

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (6/23)**

BUTTER: Grade AA closed at \$2.5900. The weekly average for Grade AA is \$2.5900 (-.0210).

CHEESE: Barrels closed at \$1.3700 and 40# blocks at \$1.5400. The weekly average for barrels is \$1.3510 (-.0520) and blocks, \$1.5680 (-.0590).

NONFAT DRY MILK: Grade A closed at \$0.8475. The weekly average for Grade A is \$0.8690 (-.0365).

BUTTER HIGHLIGHTS: Throughout the United States, the performance of butter sales in print retail and food service is strong. Cream availability is tightening. Some butter producers are tight on cream supplies and with the limited supply, a number of manufacturers are purchasing as many cream spot loads as possible. Production is mixed this week. Some churns are running at full swing to store bulk butter for needs later in the year. Yet, a number of churns are shut off for maintenance and cream supplies are being sold. Stocks are manageable to heavy. Butter demand is steady as butterfat continues to be a primary driving force within the dairy industry. Bulk butter prices range 3 cents below to 7 cents over the market. The market tone is firm. Friday's CME Group cash trading saw Grade AA butter closed at \$2.5900, up \$0.0300 from last Friday.

CHEESE HIGHLIGHTS: Milk remains available for cheese production throughout the country. Spot milk flowing into vats in the Midwest has edged back, as spot milk loads were reported from \$1.00 to \$4.00 under Class III. Production is strong in the Northeast and West. However, Midwestern production has reportedly eased a bit, as inventory management remains a focal point of many Midwestern cheesemakers. Cheese stocks are generally long throughout all regions. Western contacts report that a bulk of the inventories are process cheese stocks. Domestic demand reports in the Northeast are moderate to light. Sales in the Midwest are slow to steady. Retail demand in the West has improved, while food service has slowed a bit. The large block to barrel price difference continues to create a feeling of market uncertainty for cheese producers. CME Group trading Friday, barrels closed at \$1.3700, down \$0.0100 from last Friday. Blocks closed at \$1.5400, down \$0.0750 from last Friday.

FLUID MILK: Having reached the Summer Solstice this week, milk production trends are developing in expected ways. New England and Mid-Atlantic milk production volumes are steady to lower. Balancing operations are receiving more milk following schools closing, but volumes are not burdensome. Southeast milk production has moved lower, particularly following a recent heatwave. Florida milk production is

steadily declining. Milk output has eased a bit in the Midwest to less-than-flush volumes. There are concerns that cheese manufacturers will reduce milk intakes. Currently, spot milk is flowing into cheese vats at \$1.00 to \$4.00 under Class. California milk production flattened compared to last week. However, cheese plants have been taking in more milk to clear milk not needed by bottling plants. Extremely hot weather has contributed to lower milk production in Arizona. Milk production in New Mexico is dropping off. In the Pacific Northwest, milk production is down year over year. While warm weather has moved into Colorado, Idaho and Utah, the heat has not yet impacted milk output. Cream multiples are **1.30-1.40** in the East, **1.23-1.32** in the Midwest, and **1.14-1.32** in the West.

DRY PRODUCTS: Central and east low/medium nonfat dry milk prices weakened in the price range and the top of the mostly, while prices in the West moved lower at the top of the range and both ends of the mostly. The market tone is mixed in the Central region, steady in the East, and starting to stabilize in the West. Dry buttermilk prices slightly increased at the bottom of the price range in the East and Central regions. Prices are steady in the West. Central and eastern demand is moderate to mixed, with a steady undertone. Western markets have a quiet undertone. Dry whole milk prices are unchanged on light trading. Central dry whey prices decreased at the top of the price range and mostly series and production is steady. Northeast dry whey prices in the range moved lower at the bottom and higher at the top. The markets have a weak undertone. Western whey prices are unchanged and the market tone is weakening. Whey protein concentrate 34% prices are steady to lower, with a firm market tone. Lactose prices are steady for the most part, but lower at the bottom of the mostly price series. The market tone is steady to weaker.

INTERNATIONAL DAIRY MARKET NEWS (DMN):
WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: Western European milk production continues to seem better or worse, depending on the viewpoint. In recent weeks, milk production is reported to be close to production one year earlier. The seasonal decline is expected to be later this year in Northern Europe. However, recently very hot weather is taking a toll on cow comfort and milk production.

