

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (6/2)**

BUTTER: Grade AA closed at \$2.4850. The weekly average for Grade AA is \$2.4163 (+.0473).

CHEESE: Barrels closed at \$1.4900 and 40# blocks at \$1.7000. The weekly average for barrels is \$1.5269 (+.0439) and blocks, \$1.7281 (+.0456).

NONFAT DRY MILK: Grade A closed at \$0.9475. The weekly average for Grade A is \$0.9469 (+.0189).

BUTTER HIGHLIGHTS: Cream supplies are plentiful, keeping butter churns active around the United States. In the Central, producers are planning to pack away butter for the late summer and early fall. However, in the Northeast, some manufacturers point out reductions in churning. And in the West, butter makers are holding back on production schedules when they can. Butter inventories are comfortable, but in some secondary markets, butter supplies are tight. Retail demand is fairly strong. In the Northeast, print butter sales are steady as a number of stores boost promotions and features. In the Central, retail and food service demand continues to be strong as butter makers report increased sales week over week. In the West, a few industry contacts describe demand to be better than expected for this time of year, and some end users are eager to gain coverage of late year butter needs. Bulk butter prices range 4 cents below to 7 cents over the market. The market undertone is steady. Friday's CME Group cash trading saw Grade AA butter close at \$2.4850, up \$0.1250 from last Friday.

CHEESE HIGHLIGHTS: Cheese producers, across the nation, are still receiving plenty of milk. Midwestern cheesemakers report spot milk prices from \$3.50 to \$6.00 under Class III. Cheese production continues at active levels, as cheese manufacturers in the Midwest and West regions report storage facilities at or near capacity as barrel cheese is long. Block cheese inventories vary by contact, and Western contacts report tightness in blocks. Cheese demand has picked up. Northeastern interests have increased with the temperature, and Midwestern contacts report specialty and pizza cheeses are moving well. Western and Northeastern cheese producers report that global interests are increasing, as U.S. prices are in line with international cheese prices. Cheese market tones

are mixed. CME prices for blocks continue robustly, but contacts are hoping block and barrel prices converge as the recent, large price variance signifies market uncertainty. CME Group trading Friday, barrels closed at \$1.4900, up \$0.0100 from last Friday. Blocks closed at \$1.7000, down \$0.0325 from last Friday.

FLUID MILK: Milk production is trending lower in Florida, New Mexico and Arizona as the weather heats up. Milk output in the Mid-Atlantic up into New England is steady. Milk yields in the Midwest, mountain states and parts of California are strong. Class I demand is generally slower across the U.S. as school districts approach summer vacation. Midwestern fluid milk contacts anticipate that increased retail sales will offset some school vacation sales lags. Pacific Northwest contacts report a shift from milk bottling to milk manufacturing. Cheese and whey processors continue to take on spot milk at discounted rates. There were holiday weekend loads taken in at \$7.00 under Class III in the Midwest. However, spot milk intakes were generally \$3.50 to \$6.00 under Class. Cream availability reports vary. In the Northeast, cream intakes are steady. Midwestern cream buyers report a relatively steady availability, with expectations of tightness to come as weather warms up and ice cream interests increase. Some Western contacts report tightening cream supplies as well. Cream multiples, for all uses, are 1.18-1.24 in the East, 1.15 to 1.24 in the Midwest, and 1.06 to 1.22 in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk (NDM) spot prices continued upward in all regions. Although inventories are plentiful, some contacts suggest futures of low/medium heat NDM and increased export interest have spurred domestic orders. The low/medium heat NDM market tone is mixed, as some contacts suggest long inventories and active production will create a cap for near term price increases. Dry buttermilk prices shifted higher in all regions, shadowing low/medium heat NDM. Some producers have reportedly slowed or plan to slow drying of buttermilk soon. Dry buttermilk availability is decreasing, and demand is light to steady. Dry whole milk prices were unchanged, but spot market offers trended above the price range. Some contacts expect a firming of dry whole milk prices soon, as global milkfat demand increases. Dry whey prices were mixed across all regions, but prices on the mostly price series shifted

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CME GROUP CASH TRADING

COMMODITY	MONDAY MAY 29	TUESDAY MAY 30	WEDNESDAY MAY 31	THURSDAY JUN 01	FRIDAY JUN 02	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	CME	\$1.5400 (+.0600)	\$1.5450 (+.0050)	\$1.5325 (-.0125)	\$1.4900 (-.0425)	:: (+.0100)	:: \$1.5269 (+.0439)
40# BLOCKS	CLOSED	\$1.7300 (-.0025)	\$1.7450 (+.0150)	\$1.7375 (-.0075)	\$1.7000 (-.0375)	:: (-.0325)	:: \$1.7281 (+.0456)
NONFAT DRY MILK GRADE A	NO	\$.9350 (+.0075)	\$.9550 (+.0200)	\$.9500 (-.0050)	\$.9475 (-.0025)	:: (+.0200)	:: \$.9469 (+.0189)
BUTTER GRADE AA	TRADES	\$2.3600 (N.C.)	\$2.4100 (+.0500)	\$2.4100 (N.C.)	\$2.4850 (+.0750)	:: (+.1250)	:: \$2.4163 (+.0473)

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

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

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

lower in the Central and West. Western dry whey inventories are mixed, but Northeastern and Midwestern contacts suggest whey inventories are building. Whey production is strong across the country. Whey protein concentrate 34 percent prices are steady, along with steady production levels. Whey protein concentrate 34 percent demand is mixed and dependent upon specifications and end user needs. Lactose prices are unchanged and the market tone is steady. European lactose producers are increasing lactose offers into Southeast Asia, creating a bit more export competition. Rennet and acid casein prices are unchanged. Casein is moving well through contracts, and the market tone is healthy.

ORGANIC DAIRY MARKET NEWS: In New England, Federal Milk Market Order 1 reports utilization of types of organic milk by pool plants. During April 2017, organic whole milk utilization totaled 13.546 million pounds, up slightly from 13.503 million in April 2016. The 2017 butterfat content was 3.28 percent down from 3.29 percent in 2016. Organic reduced fat milk utilization for April this year, 19.254 million pounds, was down from 20.851 million in April last year. Butterfat percent for organic reduced fat milk was 1.29 percent this April, up from 1.20 percent last year. This week, organic milk accounts for 57 percent of total organic dairy retail ad numbers by commodity. Organic yogurt ads accounted for 24 percent followed by cheese, 15 percent, and sour cream was 2 percent of the total retail organic ads surveyed by commodity. Total organic ads saw a 103 percent hike compared to the previous report period. Milk ads rose significantly, 111 percent, driven by 8 oz. UHT packaging, and were 8 times as many ads when compared to the previous week. Regionally, the highest percentage change in organic milk ads was in the South East region, increasing 566 percent. Organic retail ads in the Northeast declined 64 percent, while the Southeast region posted the largest volume of organic ads.

NATIONAL RETAIL REPORT-DAIRY (DMN): This week, total conventional dairy advertisements declined 13 percent, but organic dairy ads increased 103 percent. For conventional 16 ounce cottage cheese, the national weighted average advertised price, \$2.15, is up 14 cents from last week. Organic cottage cheese in 16 ounce containers has an average price of \$3.49. There were no ads reported last week for 16 ounce organic cottage cheese. Conventional yogurt ads increased 2 percent, while organic yogurt ads increased 29 percent. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.99, while 4-6 ounce organic Greek yogurt is \$1.23, an organic price premium of 24 cents. The average sale price for 4-6 ounce conventional yogurt is \$0.61, while 4-6 ounce organic yogurt is \$1.20. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.26, up 19 cents from last week, with ads decreasing 20 percent. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$3.68. There were no ads reported last week for organic 8 ounce cheese blocks. The advertised price for conventional 8 ounce shred cheese averaged \$2.28, up 9 cents from last week, as ads declined 18 percent. The advertised price for organic 8 ounce shred cheese averaged \$3.04. There were no ads reported last week for organic 8 ounce cheese shreds. This week, the difference between the weighted average price for organic half gallon milk, \$3.70, and the weighted average price for conventional half-gallon milk, \$2.12, resulted in an organic price premium of \$1.58. Organic milk advertisements increased 111 percent, and ads for conventional milk increased 37 percent. Advertisements for conventional half gallon and gallon flavored milk declined, 71 percent and 45 percent, respectively.

APRIL AGRICULTURAL PRICES HIGHLIGHTS (NASS):

The All Milk price received by farmers was \$16.50 in April, up \$1.40 from April 2016. Milk Cows price was \$1,640 in April, down \$190 from April 2016. Alfalfa hay price was \$148.00 in April, down \$6.00 from April 2016. Corn price was \$3.43 in April, down \$.13 from April 2016. Soybean price was \$9.32 in April, up \$.31 from April 2016. The milk-feed price ratio was 2.23 in April, up 0.24 from April 2016. The index of prices received by farmers for dairy products during the month of April 2017 was down 4.0 points to 82.1. Compared to April 2016, the index was up 7.0 points (+9.3 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in April 2017 was up 0.4 to 106.9. Compared with April 2016, the index was up 0.8 points (+0.8 percent).

MAY FEDERAL MILK ORDER CLASS AND COMPONENT PRICES (FMMO):

Class Prices: The following are the May 2017 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$14.84 (+\$0.03), Class III: \$15.57 (+\$0.35), and Class IV: \$14.49 (+\$0.48). **Component Price Information:** Under the Federal milk order pricing system, the butterfat price for May 2017 is \$2.4134 per pound. Thus, the Class II butterfat price is \$2.4204 per pound. The protein and other solids prices for May 2017 are \$1.7723 and \$0.3196 per pound, respectively. These component prices set the Class III skim milk price at \$7.38 per cwt. The May 2017 Class IV skim milk price is \$6.26, which is derived from the nonfat solids price of \$0.6956 per pound. **Product Price Averages:** The product price averages for May 2017 are: butter: \$2.1644, nonfat dry milk: \$0.8704, cheese: \$1.5390, and dry whey: \$0.5094.

MONDAY, MAY 29, 2017

CME CLOSED

TUESDAY, MAY 30, 2017

CHEESE -- SALES: 15 CARS BARRELS: 4 @ \$1.4700, 2 @ \$1.4800, 2 @ \$1.4900, 2 @ \$1.5000, 1 @ \$1.5100, 1 @ \$1.5200, 2 @ \$1.5300, 1 @ \$1.5400; 6 CARS 40# BLOCKS: 1 @ \$1.7000, 1 @ \$1.7100, 1 @ \$1.7150, 1 @ \$1.7200, 1 @ \$1.7250, 1 @ \$1.7300; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5300; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5400; 1 CAR 40# BLOCKS @ \$1.7325
 NONFAT DRY MILK -- SALES: 6 CARS GRADE A: 1 @ \$0.9175, 1 @ \$0.9275, 1 @ \$0.9300, 1 @ \$0.9350, 1 @ \$0.9300, 1 @ \$0.9350; LAST BID UNFILLED: 3 CARS GRADE A: 1 @ \$0.9150, 1 @ \$0.9100, 1 @ \$0.9000; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9400
 BUTTER -- SALES: 6 CARS GRADE AA: 1 @ \$2.3500, 3 @ \$2.3600, 1 @ \$2.3500, 1 @ \$2.3600; LAST BID UNFILLED: 11 CARS GRADE AA: 1 @ \$2.3450, 1 @ \$2.3200, 5 @ \$2.3500, 1 @ \$2.3525, 1 @ \$2.3550, 1 @ \$2.3575, 1 @ \$2.3500; LAST OFFER UNCOVERED: 5 CARS GRADE AA: 1 @ \$2.3700, 1 @ \$2.3675, 2 @ \$2.3800, 1 @ \$2.3700

WEDNESDAY, MAY 31, 2017

CHEESE -- SALES: 12 CARS BARRELS: 1 @ \$1.5425, 11 @ \$1.5450; 2 CARS 40# BLOCKS: 1 @ \$1.7400, 1 @ \$1.7450; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 4 CARS BARRELS @ \$1.5450
 NONFAT DRY MILK -- SALES: 5 CARS GRADE A: 1 @ \$0.9500, 1 @ \$0.9475, 1 @ \$0.9550, 1 @ \$0.9600, 1 @ \$0.9500; LAST BID UNFILLED: 8 CARS GRADE A: 1 @ \$0.9550, 1 @ \$0.9500, 3 @ \$0.9400, 2 @ \$0.9200, 1 @ \$0.9450; LAST OFFER UNCOVERED: 16 CARS GRADE A: 10 @ \$0.9800, 5 @ \$0.9750, 1 @ \$0.9600
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.4100; LAST BID UNFILLED: 11 CARS GRADE AA: 1 @ \$2.3700, 1 @ \$2.4025, 5 @ \$2.3750, 2 @ \$2.3825, 2 @ \$2.3950; LAST OFFER UNCOVERED: 4 CARS GRADE AA: 1 @ \$2.4500, 1 @ \$2.4450, 1 @ \$2.4475, 1 @ \$2.4200

THURSDAY, JUNE 1, 2017

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.7475; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.5100; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5325; 1 CAR 40# BLOCKS @ \$1.7375
 NONFAT DRY MILK -- SALES: 4 CARS GRADE A: 1 @ \$0.9500, 1 @ \$0.9475, 1 @ \$0.9450, 1 @ \$0.9500; LAST BID UNFILLED: 11 CARS GRADE A: 2 @ \$0.9375, 1 @ \$0.9500, 5 @ \$0.9300, 1 @ \$0.9200, 1 @ \$0.9100, 1 @ \$0.9000; LAST OFFER UNCOVERED: 30 CARS GRADE A: 10 @ \$1.0000, 2 @ \$0.9800, 10 @ \$0.9850, 5 @ \$0.9800, 2 @ \$0.9800, 1 @ \$0.9600
 BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$2.4200, 2 @ \$2.4100; LAST BID UNFILLED: 7 CARS GRADE AA: 1 @ \$2.3600, 2 @ \$2.3650, 1 @ \$2.4000, 1 @ \$2.3925, 1 @ \$2.4050, 1 @ \$2.4100; LAST OFFER UNCOVERED: 2 CARS GRADE AA: 1 @ \$2.4175, 1 @ \$2.4125

