.49. COLD STORAGE: According to NASS, U.S. butter in storage on April 30, 2017 totaled 292.3 million pounds, 1% below a year ago, but 7% more than last month. Public warehouse stocks totaled 270.4 million pounds.

CENTRAL

Cream remains available for butter makers in the Central U.S. Even with frozen yogurt/ice cream manufacturers starting to increase intakes, supplies of cream at recent multiples persist. Memorial Day weekend has some butter makers expecting flat market multiples by week's end. Butter churns are continuing at active levels. Retail butter orders are stronger than expected this week. Retail demand reports, in previous weeks, have varied from plant to plant. This week's reports on demand are generally bullish. Butter makers suggest demand may have been stimulated by the possibility of increasing market prices. Contacts suggest the market tone is healthy, as cash prices seem to be at a balanced point. Reported bulk butter prices are 2 to 7 cents over the market. *DMN National Retail Report-Dairy* for May 19-25 noted the national weighted average advertised price for a 1 pound package of butter is \$3.21, \$0.14 below one week ago and \$0.08 lower than one year ago. The weighted average regional prices in the Midwest and South Central were \$4.09 and \$2.99, respectively. The *NASS Cold Storage* report noted U.S. butter stocks as of April 30, 2017 were 292.3 million pounds, down 1% from last year, but up 7% from last month. Bulk stocks in all warehouses were 295.8 million pounds last year at this time. This week, a cooperative export assistance program accepted requests for 220,462 pounds (100 metric tons) of butter. So far this year, the program has accepted assistance requests for 2.31 million pounds of butter. Wednesday at the CME Group, Grade AA butter closed at \$2.3800, up \$0.0350 from last Wednesday.

CONTINUED ON PAGE 2A**NATIONAL DAIRY PRODUCTS SALES REPORT****U.S. AVERAGES AND TOTAL POUNDS**

<u>WEEK ENDING</u>	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
May 20, 2017	2.1881 4,526,820	1.5743 12,308,331	1.4876 13,085,102	.5169 6,775,685	.8707 17,323,856

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

CONTINUED FROM PAGE 2

WEST

Western butter demand has eased slightly as U.S. market prices continue to rise. Some buyers are taking a wait and see approach to purchases, hoping prices will settle at lower levels. Butter production is active due to plenty of cream available for the churns. However, a few processors would like to slow production to better manage stocks. Inventories are heavy and growing, but at a slower rate. The DMN *National Retail Report–Dairy* for the week of May 19-25 found that the U.S. weighted average advertised price of 1 pound butter is \$3.21, down \$.14 from last week. The U.S. weighted average price was \$3.29 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$2.74 with a price range of \$2.49-\$2.99. In the Northwest, the weighted average advertised price of 1 pound butter is \$1.99. This week, a cooperative export assistance program accepted requests for 220,462 pounds (100 metric tons) of butter. So far this year, the program has assisted member cooperatives who have contracts to sell 2.3 million pounds of butter (82% milkfat) in export markets. The NASS *Cold Storage* report noted U.S. butter stocks as of April 30, 2017, were 292.3 million pounds, up 7% from last month, but down 1% from last year. Butter stocks in all warehouses were 295.8 million pounds last year at this time. The Grade AA butter price at the CME Group on Wednesday closed at \$2.3800, up \$.0350 from a week ago.

CHEESE MARKETS

NORTHEAST

Northeast wholesale selling prices for cheddar and Muenster increased \$0.0475, and the process 5# cheese price shifted higher, \$0.0100. The Grade A Swiss cheese price is unchanged. Cheese production is steady as milk output continues to clear into vats. With the heavy output, inventories are building. Food service sales are steady to slow, as educational institutions are closing/slowing down for the school year. Retail interest is improving, as outdoor grilling becomes more of interest as warmer weather hits. With U.S. cheddar cheese prices at a competitive edge in the global markets, sales have been strong. This week, a cooperative export assistance program accepted 14 requests for export assistance to sell 2.57 million pounds (1,165 metric tons) of cheese. Tuesday's CME Group daily cash prices saw barrels close at \$1.4725, down \$0.0675 from a week ago, and blocks closed at \$1.6450, down \$0.0250 from a week ago. The DMN *National Retail Report-Dairy*, for May 19-25, 2017, noted the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.19, 12 cents below last week's price and 7 cents below the national average price. Northeast retail prices range \$1.99-\$2.99. The Southeast 8 oz. average block price was \$2.50, up 24 cents from the national average price and up 24 cents from the previous week, with surveyed retail prices ranging \$1.69-\$3.00 in the region. The Northeast average advertised price for 8 oz. cheese shreds was \$2.24, 6 cents above the national average price, with prices ranging \$1.77-\$3.29. In the Southeast, the average price for 8 oz. shreds was \$2.25, a 4 cent drop from the previous week, with prices ranging \$1.29-\$2.50. **COLD STORAGE:** According to NASS, U.S. stocks of total natural cheese as of April 2017 totaled 1.3 billion pounds, 3 percent more than the previous month, and up 10 percent from a year ago. Swiss cheese totaled 27.2 million pounds, 10 percent more than a year ago, and up 4 percent from last month. In New England, stocks of American cheese totaled 67.6 million pounds 5 percent more than April 2016 and no change in percentage from the previous month.

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

Cheddar 40# Block	:	2.1200-2.4050
Process 5# Sliced	:	1.6400-2.1200
Muenster	:	2.1050-2.4550
Grade A Swiss Cuts 10 - 14#	:	3.3225-3.6450

MIDWEST

Cheese production is active in the Midwest. Milk is available, and milk suppliers report that orders from cheese producers have ramped up this week. Most spot milk price reports are similar to previous weeks, ranging from \$3.00 to \$5.00 under Class. However, there were a few spot milk loads taken in at Class, due to urgent and/or timely needs. Cheese demand reports are up across the region. Process cheese manufacturers report seeing an uptick in retail demand, as grilling season has begun. Pizza and traditional cheese manufacturers also report that sales are better than expected. Even with increased demand, there are some concerns regarding long barrel inventories. Block inventory reports range from balanced to long. The market undertone has improved. Even so, cheese contacts suggest the large CME price gap in favor of blocks is not beneficial for a healthy cheese market. In CME Group trading Wednesday, barrels closed at \$1.4625, down \$.0375 from last Wednesday and blocks closed at \$1.6650, down \$.0050 from last Wednesday. The DMN *National Retail Report-Dairy* shows that May 19-25 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$1.97, 21 cents below the national average. Mid-

west prices range from \$1.67-\$2.50. One year ago, the national price was \$2.23. For 8 ounce blocks, the Midwest average price is \$1.98, 28 cents below the national average price. Midwest ads are priced from \$1.77-\$2.50. Last year, the national price was \$2.32. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of April 2017 were 1.334 billion pounds, 3% above March 2017 and up 10% from April 2016. American stocks were 14% more, other natural stocks were 5% more, and Swiss stocks were 10% higher than last year. In the East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio), American cheese stocks at the end of April 2017, were 19% higher than last year and 6% more than last month. Other cheese stocks in the East North Central region were 7% higher than April 2016 and 1% more than last month. In the West North Central region (Minnesota, Iowa, Missouri, Kansas, Nebraska, South Dakota and North Dakota), American cheese stocks at the end of April 2017, were 21% higher than last year and 4% higher than last month. Other cheese stocks in the West North Central region were 3% higher than April 2016 and 3% above March 2017. This week, a cooperative export assistance program accepted requests for 2.57 million pounds (1,165 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 34.17 million pounds of cheese in export markets. Midwestern wholesale prices are unchanged for Swiss cuts, up \$.0100 for process and up \$.0475 for all other types.

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

Process American 5# Loaf	:	1.5975-1.9575
Brick And/Or Muenster 5#	:	2.0250-2.4500
Cheddar 40# Block	:	1.7525-2.1475
Monterey Jack 10#	:	2.0000-2.2050
Blue 5#	:	2.2925-3.2800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8250-2.7650
Grade A Swiss Cuts 6 - 9#	:	2.8400-2.9575

WEST

Cheese production in the Western region is active as some areas are still experiencing increasing milk production. Some industry contacts suggest that sales into the international market are slightly picking up and the U.S. cheese price is competitive. This week, some processors have increased their export opportunity to Mexico, Asia, and Australia. Domestic demand varies depending on the type of cheese. At the moment, contacts report that the age of the cheese determines the level of demand for both blocks and barrels. Overall, inventories for all types of cheese are long and readily available in the spot market. The DMN *National Retail Report-Dairy* for the week of May 19-25 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.18, down \$.13 from last week. Packs average \$2.39 in the Southwest and \$1.93 in the Northwest. One year ago, the national price was \$2.23. For 8 ounce blocks, the U.S. price is \$2.26, up \$.01 from last week. Blocks average \$2.99 in the Southwest and \$1.67 in the Northwest. One year ago, the national price was \$2.32. In the West, wholesale prices were 0.01 for process, and up \$.0475 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 2.57 million pounds (1,165 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 34.17 million pounds of cheese in export markets. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of April 2017 were 1.334 billion pounds, up 3% from March 2017 holdings,

CONTINUED ON PAGE 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

and up 10% from April 2016. American stocks were 14% more, other natural stocks were 5% more, and Swiss stocks were up 10% compared to last year. In the Mountain Region, American cheese stocks were 12% higher than one year earlier, and up 1% from one month earlier. Pacific Region American cheese stocks were 7% more than one year earlier, and 3% more than the previous month. Also in the Pacific Region, other natural cheese stocks were 5% above a year ago, and unchanged from a month ago. In CME Group trading Wednesday, barrels closed at \$1.4625, down \$.0375 from a week ago and blocks closed at \$1.6650, down \$.005.

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

Process 5# Loaf	:	1.5850-1.8425
Cheddar 40# Block	:	1.7850-2.2300
Cheddar 10# Cuts	:	1.9650-2.1850
Monterey Jack 10#	:	1.9750-2.1350
Grade A Swiss Cuts 6 - 9#	:	2.9000-3.3300

FOREIGN TYPE CHEESE

For the coming holiday, Southern Europe orders for European Union (EU) cheese increased extensively. There is also good interest from other countries. According to the EU commission, the EU exported 76,880 tons of cheese to other countries in March 2017. This was the highest monthly volume exported in recent years. In addition, many types of cheese are seeing increased sales. With the rate of production being below current demand, inventories are lower, and continue to decline. In some areas, deliveries can only be made with a delay. Buyers are placing additional requests for which no supplies are available. New potential customers are also directly contacting suppliers to inquire about cheese. Prices are still high. They are expected to remain high throughout the month of June, as sellers are demanding higher prices and buyers are ready to pay those prices. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices are up \$0.0475. All other varieties are unchanged.

