

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (6/9)**

BUTTER: Grade AA closed at \$2.4750. The weekly average for Grade AA is \$2.4885 (+.0722).

CHEESE: Barrels closed at \$1.4150 and 40# blocks at \$1.6300. The weekly average for barrels is \$1.4275 (-.0994) and blocks, \$1.6480 (-.0801).

NONFAT DRY MILK: Grade A closed at \$0.9075. The weekly average for Grade A is \$0.9185 (-.0284).

BUTTER HIGHLIGHTS: United States butter production is strong to light this week. In the Central, production is steady as processors are trying to get ahead of export opportunities and fall storage. In the Northeast and West, a number of manufacturers have slowed churns to find other markets for their cream. Cream is showing signs of strength, as Class II commodities are showing increased interest. In the Northeast, some market participants just barely purchased enough cream this week. In the Central and West, cream is available. However, as warmer weather hits, ice cream manufacturers may increase cream demand quickly. Butter inventories are adequate for contractual needs. Retail demand is steady to strong and global market opportunities look to be moving higher. Bulk butter prices range 4 cents below to 7 cents over the market. The market undertone is generally healthy. Friday's CME Group cash trading saw Grade AA butter closed at \$2.4750, down \$0.0100 from last Friday.

CHEESE HIGHLIGHTS: Milk is available for cheesemakers in the West and Midwest, but intakes are declining in the Northeast. Class III spot loads in the Midwest were reported from \$2.50 to \$6.00 under Class. Some Midwestern cheese producers report receiving fewer spot milk offers than in previous weeks. Cheese production continues actively in all regions. Northeastern retail and food service demand is generally steady. A number of Midwestern cheese contacts report a post-holiday sales slowdown. Western retail demand reports are positive, as interests are mixed from export buyers. The cheese market tone is uncertain. CME prices have declined from previous weeks, and some contacts maintain that the large block to barrel price gap on the CME is discordant with a bullish market. CME Group trading Friday, barrels closed at \$1.4150, down \$0.0750 from last Friday. Blocks closed at \$1.6300, down \$0.0700 from last Friday.

FLUID MILK: Climate affects are impacting seasonal differences of farm milk production across the U.S. regions. Variations tend to exist within the regions as well. In the East, milk output in the

southern most areas steadily falls, while moving north production is generally steady, near the peak, with light seasonal declines. Warmer weather in the Midwest has yet to deter heavy milk production, as flush level output continues. For the Western states, California notes mixed milk output, where cooler temperatures equate to heavier output than warmer areas, where outputs are steady. In New Mexico, state milk handlers are seeing steady to increasing milk production. As well, increases are realized in the Pacific Northwest, with strength in production attributed to lactating cows providing the boost. However, milk production volumes are declining in Arizona, where heat has affected available milk volumes. Class I markets mostly show waning interest as summer college/school schedules develop and limits school lunch program bottling needs. Cream markets throughout are feeling slowed Class I bottling processing, as available cream supplies lessens while Class II ice cream requests strengthens. Accordingly, markets reported slightly higher multiples this week. In the East, **1.20 to 1.35**; Midwest, **1.16 to 1.23**; and in the West, **1.08-1.25**. Butter making is steady to lower, as some butter processors elect to clear surplus cream supplies.

DRY PRODUCTS: Nonfat dry milk markets are steady to higher across the country. Generally, inventories are comfortable to heavy as the market conveys mixed signals. Prices for dry buttermilk parallel steady to higher prices for NDM. Demand is moderate, with stocks reported comfortable to light. Dry whey markets are showing signs of weakening as dry whey product traded steady to lower between the regions. The Central and Midwest saw drops in the mostly series at the top of the range. Prices held steady in a fairly quiet WPC34% market, while demand is lackluster. Reports recognized inventory growth over the first four months of 2017, therefore, stocks are generally available. The lactose price is steady to lower. Buyers are assessing future needs. A major emphasis for global market manufacturers is the ability to move larger volumes. Prices for rennet casein firmed, but acid casein prices are stable.

INTERNATIONAL DAIRY MARKET NEWS (DMN): WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: European dairy processors are feeling better about prospects for the industry in the remainder of 2017. Prices for most dairy products have increased in the early part of the year. Skim milk powder prices recovered a bit and are now slightly above intervention

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CME GROUP CASH TRADING

COMMODITY	MONDAY JUN 05	TUESDAY JUN 06	WEDNESDAY JUN 07	THURSDAY JUN 08	FRIDAY JUN 09	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4575 (-.0325)	\$1.4250 (-.0325)	\$1.4250 (N.C.)	\$1.4150 (-.0100)	\$1.4150 (N.C.)	:: (-.0750)	:: \$1.4275 (-.0994)
40# BLOCKS	\$1.6650 (-.0350)	\$1.6650 (N.C.)	\$1.6500 (-.0150)	\$1.6300 (-.0200)	\$1.6300 (N.C.)	:: (-.0700)	:: \$1.6480 (-.0801)
NONFAT DRY MILK GRADE A	\$.9450 (-.0025)	\$.9200 (-.0250)	\$.9025 (-.0175)	\$.9175 (+.0150)	\$.9075 (-.0100)	:: (-.0400)	:: \$.9185 (-.0284)
BUTTER GRADE AA	\$2.5150 (+.0300)	\$2.5250 (+.0100)	\$2.4625 (-.0625)	\$2.4650 (+.0025)	\$2.4750 (+.0100)	:: (-.0100)	:: \$2.4885 (+.0722)

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-**

prices. EU butter prices are at a 2017 high and an end to the price strength is not yet believed to be close.

The currently strong butter market generates a focus on the gap between dairy fat and protein prices. There is consideration as to how exports will fare at the current high butter prices, as well as how resilient the global demand for butter is. Some producer organizations are considering aspects of encouraging dairy producers to produce milk with a higher fat content, if they can get higher pay for the fat. Many dairy industry participants still expect EU milk production for 2017 to increase +0.6%. However, a big unknown for the months to come (in terms of milk production) is the uncertainty of weather.

EASTERN OVERVIEW: Russian imports of cheese year to date through April were down by 12.4% from the same period last year. Whole milk powder and butter imports are up by +10.2% and by +0.9% through April if compared to April last year. Next to Belarus, from which almost 70% of the butter is coming, more than 20% of the Russian butter imports are also from NZ. NZ increased its butter exports significantly in 2017.

OCEANIA OVERVIEW: AUSTRALIA: There is cautious optimism among Australian dairy producers as to the new milk producing season. While there has been a more adverse impact on producers in southern states, for the country as a whole the signs ahead are believed to be more positive than last season. Costs for some inputs are expected to be better ahead than behind. This is welcome, as profitability for dairy producers has lagged in recent years.

NEW ZEALAND: While the largest dairy processors in New Zealand have not officially announced milk production expectations for the new season, experienced observers expect production to increase in the range of 4 percent.

At the June 6 GDT event #189, all contracts prices ranged from 2.9 percent lower to 14.5 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, \$6,569, -1.2%; butter, \$5,631, +3.3%; buttermilk powder, \$2,092, +5.8%; cheddar cheese, \$4,285, +14.5%; lactose, \$971, +1.0%; rennet casein, \$6,849, +4.8%; skim milk powder, \$2,156, +7.9%; and whole milk powder, \$3,143, -2.9%.

SOUTH AMERICA OVERVIEW: With the winter season approaching, farm milk output continues improving in **Argentina**. Although the weather has been variable during the past two weeks in the main dairy provinces, milk yields have been marginally affected. For some industry experts, milk production is likely to continue increasing for the main following reasons; first, climate conditions are improving throughout the main dairy basins. Second, high farm gate prices are stirring farmers to produce more milk. Third, the consolidation of the dairy sector is reducing operating costs, encouraging dairy operations (tambos) to produce more. However, at this point, milk volumes continue to be lower in order to satisfy all requests from manufacturers. Cheese and bottled milk continue to be the main products to be manufactured. Exports are less active, compared to the previous year.

In **Uruguay**, milk production is slowly increasing, in line with seasonal trends. Although milk/cream volumes are increasing, supplies are less than sufficient to cover all manufacturing needs. Cream availability continues tight and premiums high on a bullish market.

In some dairy areas in **Brazil**, milk intake on farms has increased, but has declined in others, as climatic conditions have varied over the past two weeks. In general, milk/cream supply remains less than adequate to meet all processing needs with the exception of bottled/

UHT milk and cheese. The UHT milk market continues to weaken, with prices following the downward trend observed throughout the month. Despite this, many companies have reported reduced sales transactions. The demand for cheese has shown some signs of improvement, but at the same time, some companies have lowered prices to compete with lower import prices.

NATIONAL RETAIL REPORT-DAIRY (DMN): June is dairy month and a number of retailers highlighted the celebration in their weekly advertisements. Total conventional dairy advertisements increased 13 percent and organic dairy ads increased 57 percent. For conventional 1 pound butter, the national weighted average advertised price, \$3.46, is up 15 cents from last week. Conventional butter ads increased 32 percent this week. The top advertised dairy item was ice cream in 48 to 64 ounce containers, with a weighted average price of \$2.94.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.41, up 15 cents, and conventional 8 ounce shred cheese averaged \$2.37, up 9 cents from last week. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$4.99, up \$1.31, and organic 8 ounce shred cheese averaged \$3.25, up 21 cents from last week. Nationwide, conventional cheese ads increased 25 percent, while organic cheese ads increased 30 percent.

Conventional yogurt ads increased 18 percent, while organic yogurt ads increased 96 percent. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.96, compared to 4-6 ounce organic Greek yogurt is \$1.24, an organic price premium of 28 cents. The average sale price for 4-6 ounce conventional yogurt is \$0.51, while 4-6 ounce organic yogurt is \$1.22.

This week, the difference between the weighted average price for organic half gallon milk, \$4.03, and the weighted average price for conventional half-gallon milk, \$1.79, resulted in an organic price premium of \$2.24. Organic milk advertisements increased 27 percent, but ads for conventional milk decreased 7 percent. Half gallon milk is the top advertised item for organic dairy products this week, increasing by 24 percent.

APRIL DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 164 million pounds, 4.1 percent below April 2016, and 6.8 percent below March 2017. American type cheese production totaled 419 million pounds, 5.3 percent above April 2016, and 0.8 percent above March 2017. Total cheese output (excluding cottage cheese) was 1.04 billion pounds, 3.7 percent above April 2016, but 2.1 percent below March 2017. Nonfat dry milk production, for human food, totaled 171 million pounds; no percent change from April 2016, but 7.0 percent above March 2017. Dry whey production, for human food, was 82.6 million pounds, 2.8 percent above April 2016, but 3.1 percent below March 2017. Ice cream, regular hard production totaled 70.8 million gallons, 3.1 percent below April 2016, and 6.1 percent below March 2017.

MONDAY, JUNE 5, 2017

CHEESE -- SALES: 9 CARS BARRELS: 2 @ \$1.4700, 7 @ \$1.4600; 4 CARS 40# BLOCKS: 2 @ \$1.6800, 1 @ \$1.6825, 1 @ \$1.6650; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.4575; 1 CAR 40# BLOCKS @ \$1.6650
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.9450, 1 @ \$0.9425, 1 @ \$0.9475; LAST BID UNFILLED: 6 CARS GRADE A: 2 @ \$0.9200, 4 @ \$0.9100; LAST OFFER UNCOVERED: 8 CARS GRADE A: 6 @ \$0.9700, 1 @ \$0.9600, 1 @ \$0.9450
 BUTTER -- SALES: 9 CARS GRADE AA: 1 @ \$2.4925, 1 @ \$2.4975, 1 @ \$2.4950, 1 @ \$2.5000, 1 @ \$2.5025, 1 @ \$2.5050, 3 @ \$2.5100; LAST BID UNFILLED: 5 CARS GRADE AA: 3 @ \$2.4925, 1 @ \$2.4975, 1 @ \$2.5150; LAST OFFER UNCOVERED: 3 CARS GRADE AA: 1 @ \$2.5300, 2 @ \$2.5200

TUESDAY, JUNE 6, 2017

CHEESE -- SALES: 9 CARS BARRELS: 3 @ \$1.4450, 2 @ \$1.4400, 1 @ \$1.4350, 3 @ \$1.4250; 2 CARS 40# BLOCKS @ \$1.6650; LAST BID UNFILLED: 3 CARS BARRELS @ \$1.4150; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.4300; 1 CAR 40# BLOCKS @ \$1.6650
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$0.9200; LAST BID UNFILLED: 3 CARS GRADE A: 2 @ \$0.9150, 1 @ \$0.9100; LAST OFFER UNCOVERED: 2 CARS GRADE A: 1 @ \$0.9450, 1 @ \$0.9475
 BUTTER -- SALES: 8 CARS GRADE AA: 1 @ \$2.5450, 1 @ \$2.5500, 1 @ \$2.5400, 2 @ \$2.5425, 1 @ \$2.5375, 1 @ \$2.5300, 1 @ \$2.5250; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.5200; LAST OFFER UNCOVERED: 8 CARS GRADE AA: 1 @ \$2.5550, 1 @ \$2.5450, 1 @ \$2.5400, 2 @ \$2.5500, 1 @ \$2.5350, 1 @ \$2.5275, 1 @ \$2.5400

WEDNESDAY, JUNE 7, 2017

CHEESE -- SALES: 7 CARS BARRELS @ \$1.4250; 2 CARS 40# BLOCKS @ \$1.6500; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4200; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.4250; 2 CARS 40# BLOCKS @ \$1.6600
 NONFAT DRY MILK -- SALES: 10 CARS GRADE A: 1 @ \$0.9100, 1 @ \$0.9050, 1 @ \$0.9000, 2 @ \$0.9050, 1 @ \$0.9000, 1 @ \$0.9025, 1 @ \$0.9050, 1 @ \$0.9075, 1 @ \$0.9025; LAST BID UNFILLED: 21 CARS GRADE A: 1 @ \$0.8975, 2 @ \$0.9000, 10 @ \$0.8800, 8 @ \$0.8700; LAST OFFER UNCOVERED: 15 CARS GRADE A: 3 @ \$0.9300, 1 @ \$0.9100, 1 @ \$0.9150, 10 @ \$0.9325
 BUTTER -- SALES: 5 CARS GRADE AA: 2 @ \$2.4550, 2 @ \$2.4600, 1 @ \$2.4625; LAST BID UNFILLED: 3 CARS GRADE AA: 1 @ \$2.4100, 2 @ \$2.4550; LAST OFFER UNCOVERED: 8 CARS GRADE AA: 1 @ \$2.5300, 1 @ \$2.5350, 1 @ \$2.5000, 1 @ \$2.4750, 1 @ \$2.5100, 1 @ \$2.5000, 1 @ \$2.4750, 1 @ \$2.4850