FRIDAY, JUNE 2, 2017

CHEESE -- SALES: 8 CARS BARRELS: 3 @ \$1.5325, 5 @ \$1.4975; 5 CARS 40# BLOCKS: 3 @ \$1.7000, 1 @ \$1.7025, 1 @ \$1.7000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 3 CARS BARRELS @ \$1.4900; 2 CARS 40# BLOCKS @ \$1.7100
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.9475, 1 @ \$0.9450, 1 @ \$0.9425; LAST BID UNFILLED: 7 CARS GRADE A: 1 @ \$0.9475, 2 @ \$0.9350, 3 @ \$0.9250, 1 @ \$0.9200; LAST OFFER UNCOVERED: 30 CARS GRADE A: 10 @ \$0.9850, 5 @ \$0.9900, 1 @ \$0.9800, 10 @ \$0.9850, 2 @ \$0.9700, 2 @ \$0.9650
 BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$2.4450, 1 @ \$2.4800, 1 @ \$2.4875, 1 @ \$2.4850; LAST BID UNFILLED: 6 CARS GRADE AA: 1 @ \$2.4125, 2 @ \$2.4150, 1 @ \$2.4450, 1 @ \$2.4575, 1 @ \$2.4725; LAST OFFER UNCOVERED: 3 CARS GRADE AA: 1 @ \$2.5000, 2 @ \$2.4900

BUTTER MARKETS

NORTHEAST

Butter production remains active. However, some manufacturers point out reductions in churning. As Class II cream demand shows strength, those processors are seemingly comfortable, for now, clearing extra cream loads to their contractual customers. Cream, however, remains plentiful, as multiples are steady to lower. Butter inventories are sufficient for near term requirements. In the East, print volumes moving into retail outlets are steady as stores boost promotions and features. Transactions in the global market are fair to good as butter rates in some foreign indices continue to move higher. This week, a cooperative export assistance program accepted requests for export assistance to sell 703,275 pounds (319 metric tons) of butter. The current bulk butter prices for domestic sales are reported 5-7 cents over the market of the CME Group, with various time frames and averages used. This Tuesday, CME Group cash trading saw Grade AA butter prices close at \$2.3600, a decline from the previous Tuesday's \$2.3625 closing price. However, active trading at the CME saw 5 of 6 loads exchange hands on bids, with 11 bids left unfilled, as sellers look to trade at higher prices. Thus, market participants note the potential of butter prices moving up. According to the *DMN National Retail Report-Dairy*, for May 26-June 1, 2017, the Northeast weighted average retail price for 1-pound butter was \$3.87, 30 cents higher than the national average price and 52 cents higher than last week's Northeast butter price. Retail markets reported butter prices ranging \$2.99-\$4.99. Meanwhile, butter prices in the Southeast moved up 45 cents to \$3.68, with prices ranging \$2.50-\$4.00.

CENTRAL

Butter churns are active, as Central region producers are looking to pack away butter for the late summer and early fall. Adding to the production levels is the post-holiday cream availability, which had some butter producers opting to churn more cream as opposed to offering it on the spot market. Class IV cream multiples are reported at or around 1.15. As Class II interests continue to increase, some butter makers are expecting multiples to increase as early as next week. Retail and food service demand continues to be strong, as butter makers report increased sales week over week. The butter market tone is steady. Reported bulk butter prices are 2 to 7 cents over the market. *DMN National Retail Report-Dairy* for May 26-June 1 noted the national weighted average advertised price for a 1 pound package of butter is \$3.57, \$0.36 above one week ago and \$0.44 higher than one year ago. The weighted average regional prices in the Midwest and South Central were \$3.10 and \$3.23, respectively. This week, a cooperative export assistance program accepted requests for 703,275 pounds (319 metric tons) of butter. So far this year, the program has accepted assistance requests for 3.016 million pounds of butter. Wednesday at the CME Group, Grade AA butter closed at \$2.4100, up \$0.0300 from last Wednesday.

WEST

Western butter makers are steadily making butter, but are holding back on production schedules when they can. Cream is generally plentiful, but a number of processors anticipate cream supplies will

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NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
May 27, 2017	2.2971 3,274,263	1.6122 12,269,611	1.5278 11,846,233	.4947 6,239,194	.8871 16,533,930

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

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tighten as summer takes hold and ice cream manufacturers pull more cream supplies. Inventories are mixed. Some manufacturers report comfortable stocks. However, in some secondary markets, butter supplies are tight. Buyers are looking for loads of butter they can buy at favorable prices and put into storage. Some end users are eager to gain coverage of late year butter needs. Demand is steady. A few industry contacts describe demand to be better than expected for this time of year. Bulk butter pricing in the West this week is 4 cents below to 2 cents above, based on the CME Group with various time frames and averages used. The DMN *National Retail Report-Dairy* for the week of May 26-June 1 found that the U.S. weighted average advertised price of 1 pound butter is \$3.57, up \$.36 from last week. The U.S. weighted average price was \$3.13 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.56 with a price range of \$2.90-\$3.99. In the Northwest, the weighted average advertised price of 1 pound butter is \$2.87, with a price range of \$2.50-\$3.99. This week, a cooperative export assistance program accepted requests for 703,275 pounds (319 metric tons) of butter. So far this year, the program has assisted member cooperatives who have contracts to sell 3.0 million pounds of butter (82% milkfat) in export markets. According to the California Department of Food and Agriculture, April 2017 butter production was 48.0 million pounds, down 6.9% from a year ago. California year-to-date butter production through April is 198.9 million pounds, down 5.7% from 2016 butter production through April. The Grade AA butter price at the CME Group on Wednesday closed at \$2.4100, up \$.0300 from a week ago.

CHEESE MARKETS

NORTHEAST

Northeastern cheese production is strong. Some manufacturers are running at full capacity to manage high levels of milk intakes. Cheese output is abundant and building balanced to long inventories. Northeast wholesale selling prices for cheddar and Muenster increased \$0.0225, but the process 5# cheese price shifted lower, \$0.0200. The Grade A Swiss cheese price is unchanged. Trading activity is steady to increasing. Interest is quite strong as the warmer weather is upon us, and June Dairy Month approaching. With the United States cheddar cheese prices below the global market, export sales are steady to improving. The market undertone is stable to improving. This week, a cooperative export assistance program accepted 25 requests for export assistance to sell 3.536 million pounds (1,604 metric tons) of cheese. Tuesday's CME Group daily cash prices saw barrels close at \$1.5400, up \$0.0675 from a week ago, and blocks closed at \$1.7300, up \$0.0850 from a week ago. The DMN *National Retail Report-Dairy*, for May 26 to June 01, 2017, noted the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.14, 5 cents below last week's price, but 7 cents above the national average price. Northeast retail prices range \$1.59-\$3.50. The Southeast 8 oz. average block price was \$2.12, up 5 cents from the national average price, but down 38 cents from the previous week, with surveyed retail prices ranging \$1.67-\$2.50 in the region. The Northeast average advertised price for 8 oz. cheese shreds was \$2.41, 22 cents above the national average price, with prices ranging \$1.99-\$3.00. In the Southeast, the average price for 8 oz. shreds was \$2.12, a 13 cent drop from the previous week, with prices ranging \$1.67-\$2.50.

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

Cheddar 40# Block	:	2.1425-2.4275
Process 5# Sliced	:	1.6200-2.1000
Muenster	:	2.1275-2.4775
Grade A Swiss Cuts 10 - 14#	:	3.3225-3.6450

MIDWEST

Milk is readily available for cheese production in the Midwest. Spot milk prices range from \$3.50 to \$6.00 under Class. Cheese sales are generally strong. Packaged retail cheese, pizza cheese and specialty type cheeses are selling well. Some process cheese producers report contractually steady demand, but barrel sales are expected to pick up in line with warming temperatures. Cheese producers' reports on inventories vary. Barrel inventories are generally long. Some block producers report balanced inventories, whereas others are concerned about the limited storage space remaining. The cheese market tone is mixed. Block prices, on the CME, have been particularly strong. However, many contacts are anxious regarding the relatively large block to barrel price variance. Contacts suggest a price gap above \$.1000 is a sign of instability. In CME Group trading Wednesday, barrels closed at \$1.5450, up \$.0825 from last Wednesday and blocks closed at \$1.7450, up \$.0800 from last Wednesday. The DMN *National Retail Report-Dairy* shows that May 26-June 1 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.02, 17 cents below the national average. Midwest prices range from \$1.33-\$2.50. One year ago, the national price was \$2.19. For 8 ounce blocks, the Midwest average price is \$1.83, 24 cents below the national average price. Midwest ads are priced from \$0.99-\$2.50. Last year, the national

price was \$2.24. This week, a cooperative export assistance program accepted requests for 3.54 million pounds (1,604 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 37.71 million pounds of cheese in export markets. Midwestern wholesale prices are unchanged for Swiss cuts, down \$.0200 for process, but up \$.0225 for all other types.

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

Process American 5# Loaf	:	1.5775-1.9375
Brick And/Or Muenster 5#	:	2.0475-2.4725
Cheddar 40# Block	:	1.7750-2.1700
Monterey Jack 10#	:	2.0225-2.2275
Blue 5#	:	2.3150-3.3025
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8475-2.7875
Grade A Swiss Cuts 6 - 9#	:	2.8400-2.9575

WEST

Western cheese industry contacts report steady demand. Cheese is moving well through regular contracts, but buyers are not seeking a lot of additional loads. Some export opportunities are developing as U.S. cheese prices coincide well with international prices and the dollar has weakened a little against other currencies. A few industry contacts say warehouses are full and that warehouse operators are charging premiums for any additional space. Contacts further suggest barrels are heavy, but blocks are tight. Cheese with a little age is harder to move and adding to inventories. Cheese production is active and following the wave of milk production. The DMN *National Retail Report-Dairy* for the week of May 26-June 1 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.19, up \$.01 from last week. Packs average \$2.17 in the Southwest and \$2.33 in the Northwest. One year ago, the national price was \$2.19. For 8 ounce blocks, the U.S. price is \$2.07, down \$.19 from last week. Blocks average \$2.13 in the Southwest and \$1.88 in the Northwest. One year ago, the national price was \$2.24. In the West, wholesale prices were down \$.0200 for process, but up \$.0225 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 3.536 million pounds (1,604 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 37.709 million pounds of cheese in export markets. According to the California Department of Food and Agriculture, April 2017 cheese production was 210.4 million pounds, up 4.4% from a year ago. California year-to-date cheese production through April is 830.1 million pounds, down 0.1% from 2016 cheese production through April. In CME Group trading Wednesday, barrels closed at \$1.5450, up \$.0825 from a week ago and blocks closed at \$1.7450, up \$.0800.

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

Process 5# Loaf	:	1.5650-1.8225
Cheddar 40# Block	:	1.8075-2.2525
Cheddar 10# Cuts	:	1.9875-2.2075
Monterey Jack 10#	:	1.9975-2.1575
Grade A Swiss Cuts 6 - 9#	:	2.9000-3.3300

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CHEESE MARKETS

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FOREIGN TYPE CHEESE

The European Union (EU) cheese market is more solid this year. Although milk production in the first quarter of 2017 was lower than that of the previous year, cheese production increased on average by 1.9%. Cheese production is ongoing; however, it is contracted in advance, with no additional loads available for spot sales. Manufacturers have sold out their cheese for the coming weeks. Buying interest from Southern Europe increased as many vacationers go to the European Union for the holiday season. Exports to China, Japan, and South Korea increased sharply while exports to USA, Switzerland, and Mexico shrunk, but remain good. Overall, the demand for EU cheese is good within the EU and worldwide. For the month of June, cheese prices are significantly up and many buyers have already agreed to the higher prices. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices are up \$0.0225. All other varieties are unchanged.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2300	: 2.1925-3.6800*
Gorgonzola	: 3.6900-5.7400	: 2.7000-3.4175*
Parmesan (Italy)	: -0-	: 3.5825-5.6725*
Romano (Cows Milk)	: -0-	: 3.3825-5.5325*
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>
	:	
05/29/17	32,973	: 99,857
05/01/17	29,492	: 100,143
CHANGE	3,481	: -286
% CHANGE	12	: -0

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	185	0	170	0	200
SOUTHEAST STATES	0	0	0	0	0	0

Milk production is holding relatively steady in the Mid-Atlantic area and into New York and Southern New England. Sources note climbs in milk output further North. Bottled milk interest is steady at best. The peak of the flush appears to be on the downside in the Southeast as milk production decreases at varying rates. Bottled milk sales are mostly slower, as plants are required to move surplus milk out of the area. Florida temperatures are hot. Highs range in the 90s to 100. Hence, current conditions are advancing the drop in milk production. Class I sales are lackluster. Handlers expect even lower bottling orders next week. Export milk shipments jumped to 185 loads, 10 above the previous week as milk clears to Mid-Atlantic plants. The **fluid cream** market is mostly steady. Cream spot prices are mixed as **multiples** range **1.18-1.24**. Offerings are steady, relative to good Class II demand. Ice cream production is moderate to heavy as warmer conditions in the south create better demand for the ice cream trade. **Condensed skim** volumes remain heavy, prompting continuous drying activity at most plants. Post-holiday spot prices are mostly steady. According to the DMN *National Retail Report-Dairy*, for May 26-June 1, 2017, the U.S. weighted average advertised price for a gallon of milk is \$3.45, up 99 cents compared to last week and up 52 cents from a year ago.