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

	:	NEW YORK	
VARIETY	:	IMPORTED	: DOMESTIC
	:		:
Blue	:	2.6400-5.2300	: 2.1700-3.6575*
Gorgonzola	:	3.6900-5.7400	: 2.6775-3.3950*
Parmesan (Italy)	:	-0-	: 3.5600-5.6500*
Romano (Cows Milk)	:	-0-	: 3.3600-5.5100*
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-	: 3.3600-3.6825
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>
		:	
05/22/17	32,343	:	96,740
05/01/17	29,492	:	100,143
CHANGE	2,851	:	-3,403
% CHANGE	10	:	-3

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	170	0	170	0	190
SOUTHEAST STATES	0	0	0	0	0	0

Milk production in the Northeast and Mid-Atlantic is brimming at near seasonal peak levels. Noticeably, the total volume of producers' milk receipts posted a new record for the month of April, along with producers' butterfat. As well, Class IV volumes were the highest ever. Manufacturing for both areas report heavier supply intakes, especially into area balancing plants. Class I interest is steady to declining as bottlers push back some, prompted by the upcoming holiday and school closings. Spot milk loads are moving \$2.00 to \$4.00 under Class. According to FMMO #1, Class 1 April usage accounted for 29.4% of total milk receipts, a decrease of 2.7% from the previous month. Farm milk output in the Southeast is steady. However, declines are reported in some areas. Milk handlers are preparing for distribution concerns as a few plants plan shutdowns for the Memorial Holiday period. According to FMMO Order #5, Class I utilization in the area was 59.57% in April, 5.66% lower than last month, and 4.72% below April the previous year. Florida's milk production has taken a slight downturn. Unseasonable high temperatures are expected to accelerate this trend. Milk sales are still sluggish, and sales will continue to drop as schools are starting to let out this week. Milk exports are at 170 loads. FMMO Order #5 reported that Class I utilization was 80.58% in April, down 2.84% compared to last month, and 3.89% below April the previous year. **Cream** supplies in the East are readily available and expected to increase over the Memorial Holiday period, as plant closings add to market. Some manufacturers sidestepped butter making to sell in-house volumes, as orders surged in some areas of the region. **Cream multiples** range **1.10–1.28**, with movement throughout the range. However, cream multiples will likely move lower over the course of the week. Bottled cream production is steady, but as strawberry season progresses, sales will likely improve. The **condensed skim** market is mostly steady, but prices have advanced. Class II wet solid sales are fair to good. Demand for Class III condensed skim is decent as shipments to Midwestern cheese makers continues. With the announcement of May's Advanced Prices, the Class II Nonfat Solids price increased \$0.0323, compared to the previous month. According to the *DMN National Retail Report-Dairy*, for May 19-25, 2017, the U.S. weighted average advertised price for a gallon of milk is \$2.46, down 12 cents compared to last week, but up 12 cents from a year ago. In the Northeast, the weighted average advertised price for a gallon of milk is \$3.78, up 9 cents from last week's regional price.

MILK PRODUCTION: According to NASS, milk production in the 23 major states during April 2017 totaled 17.2 billion pounds, up 2.0% from one year ago. Milk production for selected Eastern states are as follows:

April 2017 Milk Production, (USDA-NASS)

	(Million Lb.) 1 Year Ago	% Change From
Florida	233	+ 1.3
New York	1,265	+ 3.9
Pennsylvania	948	+ 2.5
Vermont	230	+ 0.9
Virginia	153	+ 2.0

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-	2.6114-3.0387
F.O.B. producing plants: Upper Midwest-	2.7538-2.9912

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices-	.30-.77
Northeast - Class III - spot prices -	.25-.80

MIDWEST

Milk output in the Central region is at/near the spring flush peak. Outlooks vary on when the decline of milk production will begin. Nevertheless, at this time, milk output is ample. Class I demand is slower. Many colleges have closed for summer vacation. K-12 schools in the South Central region have begun to close, while most North Central school districts are breaking in the next few weeks. The upcoming long weekend has some fluid milk contacts attempting to manage transportation gridlocks and long wait times at processing plants. Class III producers, reportedly encouraged by the cheddar block price increases, are taking in more milk than in previous weeks. Milk going into cheese vats is \$3.00 to \$5.00 under Class, however some situationally required spots were reported at Class. There is no shortage of **cream** in the Central states. **Cream multiples** remained in the **1.16 to 1.26** range for Class II production. Cream going into other Classes was reported as low as flat market prior to the upcoming holiday weekend. Reports on ice cream interests are generally higher, but some contacts believe that the rainy and cool weather conditions in the Midwest have noticeably hindered ice cream demand. Rainy weather also continues to slow crop production in the Upper Midwest. Wheat farmers in the South Central region expect harvest to begin within a week, and a dry forecast has them optimistic that yields will be good, although a bit behind last years'. The *DMN National Retail Report-Dairy* for May 19-25 noted the national weighted average advertised price for one gallon of milk was \$2.46, down \$.12 from a week ago, but \$.12 higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.21 and \$2.35, respectively. The *NASS Milk Production* report noted April 2017 milk production in the 23 selected states was 17.2 billion pounds, 2.0% above a year ago. Milk cows in the 23 selected states totaled 8.7 million head, 81,000 head more than a year ago. The following table shows Central states included in the report and the monthly milk production changes compared to a year ago:

FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

April 2017 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Illinois	166	- 0.6
Indiana	364	+ 3.1
Iowa	432	+ 2.4
Kansas	299	+ 7.2
Michigan	941	+ 4.2
Minnesota	826	+ 2.0
Ohio	474	+ 0.6
South Dakota	218	+ 3.8
Texas	1,025	+12.8
Wisconsin	2,528	+ 0.6

WEST

California milk marketers report that farm milk production remains mix throughout the week. In some areas, farm milk output is lower, while in other areas, it is higher. With the coming Memorial Day weekend, milk availability is expected to increase as many balancing plants will be closed on Monday. Class 1 interest from educational institutions and bottlers is flat. According to California Department of Food and Agriculture, April 2017 pool receipts of milk in the state total 3.26 billion pounds. This is 1.9% lower compared to the same month a year ago. From January through April 2017, receipts are 3.3% lower from the comparable period in 2016. The Value at Test price is \$15.21, \$0.27 lower than the previous month, but \$1.68 above a year ago. The percentage of receipts used in Class 1 products is 12.31%. The April quota price is \$15.72 and the over quota price is \$14.02. These prices are \$0.12 below last month, but \$1.41 higher from a year ago. According to CDFA, April 2017 Class 1 sales in California totaled 50.0 million gallons, down 7.9% from last month, and down 7.3% from the previous year. From January through April 2017, Class 1 sales totaled 208.1 million gallons, down 4.0% from the comparable period in 2016. In Arizona, milk production is lower this week compared to last week. However, there are enough supplies to meet processing needs. Balancing plants are running at near full capacity clearing any excess milk. Class I intakes from schools are lower as they prepare to close for the summer break. Class II milk requests from ice cream manufacturers are active. In New Mexico, milk yield is steady to slightly lower due to temperatures getting warmer. Bottled milk demands from educational institutions continue to be lower as most schools closed this week for the summer break. Class II demand is light, and Class III interest is steady. Most processors who had repair/maintenance work last week are back on track and are taking their normal milk volumes. Pacific Northwest milk production is edging seasonally higher. Warmer temperatures have been building into the region and aiding cow comfort. However, milk production in Oregon and Washington are both down from the previous year, and some industry analysts say a few dairy farms have shut down within the area. Bottling demand is waning as more educational institutions close for the school year. Milk intakes are plentiful for manufacturing needs. In the mountain states of Idaho, Utah and Colorado, milk production is strong. Milk intakes are plentiful. Manufacturers are taking advantage of available low-priced spot

loads of milk to fill gaps in processing capacity. However, as the spring flush builds, these loads are becoming less attractive compared to local milk supplies. Industry contacts suggest cow numbers in the region are up, but milk per cow is a little behind, possibly due to lingering effects of the harsh winter and early season flooding in parts of the region. Warming temperatures are improving cow comfort and farmers are starting first hay cuttings in parts of the region. The cool wet spring has set farmers behind a little. Volumes of green-chop and first crop hay may be lighter than normal, but if the weather holds, contacts expect good quality forage to be available to the dairy herd. **Condensed skim** inventories in the West vary from tight to higher. Some processors report that cheesemakers are requesting more loads. In the western region, **cream** supply is getting tighter. Prices are moving up as demand continues to increase. Some brokers report having requests they couldn't fulfill due to lack of supplies. Spot sales activities are busy. **Cream multiples** for all usages are slightly higher at the bottom of the range, ranging from 1.04 to 1.22. According to the DMN *National Retail Report-Dairy* for the week of May 19-25, the national weighted average advertised price for one gallon of milk is \$2.46, down \$0.12 from last week, but \$0.12 higher from a year ago. The weighted average regional price in the Southwest is \$1.96, with a price range of \$1.89-\$2.19. The weighted average regional price in the Northwest is \$2.23, with a price range of \$1.99-\$2.50. The NASS *Milk Production* report noted April 2017 milk production in the 23 selected states was 17.2 billion pounds, 2.0% above a year ago. Milk cows in the 23 selected states totaled 8.72 million head, 81,000 head more than a year ago. The following table shows western states included in the report and the monthly milk production changes compared to a year ago:

April 2017 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Arizona	442	+ 3.8
California	3440	- 1.1
Colorado	344	+ 7.2
Idaho	1189	- 0.7
New Mexico	705	+ 7.5
Oregon	213	- 4.1
Utah	177	+ 2.3
Washington	541	- 2.5

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: Central low/medium heat nonfat dry milk (NDM) prices increased on both the range and the mostly price series. Some Central region contacts question the price uptick of low/medium heat NDM, as milk supplies are readily available, and NDM production is reportedly active. However, other contacts suggest recent spot prices have been low, comparative to futures prices, and the market is self-correcting. In any case, some domestic buyers and end users are showing increased interest and willingness to purchase NDM at higher prices, while others are planning to wait out the current upswing. Low/medium heat NDM inventories are comfortable. The low/medium heat NDM market tone is mixed. High heat NDM prices increased on both ends of the price range. Spot market trading of high heat NDM picked up from previous weeks. High heat NDM production and inventories remain adequate for contractual needs and the occasional spot offering.

EAST: Low/medium heat nonfat dry milk (NDM) prices shifted higher on both ends of the range and mostly price series this week. With increased export opportunities, some market participants report seeing firmness to the low/medium heat NDM price. Production is active, as some manufacturers are drying continually. Inventories are comfortable to heavy. Some manufacturers are able to meet near term spot market needs. Still, some manufacturers are contract bound and do not have extra supply to sell. Interest remains mixed. Some Eastern contacts communicate interest is strengthening. However, with the constant drying of low/medium heat NDM, some contacts do not see the need for a firming price. The market tone is stable to uncertain. High heat NDM prices shifted higher on both sides of the price series. This week, there was an uptick in spot trading activity. Production is limited as dryers are running when available. Inventories are available for contractual and spot demand. The demand for high heat NDM is steady to improving. Wednesday's CME Group cash trading for Grade A nonfat dry milk closed at \$0.9275, up \$0.0300 from last Wednesday.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8550 - 0.9500 MOSTLY: .8700 - .9100
HIGH HEAT: .9750 - 1.1000

NONFAT DRY MILK - WEST

Low/medium heat nonfat dry milk (NDM) f.o.b. spot prices moved higher on both the range and the mostly series. Although the market undertone seems to be stable, industry participants have a split view of the current market condition. Some industry contacts report that the market is tight and firming up. They are even buying extra loads of NDM to hedge against future increases in prices, as they are expecting prices to further move up. Others believe that there are more than sufficient supplies of NDM in the market to meet current demand, and current prices are higher than they should be. Low/medium heat NDM production is ongoing and supplies are enough to meet contractual demands. A few processors are moving their production from medium heat to low heat NDM this week. Spot trades are light. Ice cream processors are busy pulling condensed skim volumes in view of the upcoming summer. Prices for high heat nonfat dry milk shifted upward on both ends of the range. Inventories are mostly very tight, geared toward meeting contractual requirements, and spot trades are seldom. Production is irregular and tied to near-term contracts. Demand is steady. At the GDT Event 188 on May 16, skim milk powder (SMP) prices across all contract periods averaged \$.9063 per pound, up 1.0% from the last event.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8450 - 0.9600 MOSTLY: .9000 - .9400
HIGH HEAT: .9400 - 1.0850

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
May 19	\$.8730	9,554,893
May 12	\$.8669	8,889,189

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

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices in the Central region remained steady. Dry buttermilk spot market activity was relatively light this week. Demand for dry buttermilk is seasonally slow. Buttermilk supplies are tight to adequate. Some producers are limiting buttermilk drying solely to fulfill contractual demands, and foregoing spot market opportunities. The dry buttermilk market tone is mixed.

EAST: Prices for Eastern dry buttermilk held steady on the price series this week. Spot sales continue to be light, but with the low/medium heat nonfat dry milk (NDM) price firming, some market participants anticipate dry buttermilk following in low/medium heat NDM's footsteps and increasing in price in the near future. Production is steady as dryers are operating at constant to moderate levels. Dry buttermilk output is manageable to heavy, overall adequate for contractual needs and additional demand. Trading activity has been light and the market tone is steady, with signs of uncertainty.