THURSDAY, JUNE 8, 2017

CHEESE -- SALES: 24 CARS BARRELS: 20 @ \$1.4150, 4 @ \$1.4200; 4 CARS 40# BLOCKS: 1 @ \$1.6300, 2 @ \$1.6250, 1 @ \$1.6300; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.4050; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4150
 NONFAT DRY MILK -- SALES: 7 CARS GRADE A: 1 @ \$0.9100, 1 @ \$0.9075, 1 @ \$0.9100, 1 @ \$0.9150, 1 @ \$0.9200, 2 @ \$0.9175; LAST BID UNFILLED: 23 CARS GRADE A: 2 @ \$0.8900, 1 @ \$0.9175, 10 @ \$0.8800, 10 @ \$0.9000; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9400
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.4650; LAST BID UNFILLED: 5 CARS GRADE AA: 1 @ \$2.4400, 3 @ \$2.4600, 1 @ \$2.4625; LAST OFFER UNCOVERED: 8 CARS GRADE AA: 2 @ \$2.5400, 4 @ \$2.4900, 2 @ \$2.4750

FRIDAY, JUNE 9, 2017

CHEESE -- SALES: NONE; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.3950; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.4150
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.9200, 1 @ \$0.9075; LAST BID UNFILLED: 2 CARS GRADE A: 1 @ \$0.8800, 1 @ \$0.9075; LAST OFFER UNCOVERED: 20 CARS GRADE A: 10 @ \$0.9800, 10 @ \$0.9600
 BUTTER -- SALES: 14 CARS GRADE AA: 4 @ \$2.4775, 2 @ \$2.4675, 2 @ \$2.4650, 1 @ \$2.4675, 1 @ \$2.4700, 2 @ \$2.4750, 1 @ \$2.4725, 1 @ \$2.4750; LAST BID UNFILLED: 13 CARS GRADE AA: 2 @ \$2.4600, 1 @ \$2.4650, 10 @ \$2.4600; LAST OFFER UNCOVERED: 5 CARS GRADE AA: 2 @ \$2.5800, 1 @ \$2.5000, 1 @ \$2.4900, 1 @ \$2.4875

BUTTER MARKETS

NORTHEAST

Northeast butter production is steady to light this week. Some butter makers are churning only for contracted needs. A number of manufacturers have shut off their churns for maintenance and also to source their cream in other ways. The cream demand is strengthening, as Class II commodities like ice cream are showing increased demand. Some Eastern traders communicated cream trading activity is highly active, as a handful of market participants just barely purchased enough cream. Butter interest continues to be strong as retail advertisements are released. Domestic butter prices in the global market are good and look to be moving higher. Butter inventories are adequate for near term contractual requirements. 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 \$2.5250, an incline from the previous Tuesday's \$2.3600 closing price. The Foreign Agricultural Service (FAS) reports April 2017 U.S. exports of butter and milkfat totaled 4.2 million pounds, a 36% increase from a year ago. The CME Group monthly average price for Grade AA butter during May 2017 was \$2.2684, compared to \$2.0554 a year ago. According to the DMN *National Retail Report-Dairy*, for June 2-8, 2017, the Northeast weighted average retail price for 1-pound butter was \$3.29, 2 cents lower than the national average price and 58 cents lower than last week's Northeast butter price. Retail markets reported butter prices ranging \$1.99-\$4.49. Meanwhile, butter prices in the Southeast moved down 51 cents to \$3.17, with prices ranging \$3.00-\$3.99. DAIRY PRODUCTS: According to NASS, U.S. butter production for April 2017, totals 164.1 million pounds, down 4.1% from last year and down 6.8% from March 2017. Cumulative 2017

butter production through April totals 679 million pounds, 0.9% below the same period for 2016. April 2017 butter production in the Atlantic region totaled 18.3 million pounds, below 4.3% from last year and below 14.0% from March 2017.

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
April	4.2	+ 36
TOTAL, JAN - APR	15.7	- 37
1 Canada	7.0	+139
2 Mexico	2.4	- 86
3 South Korea	1.3	+151
4 Saudi Arabia	1.2	- 45
5 Peru	0.8	+845

CENTRAL

Butter demand is up this week. Domestically, retail and food service demand remains steady to strong, and international interests have increased. Butter production is steady, as producers try to get ahead of export opportunities and fall storage. Cream, in the Central region, is still readily available. Cream multiples for butter churns remained around 1.15. However, as Class II manufacturers are nearing peak season, Central region butter producers expect a

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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
June 3, 2017	2.3205 5,759,299	1.6752 11,347,984	1.5424 12,166,909	.4992 6,705,880	.8966 18,017,162

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

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forthcoming tightness. The butter market tone is generally healthy. Prices on the CME have continued upward, but some contacts suggest there is a chance that U.S. butter prices may end up outpacing global demand. Wednesday at the CME Group, Grade AA butter closed at \$2.4625, up \$0.0525 from last Wednesday. Reported bulk butter prices are flat market to 7 cents over the market. DMN *National Retail Report-Dairy* for June 2-8 noted the national weighted average advertised price for a 1 pound package of butter is \$3.31, \$0.26 below one week ago, but \$0.03 higher than one year ago. The weighted average regional prices in the Midwest and South Central were \$2.95 and \$2.69, respectively. The CME Group monthly average price for Grade AA butter during May was \$2.2684, up from April's \$2.0992 and up from \$2.0554 a year ago. The NASS *Dairy Products* report noted U.S. butter production during April 2017 in the Central region totaled 70.1 million pounds, 1.8 percent lower than one year ago. Total U.S. butter production during April 2017 was 164.1 million pounds, 4.1 percent lower than last year. January through April 2017 U.S. butter production totaled 679.0 million pounds, 0.9 percent lower than the same period in 2016. According to FAS, April 2017 U.S. butter exports totaled 4.2 million pounds, 36% above last year.

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3 South Korea	1.3	+151
4 Saudi Arabia	1.2	- 45
5 Peru	0.8	+845

According to FAS, January through April 2017 U.S. butter imports totaled 24.7 million pounds, 41 percent lower than the same timeframe last year.

2017 U.S. Butter and Milkfat Imports (USDA-FAS)
(Imports for Consumption)

	2017 Imports (Million Lb.)	% Change From Last Month
April Imports		
Total Butter, Fats, Milk (H.S. Code 0405)	6.9	+ 24
Butter		
Quota (H.S. Code 405101000)	0.6	...
Over Quota (H.S. Code 405102000)	4.4	+ 50
AMF		
Quota (H.S. Code 405901020)	0.4	- 67
Over Quota (H.S. Code 405902020)	1.4	+ 85
Other Milk Fat	0.1	+ 63
	2017 Imports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN - APR	24.7	- 41
1 Ireland	11.9	+ 29
2 Mexico	3.9	- 61
3 New Zealand	3.8	- 69
4 Chile	1.7	+ 24
5 France	1.1	- 2

WEST

Western butter production is following typical seasonal patterns. A few manufacturers are trying to slow the churns and find other markets for their cream. Other processors are using available cream to build inventories for the end of the year. Bulk butter production is becoming more prevalent to print butter production. Retail butter demand is strong. Industry contacts are watching extended weather forecasts closely. A few contacts suggest that if the region gets a lot of hot weather, ice cream manufacturers may increase cream demand quickly, resulting in less cream to move into the churns and higher butter prices. End users, in particular, are uneasy about this scenario and want to make sure they have coverage for late year butter needs. 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 June 2-8 found that the U.S. weighted average advertised price of 1 pound butter is \$3.31, down \$.26 from last week. The U.S. weighted average price was \$3.28 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.65 with a price range of \$2.49-\$4.49. In the Northwest, the weighted average advertised price of 1 pound butter is \$3.60, with a price range of \$1.99-\$3.99. According to the NASS *Dairy Products* report, U.S. butter production during April 2017, 164.1 million pounds, was 4.1 percent lower than April 2016, and 6.8 percent lower than March 2017. U.S. cumulative 2017 butter production through April is 679.0 million pounds, 0.9 percent lower than the same period last year. In the West, total April butter production was 75.7 million pounds, 6.2 percent lower than April 2016 and 2.1 percent lower than March 2017. California April production was 48.0 million pounds, 6.9 percent lower than last year and 5.2 percent lower than last month. The CME Group May 2017 monthly average price for AA butter, \$2.2684, is up from the April monthly average of \$2.0992. One year ago the CME Group monthly average was \$2.0554. The Grade AA butter price at the CME Group on Wednesday closed at \$2.4625, up \$.0525 from a week ago.

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(Imports for Consumption)

	2017 Imports (Million Lb.)	% Change From Last Month
April Imports		
Total Butter, Fats, Milk (H.S. Code 0405)	6.9	+ 24
Butter		
Quota (H.S. Code 405101000)	0.6	...
Over Quota (H.S. Code 405102000)	4.4	+ 50
AMF		
Quota (H.S. Code 405901020)	0.4	- 67
Over Quota (H.S. Code 405902020)	1.4	+ 85
Other Milk Fat	0.1	+ 63

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	2017 Imports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN - APR	24.7	- 41
1 Ireland	11.9	+ 29
2 Mexico	3.9	- 61
3 New Zealand	3.8	- 69
4 Chile	1.7	+ 24
5 France	1.1	- 24

CHEESE MARKETS

NORTHEAST

As milk production declines in parts of the East, cheddar cheese makers still have more milk than needed, while trying to keep production tight. Stocks are adequate for overall slow to steady demand. Some freezing of mozzarella is taking place while cheddar continues to clear into aging programs. June Dairy month promotions are currently in effect and retail movement is occasionally improved. Food service orders are mostly steady. The Grade A Swiss price declined \$0.1225 following the release of the Announcement of Class and Component Prices. The DMN May 2017 Northeast monthly average price for cheddar blocks was \$2.1890, compared to \$1.8714 one year ago, while the Processed 5# sliced average price was \$1.8390, compared to \$1.7919 one year ago. The CME Group May 2017 monthly average price for barrels was \$1.4806, compared to \$1.3529 a year ago and block average price was \$1.66264, up from \$1.3174 a year ago. Tuesday's CME Group daily cash prices saw barrels close at \$1.4250, down \$0.1150 from a week ago, and blocks closed at \$1.6650, down \$0.0650 from a week ago. The DMN *National Retail Report-Dairy*, for June 2-8, 2017, noted the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.33, 16 cents above last week's price and 7 cents above the national average price. Northeast retail prices range \$1.66-\$3.50. The Southeast weighted average price for 8 oz. block was \$2.21, up 9 cents from the previous week, but down 7 cents from the national average price. Surveyed retail prices for the region ranged \$1.88-\$2.50. The Northeast average advertised price for 8 oz. cheese shreds was \$2.46, 18 cents above the national average price, with prices ranging \$1.49-\$3.49. In the Southeast, the average price for 8 oz. shreds was \$1.82, a 30 cents drop from the previous week, with prices ranging \$1.67-\$2.19. DAIRY PRODUCTS: According to NASS, U.S. total cheese production in April 2017 was 1.04 billion pounds, 3.7 percent higher than a year ago, but 2.1 percent lower than last month. In the Atlantic region, total cheese production was 125.0 million pounds, 5.8 percent higher than a year ago, but 2.5 percent lower than the previous month. Total cheese production and percentage change, from last year for selected Eastern states are, New York 66.1 million pounds, +6.7 percent; Pennsylvania 34.7 million pounds, +1.4 percent; Vermont 11.5 million pounds, +7.6 percent, and New Jersey 4.8 million pounds, +3.5 percent. The Foreign Agricultural Service (FAS) reports that April 2017 U.S. cheese and curd exports totaled 59.3 million pounds, a 27% increase from a year ago. The Foreign Agricultural Service (FAS) reports that January-April 2017 U.S. cheese and curd imports totaled 126.8 million pounds, a 16% decline from a year ago.

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

Cheddar 40# Block	:	2.1875-2.4725
Process 5# Sliced	:	1.6650-2.1450
Muenster	:	2.1725-2.5225
Grade A Swiss Cuts 10 - 14#	:	3.2000-3.5225

MIDWEST

Milk availability for cheesemakers is mixed this week. Some producers report the continuance of abundant milk supplies, but other cheese producers reported receiving noticeably fewer offers. Milk spots were reported from \$2.50 to \$6.00 under Class. After weeks of generally strong cheese sales, Midwest cheese producers are reporting that demand has slackened a bit after Memorial Day weekend. Cheese inventory reports vary from contact to contact. Some pizza cheese producers report light cheese inventories in recent weeks, as strong demand has dipped into stored cheese. The cheese market tone is uncertain. CME market prices have declined since late last week for both blocks and barrels, and the CME price gap remains large. In CME Group trading Wednesday, barrels closed at \$1.4250, down \$.1200 from last Wednesday and blocks closed at \$1.6500, down \$.0950 from last Wednesday. The DMN *National*

Retail Report-Dairy shows that May June 2-8 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.17, 11 cents below the national average. Midwest 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 \$2.16, 10 cents below the national average price. Midwest ads are priced from \$1.67-\$2.50. Last year, the national price was \$2.26. The CME Group May 2017 monthly average price for barrels, \$1.4806, is up from the April average of \$1.4307 and up from the monthly average of a year ago, \$1.3529. Blocks' May average price, \$1.6264, is up from the \$1.4976 April monthly average and up from \$1.3174 one year ago. *Dairy Products* (NASS) reports total U.S. cheese production, for April 2017, was 1.039 billion pounds, 3.7 percent above April 2016. Central total cheese production for April 2017 was 469.2 million pounds, 3.7 percent lower than March 2017. For total cheese and various types of cheese, April 2017 U.S. and Central cheese production percentage changes compared to April 2016 were as follows:

	U.S.	Central
Total	+ 3.7%	+ 2.6%
American	+ 5.3%	+ 6.2%
Cheddar	+ 4.8%	+ 6.0%
Total Italian	+ 2.2%	- 0.5%
Mozzarella	+ 2.3%	- 0.2%

The Foreign Agricultural Service (FAS) reports that January through April 2017 U.S. cheese and curd exports totaled 236.0 million pounds, a 15% increase from the same period a year ago. The FAS reports that January through April 2017 U.S. cheese and curd imports totaled 126.8 million pounds, a 16% decrease from the same period a year ago. Mid-western wholesale prices are down \$.1225 for Swiss cuts, but up \$.0450 for process and up \$.0450 for all other types.