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-	2.7954-2.9376
F.O.B. producing plants: Upper Midwest-	2.7954-2.9376

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

With average temperatures in the 50s in parts of the upper Midwest, cow comfort is ideal. Milk yields, consequently, are strong and remain at flush levels. Class I demand is seasonally slow with school districts beginning to break for the summer. Bottlers are preparing to scale back production. Some Central region bottlers anticipate that retail demand will help offset school breaks, as retail milk purchases typically increase while vacationing students are at home. Cheesemakers in the Midwest are taking on spot milk loads at discounted rates. Generally, Class III spot milk prices ranged from \$3.50 to \$6.00 under Class. However, some situational milk spots, due to holiday scheduling difficulties, were reported at \$7.00 under Class III. Warmer forecasts in many parts of the Central U.S. are expected to dampen cream availability. Nonetheless, Central region cream remains available for production needs. Current **cream multiples** into Class II production ranged from **1.18 to 1.24**. Cream multiples into Class IV plants were around 1.15. The weather outlook looks promising to Midwest farmers, as they begin cutting hay. The DMN *National Retail Report-Dairy* for May 26-June 1 noted the national weighted average advertised price for one gallon of

milk was \$3.46, up \$1.00 from a week ago and \$.53 higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.79 and \$3.61, respectively.

WEST

Farm milk output is variable in California this week. Many contacts report lower milk production, while others suggest that it is flat to up. In addition, some plant managers indicate that less milk is going to the dryers. Fluid milk demand is down as schools are starting to wind down. Alfalfa fields were making excellent progress and being cut and dried. Pasture and rangeland conditions are good or excellent in 75 percent of California. Milk production continues to trend downward in Arizona due to higher daytime temperatures. Manufacturers report temperatures topping 100 degrees in some areas. According to industry contacts, so far milk supplies have increased by approximately 3 percent this year compared to last year. Class I sales are down with schools being out. Processors are balancing more milk as handlers continue to push back on milk. Alfalfa and barley were rated mostly good to excellent depending on the location. Harvesting was taking place on three quarters of the alfalfa across the state of Arizona. In New Mexico, farm milk production is trending lower as the weather continues to be hotter. Various plant operators indicate that supplies are heavy and available to meet processing needs. As educational institutions close or get ready to close, Class I interest is lower. Class II milk orders from ice cream and frozen dessert manufacturers are increasing. Pacific Northwest milk production, down year over year, is seasonally edging higher. With the end of the school year, some milk intakes are shifting from bottling to manufacturing. Industry contacts report no trouble getting the milk needed for most processing needs. After a week of dry weather, farmers are getting caught up on field work and making the first cuttings of hay. Pasture and rangeland conditions are good or excellent in 90 percent of Washington and 49 percent of Oregon. Milk production in the mountain states of Colorado, Utah and Idaho is strong. Milk per cow may be a little lower than previous years, but a strong crop of replacement dairy cows has helped refill milk tanks. Milk intakes are plentiful and manufacturers are having no trouble getting the milk needed for processing. Farmers are making their first cuttings of hay. Pasture and rangeland conditions are good or excellent in 76 percent of Colorado, 85 percent of Utah, and 81 percent of Idaho. Western **condensed skim** intakes from Class II manufacturers are steady to increasing, easing the pressures on dryer schedules. In the West, butterfat components are dropping seasonally, mainly in areas with higher temperatures. **Cream** supplies are tight to comfortable, and manufacturers are making butter to accommodate any extra cream. The market anticipates that butter inventories will get tighter in the coming months. Demand is increasing as ice cream and frozen desserts manufacturers increase their orders. **Cream multiples** for all usages are **1.06 to 1.22**. According to the DMN *National Retail Report-Dairy* for the week of May 26-June 1, the national weighted average advertised price for one gallon of milk is \$3.46, up \$1.00 from last week, and \$0.53 higher from a year ago. The weighted average regional price in the Southwest is \$2.66, with a price range of \$2.19-\$2.99. No ads were reported in the Northwest.

NONFAT DRY MILK, BUTTERMILK & 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 the price range and mostly price series. The low/medium heat NDM spot market was active, although slightly slower than in previous weeks. Some contacts believe with inventories available and production ongoing, low/medium heat NDM prices are near their peak. Other contacts suggest buyers are willing to take on spot loads at current prices, as exports of low/medium heat NDM are reportedly increasing and futures markets hover near to over \$1.00. Low/medium heat NDM inventories are adequate. The low/medium heat NDM market tone is mixed. High heat NDM prices increased on the bottom of the price range. Spot market trading of high heat NDM was light. High heat NDM production and inventories vary, but remain adequate for contractual obligations.

EAST: Prices for low/medium nonfat dry milk shifted upward on both ends of the range and mostly price series this week. With U.S. low/medium heat NDM prices below the global market, and stable domestic trading activity, prices look to be firming. Some participants are being quoted low/medium heat NDM extended contracts at higher prices. On the other hand, a number of market participants have seen light trading and some prices reflect mild demand. A few buyers are in a wait and see approach to the low/medium heat NDM pricing. Production is strong as manufacturers are operating dryers on heavy schedules. Inventories are manageable to long. The market undertone is mixed. High heat NDM prices remained steady this week. Production continues to be limited, as low/medium heat NDM is the main focus for drying. Inventories are light to adequate. The market tone is firming. Wednesday's CME Group cash trading for Grade A nonfat dry milk closed at \$0.9550, up \$0.0275 from last Wednesday.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8700 - 0.9800 MOSTLY: .8900 - .9300
HIGH HEAT: .9900 - 1.1000

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk (NDM) prices converged higher with active f.o.b. spot trading. The market undertone is mixed. The industry opinion of the market continues to be divided. Some manufacturers believe that the market is tightening. As a result, they are hedging CME prices by buying more NDM. Others continue to think the opposite as so, they are clearing their NDM at current prices believing that prices will stabilize at a lower level soon. Domestic buyers' activities are slow in the spot market and many people are purchasing based on near-term needs. A few contacts suggest that sales to Mexico, China, and the Southeastern markets have strengthened lately. Inventories of NDM are plentiful; however, a number of producers report having lower supplies. Production is steady to declining since many processors are making NDM to order and selling condensed skim to ice cream makers. High heat nonfat dry milk prices shifted higher on the range, following higher priced indices. The market undertone is holding steady. Sales are limited outside of contracts. Inventories are minimal due to many processors working first on fulfilling contracts with little excess produced. A number of contacts indicate that some producers are buying and stocking high heat nonfat dry milk for the summer as they think it may run out.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8700 - 1.0000 MOSTLY: .9200 - .9700
HIGH HEAT: .9700 - 1.0900

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
May 26	\$.8956	8,171,285
May 19	\$.8730	9,554,893

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 increased on the bottom of the price range, but remained steady at the top. Dry buttermilk spot market activity was moderate, as loads continue to move primarily through contracts. Demand for dry buttermilk is relatively quiet. Buttermilk supplies are tightening, as some producers have slowed and/or plan to slow buttermilk drying. The dry buttermilk market tone is fair. Some contacts expect it to shadow low/medium heat NDM and continue to strengthen in the near term.

EAST: Dry buttermilk prices in the East shifted higher on the bottom of the range this week. Spot transactions have been mild the last couple of weeks, but there is anticipation for the price and trading activity to increase. Dry buttermilk production is active as dryers are running on light to full schedules. Inventories are moderate and building. The current demand is light to fair and the market tone is stable.

F.O.B. CENTRAL/EAST: .8250 - .8800

DRY BUTTERMILK - WEST

Western dry buttermilk prices shifted higher on the bottom of the range and both ends of the mostly series. Although spot sales are limited, many of them are made at the upper end of the range. The market undertone is balanced. Production levels are unchanged to lower as less manufacturers are drying additional loads of buttermilk. With the tightening of cream, some suppliers are either producing lower quantities of butter or opting out of butter production. Therefore, less buttermilk is available in the dairy market. Dry buttermilk demand is steady and mostly focused on satisfying immediate contracts.

F.O.B. WEST: .8100 - .9100 MOSTLY: .8500 - .9000

DRY WHOLE MILK - NATIONAL

National dry whole milk f.o.b. spot prices held steady and remain below international WMP values. Although spot transactions were limited, there were a number of spot market offers well above the price range. Domestic buyers are only taking on spots when necessary, and if they find the right price. However, contacts suggest prices could firm in the near term, as milkfat demand increases globally. Dry whole milk production and inventories are light. Manufacturers are cautious about drying more whole milk than is currently contractually obligated.

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 increased slightly on the bottom of the range, but decreased on both ends of the mostly price series. The Central dry whey spot market saw lots of offers, but completed transactions were limited. Some end users are stocked and are confident that prices are fair and will remain in the current range for the near term. Whey producers are expressing concerns regarding inventories, which are building. Dry whey production is in line with ongoing cheese manufacturing, and Class III plants continue to take on available and discounted milk in the Midwest. Animal feed whey prices are steady. Animal feed whey inventory reports are mixed. Some feed suppliers, who stocked up on feed grade whey earlier in the year, are sufficiently stocked.

F.O.B. CENTRAL: .3550 - .5950 MOSTLY: .4300 - .5175
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3375 - .4400

DRY WHEY - NORTHEAST

Northeastern dry whey prices shifted lower on both ends of the range this week. Some Eastern market individuals are trading their whey supply at lower costs to decrease inventories. Trading activity is moderate, as some market participants continue to watch and see where the price will go. Northeast cheese production is strong, leading to heavy dry whey processing. Inventories are manageable to building. Some market participants' contractual needs are met, therefore they do not need additional spot loads. The demand is generally well balanced. The market tone is steady, with signs of weakness.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3850 - .5300

DRY WHEY - WEST

Western whey prices are steady, but the top end of the mostly price series moved lower. The market tone for whey is a little unsettled. Inventories vary greatly. Some manufacturers report stocks as tight, while other contacts say inventories have grown from balanced to a little heavy. A few market participants suggest there may be sellers that are wanting to move significant volumes of whey stocks to clear out their supplies. Western whey production is up somewhat and buyers are more willing to manage their contracts than look for extra loads of whey.

NONHYGROSCOPIC: .4000 - .5375 MOSTLY: .4200 - .4800

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are unchanged. Production is relatively steady. Demand from the infant formula market remains strong and manufacturers of this type of WPC34% have locked in most of their prices at the upper end of the range. Buyers for infant formula producers are willing to pay the premiums and are looking for extra loads to assure coverage. On the other hand, WPC34% that does not meet infant formula requirements is still having a hard time competing against other protein sources. Manufacturers are hopeful that WPC34% prices will move higher, following the lead of recent nonfat dry milk price increases.

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

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged and many market participants describe the market tone as steady. Industry contacts say demand continues to be strong. Lactose production appears to be fairly well-balanced with that demand. Inventories are generally tight. However, a few contacts suggest stocks have built somewhat and are asking if the market prices may have reached a plateau. Manufacturers report a little more competition in Southeast Asia from European lactose producers. Currency differentials between the U.S. dollar and the euro appear to be driving the competition, but it is not a major concern for U.S. manufacturers.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .3450 - .5700 MOSTLY: .3700 - .4500

CASEIN - NATIONAL

Prices for rennet and acid casein are both unchanged this week. Casein is moving well through current contracts and market participants view the market tone as very stable. Casein production is steady. Some industry contacts feel casein prices may get a little lift from recent increases in skim milk powder prices, but the market will need to see if that develops over the next few weeks.

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

RENNET: 2.7500 - 3.0500
ACID: 3.4000 - 3.7000

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

<u>WEEK ENDING</u>	2017 WEEKLY <u>DAIRY COWS</u>	2017 <u>CUMULATIVE DAIRY COWS</u>	2016 WEEKLY <u>DAIRY COWS</u>	2016 <u>CUMULATIVE DAIRY COWS</u>
05/13/2017	55.4	1,131.6	50.2	1,153.3

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

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

CLASS III MILK PRICES (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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

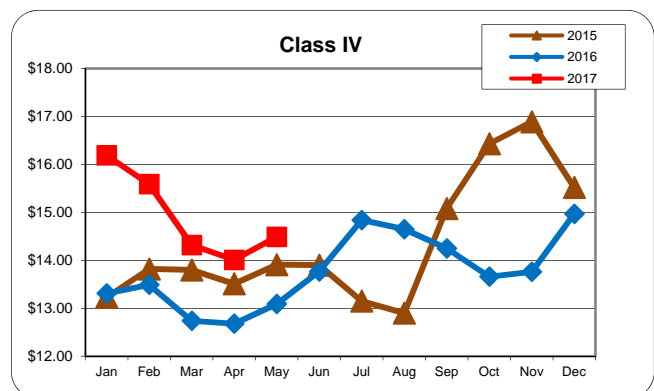
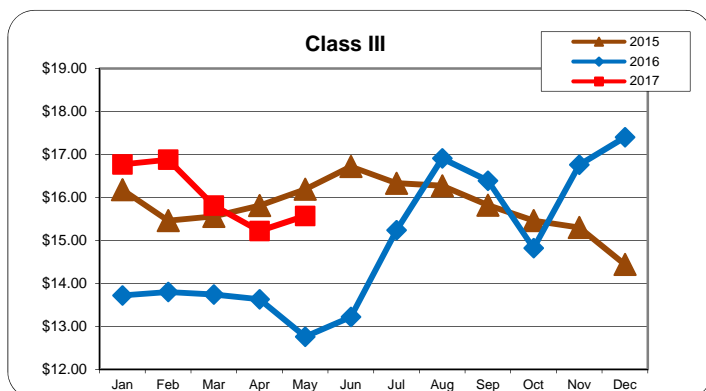
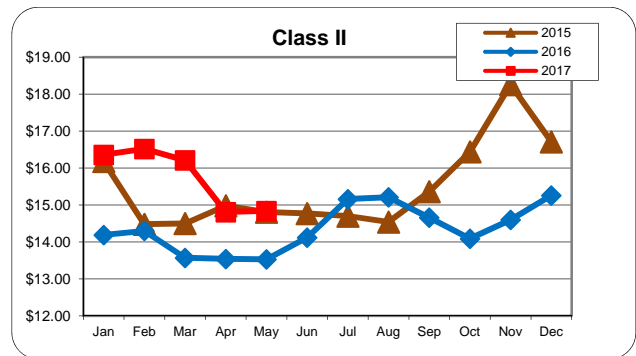
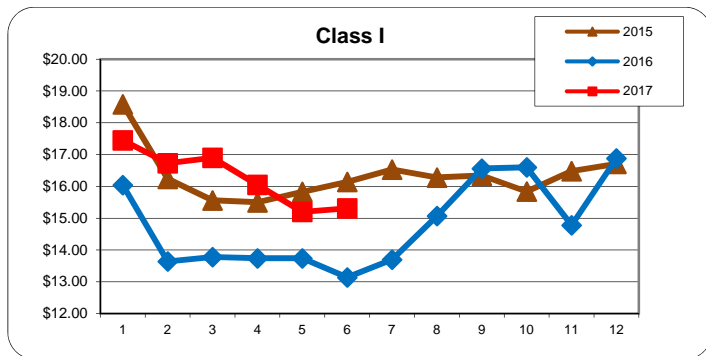
CLASS IV MILK PRICES (3.5%)