F.O.B. CENTRAL/EAST: .8000 - .8800

DRY BUTTERMILK - WEST

F.O.B. spot prices for Western dry buttermilk are steady on the range, but increased slightly on the top of the mostly series. Ice cream makers continue to pull more condensed buttermilk in preparation for the summer. Processors are still focusing their production schedules on drying more condensed skim in lieu of condensed buttermilk. As the result, dry buttermilk production is slightly lower, but sufficient to meet contracting needs. In addition, most supplies are committed; therefore, less dry buttermilk is available in the spot market. The market undertone is stable and continues to shadow nonfat dry milk. Industry contacts report that more buttermilk is being used in animal feed manufacturing as nonfat dry milk is too expensive. At the GDT Event 188 on May 16, buttermilk powder prices across all contract periods averaged \$.8981 per pound, up 7.0% from the last event.

F.O.B. WEST: .8000 - .9100 MOSTLY: .8100 - .8700

DRY WHOLE MILK - NATIONAL

National dry whole milk f.o.b. spot prices remain unchanged and below the international WMP values. These competitive prices could represent an opportunity for domestic processors/brokers to sell outside the country. For some industry contacts, dry whole milk prices are likely to increase in the coming weeks as butterfat values are strengthening. Production rates are stable, but are expected to decline in the short run. Inventories are mostly in balance. Demands from the bakery and confectionary sectors are fair. Exports are active mainly to Colombia, China, and Vietnam. At the GDT Event 188 on May 16, whole milk powder (WMP) prices across all contract periods averaged \$1.5023 per pound, up 1.3% from the last event.

F.O.B. PRODUCING PLANT: 1.2800 - 1.4500

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 remained steady on the range, but decreased slightly on both ends of the mostly price series. The Central dry whey spot market was active, but offers outpaced purchases. Producers and sellers are seeing pushback at prices which were agreeable as recently as mid-May. Dry whey production continues apace, as plentiful milk finds its way into active cheese vats. Dry whey inventories are adequate to long, and some producers are offering large volumes at discounted prices in an attempt to manage whey stocks. Animal feed whey prices held steady, as animal feed spot activity was quiet. Animal feed whey inventory reports were unchanged.

F.O.B. CENTRAL: .3500 - .5950 MOSTLY: .4500 - .5200
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3375 - .4400

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are up slightly at the bottom of the range and top of the mostly price series, but otherwise unchanged. Production is steady in the short term, but additional manufacturers are suggesting they may shift their WPC production to higher protein concentrations. The announcement has given a little jolt to infant formula processors. Demand for WPC34% that meets infant formula requirements is strong and inventories remain tight. The tone for WPC34% that is interchangeable with other protein sources, however, is still weak. The recent strengthening of nonfat dry milk prices may have helped stabilize prices for interchangeable use WPC34%, but the impact has been minimal. WPC34% remains a split market between those that can reformulate from WPC34% to other proteins, and those that cannot.

F.O.B. EXTRA GRADE 34% PROTEIN: .7500 - 1.2350 MOSTLY: .8200 - .9950

DRY WHEY - NORTHEAST

Dry whey prices in the Northeast shifted downward on both the top and bottom of the range this week. Some Eastern market participants are selling their whey supply at lower prices to deplete inventories. Trading activity is moderate to light, as some buyers still wait to see what the market will do. The demand is fair to quiet. Whey production is active, producing heavy output. Inventories are controllable to building. The market tone is steady to weakening.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3900 - .5400

LACTOSE - CENTRAL AND WEST

The market tone for lactose continues to exude a general stability. Although the bottom of the range moved higher based on the spot sale prices collected, prices are mostly unchanged this week. Demand is in good balance with production. Manufacturers say inquiries are at normal levels for this time of year and production is steady. Inventories are committed to comfortable, but a few manufacturers have a little excess available. Processors are sending out quotations for Q3 business. Buyers in Oceania and Southeast Asia are beginning to stock up for end of year lactose needs.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .3450 - .5700 MOSTLY: .3700 - .4500

DRY WHEY - WEST

F.O.B spot prices for Western dry whey are unchanged from a week ago. The market undertone is unsettled. Demand is mixed. A number of producers report selling higher volumes of dry whey and are short on inventories to fulfill some of their requests. Others state that their sales are slower due to higher prices in the market. They report available loads for spot sales at discounted prices. Some industry contacts suggest that processors are trying to hold on to their prices. Production is ongoing; however, a few processors are shifting their production to WPC and WPI.

NONHYGROSCOPIC: .4000 - .5375 MOSTLY: .4200 - .5000

CASEIN - NATIONAL

Prices for rennet casein expanded with the top of the range moving higher. Acid casein prices also expanded, but with the bottom of the range moving lower. Industry contacts say the market tone for casein is relatively steady. Casein continues to move through regular contracts with limited amounts sold through spot sales.

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: 2.7500 - 3.0500
ACID: 3.4000 - 3.7000

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

WEEK ENDING	2017 WEEKLY DAIRY COWS	2017 CUMULATIVE DAIRY COWS	2016 WEEKLY DAIRY COWS	2016 CUMULATIVE DAIRY COWS
05/06/2017	54.9	1,076.2	52.5	1,103.1

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

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

CLASS III MILK PRICES (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
2014	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	17.82
2015	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46	15.30	14.44
2016	13.72	13.80	13.74	13.63	12.76	13.22	15.24	16.91	16.39	14.82	16.76	17.40

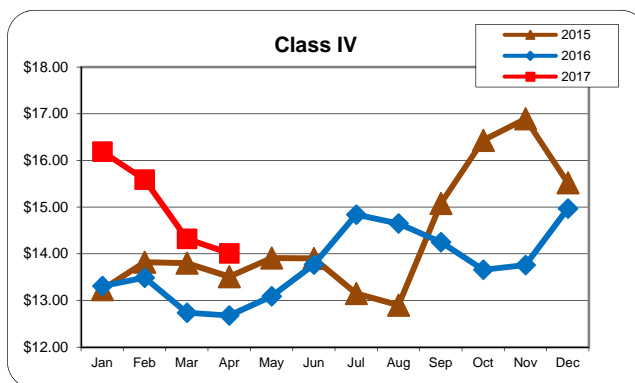
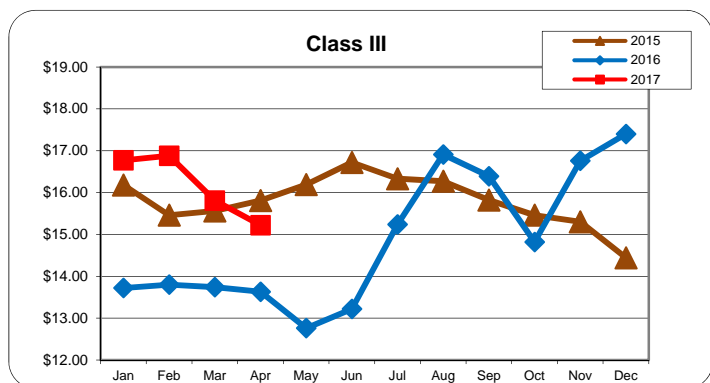
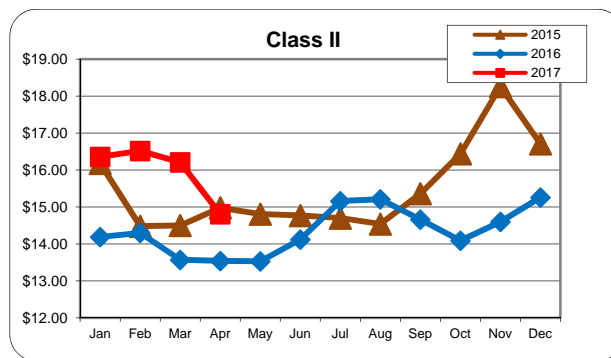
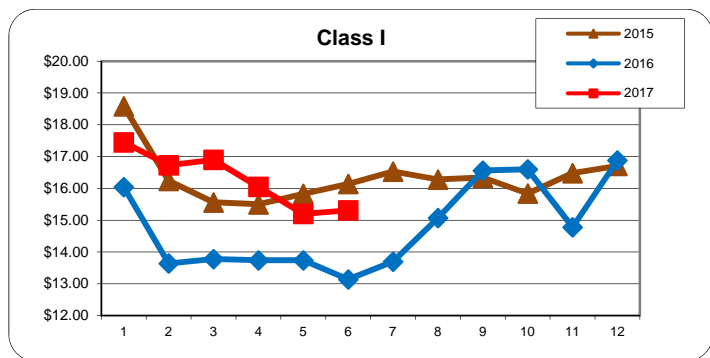
CLASS IV MILK PRICES (3.5%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2012	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76	17.41	18.54	18.66	17.83
2013	17.63	17.75	17.75	18.10	18.89	18.88	18.90	19.07	19.43	20.17	20.52	21.54
2014	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58	21.35	18.21	16.70
2015	13.23	13.82	13.80	13.51	13.91	13.90	13.15	12.90	15.08	16.43	16.89	15.52
2016	13.31	13.49	12.74	12.68	13.09	13.77	14.84	14.65	14.25	13.66	13.76	14.97

FEDERAL MILK ORDER CLASS PRICES FOR 2017 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	17.45	16.73	16.90	16.05	15.20	15.31						
II	16.36	16.52	16.21	14.81								
III	16.77	16.88	15.81	15.22								
IV	16.19	15.59	14.32	14.01								

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



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered May 15 - 26, 2017

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

WESTERN OVERVIEW: European dairy contacts report generally lower milk intakes than last year, but are seeing some increase in the recent weeks as the weather improves and aids cow comfort. Some industry observers anticipate milk production will continue to grow through the balance of the season as milk prices have improved.

Eurostat reported EU-28 January to March milk deliveries are 2.3% lower than the same period last year. Various member states showed the following January to March decreases compared to last year: Germany, 4.4%; France, 4.2%; UK, 3.2%; Belgium, 1.4%; and Italy, 1.3%. Ireland milk collections increased 1.1%.

Manufacturers report good demand for dairy products and stronger prices. Cheese buyers are actively seeking to assure coverage well into the year. Cheese stocks are tight, as are many of the other dairy products. Internal European demand, along with a slight increase in exports, has kept most surplus inventories in check.

BUTTER/BUTTEROIL: Butter and butter oil prices in Western Europe continue to rise as demand for milk fats outpace supply. Under normal conditions, butter stocks build through the spring in advance of the heavier-demand and lower-production times at the end of the calendar year. However, butter inventories are currently tight. Butter production is off a little due to lower milk intakes, and butter makers have only a few spot loads to offer. Available loads are quickly secured by buyers. End users, wanting to assure near-term and long-term coverage, are willing to pay prices often at the top end of the range.

January-March EU butter production decreased 4.0% according to Eurostat. During that time frame, production in the largest European butter makers, Germany and France, decreased 4.0% and 8.7% respectively.

Eucolait reports January-March EU exports of butteroil declined 56.4% from the same period one year earlier. January-March EU exports of butter declined 11.9%. Export volumes and primary destinations are shown in the following table:

European Union Butter Exports
Main Three Destinations
January-March 2017

Destination	Quantity (MT)	% of Total
USA	6,166	17.0%
Saudi Arabia	2,554	7.0%
China	2,117	5.8%

82% BUTTERFAT: 5,200 - 6,175
99% BUTTERFAT: 5,325 - 6,225

SKIM MILK POWDER (SMP): Skim milk powder (SMP) prices in Europe are moving higher as internal European demand is strengthening. Production of SMP has slackened due to milk deliveries not meeting expectations, and active cheese production is pulling hard on available milk intakes. Industry contacts say SMP production is in good balance with current demand. Inventories of uncommitted SMP are tight. Market participants are finding prices for feed grade SMP to be very close to prices for food grade SMP. Older product availability is limited and most SMP with age is locked up in intervention. Total

SMP stocks in intervention as of March 2017 were 350,159 MT.