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

Process American 5# Loaf	:	1.6225-1.9825
Brick And/Or Muenster 5#	:	2.0925-2.5175
Cheddar 40# Block	:	1.8200-2.2150
Monterey Jack 10#	:	2.0675-2.2725
Blue 5#	:	2.3600-3.3475
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8925-2.8325
Grade A Swiss Cuts 6 - 9#	:	2.7175-2.8350

WEST

Western cheese production is active and many facilities are running at or near full capacity. Milk is readily available for most processing needs. Domestic retail demand remains good. Some manufacturers say they are currently getting more inquiries from export buyers, but this business has yet to fully develop. Cheese makers are welcoming any additional business. Inventories are generally heavy, especially for barrel cheese. Stocks of mozzarella are growing seasonally with schools out for the summer and demand for pizza entering the low point for the year. Industry contacts suggest the current spread between block and barrel prices at the CME is putting a lot of price pressure on barrel cheese producers. The DMN *National Retail Report-Dairy* for the week of June 2-8 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.28, up \$.09 from last week. Packs average \$2.48 in the Southwest and \$2.41 in the Northwest. One year ago, the national price was \$2.23. For 8 ounce blocks, the U.S. price is \$2.26, up \$.19 from last week. Blocks average \$2.38 in the Southwest and \$1.67 in the Northwest. One year ago, the national price was \$2.26. In the West, wholesale prices were up \$.0450 for process, cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are down \$.1225.

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CHEESE MARKETS

CONTINUED FROM PAGE 3

Dairy Products (NASS) reports total 2017 U.S. cheese production, year to date through April, is 4.088 billion pounds, 2.1 percent above January through April 2016. April 2017 U.S. total cheese production, 1.039 billion pounds, is 2.1 percent below March 2017. In the West, total cheese production for April 2017 was 445.1 million pounds, 0.2 percent less than last month. For total cheese production and various types of cheese, April 2017 U.S. and West cheese production percent changes compared to April 2016 are as follows:

	U.S.	West
Total Cheese	+ 3.7	+ 4.3
American	+ 5.3	+ 3.9
Cheddar	+ 4.8	+ 3.0
Total Italian	+ 2.2	+ 4.6
Mozzarella	+ 2.3	+ 4.2
Swiss	+ 7.2	...

The CME Group May 2017 monthly average price for barrels, \$1.4806, is up from the April 2017 monthly average of \$1.4307, and up from the monthly average of a year ago, \$1.3529. Blocks' May average price, \$1.6264, is up from the \$1.4976 April monthly average, and up from \$1.3174 one year ago. In CME Group trading Wednesday, barrels closed at \$1.4250, down \$.1200 from a week ago and blocks closed at \$1.6500, down \$.0950.

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

Process 5# Loaf	:	1.6100-1.8675
Cheddar 40# Block	:	1.8525-2.2975
Cheddar 10# Cuts	:	2.0325-2.2525
Monterey Jack 10#	:	2.0425-2.2025
Grade A Swiss Cuts 6 - 9#	:	2.7775-3.2075

FOREIGN TYPE CHEESE

European Union (EU) cheese demand is on an unchanged high level. Stocks continue to be tighter. At the moment, production is falling, and it is expected to further decrease in the coming weeks. Sales to Southern Europe and other European countries remain high, and cheese is regularly ordered. Mozzarella's interest increased noticeably due to current weather conditions. Cut cheese sales to other European countries increased as well. With restricted market predictability, cheese sellers' willingness to conclude long-term contracts is limited. Buyers are trying to cover themselves as much as possible. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices increased \$0.0450 following higher weekly average CME Group block prices. Swiss cuts Switzerland price is down \$0.1225, and 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	: 2.2375-3.7250*
Gorgonzola	: 3.6900-5.7400	: 2.7450-3.4625*
Parmesan (Italy)	: -0-	: 3.6275-5.7175*
Romano (Cows Milk)	: -0-	: 3.4275-5.5775*
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-	: 3.2375-3.5600*
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

* = Price change.

COLD STORAGE

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

	BUTTER	CHEESE
	:	:
06/05/17	31,207	: 100,656
06/01/17	31,913	: 100,336
CHANGE	-706	: 320
% CHANGE	-2	: 0

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
April	59.3	+ 27
TOTAL, JAN - APR	236.0	+ 15
1 Mexico	68.4	...
2 South Korea	38.1	+ 37
3 Japan	21.1	- 6
4 Australia	20.4	+121
5 Canada	9.0	+ 10

2017 U.S. Cheese and Curd Imports (USDA-FAS)
(Imports for Consumption)

	2017 Imports (Million Lb.)	% Change From Last Month
April Imports		
TOTAL Cheese and Curd (H.S. Code 0406)	33.5	- 5
Cheese, Except Fresh (H.S. Code 040690)	29.3	- 4
Fresh Cheese (H.S. Code 040610)	2.3	- 5
Cheese, Processed (H.S. Code 040630)	1.0	- 33
Cheese, Blue-Veined (H.S. Code 040640)	0.7	+ 12
Cheese, Grated (H.S. Code 040620)	0.2	+ 73
	2017 Imports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN - APR	126.8	- 16
1 Italy	22.8	- 5
2 France	13.7	- 4
3 New Zealand	12.8	- 37
4 Netherlands	9.4	+ 18
5 Spain	7.8	- 1

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	219	0	185	0	160
SOUTHEAST STATES	0	0	0	0	0	0

The peak has passed as milk output in the Northeast and Mid-Atlantic is generally steady, with light seasonal declines. Less milk is moving into school lunch programs, which encourages declines in bottled milk sales, as some colleges and schools are already on summer schedules. Surplus milk diversion to manufacturing is light to moderate with a few plants operating at/near capacity. Milk production in the Southeast is steadily declining along seasonal lines. Some manufacturing plants are taking on extra milk. Class I demand is sluggish. In Florida, the weather is very hot, in the 90s, as rain causes some flooding. Milk production continues to decline seasonally. Milk sales remain down. Handlers do not see an upturn until August, when schools are back in. Milk exports rose significantly to 219 loads this week. **Cream** markets are seeing higher multiples, **1.20-1.38**, depending on need and time of purchase. Supplies are shorter and competition for available supplies show some aggressiveness. Ice cream production schedules continue to build seasonally. Soft serve mix sales have improved as temperature climb in some areas. Churning is lighter. **DAIRY PRODUCTS:** According to NASS, April 2017 hard ice cream production in the Atlantic region totaled 14.3 million gallons, 7.9 percent less than last month and 6.2 percent less than a year ago. U.S. Yogurt production (plain and flavored) for April totaled 370.0 million pounds, down 7.5 percent from last month and down 0.9 percent from the previous year. The DMN May monthly average for Northeast Class II cream was \$2.6217, compared to \$2.3316 a year ago. The **condensed skim** market, in general, remains weak. However, the Class III condensed skim price grew \$0.35, over last month with the recent announcement of the Class and Component Prices. Capacity is limited for processing volumes of condensed skim at a few operations, prompting the discarding of surpluses. The DMN May monthly average for Northeast Class II condensed skim was \$0.4873, compared to \$0.4524 a year ago. According to the *DMN National Retail Report-Dairy*, for June 2-8, 2017, the U.S. weighted average advertised price for a gallon of milk is \$3.34, down 12 cents compared to last week, but up 90 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-	2.8995-3.3345
F.O.B. producing plants: Upper Midwest-	2.8029-2.9720

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-.82

MIDWEST

Although weather in the upper Midwest has noticeably warmed, contacts report that cow comfort has not been affected much, and flush milk output continues. Class I operators have scaled back as many school districts have begun break, while others are closing at the end of the week. Reports of milk heading for cheese vats are

mixed. Class III milk spot loads were reported from \$2.50 to \$6.00 under Class III. A number of cheese producers reported receiving fewer milk offers this week than in previous weeks. Some producers, who have forgone fortifying their cheese with nonfat dry milk (NDM) stocks because of the amount of discounted milk coming in, have begun to dip into their NDM inventories. Even as ice cream makers are notably ramping up interests, cream remains available for all uses in the Central region. Class II **cream multiples** were reported from **1.16 to 1.23**. Class IV cream multiples were reported at around 1.15. South Central farm contacts reported beneficial rains over the weekend which helped increase reservoir levels. The *DMN National Retail Report-Dairy* for June 2-8 noted the national weighted average advertised price for one gallon of milk was \$3.34, down \$.12 from a week ago, but \$.90 higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.41 and \$2.88, respectively. The NASS *Dairy Products* report noted April U.S. regular (hard) ice cream production totaled 70.8 million gallons, down 3.1 percent from last year. January-April U.S. production totals 262.3 million gallons, 1.8 percent below 2016 during the same period. April production in the Central region totaled 40.3 million gallons, 4.3 percent above a year ago. The DMN monthly average of the range price series for Upper Midwest Class II cream during May 2017 was \$2.6494, compared to \$2.3956 a year ago.

WEST

California farm milk production is currently variable. In some part of the state, volumes produced are unchanged from last week, whereas in other areas, output is higher due to recent cooler temperatures. Class 1 fluid demand is lower. The May 4a price (butter/powder) in California is \$14.43, up 70 cents from the previous month, and \$1.86 higher from a year ago. This compares to the Federal Order Class IV price of \$14.49 for May. The May 4b price (cheese) is \$15.25, up 95 cents from the previous month, and \$3.88 above a year ago. This compares to the Federal Order Class III price for May at \$15.57. According to some industry contacts, in Arizona, the heat is currently having little impact on milk. Farm milk production took a slight dip this week. With schools being out, many processors are actively balancing more of their milk. The monsoon season is starting next week. Consequently, Arizona will be having torrential rain and dust storms that will more likely affect their milk output. Class I is moving slowing. However, local advertised sales have increased. In New Mexico, farm milk production is steady to slightly up this week. Class I sales have decreased, putting more pressure on dryers. Inventories are plentiful, and processing plants are working at full capacity to avoid milk discarding. A few contacts report that some plants are sending milk to calf ranches and ground application of condensed and raw milk. Milk intakes for Class II are stable to slightly increasing as ice cream and frozen dessert manufacturers increase their orders. Class III interest is flat to lower. A few manufacturers report having repair/maintenance issues that reduced their milk intakes. As the result, system-wide holdovers are high in some areas. Pacific Northwest dairy contacts say milk production continues to improve after a hard winter and spring. Some contacts suggest it may be newly lactating cows that have provided the boost to milk volumes. Warmer days have improved cow comfort and spring feed is in good supply. With most schools done for the year, milk supplies have shifted to summer consumption patterns. More milk is available for manufacturing. Processors say they have plenty of milk available. Many manufacturers are running their facilities at or near full capacity.

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Milk supplies are plentiful for processors in the mountain states of Colorado, Utah and Idaho. Manufacturers report no problems getting the milk needed for most processing needs. Milk production is increasing along seasonal patterns and cow comfort is improving across much of the region. Demand for **condensed skim** is flat in the West. Contacts report that condensed skim is available in the spot market at lower prices. In addition, it was reported that some processors decided to dry their condensed skim instead of selling it. Western **cream** interest continues to be seasonally up for ice cream and frozen dessert makers. With higher temperatures in most part of the West, haulers are taking extra precaution in handling cream, so that they arrive in acceptable conditions. **Cream multiples** for all Classes range on average from **1.08 to 1.25**. However, a few contacts reported multiples in the high 1.30s to low 1.40s. According to the DMN National *Retail Report-Dairy* for the week of June 2-8, the national weighted average advertised price for one gallon of milk is \$3.34, down \$0.12 from last week, but \$0.90 higher from a year ago. The weighted average regional price in the Southwest is \$2.11, with a price range of \$1.87-\$2.99. The weighted average regional price in the Northwest is \$2.39, with no price range reported. According to the NASS *Dairy Products* report, hard ice cream production in the West region for April 2017 is 16.3 million gallons, 7.7% lower than a month ago, and 15.5% below the previous year.

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 edged up on both ends of the price range and bottom of the mostly price series. The low/medium heat NDM spot market was steady, but has slowed somewhat from a busy May. Low/medium heat NDM inventories are available, and this leads some contacts to question the continued firmness of low/medium heat NDM prices. The low/medium heat NDM market tone is mixed. High heat NDM prices increased on the bottom of the range. Spot market trading of high heat NDM was quiet. High heat NDM production is primarily limited to contractual needs, and inventories are reportedly tight. The CME Group monthly average price for Grade A NDM during May was \$0.8888, compared to \$0.7880 a year ago. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during May was \$0.8770, compared to \$0.7801 a year ago. The May monthly average of the range price series for Central and East high heat was \$1.0098 compared to \$0.9276 a year ago. The NASS *Dairy Products* report noted U.S. human NDM production during April 2017 in the Central region totaled 32.0 million pounds, 5.1 percent higher than one year ago. Total U.S. human NDM production during April 2017 was 170.9 million pounds, no change from April 2016. During January–April 2017, U.S. human NDM production totaled 625.4 million pounds, 0.3 percent more than the same time span in 2016.

EAST: Low/medium heat nonfat dry milk moved higher on both ends of the range, and shifted higher on the bottom of the mostly price series this week. Prices are stable and showing signs of strength. With abundant milk volumes, low/medium heat NDM production is active and running at high levels. Stocks are controllable to lengthy, overall, adequate to take on customer's needs. The demand is mixed as a number of market participants are in high demand for low/medium heat NDM. On the other hand, with the vast amount of milk, and high inventories, a handful of participants do not see a reason for the high price, and are waiting to see where low/medium heat NDM will go. The market undertone is steady, with mixed signals. Prices for High heat NDM remained steady this week. Production is limited, as drying low/medium heat NDM continues to be on the main agenda. Inventories are adequate to limited. The market tone is firming. Wednesday's CME Group cash trading for Grade A nonfat dry milk closed at \$0.9025, down \$0.0525 from last Wednesday. The DMN monthly average of the range price series for Central and East low/medium heat NDM during May 2017 was \$0.8750, compared to \$0.7828 a year ago. The Foreign Agricultural Service (FAS), reports that April 2017 U.S. nonfat dry milk exports totaled 122.5 million pounds, a 20% increase from a year ago.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 0.8800 - 1.0000 MOSTLY: .9000 - .9300
HIGH HEAT: 1.0100 - 1.1000

NONFAT DRY MILK – WEST

F.o.b prices for Western low/medium heat nonfat dry milk (NDM) prices shifted upward at the bottom of the price range and the top of the mostly price series. The market undertone is weak. Contacts report that most sales are made in the mid \$.90s, and buyers are showing some resistance for prices in the high \$.90s. Others believe that prices are about to stabilize. Inventory levels are mixed depending on the sellers. Some processors report lower inventories, while others have steady to abundant stocks. A presence of 8-9 months inventories was noted in some plants. However, supplies are rotating as newer stocks add up. Production is a little over seasonal levels. Demand is steady to slowing down. Contacts reveal that the demand for RBST free NDM is increasing. Overall, sales continue to be largely based on contracts.