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	14.84							
III	16.77	16.88	15.81	15.22	15.57							
IV	16.19	15.59	14.32	14.01	14.49							

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



ORGANIC DAIRY MARKET NEWS

Information gathered May 22 - June 2, 2017

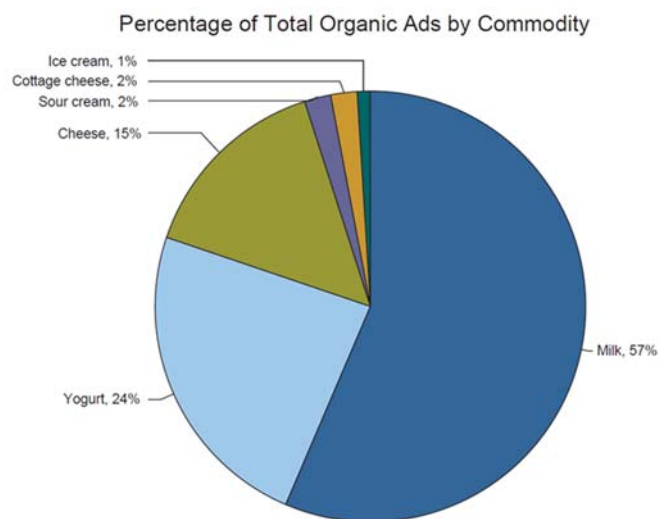
ORGANIC DAIRY FLUID OVERVIEW

Domestic Organic Milk Sales and Sourcing – New England. In New England, Federal Milk Market Order 1 reports utilization of types of organic milk by pool plants. During April 2017, organic whole milk utilization totaled 13.546 million pounds, up slightly from 13.503 million in April 2016. The 2017 butterfat content was 3.28 percent, down from 3.29 percent in 2016. Organic reduced fat milk utilization for April this year, 19.254 million pounds, was down from 20.851 million in April last year. Butterfat percent for organic reduced fat milk was 1.29 percent this April, up from 1.20 percent last year.

ORGANIC DAIRY RETAIL OVERVIEW

Organic Dairy Overview. This week, organic milk accounts for 57 percent of total organic dairy retail ad numbers by commodity. Organic yogurt ads accounted for 24 percent, followed by cheese, 15 percent, and sour cream was 2 percent of the total retail organic ads surveyed by commodity. Total organic ads saw a 103 percent hike compared to the previous report period. Milk ads rose significantly, 111 percent, driven by 8 oz. UHT packaging, and showed 8 times as many ads when compared to the previous week.

Regionally, the highest percentage change in organic milk ads was in the South East region, increasing 566 percent. Organic retail ads in the Northeast declined 64 percent, while the Southeast region posted the largest volume of organic ads. The following pie chart displays ad percentages for each organic dairy commodity surveyed.



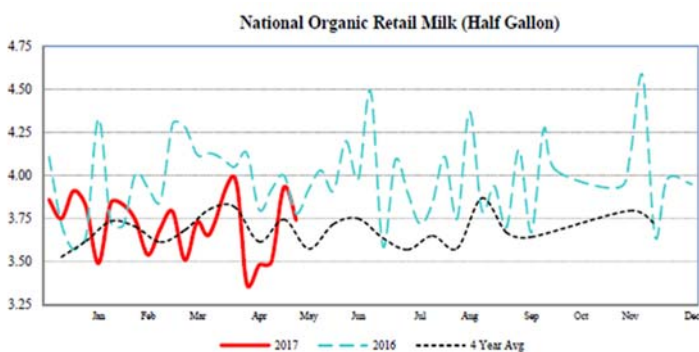
Data source/graph USDA Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from June 2-8, 2017, identifying weekly specials and containing organic dairy content. Retail survey ads reflect “advertised specials” and not the range of non-advertised supermarket cooler prices.

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

NATIONAL RETAIL ORGANIC DAIRY (Wtd.Avg.Price)

Commodity	This Week	Last Week	Last Year
Butter	...	\$5.49	\$6.37
Milk			
Half Gal.	\$3.68	\$3.74	\$4.03
Gal.	\$5.88	...	\$6.14
8 oz.	\$1.00	\$1.00	\$1.01
Yogurt			
4-6 oz. Greek	\$1.22	\$1.02	\$1.25
32 oz. Greek
4-6 oz. Yogurt	\$1.20
32 oz. Yogurt	\$4.35	\$2.77	...

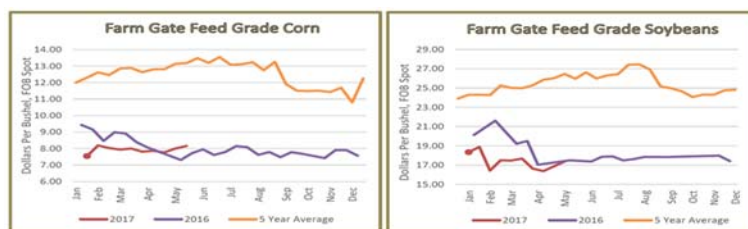


Data source/graph USDA/AMS/Dairy Market News

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

ORGANIC GRAIN AND FEEDSTUFF MARKETS

Grain and Feedstuff. This week, growers' bids on feed grade organic corn were \$8.25 per bushel, f.o.b. farm gate. Feed grade corn demand and activity is good, while trading 31 cents higher. Feed grade soybean demand and activity are light. Trading prices range \$17.10-\$17.75 f.o.b. farm gate, with delivered elevator prices mostly \$17.50 to \$18.00. Meanwhile, rainy conditions have delayed corn and soybean planting across the U.S. Soybean meal transactions are virtually inactive on the spot market with limited exchanges occurring trades to trend. Sources report that feed wheat activity is moderate on good demand as bids range \$8.00 to \$9.00 delivered, as interest increases. Markets for soybean oil are light on good demand with no comparable trades to trend. Forward contract activity for organic grains is light. The market saw limited exchanges on barley and oats while trade on all other organic grains remains inactive. Organic hay trades were limited.



Additional livestock and grain market news information is available at: <https://www.ams.usda.gov/mnreports/lbndof.pdf>

ORGANIC DAIRY MARKET NEWSInformation gathered May 22 - June 2, 2017

-CONTINUED FROM PAGE 8 -

Foreign Price Pressure. Imports of soybean and corn continue to exert price pressure on domestic soybean and corn, and to some extent set in place a cap on upward price movement for domestic feed. Recent reports suggest imports of organic soybeans have grown at an average rate of 29.1 percent per year, while imports of feed corn have grown 63.6 percent per year. The average delivered price for domestic corn in 2016 was \$8.60 per bushel, compared to imports at \$8.35 a bushel. Soybeans averaged \$19.53 in domestic markets, while imports compared at \$18.12.

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

COMMODITY	::REPORT NUMBER 18	::REPORT NUMBER 19	::REPORT NUMBER 20	::REPORT NUMBER 21	::REPORT NUMBER 22	:: 2017	: 2016
	::-----	::-----	::-----	::-----	::-----	:: Monthly	: Monthly
	:: MAY 1 - 5	:: MAY 8 - 12	:: MAY 15 - 19	:: MAY 22 - 26	:: MAY 30 - 31	:: Average	: Average
CHEESE							
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	:: 1.5175 - 1.8775	:: 1.5150 - 1.8750	:: 1.5875 - 1.9475	:: 1.5975 - 1.9575	:: 1.5775 - 1.9375	:: 1.7365	: 1.6244
-- Brick And/Or Muenster 5#	:: 1.8950 - 2.3200	:: 1.8700 - 2.2950	:: 1.9775 - 2.4025	:: 2.0250 - 2.4500	:: 2.0475 - 2.4725	:: 2.1640	: 1.9114
-- Cheddar 40# Block	:: 1.6225 - 2.0175	:: 1.5975 - 1.9925	:: 1.7050 - 2.1000	:: 1.7525 - 2.1475	:: 1.7750 - 2.1700	:: 1.8765	: 1.6239
-- Monterey Jack 10#	:: 1.8700 - 2.0750	:: 1.8450 - 2.0500	:: 1.9525 - 2.1575	:: 2.0000 - 2.2050	:: 2.0225 - 2.2275	:: 2.0290	: 1.7764
-- Blue 5#	:: 2.1625 - 3.1500	:: 2.1375 - 3.1250	:: 2.2450 - 3.2325	:: 2.2925 - 3.2800	:: 2.3150 - 3.3025	:: 2.7127	: 2.4602
-- Mozzarella 5 - 6#	:: 1.6950 - 2.6350	:: 1.6700 - 2.6100	:: 1.7775 - 2.7175	:: 1.8250 - 2.7650	:: 1.8475 - 2.7875	:: 2.2215	: 1.9689
-- Grade A Swiss Cuts 6 - 9#	:: 2.8275 - 2.9450	:: 2.8400 - 2.9575	:: 2.8400 - 2.9575	:: 2.8400 - 2.9575	:: 2.8400 - 2.9575	:: 2.8959	: 2.5589
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 40# Block	:: 1.9900 - 2.2750	:: 1.9650 - 2.2500	:: 2.0725 - 2.3575	:: 2.1200 - 2.4050	:: 2.1425 - 2.4275	:: 2.1890	: 1.8714
-- Process 5# Sliced	:: 1.5600 - 2.0400	:: 1.5575 - 2.0375	:: 1.6300 - 2.1100	:: 1.6400 - 2.1200	:: 1.6200 - 2.1000	:: 1.8390	: 1.7919
-- Muenster	:: 1.9750 - 2.3250	:: 1.9500 - 2.3000	:: 2.0575 - 2.4075	:: 2.1050 - 2.4550	:: 2.1275 - 2.4775	:: 2.2065	: 1.9239
-- Grade A Swiss Cuts 10 - 14#	:: 3.3100 - 3.6325	:: 3.3225 - 3.6450	:: 3.3225 - 3.6450	:: 3.3225 - 3.6450	:: 3.3225 - 3.6450	:: 3.4809	: 3.1439
WEST COAST (WSP, Delivered, LTL)							
-- Process 5# Loaf	:: 1.5050 - 1.7625	:: 1.5025 - 1.7600	:: 1.5750 - 1.8325	:: 1.5850 - 1.8425	:: 1.5650 - 1.8225	:: 1.6727	: 1.5882
-- Cheddar 40# Block	:: 1.6550 - 2.1000	:: 1.6300 - 2.0750	:: 1.7375 - 2.1825	:: 1.7850 - 2.2300	:: 1.8075 - 2.2525	:: 1.9340	: 1.6539
-- Cheddar 10# Cuts	:: 1.8350 - 2.0550	:: 1.8100 - 2.0300	:: 1.9175 - 2.1375	:: 1.9650 - 2.1850	:: 1.9875 - 2.2075	:: 2.0015	: 1.7214
-- Monterey Jack 10#	:: 1.8450 - 2.0050	:: 1.8200 - 1.9800	:: 1.9275 - 2.0875	:: 1.9750 - 2.1350	:: 1.9975 - 2.1575	:: 1.9815	: 1.7014
-- Grade A Swiss Cuts 6 - 9#	:: 2.8875 - 3.3175	:: 2.9000 - 3.3300	:: 2.9000 - 3.3300	:: 2.9000 - 3.3300	:: 2.9000 - 3.3300	:: 3.1122	: 2.7751
FLUID PRODUCTS							
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)							
-- Northeast - f.o.b	:: 2.2123 - 2.6338	:: 2.4277 - 2.6388	:: 2.4990 - 2.7163	:: 2.6114 - 3.0387	:: 2.7954 - 2.9376	:: 2.6217	: 2.3316
-- Upper Midwest - f.o.b	:: 2.4231 - 2.5705	:: 2.4277 - 2.5965	:: 2.5207 - 2.7380	:: 2.7538 - 2.9912	:: 2.7954 - 2.9376	:: 2.6494	: 2.3956
PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.							
-- Class II	:: 0.20 - 0.93	:: 0.10 - 0.73	:: 0.10 - 0.73	:: 0.30 - 0.77	:: 0.30 - 0.77	:: 0.4873	: 0.4524
-- Class III	:: 0.25 - 1.00	:: 0.20 - 0.80	:: 0.20 - 0.80	:: 0.25 - 0.80	:: 0.25 - 0.80	:: 0.5364	: 0.3929