According to Eurostat, EU SMP production January – March, 2017, declined 9.0%. During that time frame, production decreased in four of the top SMP producing member states. Germany decreased 11.2%. France decreased 15.0%. Belgium decreased 21.2%. Poland decreased 1.2%.

Eucolait reports January-March EU exports of SMP increased 6.7% from the same period one year earlier. Export volumes and primary destinations are shown in the following table:

European Union Skim Milk Powder Exports
Main Three Destinations
January-March 2017

Destination	Quantity (MT)	% of Total
Algeria	26,466	13.9%
China	21,059	11.1%
Indonesia	17,213	9.0%

1.25% BUTTERFAT: 2,000 - 2,175

SWEET WHEY POWDER: European whey prices moved slightly higher. Internal European demand is relatively strong and able to keep inventories, which are committed to tight, from growing too much. Dry whey production is steady. However, manufacturers are making more whey protein concentrates in lieu of drying sweet whey powder.

Eucolait reports January-March, 2017, EU whey exports increased 3.6% from the same period one year earlier. Export volumes and primary destinations are shown in the following table:

European Union Whey Powder Exports
Main Three Destinations
January-March 2017

Destination	Quantity (MT)	% of Total
China	41,108	29.1%
Indonesia	24,179	17.1%
Malaysia	11,565	8.2%

NONHYGROSCOPIC: 1,200 - 1,250

WHOLE MILK POWDER (WMP): Prices for EU whole milk powder (WMP) increased somewhat, pulled along by higher valuations of milk fats and protein. As the prices rise, some manufacturers are seeing greater price pressures in international markets. WMP production and internal European demand are steady. Manufacturers are producing WMP to meet contractual obligations, but see greater economic opportunities to use the milk fats and proteins in other dairy products.

CONTINUED TO PAGE 8.1A

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered May 15 - 26, 2017

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

CONTINUED FROM PAGE 8

According to Eurostat, EU WMP production January – March, 2017, increased 0.4%. During that time frame, production increased in the Netherlands by 15.2% and in France by 3.6%, but decreased in Germany, 2.9%.

Eucolait reports January-March, 2017, EU exports of WMP increased 16.5% from the same period one year earlier. Export volumes and primary destinations are shown in the following table:

European Union Whole Milk Powder Exports
Main Three Destinations
January-March 2017

Destination	Quantity (MT)	% of Total
Algeria	19,223	18.6%
Oman	11,978	11.6%
Kuwait	5,373	5.2%

26% BUTTERFAT: 3,150 - 3,350

EASTERN OVERVIEW: Eastern Europe milk production continues to build with production increases in Poland, Romania and Bulgaria.

European milk deliveries for January-March reported by Eurostat, showed the following year over year changes for selected countries: Poland, +3.5%; Romania, +2.3%, Bulgaria, +3.5%; Lithuania, -2.8%; Latvia, -1.1%; Estonia, -2.6%; and the Czech Republic, -3.2%.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered May 15 - 26, 2017

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

AUSTRALIA: According to Dairy Australia, April 2017 milk production was down 6.3% from April 2016. The state changes from one year earlier are: New South Wales, -1.6%; Victoria, -7.1%; Queensland, unchanged; South Australia, -10.0%; Western Australia, -1.0%; Tasmania, -10.6%. Australia's milk production season to date is down 8.0% compared to last season. The cumulative July 2016-April 2017 changes are: New South Wales, -5.4%; Victoria, -9.6%; Queensland, +1.4%; South Australia, -8.5%; Western Australia, -1.5%; and Tasmania, -6.8%.

Hay transactions continue in Australia, but in a rather limited fashion as the impact of rainfall across the entire eastern seaboard suppresses market activity. There were limited changes to the hay price this week. Farmers are assessing their needs, for the remainder of the year. A few growers are looking to offload volumes at a reduced price, as they hope to break even and to clear sheds. With enough feed in sheds and grass in paddocks, others intend to wait for a firmer market. However, poor quality silage has been a challenge and a number of farmers are looking for alternatives.

NEW ZEALAND: Apart from the endless precipitation over recent months, season-to-date milk production is higher than year ago volumes. With the steady rainfall, trailed by a couple of hurricanes in April, some expected moisture levels would likely suppress field conditions, and subsequently pasture use. However, farms worked through the events to realize gains in farm milk production.

At the May 16 GDT event #188, all contracts prices ranged from 3.7% lower to 11.2% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous averages are: anhydrous milk fat, \$6,631, +8.2%; butter, \$5,479, +11.2%; buttermilk powder, \$1,980, +7.0%; cheddar cheese, \$3,726, +0.6%; lactose, \$967, +2.0%; rennet casein, \$6,259, -3.7%; skim milk powder, \$1,998, +1.0%; and whole milk powder, \$3,312, +1.3%.

BUTTER: Oceania butter prices are higher. Prices have generally been trending up all season and show no signs of slowing down. Sources suggest there is quite a bit of uncertainty in the existing marketplace. Market participants continue to evaluate the overall impact of recent weather factors, as seasonal milk production edges to a close. Consequently, there is limited confidence as to whether or not factors affecting milk production weigh on the butter market. New Zealand's butter production effort focuses heavily on the global export market opportunities.

This year, January-March, Australia butter exports show a 41.3% decline from the same period one year earlier, according to Eurolait. Export volumes and primary destinations are shown in the following table:

Australia Butter Exports
Main Three Destinations
January-March 2017

Destination	Quantity(MT)	% of Total
Malaysia	535	21.7%
Singapore	402	16.3%
China	308	12.5%

At GDT Event 188 on May 16, the butter all contracts price increased 11.2%.

82% BUTTERFAT: 5,025 - 5,425

SKIM MILK POWDER (SMP): This week, Oceania skim milk prices are lower at the top of the range but steady at the bottom. Sources suggest pressure from stockpiles is instrumental in driving prices. In general, skim milk powder remains something of an undesirable product for now, as demand is sluggish. Export interest is slow to fair.

Australia exports of SMP year to date January-March 2017 declined 22.4% from the same period one year earlier, according to Eurolait. Export volumes and primary destinations are shown in the following table:

Australia SMP Exports
Main Three Destinations
January-March 2017

Destination	Quantity(MT)	% of Total
Indonesia	9,883	25.2%
China	6,066	15.5%
Malaysia	4,343	11.1%

At GDT Event 188 on May 16, the SMP all contracts price increased 1.0% and the June contract price increased 1.6%.

1.25% BUTTERFAT: 1,975 - 2,000

CHEDDAR CHEESE: Oceania cheddar prices continue to show firmness, with a gush at the top of the range. Production is mostly steady. As fat interest shows no sign of slowing down, with strong consumer cheese demand, prices are encouraged.

Australia exports of cheese year to date January-March 2017 increased 9.1% from the same period one year earlier, according to Eurolait. Export volumes and primary destinations are shown in the following table:

Australia Cheese Exports
Main Three Destinations
January-March 2017

Destination	Quantity(MT)	% of Total
Japan	2,258	49.0%
China	7,056	15.5%
South Korea	2,685	5.9%

At GDT Event 188 on May 16, the cheddar all contracts price increased 0.6% and the June contract price increased 2.2%.

39% MAXIMUM MOISTURE: 3,575 - 3,700

WHOLE MILK POWDER (WMP): Oceania whole milk powder prices are trending higher, as prices advanced at the top of the range. Some market sources attribute current price strength to seasonal impact. Reports indicate that offerings on some indices were at a seasonal low for the month of May. Customer contracts are being met on time.

CONTINUED ON PAGE 8AA

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered May 15 - 26, 2017

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

CONTINUED FROM PAGE 8A

Australia exports of WMP year to date January-March 2017 have grown 1.9% from the same period one year earlier, according to Euco-lait. Export volumes and primary destinations are shown in the following table:

Australia WMP Exports
Main Three Destinations
January-March 2017

Destination	Quantity(MT)	% of Total
China	2,801	19.4%
UAE	2,522	17.4%
Algeria	2,444	16.9%

At GDT Event 188 on May 16, the WMP all contracts price increased 1.3% and the June contract price increased 2.9%.

26% BUTTERFAT: 3,100 - 3,350

Exchange rates for selected foreign currencies:
May 22, 2017

.0618 Argentina Peso	.0155 India Rupee
.7477 Australian Dollar	.0090 Japan yen
.3061 Brazil Real	.0536 Mexican Peso
.7406 Canadian Dollar	.6996 New Zealand Dollar
.0015 Chile Peso	.2677 Poland Zloty
1.1238 Euro	.0355 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0536) = 18.6567$ Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 188 Recap - May 16, 2017													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Jun-17		Jul-17		Aug-17		Sep-17		Oct-17		Nov-17			
Anhydrous Milk Fat	\$6,790	-3.5%	\$6,717	6.6%	\$6,524	4.6%	\$6,573	14.9%	\$6,527	14.3%	n.a.		\$6,631	8.2%
Butter	\$5,600	9.8%	\$5,680	11.3%	\$5,461	7.7%	\$5,350	12.6%	\$5,265	13.6%	n.a.		\$5,479	11.2%
Buttermilk Powder	n.a.		\$1,980	7.0%	n.a.		n.a.		n.a.		n.a.		\$1,980	7.0%
Cheddar	\$3,721	2.2%	\$3,721	1.9%	n.a		\$3,739	-3.0%	\$3,734	1.6%	n.a.		\$3,726	0.6%
Lactose	n.a.		\$967	2.0%	n.a		n.a.		n.a.		n.a.		\$967	2.0%
Rennet Casein	\$5,980	-6.1%	\$6,228	-3.0%	\$6,196	-3.3%	\$6,740	-6.3%	n.a.		n.a.		\$6,259	-3.7%
Skim Milk Powder	\$2,022	1.6%	\$1,993	1.7%	\$1,980	-4.7%	\$2,005	-1.1%	\$2,029	2.5%	n.a.		\$1,998	1.0%
Sweet Whey Powder	n.a.		n.a.		n.a		n.a.		n.a.		n.a.		n.a.	
Whole Milk Powder	\$3,271	2.9%	\$3,349	-0.6%	\$3,300	4.6%	\$3,301	3.5%	\$3,248	2.8%	n.a.		\$3,312	1.3%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 188 Recap - May 16, 2017													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Jun-17		Jul-17		Aug-17		Sep-17		Oct-17		Nov-17			
Anhydrous Milk Fat	\$3.0799	-3.5%	\$3.0468	6.6%	\$2.9593	4.6%	\$2.9815	14.9%	\$2.9606	14.3%	n.a.		\$3.0078	8.2%
Butter	\$2.5401	9.8%	\$2.5764	11.3%	\$2.4771	7.7%	\$2.4267	12.6%	\$2.3882	13.6%	n.a.		\$2.4853	11.2%
Buttermilk Powder	n.a.		\$0.8981	7.0%	n.a.		n.a.		n.a.		n.a.		\$0.8981	7.0%
Cheddar	\$1.6878	2.2%	\$1.6878	1.9%	n.a		\$1.6960	-3.0%	\$1.6937	1.6%	n.a.		\$1.6901	0.6%
Lactose	n.a.		\$0.4386	2.0%	n.a		n.a.		n.a.		n.a.		\$0.4386	2.0%
Rennet Casein	\$2.7125	-6.1%	\$2.8250	-3.0%	\$2.8105	-3.3%	\$3.0572	-6.3%	n.a.		n.a.		\$2.8391	-3.7%
Skim Milk Powder	\$0.9172	1.6%	\$0.9040	1.7%	\$0.8981	-4.7%	\$0.9095	-1.1%	\$0.9203	2.5%	n.a.		\$0.9063	1.0%
Sweet Whey Powder	n.a.		n.a.		n.a		n.a.		n.a.		n.a.		n.a.	
Whole Milk Powder	\$1.4837	2.9%	\$1.5191	-0.6%	\$1.4969	4.6%	\$1.4973	3.5%	\$1.4733	2.8%	n.a.		\$1.5023	1.3%

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

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered May 15 - 26, 2017

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

SOUTH AMERICA OVERVIEW: Farm milk production is steadily increasing in **Argentina**, as temperatures are conducive to boost cows' comfort. The weather conditions in the provinces of Santa Fe and Córdoba are improving. Meanwhile, some dairy operations (tambos) in Buenos Aires are still recovering from recent floods, which hampered corn/soybean harvesting, but provided abundant moisture for the upcoming winter grain crop. Although milk output is higher, farm milk/cream intakes remain less than sufficient to meet all manufacturing needs. Therefore, some processors are prioritizing bottled milk and cheese production. The cream market undertone remains strong as demand is above supply. Farm gate prices remain high, which in turn is increasing the costs of processing. As a result, customers are paying higher prices at retail outlets. In this way, bottled milk consumption is decreasing. Therefore, in order to improve milk consumption, some consumer protection organizations presented this week in the Chamber of Deputies a bill that aims to set a maximum price for fluid milk.