Trading activities in the spot market are moderate. High heat nonfat dry milk prices are higher on the upper end of the price range and steady on the lower end. The market undertone is firming. Production is irregular, mostly aimed at meeting upcoming contractual needs. Supplies at most manufacturing plants are tight and demand is unchanged from last week. The CME Group monthly average price for Grade A NDM during May was \$0.8888, compared to \$0.7880 a year ago. The May 2017 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$0.8882 compared to \$0.7739 a year ago. The average for Western high heat nonfat dry milk is \$1.0041 compared to \$.9098 a year ago. The NASS *Dairy Products* report noted U.S. human NDM production during April 2017 in the West region totaled 102.4 million pounds, 3.6 percent lower than one year ago, but 9.2 percent higher from the previous month. Total U.S. human NDM production during April 2017 was 170.9 million pounds, unchanged from last year. Cumulative human NDM production from January to April was 625.4 million pounds, 0.3 % above the previous year. Total U.S. NDM, human, month ending stocks for April were 266.3 million pounds, 5.6 percent above a year ago. According to FAS, during April, U.S. NDM exports totaled 122.5 million pounds, 20% higher than a year ago. From January–April, U.S. NDM exports totaled 449.0 million pounds, 19% above last year during the same time span. At the GDT Event 189 on June 6, skim milk powder (SMP) prices across all contract periods averaged \$.9780 per pound, up 7.9% from the last event.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .8900 - 1.0000 MOSTLY: .9200 - .9850

HIGH HEAT: .9700 - 1.1050

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
June 2	\$.8784	9,281,043
May 26	\$.8956	8,171,285

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.

U.S. NDM Exports, H.S. Code 0402100000(FAS)

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	122.5	+ 20
TOTAL, JAN - APR	449.0	+ 19
1 Mexico	201.3	+ 16
2 Philippines	49.3	- 22
3 China	31.3	+ 167
4 Indonesia	24.5	+ 3
5 Malaysia	24.1	+ 65

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices in the Central region slightly increased on the bottom of the price range. Dry buttermilk spot market activity was light, as condensed buttermilk is getting taken in by end users, and buttermilk drying is being overshadowed by a strengthened nonfat dry milk demand. Demand for dry buttermilk is steady.

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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.

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Some producers report with little processing time available for buttermilk, they are sending buyers away and focusing only on contractual obligations. Buttermilk inventories are reportedly light. The dry buttermilk market tone is uncertain. The DMN monthly average of the range price series for Central and East dry buttermilk during May was \$0.8423, compared to \$0.7257 a year ago. The NASS *Dairy Products* report noted U.S. dry buttermilk production during April 2017 totaled 8.6 million pounds, 10.1 percent lower than a year ago. Total U.S. dry buttermilk month-ending stocks for April were 26.9 million pounds, 9.2 percent above last year.

EAST: Prices for dry buttermilk increased on the bottom of the range this week. Production is steady to limited, as some dryers are focused on running low/medium heat nonfat dry milk on heavy schedules. Inventories are manageable to decreasing. Market participants report of seeing limited availability for spot sales. The demand is fair and the market undertone is steady.

F.O.B. CENTRAL/EAST: .8300 - .8800

DRY BUTTERMILK – WEST

F.o.b prices for Western dry buttermilk are steady on both ends of the price range. The market undertone is stable. Sales are unchanged for contracted volumes. Spot trade activities are moderate to mild due to buttermilk moving mainly through contracts. Some contacts report an increased demand for organic buttermilk. Inventories are steady and tight as less dry buttermilk is being produced in the market. The May 2017 Dairy Market News monthly average for the West dry buttermilk mostly series is \$0.8352 compared to \$0.7136 a year ago. The NASS *Dairy Products* report noted U.S. dry buttermilk production during April 2017 totaled 8.6 million pounds, 10.1 percent lower than a year ago, and 11.8 percentage lower from the previous month. Total U.S. dry buttermilk month ending stocks for April were 26.9 million pounds, 9.2 percent above last year. At the GDT Event 189 on June 6, buttermilk powder prices across all contract periods averaged \$.9489 per pound, up 5.8% from the last event.

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

DRY WHOLE MILK - NATIONAL

In the United States, f.o.b. spot prices for dry whole milk are steady to higher, following recent WMP upward trends on prices at some offshore auctions. The production of dried whole milk has been limited in some processing plants as the availability of cream is seasonally decreasing. As a result, inventories in the spot market are slightly declining. The market is expected to continue strengthen as the summer season approaches. The NASS *Dairy Products* report noted U.S. dry whole milk production during April 2017 totaled 7.1 million pounds, down 22.1 percent from one year ago, and 36.9 percent lower than the previous month. Total U.S. dry whole milk month ending stocks for April were 22.1 million pounds, 59.4 percent above last year. At the GDT Event 189 on June 6, whole milk powder (WMP) prices across all contract periods averaged \$1.4257 per pound, down 2.9% from the last event.

F.O.B. PRODUCING PLANT: 1.2800 - 1.5500

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Central dry whey prices dropped on the price range and mostly price series this week. The Central dry whey spot market was active, as many volume loads offered at decreased prices spurred buyers. Whey inventories are available, as Midwestern cheese production and milk intakes have been abundant in recent months. Dry whey reports generally point to current weakness, but some contacts believe whey markets are at/near the nadir, and are bullish regarding near term strength. Animal feed whey prices remain unchanged. Animal feed whey inventories vary from contact to contact, but some end users are stocked and plan to offer some loads on the spot market. The DMN monthly average of the mostly price series for Central dry whey during May was \$0.4914, compared to \$0.2339 a year ago. The monthly average of the range price series for Central animal feed whey during May was \$0.3888, compared to \$0.1690 a year ago. The NASS *Dairy Products* report noted U.S. total dry whey production for April 2017 was 84.3 million pounds, up 3.0 percent from a year ago. January-April 2017 U.S. total dry whey production totaled 331.3 million pounds, 2.6 percent above the same time span in 2016. The Central region produced 41.3 million pounds of U.S. human dry whey production in April. This production is 8.1 percent higher than a year ago.

F.O.B. CENTRAL: .3500 - .5900 MOSTLY: .4000 - .5100
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3375 - .4400

DRY WHEY - NORTHEAST

Dry whey prices in the region are unchanged to lower. Production rates are holding as steady cheese output develops liquid whey streams. Contracted customers are reported being offered additional loads of dry whey. As a result, sale prices can be negotiated for volume transactions. Dry whey inventories are steady to building. Interest is at normal seasonal levels, specifically, as a filler in the production of ice cream. Some sources describe the market as having a comfortable undertone. The May 2017 DMN monthly average price of dry whey in the Northeast is \$0.4845 compared to \$0.2398 one year ago.

DAIRY PRODUCTS: According to NASS, April 2017 U.S. human food dry whey production totaled 82.6 million pounds, 2.8 percent more than a year ago, but 3.1 percent less than the previous month. The Atlantic region's production of human food dry whey in April 2017 totaled 22.1 million pounds, 2.7 percent more than a year ago, but 0.3 percent below the previous month.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3850 - .5200

DRY WHEY - WEST

Prices for Western whey held steady at the bottom of both the range and mostly price series, but moved slightly lower at the top end of each series. Market participants describe the whey market as soft. Demand is a little lackluster. End users are not very eager to make new purchases until they use up some of their existing whey supplies. Across the U.S., whey inventories have steadily grown for the first four months of 2017. In the West, a few industry contacts say manufacturers' inventories are comfortable or in balance, but others seem to confirm stocks are heavy. Market participants that are holding larger volumes of whey stocks are feeling more pressure from inventory levels and prices. The DMN monthly average of the mostly price series for West dry whey during May was \$0.4636 compared to \$0.4925 one month ago and \$0.2358 a year ago. NASS reports that April 2017 U.S. human dry whey production, 82.6 million pounds, is up 2.8 percent from a year ago, but down 3.1 percent from March 2017. The Western region produced 19.1 million pounds of human dry whey during April, down 7.0 percent from last year, and down 19.5 percent from last month. Month ending stocks for U.S. human dry whey, at 83.0 million pounds, are 0.2 percent higher than one year ago, and up 10.2 percent from March 2017.

NONHYGROSCOPIC: .4000 - .5300 MOSTLY: .4200 - .4700

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices held steady in a quiet market. Prices are locked in at the top end of the range and mostly price series for WPC34% that meets infant formula requirements, and down to the lower end of the range and mostly price series for WPC34% that is interchangeable with other protein sources. Production is relatively steady. A few manufacturers mentioned significant volumes of condensed whey being offered into the whey protein complex at discounted prices. At this point, it is unclear what effect the available condensed whey will have on WPC34% production or inventories. Inventories for WPC34% have grown each of the first four months of 2017. WPC34% is generally available except for WPC34% that meets tight specifications and highly sought brands. The May 2017 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$0.9138 compared to \$0.9425 one month ago and \$0.6239 one year ago. According to the NASS *Dairy Products* report U.S. production of WPC (25.0-49.9% protein) during April 2017 totaled 16.5 million pounds, 15.9 percent higher than one year ago, and 3.5 percent higher than February. Year to date total WPC (25.0-49.9% protein) production through April is 61.1 million pounds, 0.7 percent less than January through April one year ago. Manufacturers' end-of-month stocks for WPC (25.0-49.9% protein) totaled 25.1 million pounds, 10.3 percent lower than one year ago, but 7.0 percent more than March 2017.

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

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	37.4	+ 34
TOTAL, JAN - APR	142.5	+ 28
1 China	64.0	+ 162
2 Canada	16.1	--
3 Mexico	12.0	+ 5
4 Philippines	9.8	+ 14
5 Indonesia	7.0	- 18

-CONTINUED ON PAGE 6A-

WHEY, WPC 34%, LACTOSE & CASEIN

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

-CONTINUED FROM PAGE 6-**CASEIN - NATIONAL**

Prices for rennet casein firmed this week, while acid casein prices are stable. The May 2017 Dairy Market News rennet casein monthly average price was \$2,9227, compared with \$2,5035 one year earlier. The May 2017 acid casein monthly average price was \$3,5784, compared with \$2,6252 one year earlier. At GDT Event 189 on June 6, 2017, rennet casein prices for the July contract increased 21.3% while the all contracts price increased 4.8%.

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:	2.9500 - 3.1000
ACID:	3.4000 - 3.7000

U.S. WPC < 80% Exports, H.S. Code 0404100500(FAS)

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	23.3	- 17
TOTAL, JAN - APR	103.8	+ 22
1 China	51.5	+ 56
2 Mexico	14.0	+ 33
3 Canada	10.7	+ 11
4 Philippines	6.2	+ 176
5 Indonesia	3.3	- 14

LACTOSE - CENTRAL AND WEST

Lactose prices are generally steady, except the bottom end of the price range slid lower this week. The margin between ground and unground lactose seems to have become more accentuated. After weeks of steadiness, more industry contacts are suggesting there may be some softness creeping into lactose markets. Inventories vary greatly. Some manufacturers of highly sought brands say stocks are tight to comfortable. While other processors are having a harder time moving their growing lactose stocks. Demand is a little quieter as buyers evaluate future needs. In some international markets, U.S. and a few European manufacturers are aggressively trying to secure greater market share and the ability to move larger volumes of lactose. Lactose production remains steady. The May 2017 Dairy Market News average of the mostly price series for Central and West lactose was \$0.4100, compared to \$0.4038 one month ago and \$0.2551 one year ago. NASS's *Dairy Products* report shows U.S. lactose production during April 2017 totaled 96.5 million pounds, a 5.4 percent increase from one year ago, but 0.8 percent less than last month. Year to date lactose production through April is 371.3 million pounds, 4.0 percent more than a year ago. Month ending stocks, at 114.0 million pounds, are 9.8 percent lower than one year ago, and 6.9 percent less than March 2017. At the GDT Event 189 on June 6, lactose prices across all contract periods averaged \$0.4404 per pound, up 1.0%.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .3200 - .5700 MOSTLY: .3700 - .4500

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	50.4	+ 12
TOTAL, JAN - APR	190.1	+ 8
1 Mexico	31.4	+ 36
2 China	30.8	+ 8
3 New Zealand	25.9	- 27
4 Japan	16.3	+ 17
5 Indonesia	14.0	- 7

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

<u>WEEK ENDING</u>	<u>2017 WEEKLY DAIRY COWS</u>	<u>2017 CUMULATIVE DAIRY COWS</u>	<u>2016 WEEKLY DAIRY COWS</u>	<u>2016 CUMULATIVE DAIRY COWS</u>
05/20/2017	52.1	1,183.7	50.5	1,203.8

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

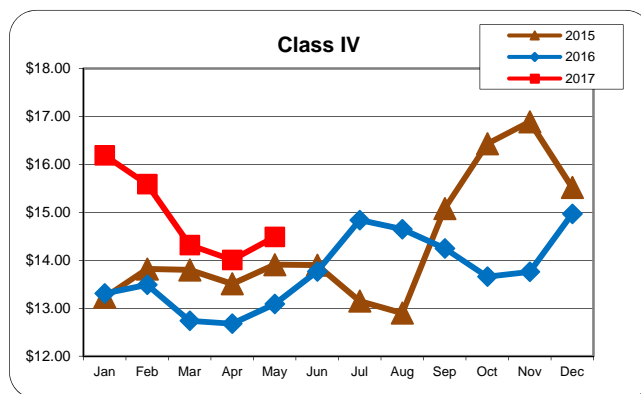
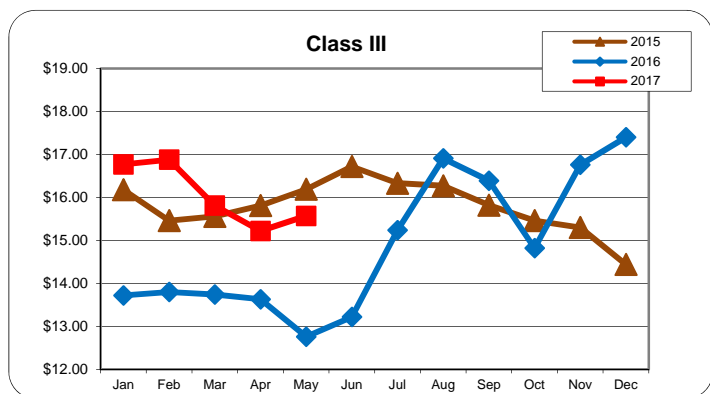
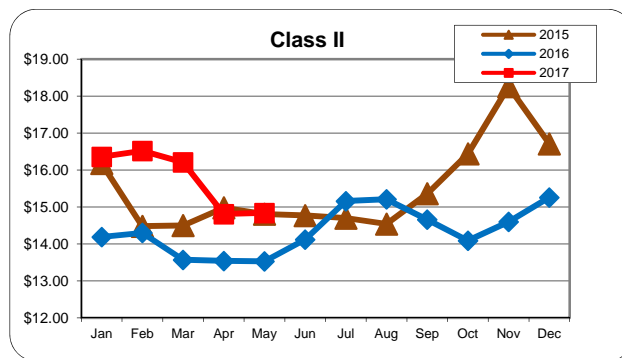
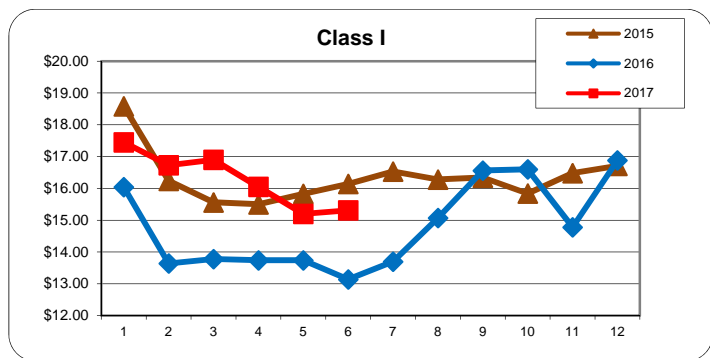
CLASS IV MILK PRICES (3.5%)

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.”