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

COMMODITY	::REPORT NUMBER 18	::REPORT NUMBER 19	::REPORT NUMBER 20	::REPORT NUMBER 21	::REPORT NUMBER 22	::	2017	:	2016
	::-----	::-----	::-----	::-----	::-----	::	Monthly	:	Monthly
	:: MAY 1 - 5	:: MAY 8 - 12	:: MAY 15 - 19	:: MAY 22 - 26	:: MAY 30 - 31	::	Average	:	Average
DRY PRODUCTS									
NONFAT DRY MILK									
-- Central And East (f.o.b.)									
-- Low/Medium Heat	:: 0.8000 - 0.9000	:: 0.8000 - 0.9000	:: 0.8300 - 0.9250	:: 0.8550 - 0.9500	:: 0.8700 - 0.9800	::	0.8750	:	0.7828
-- Mostly	:: 0.8500 - 0.8800	:: 0.8500 - 0.8800	:: 0.8600 - 0.8900	:: 0.8700 - 0.9100	:: 0.8900 - 0.9300	::	0.8770	:	0.7801
-- High Heat	:: 0.9450 - 1.0500	:: 0.9400 - 1.0500	:: 0.9400 - 1.0500	:: 0.9750 - 1.1000	:: 0.9900 - 1.1000	::	1.0098	:	0.9276
-- West (f.o.b.)									
-- Low/Medium Heat	:: 0.7975 - 0.9000	:: 0.8000 - 0.9000	:: 0.8275 - 0.9300	:: 0.8450 - 0.9600	:: 0.8700 - 1.0000	::	0.8759	:	0.7690
-- Mostly	:: 0.8300 - 0.8800	:: 0.8500 - 0.8800	:: 0.8800 - 0.9000	:: 0.9000 - 0.9400	:: 0.9200 - 0.9700	::	0.8882	:	0.7739
-- High Heat	:: 0.9450 - 1.0525	:: 0.9450 - 1.0575	:: 0.9300 - 1.0575	:: 0.9400 - 1.0850	:: 0.9700 - 1.0900	::	1.0041	:	0.9098
WHEY POWDER (Nonhygroscopic)									
-- Central (f.o.b.)	:: 0.3800 - 0.5950	:: 0.3700 - 0.5950	:: 0.3500 - 0.5950	:: 0.3500 - 0.5950	:: 0.3550 - 0.5950	::	0.4784	:	0.2454
-- Mostly	:: 0.4700 - 0.5300	:: 0.4700 - 0.5250	:: 0.4575 - 0.5225	:: 0.4500 - 0.5200	:: 0.4300 - 0.5175	::	0.4914	:	0.2339
-- West (f.o.b.)	:: 0.4200 - 0.5400	:: 0.4000 - 0.5400	:: 0.4000 - 0.5375	:: 0.4000 - 0.5375	:: 0.4000 - 0.5375	::	0.4716	:	0.2464
-- Mostly	:: 0.4200 - 0.5300	:: 0.4200 - 0.5100	:: 0.4200 - 0.5000	:: 0.4200 - 0.5000	:: 0.4200 - 0.4800	::	0.4636	:	0.2358
-- Northeast (f.o.b.)	:: 0.4300 - 0.5625	:: 0.4300 - 0.5625	:: 0.4200 - 0.5625	:: 0.3900 - 0.5400	:: 0.3850 - 0.5300	::	0.4845	:	0.2398
WHEY PROTEIN CONCENTRATE									
-- Central And West (f.o.b.)									
-- Extra Grade 34% Protein	:: 0.7700 - 1.2350	:: 0.7500 - 1.2350	:: 0.7400 - 1.2350	:: 0.7500 - 1.2350	:: 0.7500 - 1.2350	::	0.9936	:	0.6526
-- Mostly	:: 0.8500 - 1.0300	:: 0.8200 - 0.9900	:: 0.8200 - 0.9900	:: 0.8200 - 0.9950	:: 0.8200 - 0.9950	::	0.9138	:	0.6239
ANIMAL FEED - WHEY									
-- Central (f.o.b.)									
-- Milk Replacer	:: 0.3375 - 0.4400	:: 0.3375 - 0.4400	:: 0.3375 - 0.4400	:: 0.3375 - 0.4400	:: 0.3375 - 0.4400	::	0.3888	:	0.1690
BUTTERMILK (Min. 30% protein)									
-- Central And East (f.o.b.)	:: 0.8000 - 0.9000	:: 0.7800 - 0.8900	:: 0.8000 - 0.8800	:: 0.8000 - 0.8800	:: 0.8250 - 0.8800	::	0.8423	:	0.7257
-- West (f.o.b.)	:: 0.7500 - 0.9000	:: 0.7500 - 0.8900	:: 0.8000 - 0.9100	:: 0.8000 - 0.9100	:: 0.8100 - 0.9100	::	0.8407	:	0.7120
-- Mostly	:: 0.8000 - 0.8500	:: 0.8000 - 0.8500	:: 0.8100 - 0.8600	:: 0.8100 - 0.8700	:: 0.8500 - 0.9000	::	0.8352	:	0.7136
DRY WHOLE MILK									
-- National (f.o.b.)	:: 1.2800 - 1.4500	:: 1.2800 - 1.4500	:: 1.2800 - 1.4500	:: 1.2800 - 1.4500	:: 1.2800 - 1.4500	::	1.3650	:	1.2102
LACTOSE									
-- Central And West (f.o.b.)	:: 0.3400 - 0.5700	:: 0.3200 - 0.5700	:: 0.3200 - 0.5700	:: 0.3450 - 0.5700	:: 0.3450 - 0.5700	::	0.4513	:	0.2780
-- Mostly	:: 0.3700 - 0.4500	:: 0.3700 - 0.4500	:: 0.3700 - 0.4500	:: 0.3700 - 0.4500	:: 0.3700 - 0.4500	::	0.4100	:	0.2551
CASEIN - Edible - National (f.o.b.)									
-- Nonrestricted - Rennet	:: 2.8000 - 3.0500	:: 2.9000 - 3.1000	:: 2.7500 - 3.0000	:: 2.7500 - 3.0500	:: 2.7500 - 3.0500	::	2.9227	:	2.5035
-- Nonrestricted - Acid	:: 3.5000 - 3.6500	:: 3.5000 - 3.7000	:: 3.5000 - 3.7000	:: 3.4000 - 3.7000	:: 3.4000 - 3.7000	::	3.5784	:	2.6252

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

CME GROUP AVERAGES FOR MAY 2017

COMMODITY	::REPORT NUMBER 18::		REPORT NUMBER 19::		REPORT NUMBER 20::		REPORT NUMBER 21::		REPORT NUMBER 22::		2017 *	2016 *
	::-----::		-----::		-----::		-----::		-----::		Monthly	Monthly
	:: MAY 1 - 5		MAY 8 - 12		MAY 15 - 19		MAY 22 - 26		MAY 30 - 31		Average	Average

BUTTER*												
-- GRADE AA												
--Monday	::	2.0925	::	2.1275	::	2.3200	::	2.3625	::	1	::	:
--Tuesday	::	2.1150	::	2.1050	::	2.4300	::	2.3625	::	2.3600	::	:
--Wednesday	::	2.1200	::	2.1300	::	2.3450	::	2.3800	::	2.4100	::	:
--Thursday	::	2.1200	::	2.2400	::	2.4000	::	2.3800	::		::	:
--Friday	::	2.1075	::	2.2625	::	2.3750	::	2.3600	::		::	2.2684 : 2.0554
--Weekly Average**	::	2.1110	::	2.1730	::	2.3740	::	2.3690	::		::	:
CHEESE*												
-- BARRELS												
--Monday	::	1.4175	::	1.4500	::	1.5300	::	1.4800	::	1	::	:
--Tuesday	::	1.4150	::	1.4600	::	1.5400	::	1.4725	::	1.5400	::	:
--Wednesday	::	1.4000	::	1.4600	::	1.5000	::	1.4625	::	1.5450	::	:
--Thursday	::	1.4200	::	1.5600	::	1.4700	::	1.5200	::		::	:
--Friday	::	1.4500	::	1.5300	::	1.4700	::	1.4800	::		::	1.4806 : 1.3529
--Weekly Average**	::	1.4205	::	1.4920	::	1.5020	::	1.4830	::		::	:
-- 40# BLOCKS												
--Monday	::	1.4800	::	1.5900	::	1.6350	::	1.6500	::	1	::	:
--Tuesday	::	1.4800	::	1.5900	::	1.6700	::	1.6450	::	1.7300	::	:
--Wednesday	::	1.4800	::	1.6000	::	1.6700	::	1.6650	::	1.7450	::	:
--Thursday	::	1.4900	::	1.6500	::	1.6525	::	1.7200	::		::	:
--Friday	::	1.6000	::	1.6350	::	1.6700	::	1.7325	::		::	1.6264 : 1.3174
--Weekly Average**	::	1.5060	::	1.6130	::	1.6595	::	1.6825	::		::	:
NONFAT DRY MILK*												
-- GRADE A												
--Monday	::	0.8600	::	0.8500	::	0.8825	::	0.9250	::	1	::	:
--Tuesday	::	0.8525	::	0.8575	::	0.8825	::	0.9300	::	0.9350	::	:
--Wednesday	::	0.8525	::	0.8575	::	0.8975	::	0.9275	::	0.9550	::	:
--Thursday	::	0.8500	::	0.8625	::	0.8950	::	0.9300	::		::	:
--Friday	::	0.8450	::	0.8625	::	0.9150	::	0.9275	::		::	0.8888 : 0.7880
--Weekly Average**	::	0.8520	::	0.8580	::	0.8945	::	0.9280	::		::	:

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

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

1/ The CME was closed for the Memorial Day Holiday on May 29th.

April Agricultural Prices Highlights

The All Milk price received by farmers was \$16.50 in April, up \$1.40 from April 2016. Milk Cows price was \$1,640 in April, down \$190 from April 2016. Alfalfa hay price was \$148.00 in April, down \$6.00 from April 2016. Corn price was \$3.43 in April, down \$.13 from April 2016. Soybean price was \$9.32 in April, up \$.31 from April 2016. The milk-feed price ratio was 2.23 in April, up 0.24 from April 2016.

The index of prices received by farmers for dairy products during the month of April 2017 was down 4.0 points to 82.1. Compared to April 2016, the index was up 7.0 points (+9.3 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in April 2017 was up 0.4 to 106.9. Compared with April 2016, the index was up 0.8 points (+0.8 percent).

Selected Milk Prices, Milk Cows, and Feed Prices, Selected States and U.S., April 2017 with Comparisons

State	All-Milk price ^{1,2}		Milk cows ³		Alfalfa hay, baled		Corn for Grain		Soybeans	
	Apr		Apr		Apr		Apr		Apr	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
	<i>(dollars per cwt)</i>		<i>(dollars per head)</i>		<i>(dollars per ton)</i>		<i>(dollars per bushel)</i>		<i>(dollars per bushel)</i>	
AZ	13.90	15.50	1,950	1,800	180.00	170.00	---	---	---	---
CA	13.63	15.45	1,800	1,600	165.00	180.00	---	---	---	---
CO	15.70	17.30	1,950	1,850	180.00	170.00	3.60	3.41	---	---
ID	14.70	16.10	1,900	1,700	140.00	130.00	---	---	---	---
IN	15.10	16.90	1,700	1,550	---	---	3.97	3.77	9.29	9.51
IA	15.20	17.10	1,860	1,600	104.00	89.00	3.52	3.34	8.93	9.29
MI	14.00	15.40	1,900	1,650	130.00	140.00	3.66	3.58	9.01	9.70
MN	15.60	16.80	1,850	1,540	99.00	76.00	3.32	3.24	8.81	9.37
NM	14.40	14.50	1,900	1,800	165.00	190.00	---	---	---	---
NY	16.10	17.20	1,670	1,480	206.00	240.00	---	---	---	---
OH	16.00	17.50	1,700	1,550	170.00	165.00	3.91	3.67	9.52	9.51
PA	16.40	17.60	1,700	1,500	189.00	180.00	4.07	4.29	---	---
TX	15.80	16.20	1,900	1,700	192.00	172.00	3.89	3.59	---	---
WA	15.10	17.10	1,800	1,700	140.00	115.00	---	---	---	---
WI	15.60	17.10	1,910	1,710	99.00	93.00	3.49	3.40	8.98	9.30
U.S.	15.10	16.50	1,830	1,640	154.00	148.00	3.56	3.43	9.01	9.32

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

³ Animals sold for dairy herd replacement only. Quarterly United States milk cow prices are based on revised milk cow inventory.

Milk-Feed Price Ratio, Selected States and U.S., April 2017 with Comparisons

Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ¹

State ²	Apr 2016	Mar 2016	Apr 2017
IA	2.33	2.89	2.80
MI	1.94	2.20	2.07
MN	2.50	2.97	2.92
OH	2.00	2.36	2.19
WI	2.44	2.87	2.74
U.S.	1.99	2.39	2.23

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

General Price Measures, U.S., April 2017 with Comparisons

Item	Apr 2016	Mar 2017	Apr 2017
Index Numbers (1990-92=100):			
Prices received by farmers for dairy production	75.1	86.1	82.1
Prices paid by farmers for commodities and services, interest taxes, and wage rates	106.1	106.5	106.9

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

Federal Milk Order Final Class and Component Prices, May 2017

Class Prices: The following are the May 2017 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$14.84 (+\$0.03), Class III: \$15.57 (+\$0.35), and Class IV: \$14.49 (+\$0.48).

Component Price Information: Under the Federal milk order pricing system, the butterfat price for May 2017 is \$2.4134 per pound. Thus, the Class II butterfat price is \$2.4204 per pound. The protein and other solids prices for May 2017 are \$1.7723 and \$0.3196 per pound, respectively. These component prices set the Class III skim milk price at \$7.38 per cwt. The May 2017 Class IV skim milk price is \$6.26, which is derived from the nonfat solids price of \$0.6956 per pound.