According to the Ministry of Agriculture, in April 2017, Argentina milk production was 5% higher than the same month of last year, which was the time when the heavy rains and floods started hitting the main dairy zone. During April 2017, prices paid to producers increased by 58% from April 2016.

Milk production is slowly inching up in **Uruguay**, following seasonal patterns. Although milk/cream intakes are increasing, supplies are less than adequate to meet all requests from manufacturers. Most cream supplies are highly committed through contracts. As in Argentina, in Uruguay, the consumption of fluid milk continues falling due to the high inflation. Butter processing is limited, determined by the availability of cream.

Scattered rain showers returned to key dairy states in **Brazil**, hampering milk yields in some dairy farms. The moisture was beneficial for second-crop corn. Overall, milk supply remains less than sufficient to cover all processing needs with the exception of cheese and bottled milk. Cheese production is active as many processors are capitalizing on low spot milk prices. Sales of cheese to various market channels are increasing. This is helping to reduce high cheese stock levels in some plants. UHT milk sales are light, while inventories are building. Meanwhile, the whey market continues strengthening.

WHOLE MILK POWDER (WMP): Whole milk powder (WMP) f.o.b. export prices for the Southern Cone of South America WMP adjusted slightly lower to reflect the current market conditions inside and outside the Mercosur bloc. The low end of the pricing range is reflecting moderate exports to Algeria and Russia while the high end is mirroring light Brazilian imports from Uruguay and Argentina. Overall, the regional WMP supply is slightly higher due to a small increase in farm milk production. The general demand for WMP has decreased somewhat. Therefore, in order to be more competitive, WMP processors are slightly lowering prices. In Brazil, despite lower imports of powdered milk, inventories in domestic companies remain high. In general, the Brazilian demand for WMP is low. In this way, some processors have been forced to offer/sell at lower prices. Some WMP tenders from domestic manufacturers can be found priced at or above \$3,600 per metric ton.

According to the National Milk Institute (INALE), Uruguay cumulative WMP exports from January to April 2017 totaled 30,985 tons, down 33% from the same period in 2016.

At the GDT Event 188 on May 16, whole milk powder (WMP) prices across all contract periods averaged \$3,312 per metric ton, up 1.3% from the last event.

26% BUTTERFAT: 3,150 - 3,550

SKIM MILK POWDER (SMP): Skim milk powder (SMP) f.o.b. export prices are mixed in the Southern Cone of South America. Some export sales within the Mercosur region pushed down the top of the price range. Throughout the past two weeks, the SMP demand has weakened somewhat. In order to improve the supply of cream, the standardization of milk is more active. As a result, condensed skim volumes clearing into SMP production are improving. SMP inventories vary across the region.

According to the National Milk Institute (INALE), cumulative SMP exports from January to April 2017 from Uruguay totaled 4,896 tons, up 19% from the same period in 2016.

At the GDT Event 188 on May 16, skim milk powder (SMP) prices across all contract periods averaged \$1,998 per metric ton, up 1.0% from the last event.

1.25% BUTTERFAT: 2,700– 3,000

CME GROUP, INC FUTURES

Selected settling prices

Month	05/12	05/15	05/16	05/17	05/18	05/19	05/22	05/23	05/24	05/25
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
MAY 17	15.58	15.60	15.63	15.62	15.61	15.60	15.60	15.60	15.60	15.61
JUN 17	16.21	16.48	16.48	16.37	16.20	16.32	16.29	16.21	16.23	16.60
JUL 17	16.68	16.91	16.98	16.83	16.62	16.77	16.75	16.71	16.80	17.25
AUG 17	17.10	17.34	17.40	17.27	17.01	17.15	17.14	17.08	17.15	17.58
SEP 17	17.28	17.44	17.51	17.37	17.16	17.27	17.26	17.19	17.20	17.57
OCT 17	17.14	17.24	17.34	17.21	17.10	17.18	17.19	17.09	17.15	17.42
NOV 17	16.95	16.98	17.10	16.98	16.96	17.02	17.00	16.90	17.00	17.18
DEC 17	16.73	16.80	16.85	16.77	16.80	16.83	16.88	16.80	16.84	16.97
JAN 18	16.54	16.57	16.65	16.55	16.55	16.62	16.62	16.62	16.60	16.70
FEB 18	16.50	16.55	16.60	16.53	16.50	16.55	16.55	16.55	16.55	16.64
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
MAY 17	14.50	14.62	14.69	14.69	14.69	14.69	14.69	14.69	14.69	14.52
JUN 17	15.15	15.52	16.12	16.05	16.05	16.05	15.82	15.87	15.87	15.93
JUL 17	15.46	15.73	16.37	16.40	16.40	16.49	16.29	16.29	16.29	16.43
AUG 17	15.61	15.97	16.60	16.59	16.66	16.75	16.61	16.61	16.61	16.81
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
MAY 17	215.13	216.03	221.00	221.00	221.00	219.00	219.00	219.00	219.00	218.73
JUN 17	228.78	233.78	243.78	242.00	242.50	241.73	236.73	239.98	240.00	239.50
JUL 17	228.93	233.93	243.93	244.88	244.50	243.25	238.25	241.40	243.00	243.88
AUG 17	231.98	236.98	246.98	246.65	245.00	244.00	239.00	243.05	243.45	246.00
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
MAY 17	88.00	88.00	87.70	88.45	88.10	88.18	88.10	88.10	88.10	87.40
JUN 17	90.03	91.00	92.03	92.95	92.63	93.20	93.60	92.75	92.50	92.98
JUL 17	92.25	93.00	94.13	95.98	95.95	96.08	97.10	96.00	96.13	96.63
AUG 17	93.65	94.28	96.25	97.75	98.50	99.65	100.45	98.55	97.75	97.65
WHEY (Electronic-Traded) (¢/lb)										
MAY 17	51.00	51.00	51.00	50.68	50.50	50.50	50.50	50.50	50.23	50.95
JUN 17	48.25	48.50	49.00	48.05	47.85	48.00	48.28	48.00	47.80	48.90
JUL 17	46.53	47.25	47.75	46.80	46.50	46.80	46.80	46.50	46.48	47.00
AUG 17	45.23	45.53	46.30	45.63	44.93	45.50	45.50	46.00	45.78	45.68
CHEESE CSC (Electronic-Traded) (\$/lb)										
MAY 17	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.55	1.54
JUN 17	1.62	1.64	1.64	1.63	1.61	1.62	1.62	1.61	1.62	1.65
JUL 17	1.68	1.69	1.70	1.69	1.66	1.68	1.68	1.68	1.68	1.73
AUG 17	1.73	1.74	1.75	1.74	1.71	1.72	1.72	1.72	1.73	1.77
SEP 17	1.75	1.76	1.76	1.75	1.73	1.74	1.74	1.73	1.74	1.77

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

April Milk Production

Milk production in the 23 major States during April totaled 17.2 billion pounds, up 2.0 percent from April 2016. March revised production, at 17.6 billion pounds, was up 1.9 percent from March 2016. The March revision represented an increase of 30 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,967 pounds for April, 20 pounds above April 2016. This is the highest production per cow for the month of April since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.72 million head, 81,000 head more than April 2016, and 8,000 head more than March 2017.

April 2017 Milk Cows and Milk Production, by States

State	Milk Cows ¹		Milk per Cow ²		Milk Production ²		
	2016	2017	2016	2017	2016	2017	Change from 2016
	(thousands)		(pounds)		(million pounds)		(percent)
AZ	197	201	2,160	2,200	426	442	3.8
CA	1,766	1,755	1,970	1,960	3,479	3,440	-1.1
CO	149	159	2,155	2,165	321	344	7.2
FL	124	125	1,855	1,865	230	233	1.3
ID	591	596	2,025	1,995	1,197	1,189	-0.7
IL	94	93	1,780	1,790	167	166	-0.6
IN	184	186	1,920	1,955	353	364	3.1
IA	212	217	1,990	1,990	422	432	2.4
KS	144	153	1,940	1,955	279	299	7.2
MI	417	425	2,165	2,215	903	941	4.2
MN	460	459	1,760	1,800	810	826	2.0
NM	311	328	2,110	2,150	656	705	7.5
NY	620	623	1,965	2,030	1,218	1,265	3.9
OH	266	262	1,770	1,810	471	474	0.6
OR	126	124	1,760	1,720	222	213	-4.1
PA	530	525	1,745	1,805	925	948	2.5
SD	114	117	1,840	1,860	210	218	3.8
TX	465	510	1,955	2,010	909	1,025	12.8
UT	92	92	1,885	1,925	173	177	2.3
VT	131	129	1,740	1,785	228	230	0.9
VA	90	87	1,665	1,755	150	153	2.0
WA	276	273	2,010	1,980	555	541	-2.5
WI	1,279	1,280	1,965	1,975	2,513	2,528	0.6
23 State Total	8,638	8,719	1,947	1,967	16,817	17,153	2.0

¹ Includes dry cows. Excludes heifers not yet fresh.

² Excludes milk sucked by calves.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Milk Production*, (May 2017).

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated

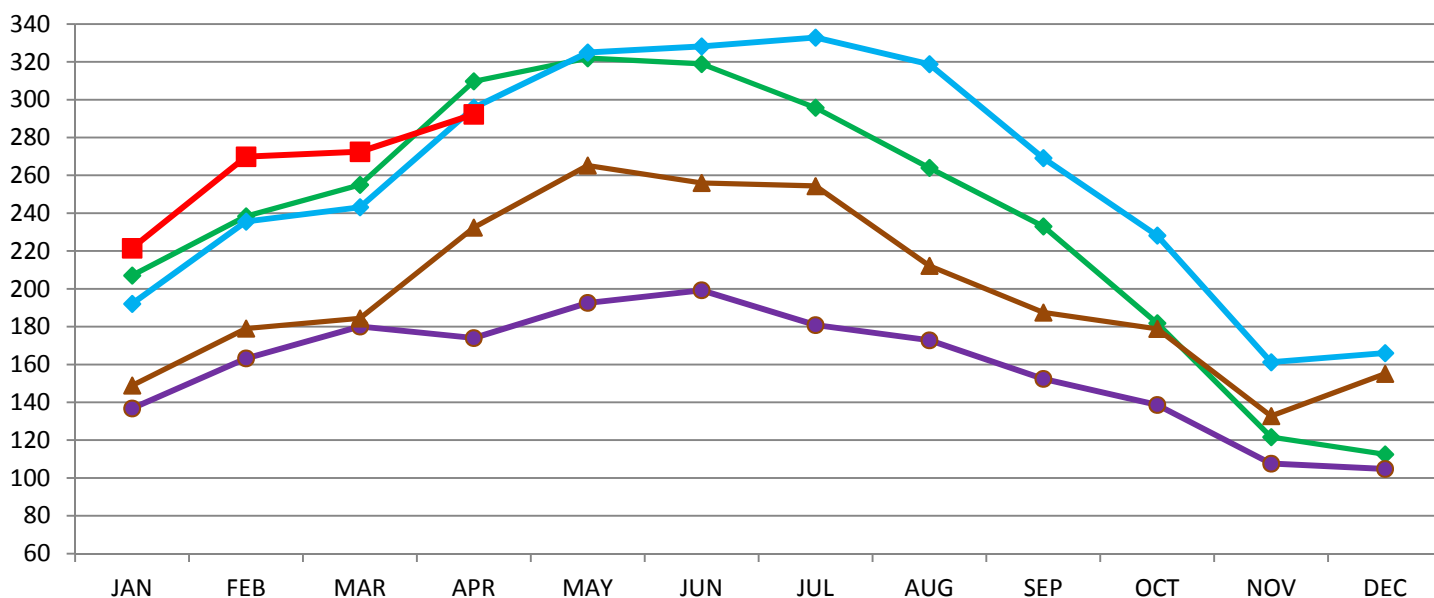
U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	MAR 31, 2015	MAR 31, 2016	REVISED MAR 31, 2017	APR 30, 2015	APR 30, 2016	APR 30, 2017
Butter	184,373	243,134	272,505	232,372	295,771	292,288
Cheese, Natural American	634,270	725,837	802,389	644,113	734,121	835,061
Cheese, Swiss	24,573	24,629	26,142	23,986	24,592	27,171
Cheese, Other Natural	409,802	440,928	463,957	417,810	450,509	472,258
Total Cheese	1,068,645	1,191,394	1,292,488	1,085,909	1,209,222	1,334,490