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered May 29 - June 9, 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 processors are feeling better about prospects for the industry in the remainder of 2017.

Prices for most dairy products have increased in the early part of the year. Skim milk powder prices recovered a bit and are now slightly above intervention prices. EU butter prices are at a 2017 high and an end to the price strength is not yet believed to be close.

The currently strong butter market generates a focus on the gap between dairy fat and protein prices. There is consideration as to how exports will fare at the current high butter prices, as well as how resilient the global demand for butter is. Some producer organizations are considering aspects of encouraging dairy producers to produce milk with a higher fat content, if they can get higher pay for the fat.

Many dairy industry participants still expect EU milk production for 2017 to increase +0.6%. However, a big unknown for the months to come (in terms of milk production) is the uncertainty of weather.

BUTTER/BUTTEROIL: Butter prices in Europe firmed at the bottom of the price range, but are steady at the top. Butteroil prices are steady. Both are at the highest level of 2017 and butter prices in Germany are the highest in Europe. Block butter demand remains strong. Packaged butter demand is lower, which is attributed to normal seasonal factors following the European Ascension holiday and Pentecost, as well as lower export demand following the beginning of Ramadan. The Dairy Market News international monthly average price in dollars/metric ton for European butter prices in May, 2017, \$5,423, compares with \$2,732 one year earlier.

82% BUTTERFAT:	5,900 - 6,175
99% BUTTERFAT:	5,325 - 6,225

SKIM MILK POWDER (SMP): European skim milk powder prices increased, keeping pricing above levels in Oceania. No sales into intervention have occurred during the past week. Commercial sales activity has softened in the immediate past weeks. Sales into export seem to have also slowed. The Dairy Market News international monthly average price in dollars/metric ton for European SMP prices in May, 2017, \$2,051, compares with \$1,794 one year earlier.

1.25% BUTTERFAT:	2,175 - 2,350
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SWEET WHEY POWDER: European whey prices are steady. Supplies and demand are in a general balance. Many buyers are comfortably stocked. The Dairy Market News international monthly average price in dollars/metric ton for European whey prices in May, 2017, \$1,203, compares with \$624 one year earlier.

NONHYGROSCOPIC:	1,200 - 1,250
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WHOLE MILK POWDER (WMP): Western European whole milk powder prices firmed, remaining above Oceania pricing and also reaching the highest level of 2017. Demand from the European food industry remains strong as a number of users are still securing WMP for short and medium term needs. Exports have slowed compared with recent weeks. Higher milk fat prices are drawing milk into dairy products other than WMP. The Dairy Market News international monthly average price in dollars/metric ton for European WMP prices in May, 2017, \$3,184, compares with \$2,111 one year earlier.

26% BUTTERFAT:	3,325 - 3,500
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EASTERN OVERVIEW: Russian imports of cheese year to date through April were down by 12.4% from the same period last year. Whole milk powder and butter imports are up by +10.2% and by +0.9% through April if compared to April last year. Next to Belarus, from which almost 70% of the butter is coming, more than 20% of the Russian butter imports are also from NZ. NZ increased its butter exports significantly in 2017.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered May 29 - June 9, 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: There is cautious optimism among Australian dairy producers as to the new milk producing season. While there has been a more adverse impact on producers in southern states, for the country as a whole the signs ahead are believed to be more positive than last season. Costs for some inputs are expected to be better ahead than behind. This is welcome as profitability for dairy producers has lagged in recent years.

NEW ZEALAND: While the largest dairy processors in New Zealand have not officially announced milk production expectations for the new season, experienced observers expect production to increase in the range of 4%.

At the June 6 GDT event #189, all contracts prices ranged from 2.9% lower to 14.5% 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, \$6,569, -1.2%; butter, \$5,631, +3.3%; buttermilk powder, \$2,092, +5.8%; cheddar cheese, \$4,285, +14.5%; lactose, \$971, +1.0%; rennet casein, \$6,849, +4.8%; skim milk powder, \$2,156, +7.9%; and whole milk powder, \$3,143, -2.9%.

BUTTER: Oceania butter prices increased, but remain below pricing in the EU. Oceania butter is now at the highest level of 2017. New Zealand exports of butter January-April, 2017, are down 8.3% in tons compared with January-April 2016, but up 32.3% in value, to \$708.7 million, according to CLAL. At GDT Event 189 on June 6, the butter all contracts price increased 3.3% while the July contract price increased 12.9%. The Dairy Market News international monthly average price in dollars/metric ton for Oceania butter prices in May, 2017, \$5,200 compares with \$2,623 one year earlier.

82% BUTTERFAT: 5,400 - 6,000

SKIM MILK POWDER (SMP): Oceania skim milk powder prices slightly firmed, but remain below the highest prices of the year. New Zealand exports of SMP January-April, 2017, are down 16.6% in tons compared with January-April 2016, but are up 3.8% in value, to \$314.1 million, according to CLAL. At GDT Event 189 on June 6, the SMP all contracts price increased 7.9% and the July contract price increased 7.2%. The Dairy Market News international monthly average price in dollars/metric ton for Oceania SMP prices in May, 2017, \$2,004, compares with \$1,719 one year earlier.

1.25% BUTTERFAT: 2,000 - 2,150

CHEDDAR CHEESE: Cheddar cheese prices increased, reaching the highest level of 2017. Initial reactions from dairy market participants in the region were to characterize the strength as surprising, seemingly with no clear reason. New Zealand cheese exports January-April, 2017, declined 6.8% in tons, but increased 9.8% in value, according to CLAL. At GDT Event 189 on June 6, the cheddar all contracts price increased 14.5% and the July contract price increased 18.4%. The Dairy Market News international monthly average price in dollars/metric ton for Oceania cheddar prices in May, 2017, \$3,662, compares with \$2,607 one year earlier.

39% MAXIMUM MOISTURE: 3,700 - 4,200

WHOLE MILK POWDER (WMP): Oceania whole milk powder prices are steady to slightly lower. There was some surprise at the 5.6% August GDT Event 189 contract price decline. However, it is noted that buyers expect more WMP to become available in the near term, so are currently selective in pricing. At the June 6 GDT Event, the WMP all contracts price decreased 2.9%. New Zealand exports of WMP January-April, 2017, are down 4.9% in tons compared with January-April 2016, but up 29.7% in value, to \$1.388 billion, according to CLAL. The Dairy Market News international monthly average price in dollars/metric ton for Oceania WMP prices in May, 2017, \$3,211, compares with \$2,052 one year earlier.

26% BUTTERFAT: 3,100 - 3,300

**Exchange rates for selected foreign currencies:
June 5, 2017**

.0624 Argentina Peso	.0156 India Rupee
.7487 Australian Dollar	.0091 Japan yen
.3033 Brazil Real	.0545 Mexican Peso
.7422 Canadian Dollar	.7138 New Zealand Dollar
.0015 Chile Peso	.2689 Poland Zloty
1.1256 Euro	.0354 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: (1/.0545) = 18.3486 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 189 Recap - June 6, 2017													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Jul-17		Aug-17		Sep-17		Oct-17		Nov-17		Dec-17			
Anhydrous Milk Fat	\$6,850	0.9%	\$6,732	-0.3%	\$6,489	-0.7%	\$6,373	-3.4%	\$6,416	-2.6%	n.a.	\$6,569	-1.2%	
Butter	\$6,320	12.9%	\$5,915	4.1%	\$5,765	5.5%	\$5,355	0.1%	\$5,345	1.5%	n.a.	\$5,631	3.3%	
Buttermilk Powder	\$2,065	8.4%	\$2,117	5.8%	\$2,040	10.6%	\$2,075	12.5%	\$2,085	11.5%	n.a.	\$2,092	5.8%	
Cheddar	\$4,413	18.4%	n.a.		\$4,322	n.a.	\$4,236	13.4%	\$4,096	9.9%	n.a.	\$4,285	14.5%	
Lactose	n.a.		\$971	1.0%	n.a.		n.a.		n.a.		n.a.	\$971	1.0%	
Rennet Casein	\$7,990	21.3%	\$6,616	2.6%	\$6,510	1.6%	\$7,165	6.3%	\$7,240	n.a.	n.a.	\$6,849	4.8%	
Skim Milk Powder	\$2,160	7.2%	\$2,163	7.7%	\$2,161	10.1%	\$2,132	6.2%	\$2,161	9.0%	n.a.	\$2,156	7.9%	
Whole Milk Powder	\$3,194	-1.6%	\$3,131	-5.6%	\$3,240	5.0%	\$3,143	-5.2%	\$3,013	-7.0%	n.a.	\$3,143	-2.9%	

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

US\$/Pound	Global/Dairy Trading (gDT) Event 189 Recap - June 6, 2017													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Jul-17		Aug-17		Sep-17		Oct-17		Nov-17		Dec-17			
Anhydrous Milk Fat	\$3.1071	0.9%	\$3.0536	-0.3%	\$2.9434	-0.7%	\$2.8908	-3.4%	\$2.9103	-2.6%	n.a.	\$2.9797	-1.2%	
Butter	\$2.8667	12.9%	\$2.6830	4.1%	\$2.6150	5.5%	\$2.4290	0.1%	\$2.4245	1.5%	n.a.	\$2.5542	3.3%	
Buttermilk Powder	\$0.9367	8.4%	\$0.9603	5.8%	\$0.9253	10.6%	\$0.9412	12.5%	\$0.9457	11.5%	n.a.	\$0.9489	5.8%	
Cheddar	\$2.0017	18.4%	n.a.		\$1.9604	n.a.	\$1.9214	13.4%	\$1.8579	9.9%	n.a.	\$1.9437	14.5%	
Lactose	n.a.		\$0.4404	1.0%	n.a.		n.a.		n.a.		n.a.	\$0.4404	1.0%	
Rennet Casein	\$3.6242	21.3%	\$3.0010	2.6%	\$2.9529	1.6%	\$3.2500	6.3%	\$3.2840	n.a.	n.a.	\$3.1067	4.8%	
Skim Milk Powder	\$0.9798	7.2%	\$0.9811	7.7%	\$0.9802	10.1%	\$0.9671	6.2%	\$0.9802	9.0%	n.a.	\$0.9780	7.9%	
Whole Milk Powder	\$1.4488	-1.6%	\$1.4202	-5.6%	\$1.4697	5.0%	\$1.4257	-5.2%	\$1.3667	-7.0%	n.a.	\$1.4257	-2.9%	

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

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered May 29 - June 9, 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: With the winter season approaching, farm milk output continues improving in Argentina. Although the weather has been variable during the past two weeks in the main dairy provinces, milk yields have been marginally affected. For some industry experts, milk production is likely to continue increasing for the main following reasons; first, climate conditions are improving throughout the main dairy basins. Second, high farm gate prices are stirring farmers to produce more milk. Third, the consolidation of the dairy sector is reducing operating costs, encouraging dairy operations (tambos) to produce more. However, at this point, milk volumes continue to be lower in order to satisfy all requests from manufacturers. Cheese and bottled milk continue to be the main products to be manufactured. Exports are less active, compared to the previous year.

In **Uruguay**, milk production is slowly increasing, in line with seasonal trends. Although milk/cream volumes are increasing, supplies are less than sufficient to cover all manufacturing needs. Cream availability continues tight and premiums high on a bullish market.

In some dairy areas in **Brazil**, milk intake on farms has increased, but has declined in others, as climatic conditions have varied over the past two weeks. In general, milk/cream supply remains less than adequate to meet all processing needs with the exception of bottled/UHT milk and cheese. The UHT milk market continues to weaken, with prices following the downward trend observed throughout the month. Despite this, many companies have reported reduced sales transactions. The demand for cheese has shown some signs of improvement, but at the same time, some companies have lowered prices to compete with lower import prices.

WHOLE MILK POWDER (WMP): In the Southern Cone of South America, whole milk powder (WMP) f.o.b. export prices shifted slightly up in contrast with the recent GDT results. With tight cream supplies in the market, WMP production have been limited in some processing plants. Thus, WMP inventories are down, while values are slightly increasing. Demand for WMP is fair to strong. The low end of the pricing range is mirroring moderate exports outside the Mercosur bloc while the high end is reflecting light Brazilian imports mainly from Uruguay and Argentina. In Brazil, WMP interest from the food processing industry is steady. Some WMP tenders from domestic Brazilian manufacturers can be found priced at or above \$3,650 per metric ton.

The May 2017 Dairy Market News monthly average price per metric ton for WMP in the southern Cone of South America is \$3,387.

According to the Brazilian government, WMP imports from January to May 2017 totaled 40,865 MT, down 4% from the same period in 2016. From this total, imports from Uruguay, Argentina, and Chile represented 60%, 36%, and 4% respectively.

At the GDT Event 189 on June 6, whole milk powder (WMP) prices across all contract periods averaged \$3,143 per metric ton, down 2.9% from the last event.

26% BUTTERFAT: 3,250 - 3,600

SKIM MILK POWDER (SMP): In the Southern Cone of South America, skim milk powder (SMP) f.o.b. exports prices are unchanged. The overall demand for SMP is stable on a balanced market. In order to increase cream supply, SMP production is more active compared to the past few weeks. SMP inventories are more available across the Mercosur region.

The May 2017 Dairy Market News monthly average price per metric ton for SMP in the southern Cone of South America is \$2,872.

According to the Brazilian government, SMP imports from January to May 2017 totaled 13,176 MT, up 3% from the same period in 2016. From this total, imports from Uruguay, Argentina, and the United States represented 42%, 44%, and 14% respectively.

At the GDT Event 189 on June 6, skim milk powder (SMP) prices across all contract periods averaged \$2,156 per metric ton, up 7.9% from the last event.