Product Price Averages: The product price averages for May 2017 are: butter: \$2.1644, nonfat dry milk: \$0.8704, cheese: \$1.5390, and dry whey: \$0.5094.

Federal Milk Order Minimum Class Prices for Milk of 3.5 Percent Butterfat ^{1, 2}						
Federal Milk Order Marketing Areas ³	Order Number	May 2017				June 2017
		Class I	Class II	Class III	Class IV	Class I
		(dollars per 100 pounds)				
Northeast (Boston) ⁴	001	18.45	14.84	15.57	14.49	18.56
Appalachian (Charlotte) ⁵	005	18.60	14.84	15.57	14.49	18.71
Florida (Tampa) ⁶	006	20.60	14.84	15.57	14.49	20.71
Southeast (Atlanta) ⁷	007	19.00	14.84	15.57	14.49	19.11
Upper Midwest (Chicago) ⁸	030	17.00	14.84	15.57	14.49	17.11
Central (Kansas City) ⁹	032	17.20	14.84	15.57	14.49	17.31
Mideast (Cleveland) ¹⁰	033	17.20	14.84	15.57	14.49	17.31
Pacific Northwest (Seattle) ¹¹	124	17.10	14.84	15.57	14.49	17.21
Southwest (Dallas) ¹²	126	18.20	14.84	15.57	14.49	18.31
Arizona (Phoenix)	131	17.55	14.84	15.57	14.49	17.66
All-Market Average	---	18.09	14.84	15.57	14.49	18.20

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

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

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

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

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

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

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

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

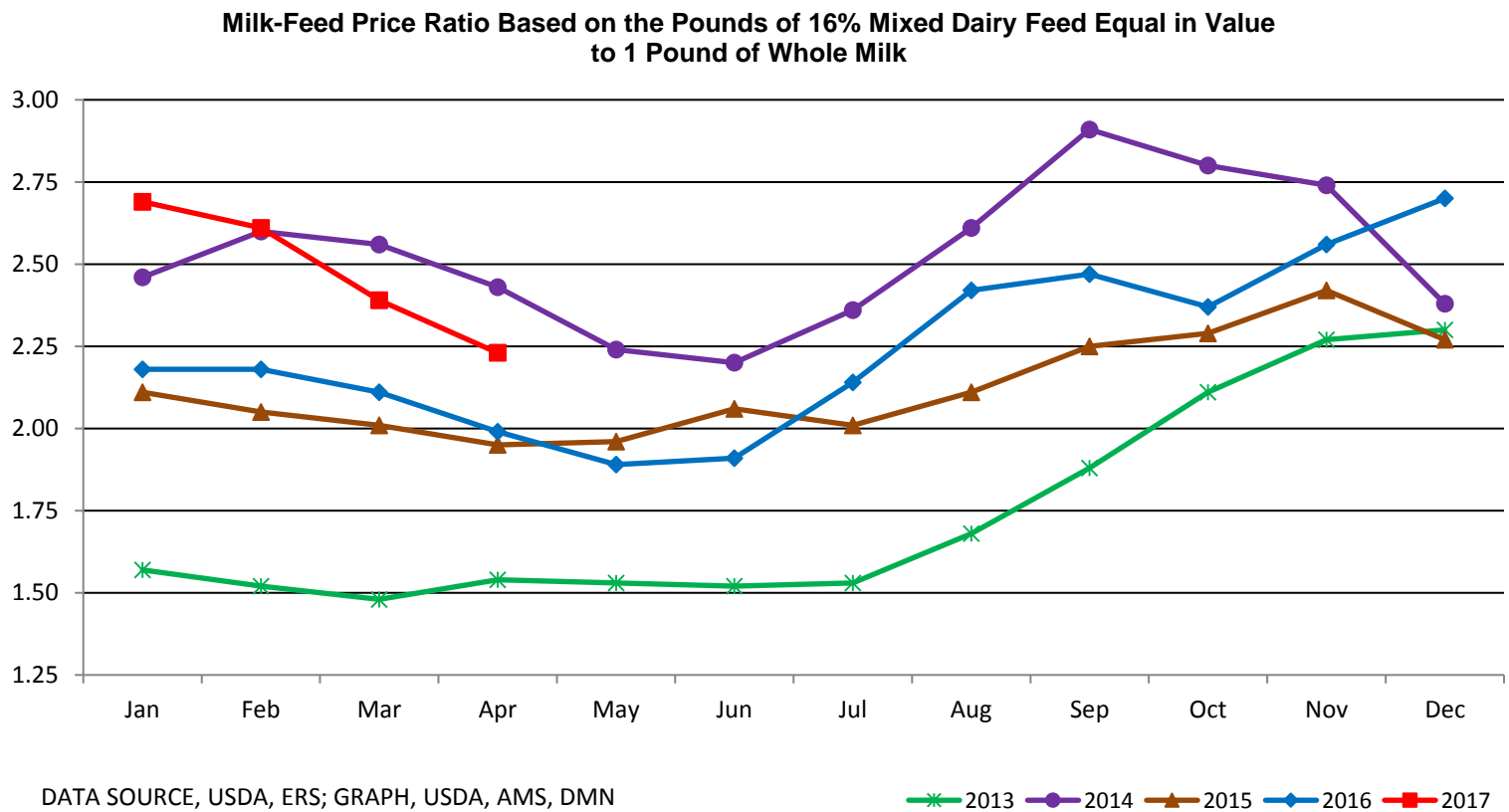
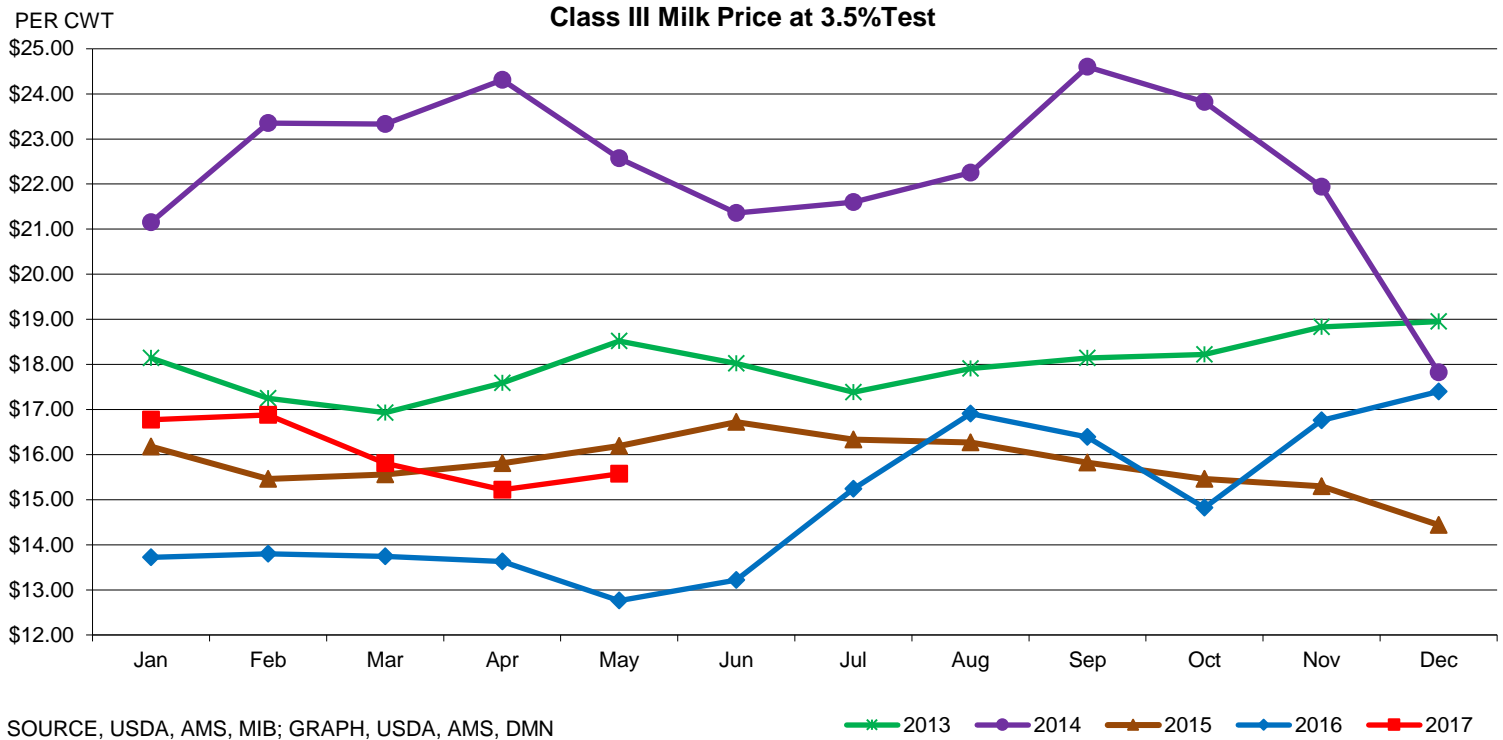
⁹ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

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

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

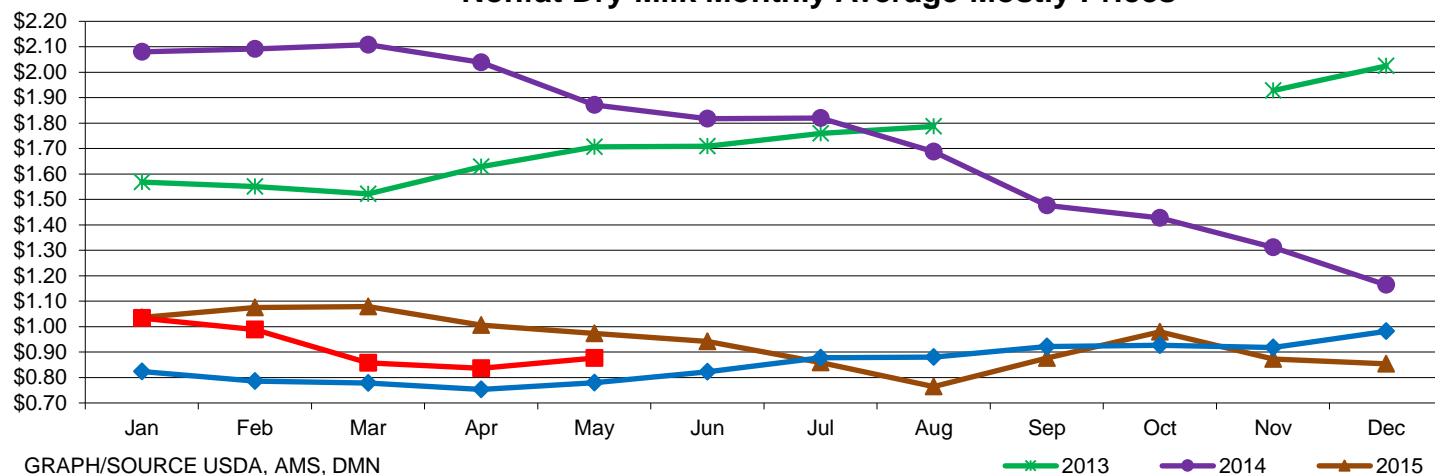
¹² Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