APRIL STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
New England	59,879	64,281	67,623				662	737	732
Middle Atlantic	67,808	87,453	82,929				22,785	20,177	19,021
East North Central	249,652	289,488	344,528				259,691	284,074	303,477
West North Central	108,056	116,663	140,768				45,861	48,066	49,669
South Atlantic	670	744	1,145				30,050	25,394	32,050
East South Central	4,931	6,524	13,925				15,153	24,243	14,064
West South Central	13,103	16,114	17,670				947	1,692	1,731
Mountain	48,173	51,450	57,738				1,902	1,860	4,877
Pacific	91,841	101,404	108,735				40,759	44,266	46,637
TOTAL	644,113	734,121	835,061	232,372	295,771	292,288	417,810	450,509	472,258

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

MILLION POUNDS

Butter Cold Storage Holdings



DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2013 2014 2015 2016 2017

Consumer Price Index and Average Retail Prices for Selected Products, U.S. City Average ¹

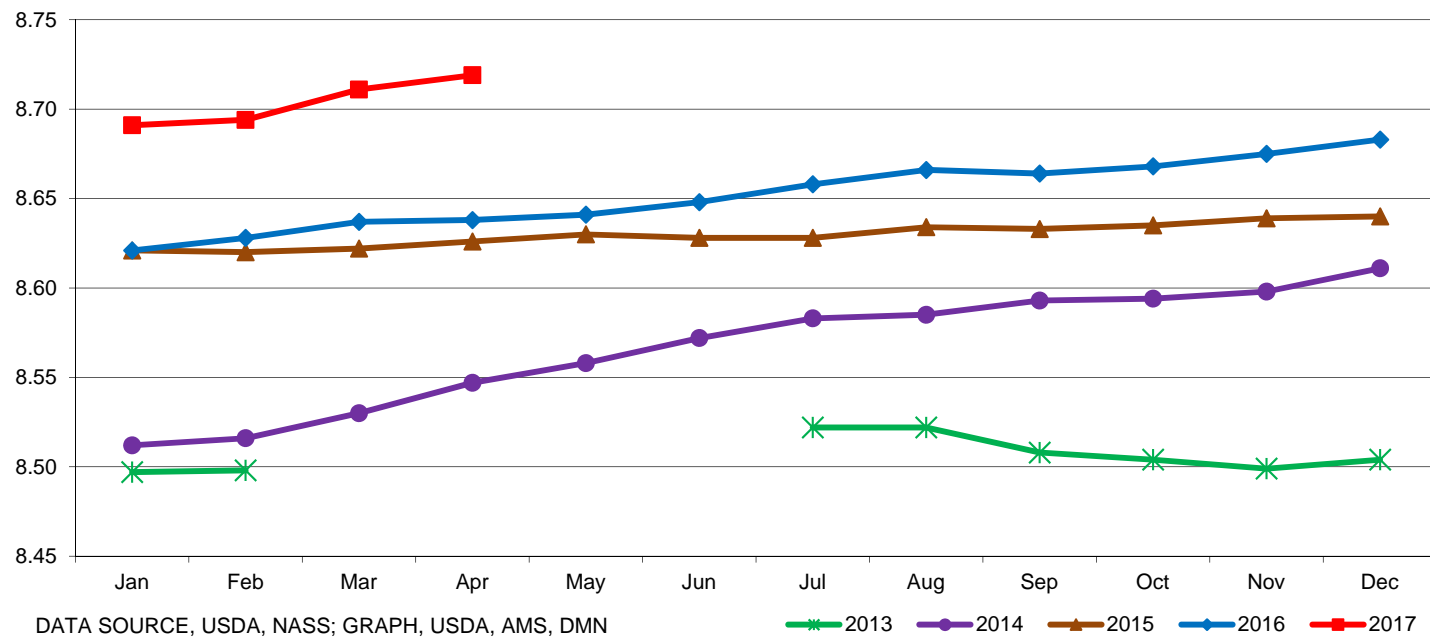
Consumer Price Index												
Month	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³
Feb 2017	248.8	0.0	220.6	0.4	205.8	0.7	230.2	-0.5	233.9	-1.4	243.1	-3.3
Mar 2017	249.2	0.5	218.6	0.2	204.6	1.5	227.8	-0.7	237.7	0.1	244.3	-2.6
Apr 2017	249.7	0.5	217.8	-0.2	201.3	0.1	228.2	-0.8	233.8	-0.3	243.3	-3.0

U.S. City Average Retail Prices										
Month	Whole Milk ⁴		Butter ⁵		Process Cheese ⁶		Natural Cheese ⁷		Ice Cream ⁸	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(dollars)</i>									
Feb	3.300	3.230	N/A	N/A	4.293	4.436	4.967	5.369	4.870	4.851
Mar	3.315	3.187	N/A	N/A	4.271	4.462	4.799	5.364	4.751	4.850
Apr	3.259	3.155	N/A	N/A	4.352	4.434	4.794	5.399	4.659	4.915

N/A = Not available. ¹ "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ² The standard reference base period for these indexes is 1982-1984 = 100. ³ Percent change over previous year. ⁴ Per gallon. ⁵ Per pound. Grade AA, salted, stick butter. ⁶ Per pound, any size and type of package. ⁷ Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc). ⁸ Per 1/2 gallon prepackaged regular.