1.25% BUTTERFAT: 2,700– 3,000

CME GROUP, INC FUTURES

Selected settling prices

Month	05/26	05/29	05/30	05/31	06/01	06/02	06/05	06/06	06/07	06/08
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
MAY 17	15.61	NO TRADING	15.62	15.61	15.57					
JUN 17	16.51		16.56	16.70	16.66	16.52	16.44	16.37	16.29	16.28
JUL 17	17.04		17.08	17.26	17.12	16.95	16.86	16.86	16.67	16.53
AUG 17	17.40		17.39	17.52	17.35	17.18	17.17	17.22	17.06	17.03
SEP 17	17.44		17.39	17.55	17.42	17.33	17.35	17.38	17.28	17.23
OCT 17	17.24		17.24	17.38	17.30	17.25	17.32	17.36	17.32	17.32
NOV 17	17.08		17.02	17.15	17.11	17.12	17.17	17.24	17.22	17.25
DEC 17	16.86		16.84	16.88	16.95	16.95	17.02	17.05	17.05	17.07
JAN 18	16.71		16.62	16.63	16.63	16.72	16.72	16.72	16.73	16.72
FEB 18	16.65		16.57	16.57	16.57	16.57	16.62	16.65	16.65	16.63
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
MAY 17	14.55	NO TRADING	14.55	14.59	14.49					
JUN 17	15.93		15.93	16.02	16.02	16.11	16.21	16.19	16.01	16.01
JUL 17	16.43		16.43	16.70	16.70	16.82	16.90	16.96	16.77	16.77
AUG 17	16.68		16.60	16.88	17.00	17.10	17.10	17.05	16.87	16.87
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
MAY 17	218.80	NO TRADING	218.80	218.80	216.44					
JUN 17	239.00		239.00	240.50	240.43	243.00	245.25	245.00	243.15	244.43
JUL 17	244.75		244.00	246.25	246.50	251.50	254.38	254.43	250.00	252.30
AUG 17	245.50		245.00	247.55	247.98	252.98	256.30	254.48	251.00	253.98
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
MAY 17	87.45	NO TRADING	87.43	87.43	87.04					
JUN 17	92.53		92.43	94.38	94.00	93.50	93.25	92.20	91.25	91.40
JUL 17	95.43		96.15	98.30	98.20	97.00	97.00	96.50	95.75	95.30
AUG 17	97.15		98.00	99.95	99.73	98.50	98.50	97.20	96.50	97.00
WHEY (Electronic-Traded) (¢/lb)										
MAY 17	51.08	NO TRADING	51.08	51.08	50.94					
JUN 17	48.93		48.93	48.93	49.00	47.93	47.78	47.73	47.73	48.28
JUL 17	47.00		47.00	47.00	46.68	46.40	46.38	46.00	46.00	45.75
AUG 17	45.35		45.35	45.35	44.50	44.25	45.00	44.25	44.50	43.75
CHEESE CSC (Electronic-Traded) (\$/lb)										
MAY 17	1.54	NO TRADING	1.54	1.54	1.54					
JUN 17	1.64		1.65	1.66	1.65	1.64	1.63	1.63	1.62	1.62
JUL 17	1.71		1.71	1.73	1.71	1.69	1.68	1.69	1.67	1.66
AUG 17	1.75		1.75	1.76	1.75	1.74	1.73	1.74	1.72	1.72
SEP 17	1.76		1.76	1.77	1.76	1.76	1.74	1.75	1.75	1.75

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

DAIRY MARKET NEWS INTERNATIONAL MONTHLY SUMMARY AND AVERAGES FOR MAY 2017¹

(UNLESS OTHERWISE NOTED, PRICES ARE U.S.DOLLARS/METRIC TON, F.O.B. PORT)

COMMODITY	::REPORT NUMBER 19	::REPORT NUMBER 21	::REPORT NUMBER 23	:: 2017 *	: 2016 *
	::-----	::-----	::-----	Monthly	Monthly
	:: MAY 1 - 12	:: MAY 15 - 26	:: MAY 29 - 31	Average	Average
<hr/>					
BUTTER (82% BUTTERFAT)					
-- OCEANIA	:: 4900 - 5150	:: 5025 - 5425	:: 5400 - 6000	:: 5200 :	2623
-- WESTERN EUROPE	:: 4900 - 5050	:: 5200 - 6175	:: 5900 - 6175	:: 5423 :	2732
BUTTEROIL (99% BUTTERFAT)					
-- WESTERN EUROPE	:: 5150 - 5900	:: 5325 - 6225	:: 5325 - 6225	:: 5666 :	3702
CHEDDAR CHEESE (39% MAXIMUM MOISTURE)					
-- OCEANIA	:: 3575 - 3625	:: 3575 - 3700	:: 3700 - 4200	:: 3662 :	2607
SKIM MILK POWDER (1.25% BUTTERFAT)					
-- OCEANIA	:: 1975 - 2025	:: 1975 - 2000	:: 2000 - 2150	:: 2004 :	1719
-- SOUTH AMERICA	:: 2700 - 3100	:: 2700 - 3000	:: 2700 - 3000	:: 2872 :	
-- WESTERN EUROPE	:: 1900 - 2000	:: 2000 - 2175	:: 2175 - 2350	:: 2051 :	1794
WHEY POWDER (NONHYGROSCOPIC)					
-- WESTERN EUROPE	:: 1150 - 1200	:: 1200 - 1250	:: 1200 - 1250	:: 1203 :	624
WHOLE MILK POWDER (26% BUTTERFAT)					
-- OCEANIA	:: 3100 - 3300	:: 3100 - 3350	:: 3100 - 3300	:: 3211 :	2052
-- SOUTH AMERICA	:: 3200 - 3625	:: 3150 - 3550	:: 3250 - 3600	:: 3387 :	
-- WESTERN EUROPE	:: 3000 - 3100	:: 3150 - 3350	:: 3325 - 3500	:: 3184 :	2111

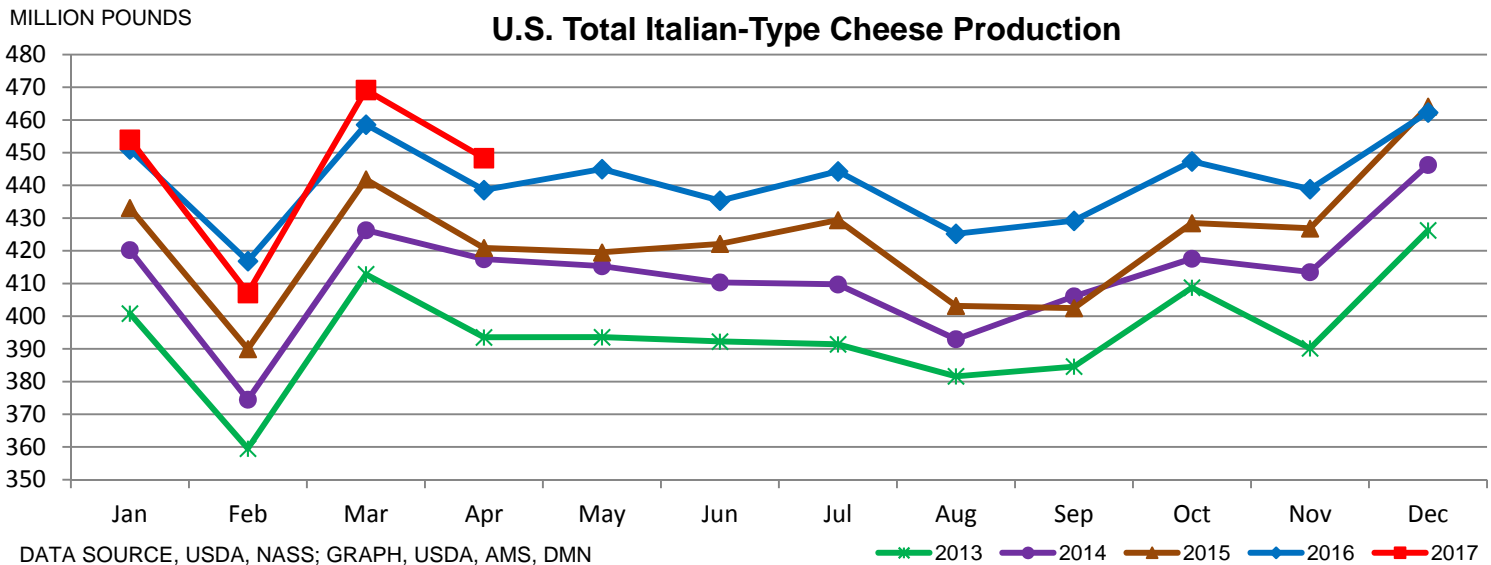
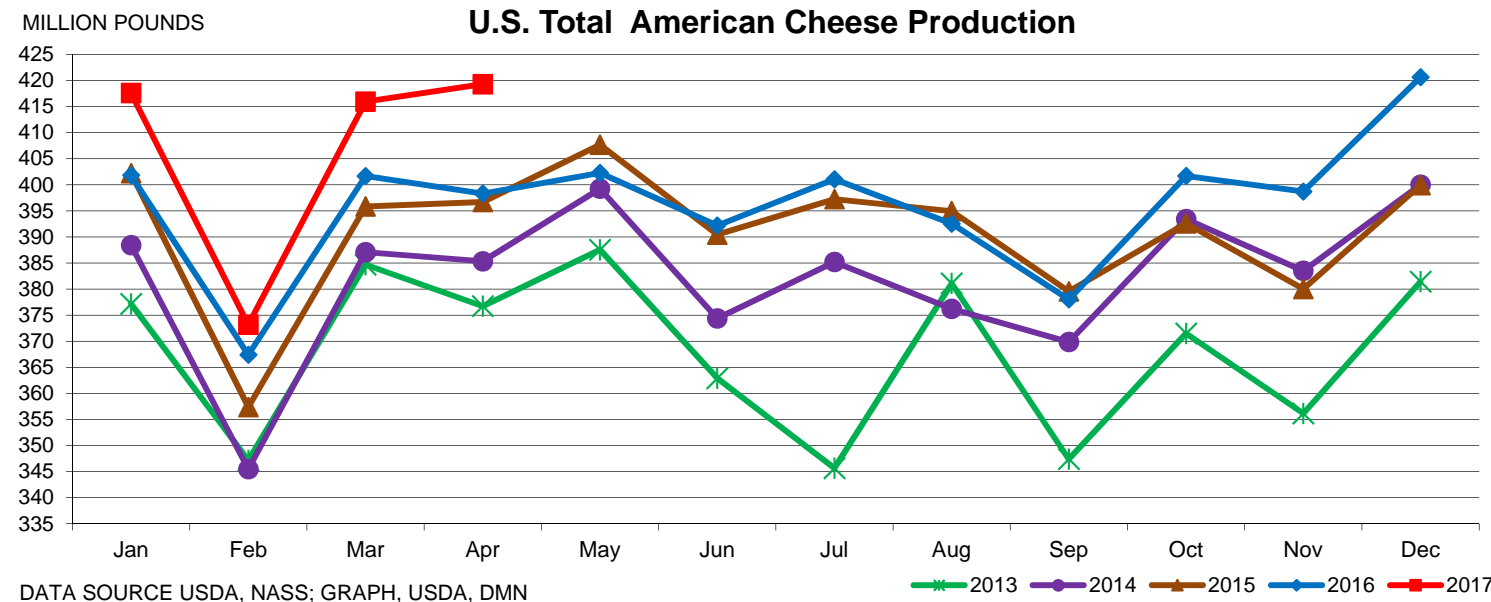
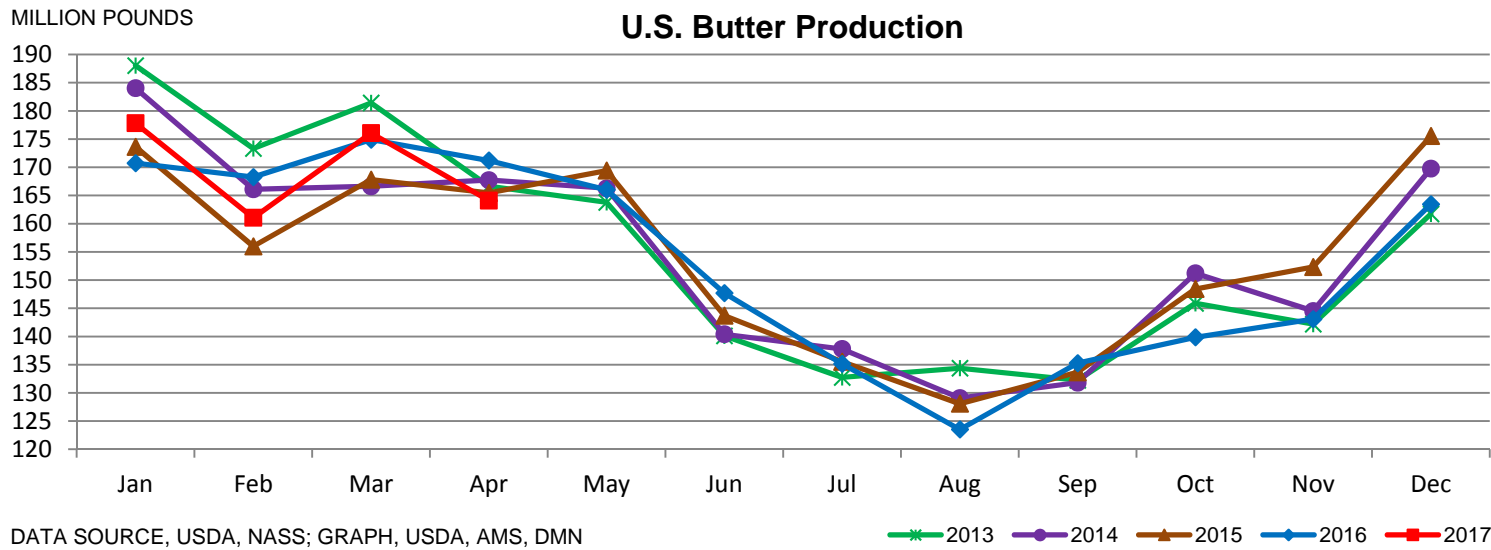
1 Prices for all products are issued biweekly and represent a value for the entire biweekly period. Monthly averages are based on biweekly prices and are time-weighted according to the number of workdays in the month - Saturdays and Sundays excluded. No monthly average is computed if one or more biweekly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