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



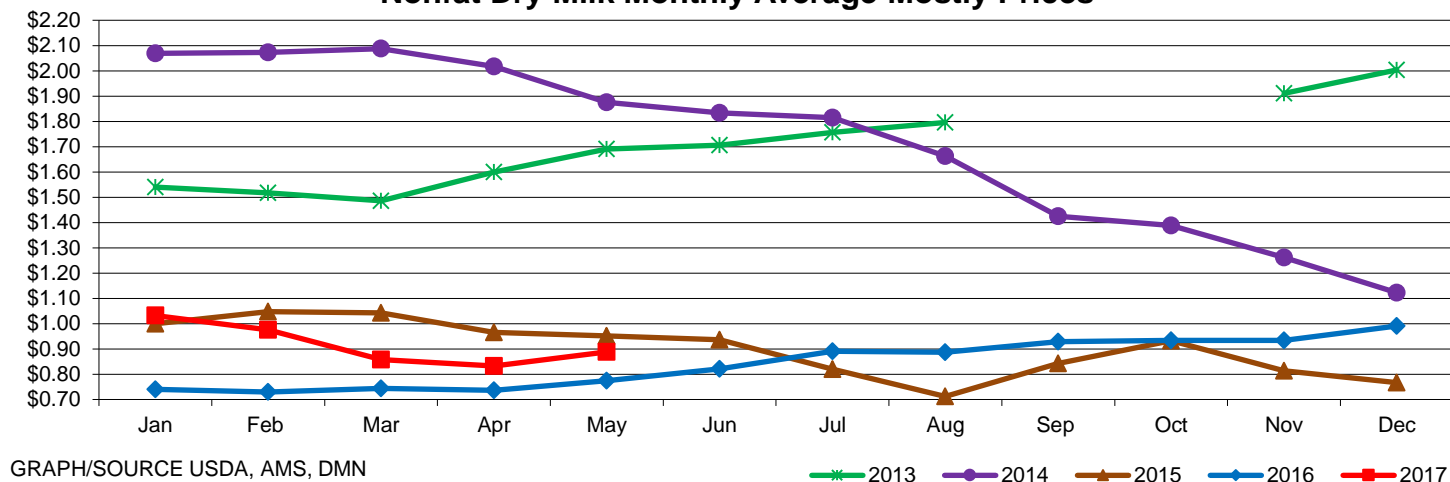
PER POUND

Central & East Low/Medium Heat Nonfat Dry Milk Monthly Average Mostly Prices



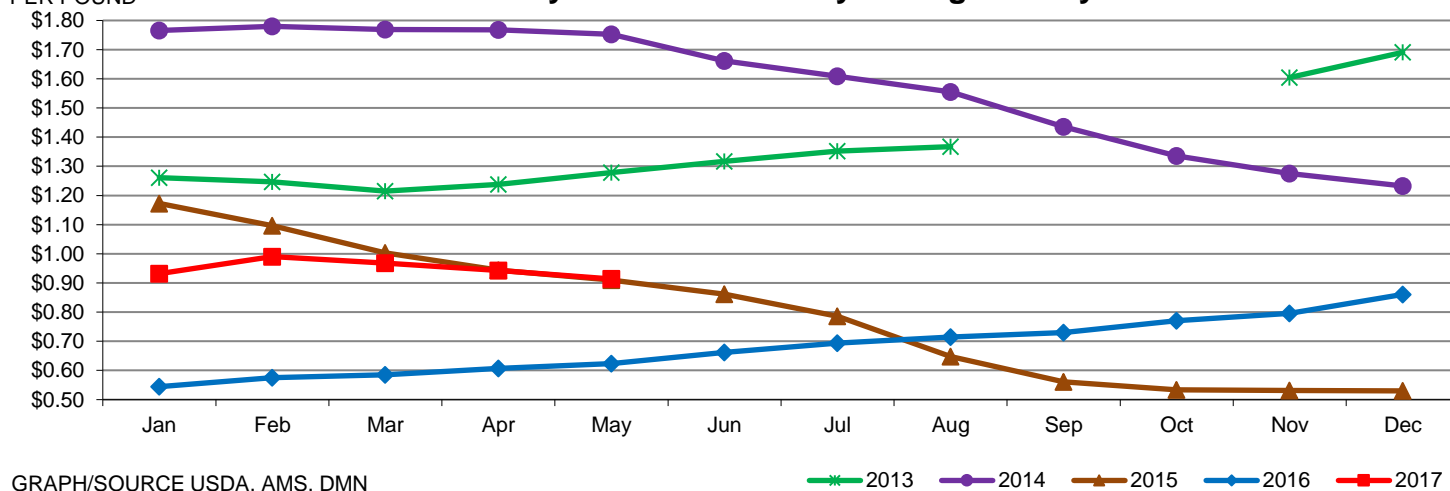
PER POUND

Western Low/Medium Heat Nonfat Dry Milk Monthly Average Mostly Prices

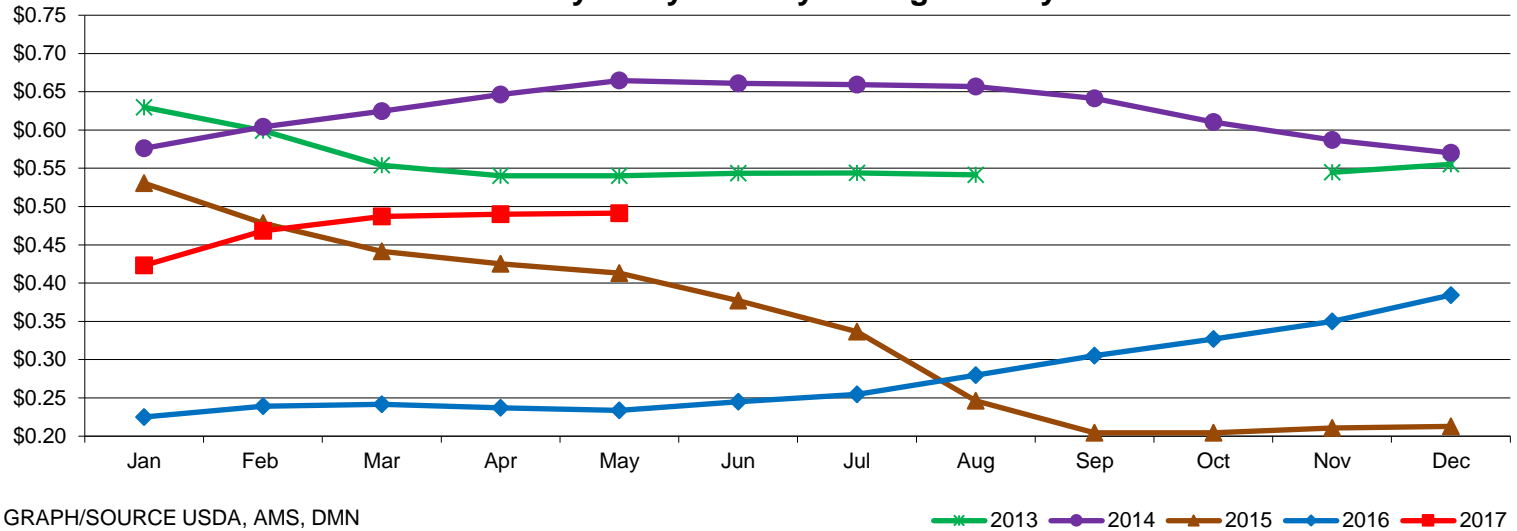


PER POUND

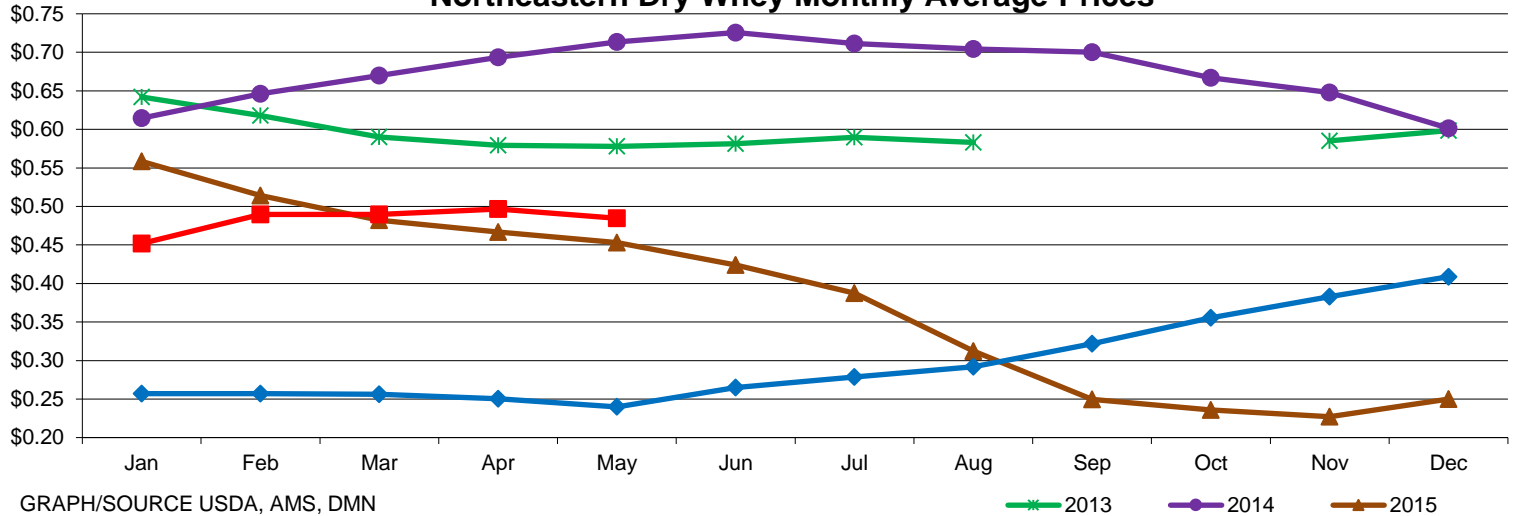
Central & West Dry WPC 34% Monthly Average Mostly Prices



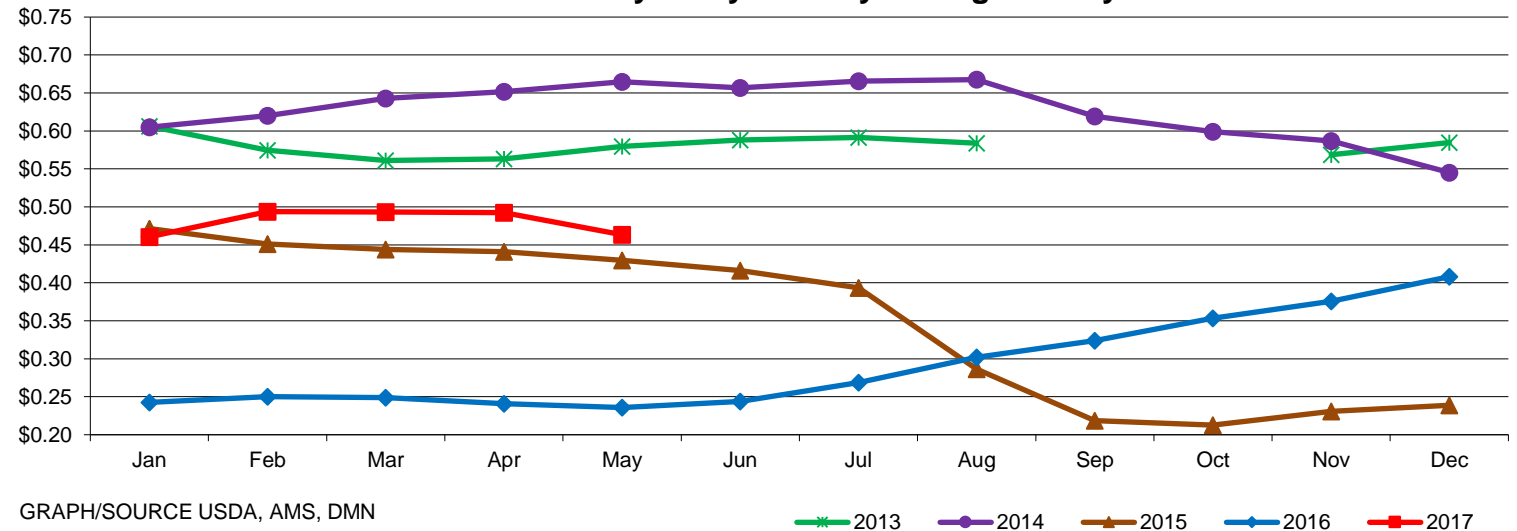
PER POUND

Central Dry Whey Monthly Average Mostly Prices

PER POUND

Northeastern Dry Whey Monthly Average Prices

PER POUND

Western Dry Whey Monthly Average Mostly Prices



Dairy Market News Branch

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Volume 84- Number 22

Issued Weekly

Friday, June 2, 2017

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 06/02/2017 to 06/08/2017

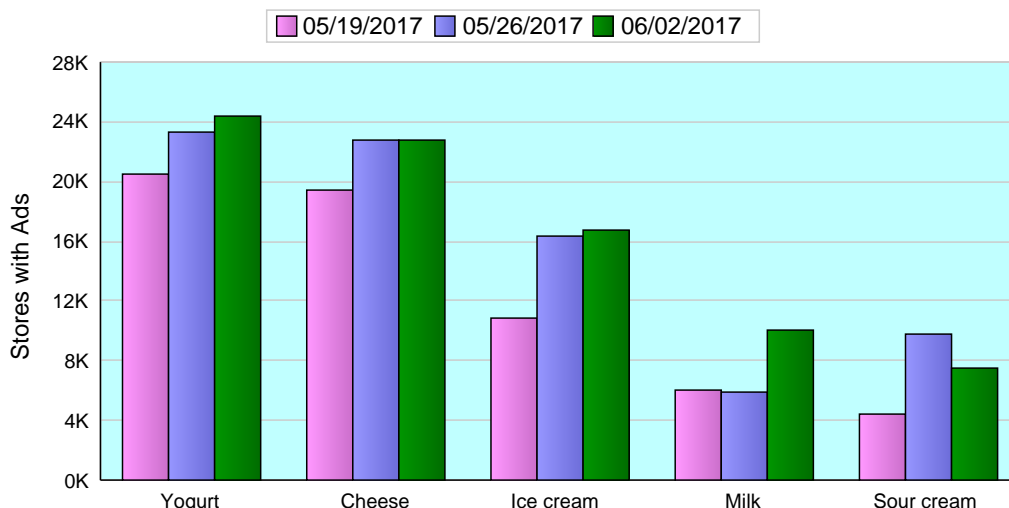
This week, total conventional dairy advertisements declined 13 percent, but organic dairy ads increased 103 percent. For conventional 16 ounce cottage cheese, the national weighted average advertised price, \$2.15, is up 14 cents from last week. Organic cottage cheese in 16 ounce containers has an average price of \$3.49. There were no ads reported last week for 16 ounce organic cottage cheese.

Conventional yogurt ads increased 2 percent, while organic yogurt ads increased 29 percent. The average sale price for 4-6 ounce conventional Greek yogurt is \$.99, while 4-6 ounce organic Greek yogurt is \$1.23, an organic price premium of 24 cents. The average sale price for 4-6 ounce conventional yogurt is \$0.61, while 4-6 ounce organic yogurt is \$1.20.