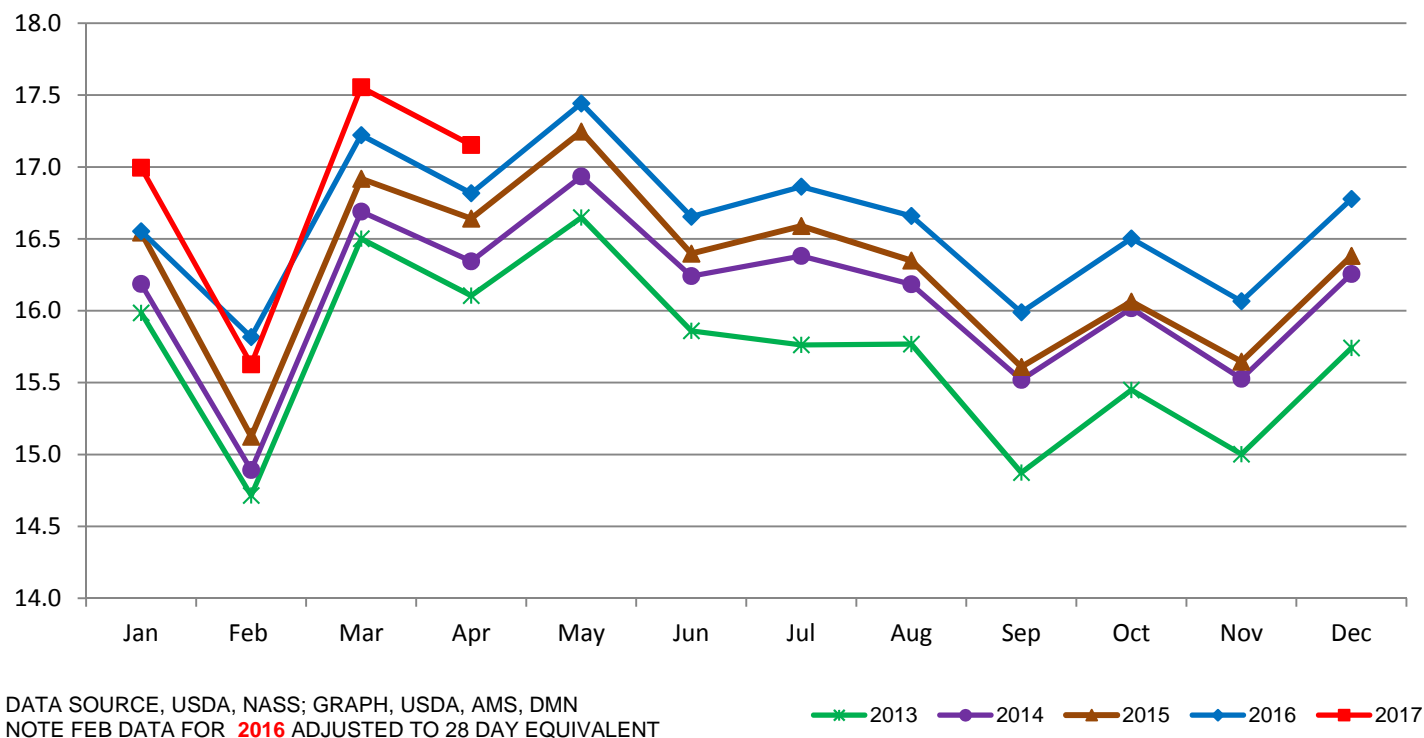
MILLION HEAD

Milk Cow Numbers - 23 Selected States

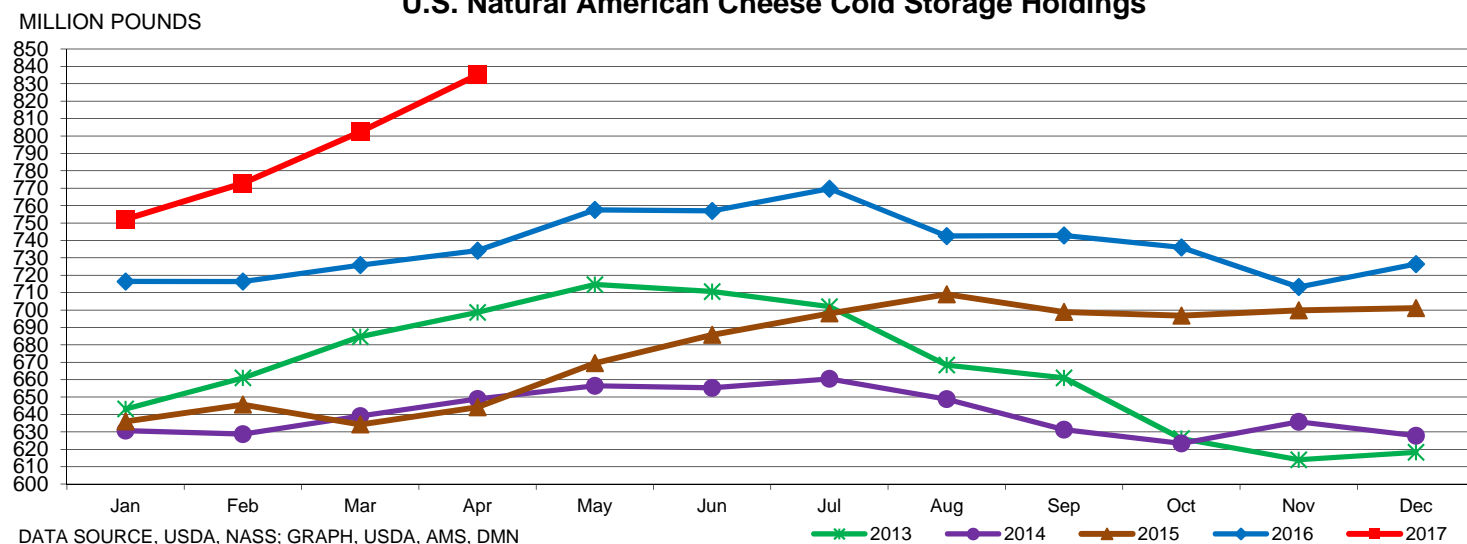


BILLION POUNDS

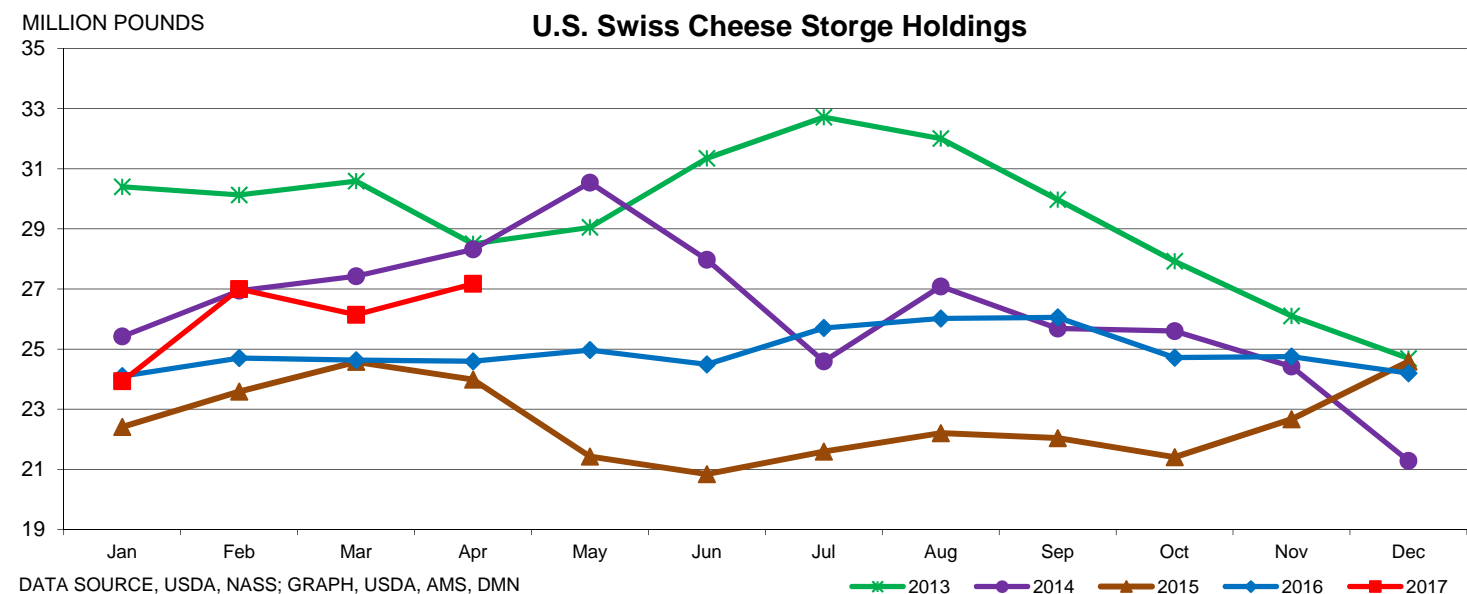
Milk Production - 23 Selected States



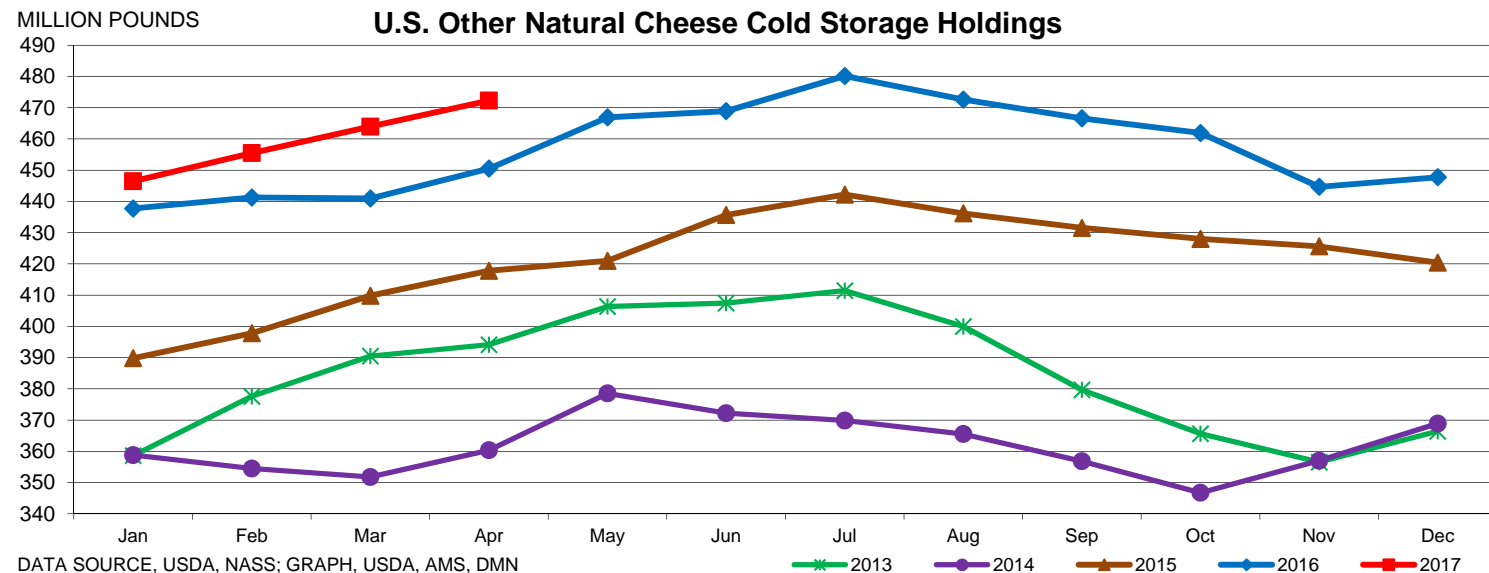
U.S. Natural American Cheese Cold Storage Holdings



U.S. Swiss Cheese Storage Holdings



U.S. Other Natural Cheese Cold Storage Holdings





Dairy Market News Branch

Agricultural
Marketing
Service

National Retail Report-Dairy

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

Volume 84- Number 21

Issued Weekly

Friday, May 26, 2017

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 05/26/2017 to 06/01/2017

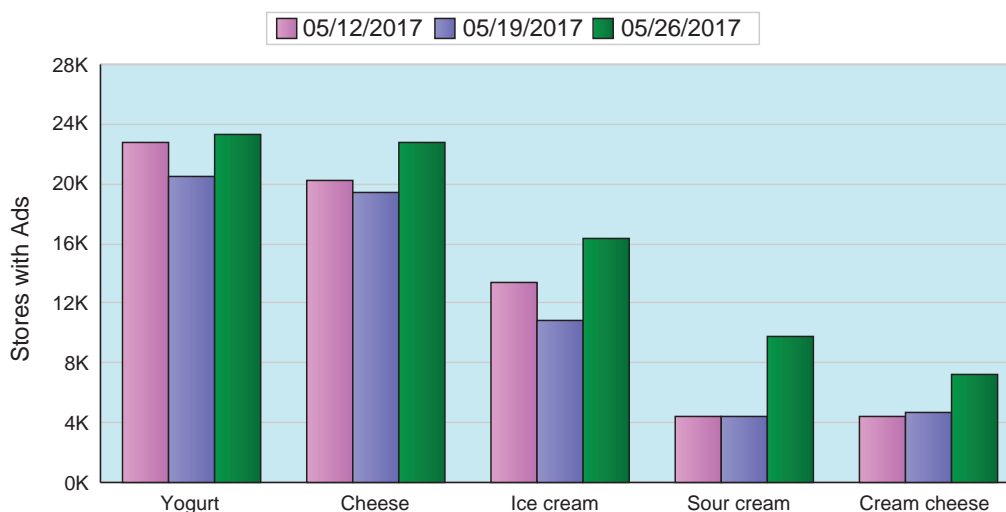
This week, total conventional dairy advertisements increased 43%, but organic dairy ads decreased 12%. For conventional ice cream, the national weighted average advertised price for 48-64 ounce containers, \$2.91, is up 1 cent from last week. Ads for conventional 1 pound butter and flavored milk, in both half gallon and gallon sizes, increased noticeably from last week's numbers.

Conventional yogurt ads increased 12%, and organic yogurt ads increased 19%. The average sale price for 32 ounce conventional yogurt is \$2.57. The average sale price for 32 ounce organic yogurt is \$2.77, resulting in an organic price premium of \$0.20. The average sale price for 32 ounce conventional Greek yogurt is \$4.55. There were no ads for 32 ounce organic Greek yogurt.

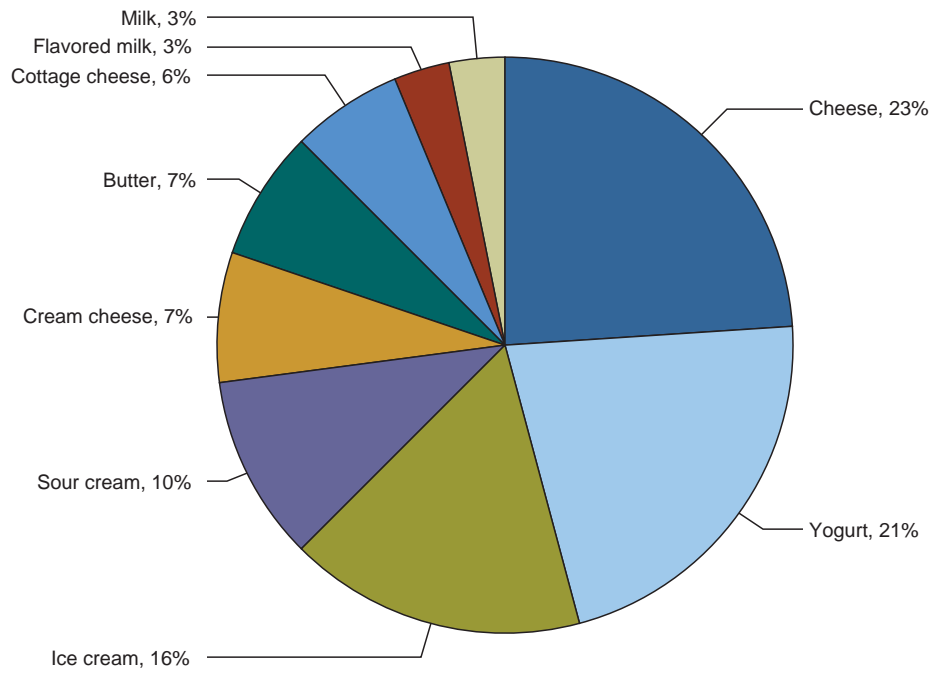
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.08, down 18 cents from last week, with ads increasing 6%. There were no ads for organic 8 ounce cheese blocks. The advertised price for conventional 8 ounce shred cheese averaged \$2.19, up 1 cent from last week, as ads increased 17%. There were no ads for organic 8 ounce cheese shreds.

This week, the difference between the weighted average price for organic half gallon milk, \$3.74, and the weighted average price for conventional half-gallon milk \$2.39, resulted in an organic price premium of \$1.35. Organic milk advertisements decreased 26%, but ads for conventional milk increased 25%.