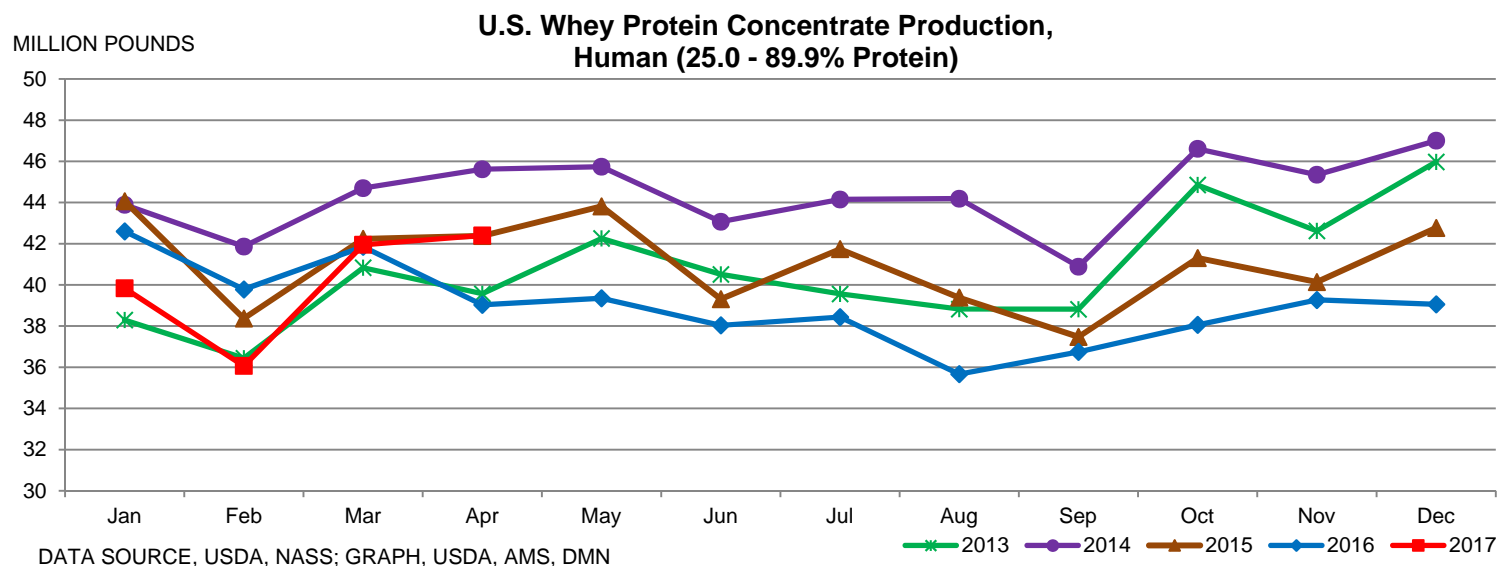
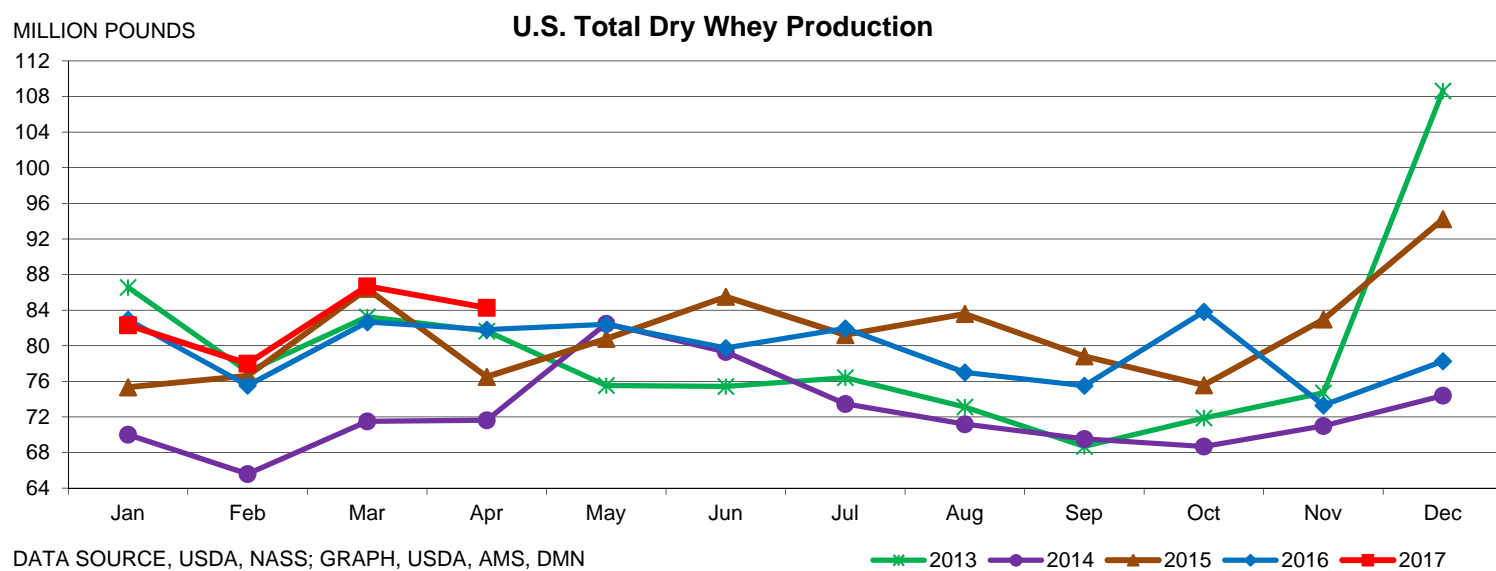
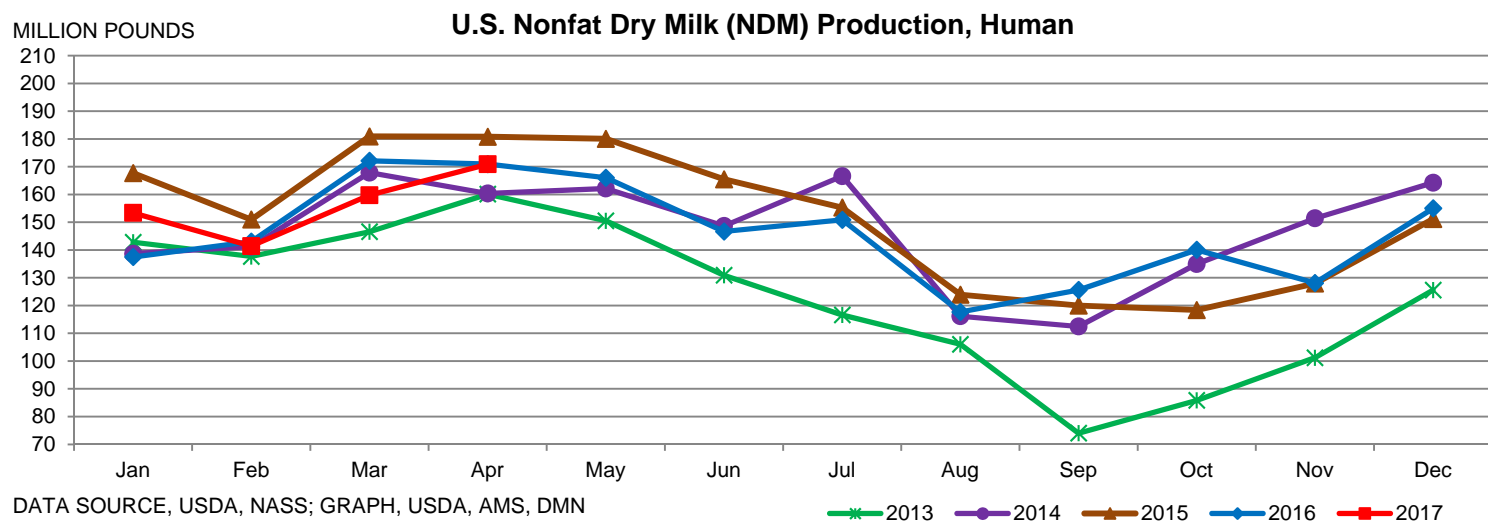
April 2017 Dairy Products Highlights

Butter production was 164 million pounds, 4.1 percent below April 2016, and 6.8 percent below March 2017. **American type cheese** production totaled 419 million pounds, 5.3 percent above April 2016, and 0.8 percent above March 2017. **Total cheese** output (excluding cottage cheese) was 1.04 billion pounds, 3.7 percent above April 2016, but 2.1 percent below March 2017. **Nonfat dry milk** production, for human food, totaled 171 million pounds, no percent change from April 2016, but 7.0 percent above March 2017. **Dry whey** production, for human food, was 82.6 million pounds, 2.8 percent above April 2016, but 3.1 percent below March 2017. **Ice cream, regular hard** production totaled 70.8 million gallons, 3.1 percent below April 2016, and 6.1 percent below March 2017.

Production of Dairy Products									
Product	Apr 2017	Change from			Product	Apr 2017	Change from		
		Apr 2016	Mar 2017	Year to Date ¹			Apr 2016	Mar 2017	Year to Date ¹
	(1,000 lbs)	(percent)				(1,000 lbs)	(percent)		
Butter	164,099	-4.1	-6.8	-0.9	Yogurt (plain and flavored)	369,532	-0.9	-7.5	-1.5
Cheese					Dry whey, human food	82,575	2.8	-3.1	---
American types ²	419,282	5.3	0.8	3.7	Dry whey, animal feed	1,692	13.6	13.9	---
Cheddar	314,209	4.8	1.5	6.2	Dry whey, total ⁸	84,267	3.0	-2.8	2.6
Other American	105,073	6.6	-1.2	---	Reduced lactose & minerals				
Brick & Muenster	16,614	4.1	4.3	---	Human food	2,439	-13.7	-4.4	---
Cream & Neufchatel	69,500	-1.1	-3.1	---	Animal feed	2,894	-2.7	7.7	---
Hispanic	23,272	8.3	-9.4	---	Lactose, human food & animal feed	96,514	5.4	-0.8	4.0
Total Italian types	448,347	2.2	-4.4	0.7	Whey protein concentrate				
Mozzarella	348,094	2.3	-3.7	---	Human food ⁹	42,399	9.7	1.1	---
Other Italian	100,253	1.9	-6.9	---	Animal feed ⁹	533	37.4	34.9	---
Swiss	26,015	7.2	-1.7	---	Total ⁹	42,932	10.0	1.4	-1.1
All other types	36,304	8.6	-0.5	---	25.0-49.9 percent ¹⁰	16,524	15.9	3.5	---
Total	1,039,334	3.7	-2.1	2.1	50.0-89.9 percent ¹⁰	26,408	6.6	0.1	---
Cottage cheese, curd ³	32,829	-0.6	-5.5	---	Whey protein isolates ¹¹	8,981	3.6	-3.4	---
Cottage cheese, cream ⁴	25,631	-5.3	-9.7	-4.4					
Cottage cheese, lowfat ⁵	29,813	-1.7	-3.2	-7.6					
Dry buttermilk	8,638	-10.1	-11.8	---					
Dry whole milk	7,068	-22.1	-36.9	---	Frozen products				
Milk protein conc. (MPC), total ⁶	18,328	13.1	10.7	---	Ice cream, regular hard	70,820	-3.1	-6.1	-1.8
Nonfat dry milk (NDM), human	170,900	---	7.0	0.3	Ice cream, lowfat, hard	18,993	-1.8	-6.6	---
Skim milk powders (SMP) ⁷	50,206	16.2	-4.7	13.1	Ice cream, lowfat, soft	19,704	-5.8	-5.9	---
Sour cream	108,700	8.2	-5.9	1.8	Ice cream, lowfat, total	38,697	-3.9	-6.2	-0.1
					Sherbet, hard	3,522	-4.7	-0.2	-2.1
					Frozen yogurt, total	6,847	9.0	-8.2	-0.4
Manufacturers' Stocks, End of Month ¹²									
Product	Apr 2017	Apr 2016	Mar 2017		Product	Apr 2017	Apr 2016	Mar 2017	
	(1,000 lbs)	(percent)				(1,000 lbs)	(percent)		
Dry whey, human food	83,007	0.2	10.2		Whey protein concentrate				
Dry whey, animal feed	1,978	25.7	4.3		Human food ⁹	64,374	-8.6	6.4	
Reduced lactose & minerals—human & animal ¹³	5,842	-21.5	4.8		Animal feed ⁹	753	13.9	58.9	
Lactose, human food & animal feed	114,009	-9.8	-6.9		Total ⁹	65,127	-8.4	6.8	
Dry buttermilk	26,949	9.2	1.4		25.0-49.9 percent ¹⁰	25,059	-10.3	7.0	
Nonfat dry milk, human food	266,279	5.6	7.6		50.0-89.9 percent ¹⁰	40,068	-7.1	6.6	
					Whey protein isolates ¹¹	24,467	35.5	0.7	

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







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>

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Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 06/09/2017 to 06/15/2017

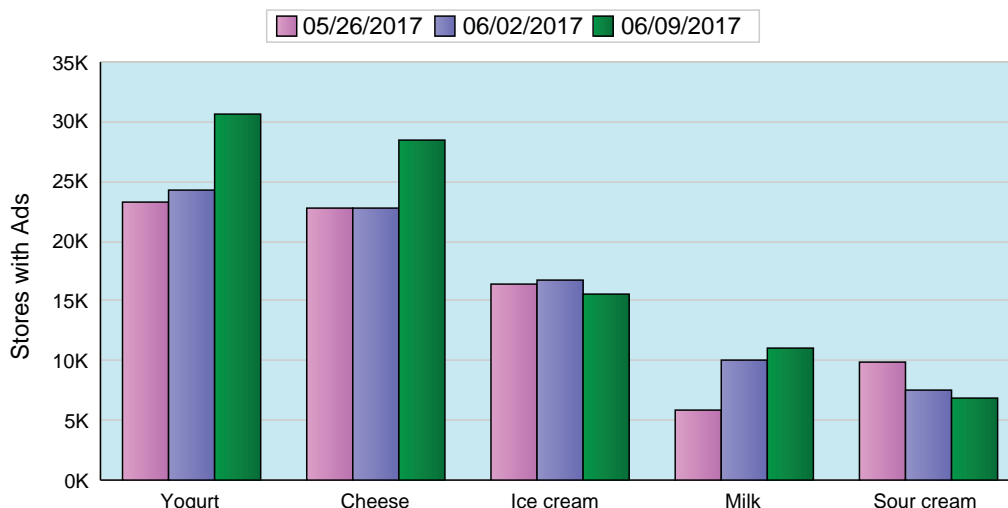
June is dairy month and a number of retailers highlighted the celebration in their weekly advertisements, Total conventional dairy advertisements increased 13 percent and organic dairy ads increased 57 percent. For conventional 1 pound butter, the national weighted average advertised price, \$3.46, is up 15 cents from last week. Conventional butter ads increased 32 percent this week. The top advertised dairy item was ice cream in 48 to 64 ounce containers, with a weighted average price of \$2.94.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.41, up 15 cents, and conventional 8 ounce shred cheese averaged \$2.37, up 9 cents from last week. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$4.99, up \$1.31, and organic 8 ounce shred cheese averaged \$3.25, up 21 cents from last week. Nationwide, conventional cheese ads increased 25 percent, while organic cheese ads increased 30 percent.