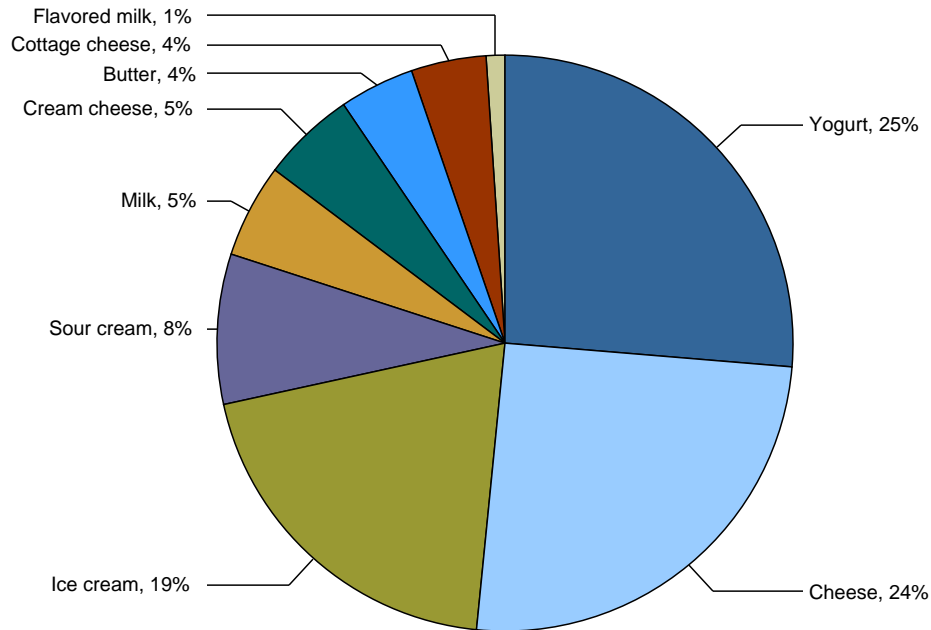
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.26, up 19 cents from last week, with ads decreasing 20 percent. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$3.68. There were no ads reported last week for organic 8 ounce cheese blocks. The advertised price for conventional 8 ounce shred cheese averaged \$2.28, up 9 cents from last week, as ads declined 18 percent. The advertised price for organic 8 ounce shred cheese averaged \$3.04. There were no ads reported last week for organic 8 ounce cheese shreds.

This week, the difference between the weighted average price for organic half gallon milk, \$3.70, and the weighted average price for conventional half gallon milk, \$2.12, resulted in an organic price premium of \$1.58. Organic milk advertisements increased 111 percent, and ads for conventional milk increased 37 percent. Advertisements for conventional half gallon and gallon flavored milk declined, 71 percent and 45 percent, respectively.

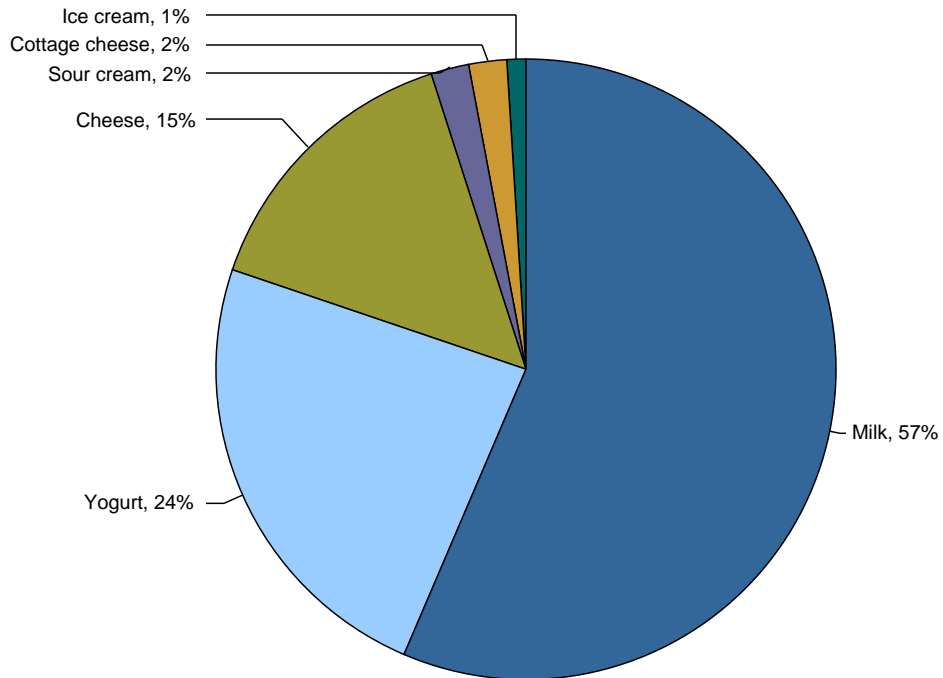
Top 5 Commodities Featured



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 #	3712	3.31	6800	3.57	6341	3.28
Cheese	Natural Varieties	8 oz block	7249	2.26	9117	2.07	6842	2.26
Cheese	Natural Varieties	1 # block	2562	3.93	833	3.85	3496	3.48
Cheese	Natural Varieties	2 # block	960	5.97	953	7.16	1160	4.87
Cheese	Natural Varieties	8 oz shred	8853	2.28	10780	2.19	8283	2.23
Cheese	Natural Varieties	1 # shred	1664	3.75	1051	4.47	3353	3.48
Cottage cheese		16 oz	3412	2.15	5992	2.01	4340	1.79
Cream cheese		8 oz	4446	1.82	7252	1.92	5534	1.79
Flavored milk	All fat tests	half gallon	592	2.66	2064	2.76	499	2.74
Flavored milk	All fat tests	gallon	713	2.94	1296	3.83	609	3.27
Ice cream		48-64oz	16643	3.05	16330	2.89	19927	2.99
Milk	All fat tests	half gallon	1257	2.12	1218	2.39	611	1.27
Milk	All fat tests	gallon	3311	3.34	2126	3.46	3855	2.44
Sour cream		16 oz	7302	1.74	9571	1.83	7187	1.67
Yogurt	Greek	4-6 oz	9523	.99	14137	.95	12622	.95
Yogurt	Greek	32 oz	2982	4.19	1031	4.55	2434	4.04
Yogurt	Yogurt	4-6 oz	8903	.61	4804	.55	6117	.47
Yogurt	Yogurt	32 oz	490	2.65	1551	2.57	705	1.86

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-4.49	901	3.29	3.00-3.99	1095	3.17	2.95	57	2.95
Cheese	Natural Varieties	8 oz block	1.66-3.50	1797	2.33	1.88-2.50	2743	2.21	1.67-2.50	876	2.16
Cheese	Natural Varieties	1 # block	2.99-3.99	573	3.35	3.49-3.50	409	3.50	3.49-4.99	438	4.22
Cheese	Natural Varieties	2 # block							6.99	180	6.99
Cheese	Natural Varieties	8 oz shred	1.49-3.49	2579	2.46	1.67-2.19	1802	1.82	1.67-2.50	848	2.17
Cheese	Natural Varieties	1 # shred	3.99	137	3.99	3.49	195	3.49	3.49-4.99	575	4.05
Cottage cheese		16 oz	1.99-2.99	181	2.50	2.00-2.50	1567	2.32	0.99-1.89	204	1.42
Cream cheese		8 oz	0.99-2.49	1564	1.89	1.49-2.49	329	1.80	1.49-3.00	627	1.92
Flavored milk	All fat tests	half gallon				3.99	84	3.99	3.00	180	3.00
Flavored milk	All fat tests	gallon				3.50	214	3.50	1.69-3.99	499	2.70
Ice cream		48-64oz	1.99-4.99	3620	2.85	2.50-4.99	4900	3.19	2.48-5.49	3432	3.29
Milk	All fat tests	half gallon	1.99	137	1.99	1.50	184	1.50	3.49	180	3.49
Milk	All fat tests	gallon				3.79-4.25	1818	4.04	1.58-3.99	355	2.41
Sour cream		16 oz	1.50-2.00	2064	1.66	1.25-2.00	3596	1.74	1.50-1.89	321	1.72
Yogurt	Greek	4-6 oz	0.83-1.00	2409	.98	1.00-1.25	2266	1.02	0.88-1.29	1546	1.01
Yogurt	Greek	32 oz	3.49-5.49	1425	4.35	3.99	1002	3.99	4.29-4.49	441	4.45
Yogurt	Yogurt	4-6 oz	0.40-0.75	1219	.49	0.50-1.33	3061	.75	0.50-0.66	1181	.52

Wtd Avg - Simple weighted average



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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	1.99-2.50	289	2.21	2.79-4.49	145	3.77	2.00	53	2.00

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-3.50	430	2.69	2.49-4.49	818	3.65	1.99-3.99	358	3.60
Cheese	Natural Varieties	8 oz block	1.67-2.50	608	2.30	1.79-2.79	1030	2.38	1.67	121	1.67
Cheese	Natural Varieties	1 # block	3.49-5.99	270	3.96	3.49-5.99	758	4.36	3.49	66	3.49
Cheese	Natural Varieties	2 # block	5.97	60	5.97	5.99-6.99	294	6.38	4.99	394	4.99
Cheese	Natural Varieties	8 oz shred	1.50-2.50	861	2.25	1.99-2.99	1856	2.48	1.50-3.19	777	2.41
Cheese	Natural Varieties	1 # shred	3.49	219	3.49	3.49	451	3.49	3.49	66	3.49
Cottage cheese		16 oz	1.29-2.50	359	1.83	1.00-2.50	651	2.10	1.99-2.00	394	2.00
Cream cheese		8 oz	1.49	705	1.49	1.25-2.49	925	1.80	1.50-2.50	248	2.01
Flavored milk	All fat tests	half gallon	1.67-2.00	196	1.80				1.99	105	1.99
Ice cream		48-64oz	2.29-3.99	2339	2.89	2.48-3.00	1683	2.74	2.48-3.49	581	3.11
Milk	All fat tests	half gallon	1.50-2.99	566	1.93	1.89	63	1.89	0.99	66	.99
Milk	All fat tests	gallon	1.77-4.29	538	2.88	1.87-2.99	492	2.11	2.39	105	2.39
Sour cream		16 oz	1.29-2.38	433	1.72	1.00-2.50	651	1.91	1.99-2.00	210	2.00
Yogurt	Greek	4-6 oz	0.79-1.00	806	.89	0.75-1.25	1958	.97	1.00-1.25	455	1.03
Yogurt	Greek	32 oz				2.99	114	2.99			
Yogurt	Yogurt	4-6 oz	0.50-0.88	1110	.56	0.33-0.99	1813	.56	0.40-0.50	422	.48

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 #	4.49	2	4.49	3.99-5.49	51	4.78
Cheese	Natural Varieties	8 oz block	2.00-2.49	16	2.15	2.50	58	2.50
Cheese	Natural Varieties	1 # block	5.99	21	5.99	4.99	27	4.99
Cheese	Natural Varieties	2 # block	5.49-5.98	5	5.78	8.99	27	8.99
Cheese	Natural Varieties	8 oz shred	1.67-2.49	18	2.10	2.50-3.00	112	2.74
Cheese	Natural Varieties	1 # shred	5.99	21	5.99			
Cottage cheese		16 oz	1.98-2.50	26	2.44	2.59-2.99	30	2.95
Cream cheese		8 oz	1.99-3.00	21	2.23	2.99	27	2.99
Flavored milk	All fat tests	half gallon				4.99	27	4.99
Ice cream		48-64oz	3.00-6.99	19	3.73	3.50-5.00	69	4.19
Milk	All fat tests	half gallon				3.29-3.49	61	3.40
Milk	All fat tests	gallon				4.89	3	4.89
Sour cream		16 oz				2.99	27	2.99
Yogurt	Greek	4-6 oz	1.00-1.50	18	1.13	1.00-1.26	65	1.24
Yogurt	Yogurt	4-6 oz	0.50-0.60	9	.53	0.49-0.79	88	.62
Yogurt	Yogurt	32 oz				2.69	3	2.69

Wtd Avg - Simple weighted average



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	597	6.37
Cheese	Natural Varieties	8 oz block	191	3.68			672	4.53
Cheese	Natural Varieties	8 oz shred	1231	3.04			533	4.14
Cheese	Natural Varieties	1 # shred					114	5.00
Cottage cheese		16 oz	178	3.49			426	2.86
Ice cream		48-64oz	72	5.99				
Milk	All fat tests	half gallon	4009	3.70	2501	3.74	4288	4.03
Milk	All fat tests	gallon	914	5.88			456	6.14
Milk	All fat tests	8 oz UHT	490	1.00	61	1.00	688	1.01
Sour cream		16 oz	180	2.79	246	2.50	246	3.49
Yogurt	Greek	4-6 oz	1838	1.23	1034	1.02	2194	1.25
Yogurt	Yogurt	4-6 oz	348	1.20				
Yogurt	Yogurt	32 oz	120	4.35	755	2.77		

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
Cheese	Natural Varieties	8 oz block	3.99	72	3.99				3.49	119	3.49
Cheese	Natural Varieties	8 oz shred	2.99	110	2.99	2.99	1002	2.99	3.49	119	3.49
Ice cream		48-64oz	5.99	72	5.99						
Milk	All fat tests	half gallon	2.99-5.99	838	3.95	2.99-3.99	1510	3.65	2.99-4.39	314	3.35
Milk	All fat tests	gallon				5.78	195	5.78			
Sour cream		16 oz							2.79	180	2.79
Yogurt	Greek	4-6 oz				1.25	184	1.25	1.00-1.25	714	1.21
Yogurt	Yogurt	4-6 oz	1.00	72	1.00						
Yogurt	Yogurt	32 oz	3.99	59	3.99						



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cottage cheese		16 oz				3.49	178	3.49			
Milk	All fat tests	half gallon	2.99-3.99	558	3.12	3.50-4.49	591	4.10	2.99-3.99	171	3.60
Milk	All fat tests	gallon	5.79	121	5.79	5.98-6.49	424	6.19	4.99-5.79	174	5.31
Milk	All fat tests	8 oz UHT	1.00	135	1.00	1.00	355	1.00			
Yogurt	Greek	4-6 oz	1.25	219	1.25	0.99-1.50	691	1.21			
Yogurt	Yogurt	4-6 oz	1.25	210	1.25				1.25	66	1.25
Yogurt	Yogurt	32 oz							4.69	61	4.69

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
Milk	All fat tests	half gallon				5.99	27	5.99
Yogurt	Greek	4-6 oz				1.25-1.79	30	1.74

REGIONAL DEFINITIONS

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

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



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