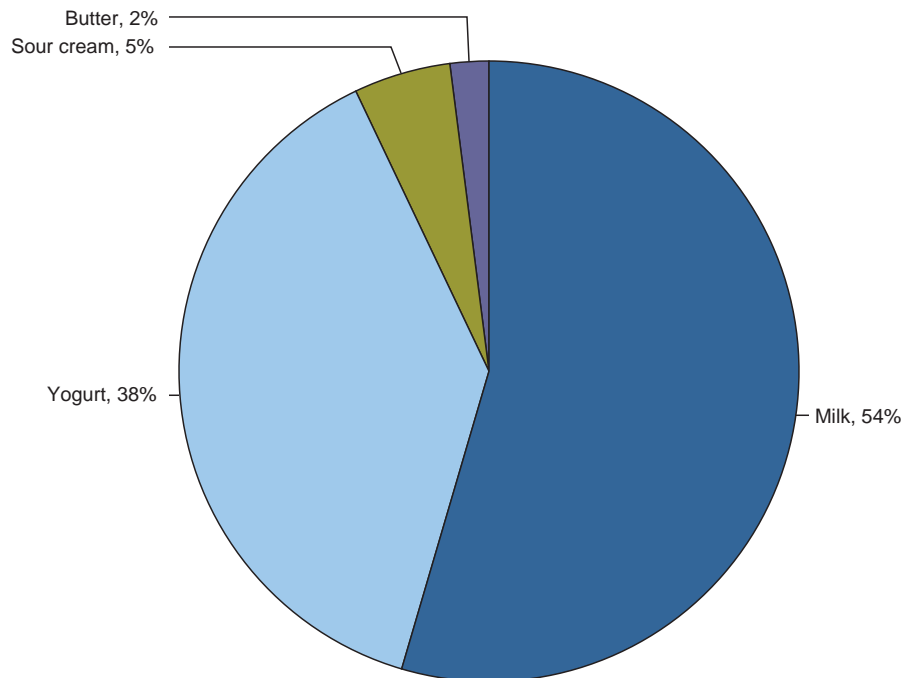
Top 5 Commodities Featured



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 #	6800	3.57	1879	3.21	7685	3.13
Cheese	Natural Varieties	8 oz block	9117	2.07	8047	2.26	8683	2.24
Cheese	Natural Varieties	1 # block	833	3.85	651	3.47	672	4.97
Cheese	Natural Varieties	2 # block	953	7.16	1064	5.82	1544	6.82
Cheese	Natural Varieties	8 oz shred	10780	2.19	9181	2.18	7624	2.19
Cheese	Natural Varieties	1 # shred	1051	4.47	511	4.41	464	4.16
Cottage cheese		16 oz	5992	2.01	3411	2.03	4816	1.87
Cream cheese		8 oz	7252	1.92	4629	1.60	3365	1.72
Flavored milk	All fat tests	half gallon	2064	2.76	258	2.65	577	2.07
Flavored milk	All fat tests	gallon	1296	3.83	391	1.90	106	3.49
Ice cream		48-64oz	16330	2.89	10556	2.90	18546	2.83
Milk	All fat tests	half gallon	1218	2.39	592	1.79	307	1.92
Milk	All fat tests	gallon	2126	3.46	2026	2.46	736	2.93
Sour cream		16 oz	9571	1.83	4429	1.93	11538	1.67
Yogurt	Greek	4-6 oz	14137	.95	10875	.95	11471	.98
Yogurt	Greek	32 oz	1031	4.55	2154	4.19	1155	4.58
Yogurt	Yogurt	4-6 oz	4804	.55	5443	.52	4411	.52
Yogurt	Yogurt	32 oz	1551	2.57	497	2.33	512	2.38

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.99-4.99	1105	3.87	2.50-4.00	2882	3.68	2.88-3.49	314	3.10
Cheese	Natural Varieties	8 oz block	1.59-3.50	1713	2.14	1.67-2.50	2684	2.12	0.99-2.50	1577	1.83
Cheese	Natural Varieties	1 # block	2.99	304	2.99				3.99	213	3.99
Cheese	Natural Varieties	2 # block							7.99	180	7.99
Cheese	Natural Varieties	8 oz shred	1.99-3.00	2703	2.41	1.67-2.50	2684	2.12	1.33-2.50	1520	2.02
Cheese	Natural Varieties	1 # shred	3.99	281	3.99	4.90	502	4.90	3.99	213	3.99
Cottage cheese		16 oz	1.49-3.00	2403	2.09	1.58-2.50	1919	2.00	1.00-3.00	535	1.72
Cream cheese		8 oz	1.49-2.49	2027	2.00	1.49-2.00	2580	1.94	1.50-2.50	533	2.10
Flavored milk	All fat tests	half gallon	2.50-2.99	294	2.75	2.50-2.99	1646	2.82	1.50	69	1.50
Flavored milk	All fat tests	gallon				3.99	1083	3.99	2.99	213	2.99
Ice cream		48-64oz	1.99-4.49	3613	2.90	2.00-5.99	5461	2.94	1.69-3.99	2738	2.87
Milk	All fat tests	half gallon	2.50	72	2.50	2.50	502	2.50	1.50-2.50	138	2.00
Milk	All fat tests	gallon				3.99	1083	3.99	1.99-2.99	266	2.79
Sour cream		16 oz	1.50-2.19	3296	1.84	1.67-3.48	2004	2.02	0.99-2.00	1151	1.55
Yogurt	Greek	4-6 oz	0.69-1.25	3513	.97	0.69-1.00	3955	.97	0.69-1.00	2912	.85
Yogurt	Greek	32 oz	3.49-4.99	532	4.64	4.99	61	4.99	3.99-4.49	261	4.33
Yogurt	Yogurt	4-6 oz	0.44-0.60	1814	.51	0.44-1.00	1438	.55	0.50-0.66	695	.56

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	1.49-2.79	886	2.38	2.49-2.50	154	2.50	2.49-3.49	393	3.03

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 #	2.50-3.99	953	3.23	2.90-3.99	1252	3.56	2.50-3.99	248	2.87
Cheese	Natural Varieties	8 oz block	1.67-3.00	1770	2.09	1.67-3.00	1132	2.13	1.50-2.55	190	1.88
Cheese	Natural Varieties	1 # block	3.79-4.99	251	4.73	3.99	62	3.99			
Cheese	Natural Varieties	2 # block				4.99	90	4.99	4.99-7.99	634	7.18
Cheese	Natural Varieties	8 oz shred	1.67-2.50	2147	2.06	1.67-3.00	950	2.17	1.50-2.50	706	2.33
Cheese	Natural Varieties	1 # shred	4.90	55	4.90						
Cottage cheese		16 oz	1.00-2.58	584	1.86	2.00-2.50	482	2.12	1.99	69	1.99
Cream cheese		8 oz	1.00-2.49	847	1.77	1.67-2.50	812	1.92	1.25-1.67	424	1.48
Flavored milk	All fat tests	half gallon	2.50	55	2.50						
Ice cream		48-64oz	1.88-4.99	1528	3.17	1.99-3.50	2217	2.72	1.79-3.99	738	2.44
Milk	All fat tests	half gallon	1.89-3.50	260	2.46	2.29	246	2.29			
Milk	All fat tests	gallon	2.99-3.99	239	3.61	2.19-2.99	538	2.66			
Sour cream		16 oz	1.00-2.00	1168	1.83	1.00-2.50	1302	2.00	1.25-1.99	650	1.34
Yogurt	Greek	4-6 oz	0.69-1.00	982	.89	1.00	2049	1.00	1.00	672	1.00
Yogurt	Greek	32 oz	4.99	114	4.99				3.33	61	3.33
Yogurt	Yogurt	4-6 oz	0.50	209	.50	0.50-1.25	459	.69	0.60-0.66	166	.62
Yogurt	Yogurt	32 oz	2.00	54	2.00				2.99	61	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
Butter		1 #	2.99-3.99	46	3.35			
Cheese	Natural Varieties	8 oz block	2.00-4.49	51	3.47			
Cheese	Natural Varieties	1 # block	5.98	3	5.98			
Cheese	Natural Varieties	2 # block	6.98-8.99	49	7.84			
Cheese	Natural Varieties	8 oz shred	2.00-3.50	70	2.62			
Cream cheese		8 oz	1.66-2.49	29	2.07			
Ice cream		48-64oz	2.49-4.00	35	3.01			
Yogurt	Greek	4-6 oz	1.00-1.33	54	1.27			
Yogurt	Greek	32 oz	4.00	2	4.00			
Yogurt	Yogurt	4-6 oz	0.80-1.25	23	1.21			
Yogurt	Yogurt	32 oz	3.98	3	3.98			

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 #	114	5.49	84	5.00	542	5.84
Cheese	Natural Varieties	8 oz block					351	4.20
Cottage cheese		16 oz					423	3.36
Ice cream		48-64oz			326	4.30	27	5.49
Milk	All fat tests	half gallon	2501	3.74	2597	3.93	2641	3.92
Milk	All fat tests	gallon			688	6.05	378	6.48
Milk	All fat tests	8 oz UHT	61	1.00	158	1.00	395	1.05
Sour cream		16 oz	246	2.50			816	3.10
Yogurt	Greek	4-6 oz	1034	1.02	390	1.56	72	1.00
Yogurt	Greek	32 oz			189	2.86		
Yogurt	Yogurt	4-6 oz			121	.58		
Yogurt	Yogurt	32 oz	755	2.77	809	2.95	221	3.99

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
Milk	All fat tests	half gallon	2.99-4.99	918	4.28	3.98	195	3.98	2.99	366	2.99
Milk	All fat tests	8 oz UHT				1.00	61	1.00			
Yogurt	Greek	4-6 oz	1.00	304	1.00				1.00	229	1.00
Yogurt	Yogurt	32 oz	3.99	59	3.99	2.50	234	2.50	2.50	348	2.50

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 #	5.49	114	5.49						
Milk	All fat tests	half gallon	2.99-3.49	274	3.09	2.99-3.99	682	3.68	2.99	66	2.99
Sour cream		16 oz				2.50	246	2.50			
Yogurt	Greek	4-6 oz	1.00-1.25	291	1.06	1.00	210	1.00			
Yogurt	Yogurt	32 oz	3.50	114	3.50						

Commodity	Type	Pack Size	ALASKA U.S.	HAWAII U.S.
Wtd Avg - Simple weighted average				



			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
--	--	--	----------------	--------------------	------------------	----------------	--------------------	---------------------

REGIONAL DEFINITIONS

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

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



Dairy Market News

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

Volume 84, Report 21

May 26, 2017

GENERAL NUMBER

(608) 422-8587

Elizabeth Frederick

(608) 422 -8587

Elizabeth.Frederick@AMS.USDA.GOV

EAST/ ORGANIC

Daniel Johnson

(608) 422-8605

Daniel.Johnson@AMS.USDA.GOV

Jessica Mueller

(608) 422-8589

Jessica.Mueller@AMS.USDA.GOV

CENTRAL

Israel Weber

(608) 422-8601

Israel.Weber@AMS.USDA.GOV

SOUTHWEST/SOUTH AMERICA

AJ (Angel José) Terán

(608) 422-8593

Angel.Terán@AMS.USDA.GOV

Florence Kone-Gonzalez

(608) 422-8594

Florence.KoneGonzalez@AMS.USDA.GOV

NORTHWEST/MOUNTAIN

Mike Bandli

(608) 422-8592

Mike.Bandli@AMS.USDA.GOV

ORGANIC/EUROPE & OCEANIA

Eric Graf

(608) 422-8590

Eric.Graf@AMS.USDA.GOV

ACTING NATIONAL SUPERVISOR

Janet Linder

(608) 422-8588

Janet.Linder@AMS.USDA.GOV

INTERNET ADDRESS

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

MARKET NEWS PORTAL

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

RECORDED INFORMATION SYSTEM

(608) 422-8602

FAX

(608) 240-6689

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