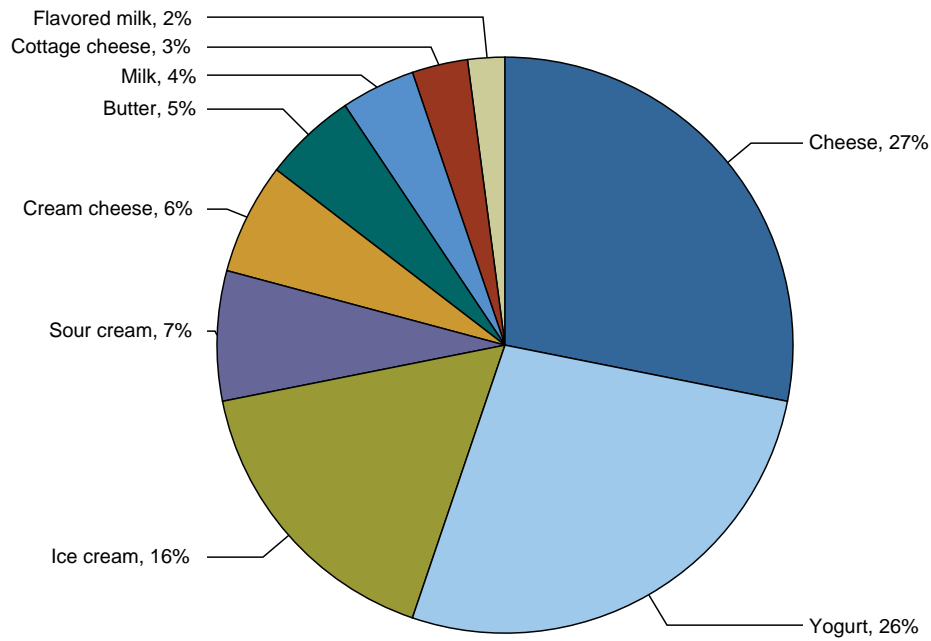
Conventional yogurt ads increased 18 percent, while organic yogurt ads increased 96 percent. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.96, compared to organic Greek yogurt is \$1.24, an organic premium of 28 cents. The average sale price for 4-6 ounce conventional yogurt is \$0.51, while 4-6 ounce organic yogurt is \$1.22.

This week, the difference between the weighted average price for organic half gallon milk, \$4.03, and the weighted average price for conventional half gallon milk, \$1.79, resulted in an organic premium of \$2.24. Organic milk advertisements increased 27 percent, but ads for conventional milk decreased 7 percent. Half gallon milk is the top advertised item for organic dairy products this week, increasing by 24 percent.

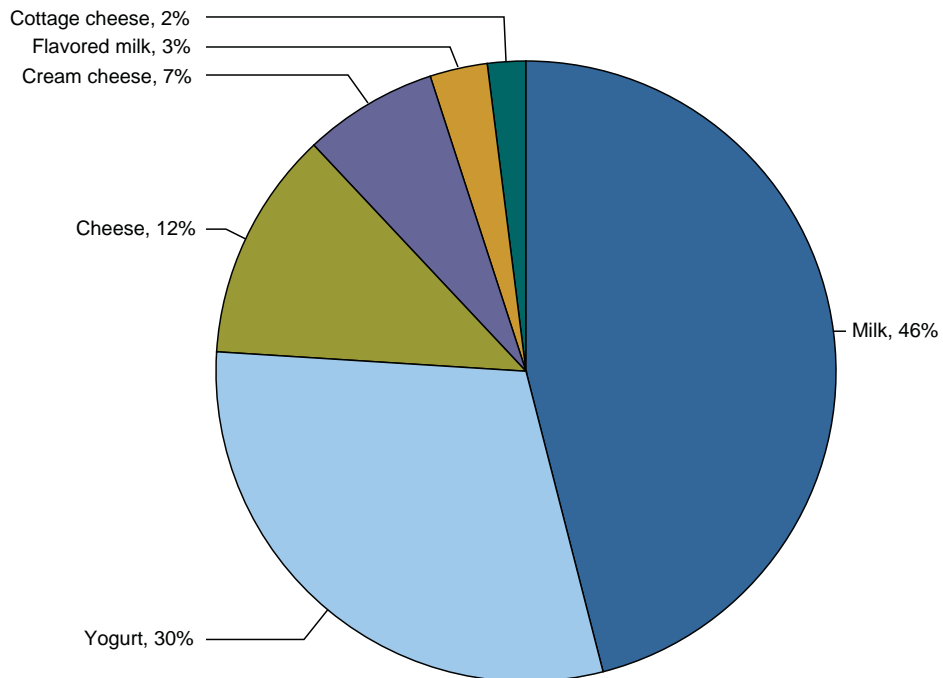
Top 5 Commodities Featured



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 #	4895	3.46	3712	3.31	2824	3.33
Cheese	Natural Varieties	8 oz block	9417	2.41	7249	2.26	8605	2.23
Cheese	Natural Varieties	1 # block	2606	3.60	2562	3.93	1845	3.36
Cheese	Natural Varieties	2 # block	1299	6.95	960	5.97	682	5.90
Cheese	Natural Varieties	8 oz shred	9797	2.37	8853	2.28	11555	2.39
Cheese	Natural Varieties	1 # shred	3488	3.72	1664	3.75	2201	3.17
Cottage cheese		16 oz	2936	1.94	3412	2.15	5054	2.11
Cream cheese		8 oz	5715	1.76	4446	1.82	8187	1.93
Flavored milk	All fat tests	half gallon	1061	2.75	592	2.66	796	2.29
Flavored milk	All fat tests	gallon	1184	2.31	713	2.94	996	3.20
Ice cream		48-64oz	15605	2.94	16643	3.05	17240	3.07
Milk	All fat tests	half gallon	1186	1.79	1257	2.12	963	1.97
Milk	All fat tests	gallon	3049	2.52	3311	3.34	2451	2.32
Sour cream		16 oz	6913	1.80	7302	1.74	6456	1.80
Yogurt	Greek	4-6 oz	10604	.96	9523	.99	13237	.96
Yogurt	Greek	32 oz	2648	4.25	2982	4.19	2439	4.43
Yogurt	Yogurt	4-6 oz	11404	.51	8903	.61	8679	.53
Yogurt	Yogurt	32 oz	1351	2.00	490	2.65	1180	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 #	2.49-3.99	1072	3.51	3.00-3.99	1495	3.45			
Cheese	Natural Varieties	8 oz block	1.49-3.00	2360	2.32	2.00-3.00	3072	2.53	2.00-3.00	1881	2.35
Cheese	Natural Varieties	1 # block	3.99	110	3.99	3.48-3.49	519	3.49	2.99-3.49	431	3.25
Cheese	Natural Varieties	8 oz shred	1.99-3.00	2398	2.44	1.99-2.50	2000	2.25	1.99-2.59	1622	2.28
Cheese	Natural Varieties	1 # shred	3.99	110	3.99	3.48-3.99	1401	3.85	2.99-3.49	431	3.25
Cottage cheese		16 oz	1.50-2.99	1037	2.06	1.50	195	1.50	0.99-1.99	285	1.58
Cream cheese		8 oz	1.50-2.00	649	1.71	1.47-2.49	2275	1.82	1.49-2.00	663	1.72
Flavored milk	All fat tests	half gallon	2.50-3.49	327	3.03	2.50-3.99	359	3.02	3.00	180	3.00
Flavored milk	All fat tests	gallon							1.69-3.99	446	2.67
Ice cream		48-64oz	1.99-3.99	2981	2.68	2.00-4.99	3998	2.86	2.49-3.99	2355	3.15
Milk	All fat tests	half gallon	0.99	161	.99				0.69-2.50	317	1.72
Milk	All fat tests	gallon	2.99-3.99	416	3.39	3.99	84	3.99	1.69-3.49	290	2.81
Sour cream		16 oz	0.99-1.99	1909	1.60	1.25-3.00	2424	2.16	1.50-1.89	339	1.61
Yogurt	Greek	4-6 oz	0.69-1.00	3306	.96	0.90-1.25	2162	1.00	0.88-1.00	1438	.96
Yogurt	Greek	32 oz	3.49-4.99	1246	4.46	4.49-4.99	446	4.66	4.49-4.99	299	4.69
Yogurt	Yogurt	4-6 oz	0.25-0.60	2187	.46	0.50	3990	.50	0.39-0.66	1337	.52
Yogurt	Yogurt	32 oz	1.49-2.69	606	1.94	2.18-2.50	282	2.28	1.99	116	1.99

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.99-3.99	393	3.43	2.49-3.50	465	2.98	2.50-4.29	410	3.76
Cheese	Natural Varieties	8 oz block	1.69-3.00	1132	2.41	1.87-3.00	635	2.39	1.67-2.50	303	2.31
Cheese	Natural Varieties	1 # block	2.99	78	2.99	2.99	361	2.99	3.99	105	3.99
Cheese	Natural Varieties	2 # block	4.99	121	4.99	4.99-7.99	773	6.89	5.99-7.99	350	7.64
Cheese	Natural Varieties	8 oz shred	1.69-3.00	1538	2.29	1.99-3.00	1533	2.56	1.67-2.50	592	2.40
Cheese	Natural Varieties	1 # shred	2.99	78	2.99	2.99	361	2.99	3.99	105	3.99
Cottage cheese		16 oz	1.99-2.50	584	2.04	1.00-1.99	465	1.75	2.00	289	2.00
Cream cheese		8 oz	1.49-2.50	781	1.86	1.49-2.00	588	1.69	1.25-1.99	683	1.55
Flavored milk	All fat tests	half gallon	2.49	74	2.49				0.99	121	.99
Flavored milk	All fat tests	gallon	1.99	340	1.99	1.89-1.99	364	1.96			
Ice cream		48-64oz	1.99-4.50	2957	3.06	1.99-5.00	1737	3.39	2.50-3.99	540	2.75
Milk	All fat tests	half gallon	1.89-3.33	251	2.57	0.99-2.29	336	1.94	0.99	121	.99
Milk	All fat tests	gallon	1.88-1.99	550	1.95	1.89-3.99	1222	2.60	1.69-1.79	463	1.75
Sour cream		16 oz	1.99-2.00	239	1.99	1.00-1.99	528	1.69	0.99-2.00	419	1.41
Yogurt	Greek	4-6 oz	0.77-1.25	1419	.94	0.79-1.00	1889	.95	0.79-1.00	303	.83
Yogurt	Greek	32 oz	2.50-5.00	194	3.97				2.50-3.50	463	3.12
Yogurt	Yogurt	4-6 oz	0.50-1.00	1225	.66	0.39-0.50	957	.47	0.33-0.50	653	.41
Yogurt	Yogurt	32 oz							1.67	289	1.67

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 #	4.79	21	4.79	3.99-4.49	37	4.03
Cheese	Natural Varieties	8 oz block				2.50	34	2.50
Cheese	Natural Varieties	2 # block	8.99	21	8.99	6.79	34	6.79
Cheese	Natural Varieties	8 oz shred	2.99-3.50	80	3.19	2.50	34	2.50
Cottage cheese		16 oz	2.00-2.50	23	2.46	2.69-3.00	58	2.87
Cream cheese		8 oz	1.50-1.99	42	1.75	2.50	34	2.50
Flavored milk	All fat tests	gallon				4.69	34	4.69
Ice cream		48-64oz	2.97	8	2.97	3.98-3.99	27	3.99
Milk	All fat tests	gallon	2.88	21	2.88	4.89	3	4.89
Sour cream		16 oz	1.98-2.00	26	1.99	2.00-2.29	27	2.26
Yogurt	Greek	4-6 oz	1.00-1.25	26	1.23	1.25	61	1.25
Yogurt	Yogurt	4-6 oz	0.39-0.83	49	.64	0.50	4	.50
Yogurt	Yogurt	32 oz	2.49-3.98	24	2.68	3.00	34	3.00

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 #					869	5.75
Cheese	Natural Varieties	8 oz block	246	4.99	191	3.68	612	4.66
Cheese	Natural Varieties	8 oz shred	1603	3.25	1231	3.04	524	4.03
Cottage cheese		16 oz	328	3.00	178	3.49	593	3.55
Cream cheese		8 oz	1083	2.50			72	2.50
Flavored milk	All fat tests	half gallon	408	4.13				
Ice cream		48-64oz			72	5.99		
Milk	All fat tests	half gallon	4991	4.03	4009	3.70	2696	3.91
Milk	All fat tests	gallon	1610	5.16	914	5.88	1461	5.65
Milk	All fat tests	8 oz UHT	288	1.10	490	1.00	918	.98
Sour cream		16 oz			180	2.79	490	2.90
Yogurt	Greek	4-6 oz	2164	1.24	1838	1.23	2037	1.15
Yogurt	Greek	32 oz	21	4.00			161	5.99
Yogurt	Yogurt	4-6 oz	1902	1.22	348	1.20	493	1.25
Yogurt	Yogurt	32 oz	354	5.20	120	4.35	133	4.13

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 shred	2.99	110	2.99						
Cottage cheese		16 oz				3.00	214	3.00			
Cream cheese		8 oz				2.50	1083	2.50			
Flavored milk	All fat tests	half gallon				4.28	195	4.28	3.99	213	3.99
Milk	All fat tests	half gallon	3.99-4.69	560	4.31	3.99-4.49	570	4.34	2.99-4.78	1540	3.93
Milk	All fat tests	gallon				5.00-5.78	1492	5.17			
Milk	All fat tests	8 oz UHT	0.84	108	.84				1.25	180	1.25
Yogurt	Greek	4-6 oz				1.25	1287	1.25	1.25	595	1.25
Yogurt	Yogurt	4-6 oz	0.58-1.25	573	1.05	1.25	1083	1.25			
Yogurt	Yogurt	32 oz	3.39	108	3.39						

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
Cheese	Natural Varieties	8 oz block				4.99	246	4.99			

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz shred	3.49	72	3.49	3.49-4.49	419	3.91			
Cottage cheese		16 oz	2.99	114	2.99						
Milk	All fat tests	half gallon	2.99-4.49	644	3.96	2.99-4.49	1330	3.83	3.99	289	3.99
Milk	All fat tests	gallon	4.99	118	4.99						
Yogurt	Greek	4-6 oz	1.25	78	1.25	1.00-1.25	204	1.11			
Yogurt	Yogurt	4-6 oz				1.50	246	1.50			
Yogurt	Yogurt	32 oz				5.99	246	5.99			

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
Milk	All fat tests	half gallon	4.49	21	4.49	5.79-6.89	37	6.80
Yogurt	Greek	32 oz	4.00	21	4.00			

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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