Data from Eurolait shows that EU milk production during April 2017 leads April 2016 by 0.3 percent. However, January-April 2017 milk production lags January-April 2016 by 1.4 percent. Focusing on the larger producing nations in Western Europe, all have negative results comparing the first four months of this year with the same period last year. Most are also negative looking only at April vs. April. Four month and one month

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NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY JUN 19	TUESDAY JUN 20	WEDNESDAY JUN 21	THURSDAY JUN 22	FRIDAY JUN 23	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.3500 (-.0300)	\$1.3375 (-.0125)	\$1.3575 (+.0200)	\$1.3400 (-.0175)	\$1.3700 (+.0300)	:: (-.0100)	:: \$1.3510 (-.0520)
40# BLOCKS	\$1.5975 (-.0175)	\$1.5975 (N.C.)	\$1.5600 (-.0375)	\$1.5450 (-.0150)	\$1.5400 (-.0050)	:: (-.0750)	:: \$1.5680 (-.0590)
NONFAT DRY MILK							
GRADE A	\$.9050 (-.0050)	\$.8900 (-.0150)	\$.8600 (-.0300)	\$.8425 (-.0175)	\$.8475 (+.0050)	:: (-.0625)	:: \$.8690 (-.0365)
BUTTER							
GRADE AA	\$2.5600 (N.C.)	\$2.6300 (+.0700)	\$2.5850 (-.0450)	\$2.5850 (N.C.)	\$2.5900 (+.0050)	:: (+.0300)	:: \$2.5900 (-.0210)

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

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

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

results are: Germany, -4.1 percent, -3.2 percent; France, -3.3 percent, -1.0 percent; Netherlands, -0.5 percent, -0.4 percent; Austria, -1.1 percent, +1.0%; and United Kingdom, -2.4 percent, 0.0 percent.

EASTERN OVERVIEW: In Eastern Europe, Poland and Romania have each had positive results in milk production. January-April 2017 compared with 2016, Poland is up 3.6 percent and Romania is up 1.7 percent. Comparing April to April, Poland is up 4.1 percent and Romania is up 0.3 percent.

Ukraine wishes to smooth the process to trade heat treated milk and dairy products with EU countries. Thus, Ukraine has shared a draft certificate for importing heat treated milk and dairy products with the EU. The European Commission is requesting comments from member states. Ukraine has demonstrated that it is keen to conclude talks on a certificate as soon as possible so as to overcome current trade irritants.

OCEANIA OVERVIEW: AUSTRALIA: Average milkfat in Australia this April was 0.6 percent higher than April last year. Average protein in April was 0.1 percent above April last year, according to Dairy Australia.

April 2017 milk production was down 6.3% from April 2016. The state changes from one year earlier, and state percentage of national milk production, are: New South Wales, -1.6 percent, 13.5 percent; Victoria, -7.1 percent, 59.8 percent; Queensland, unchanged, 5.0 percent; South Australia, -10.0 percent, 6.1 percent; Western Australia, -1.0 percent, 4.8 percent; Tasmania, -10.6 percent, 10.7 percent.

Australia's milk production season to date is down 8.0% compared to last season. The cumulative July 2016-April 2017 changes are: New South Wales, -5.4 percent; Victoria, -9.6 percent; Queensland, +1.4 percent; South Australia, -8.5 percent; Western Australia, -1.5 percent; and Tasmania, -6.8 percent.

NEW ZEALAND: Most observers believe that New Zealand milk production is ending the season stronger than had been expected. Pastures have been generally okay. Improved pay prices for the coming season are highly anticipated, but still uncertain. Producers are hopeful for price improvements ahead. The recent strength in prices, especially dairy fats, is expected to help price levels. One concern is that after some tough years, dairy producers who perceive price strength will respond with higher milk production in volumes that tamp down prices.

At the June 20 GDT event #190, all contracts prices ranged from 11.1 percent lower to 4.4 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, \$6,885, +4.4 percent; butter, \$5,768, +2.9 percent; buttermilk powder, n.a.; cheddar cheese, \$4,121, -3.8 percent; lactose, \$869, -11.1 percent; rennet casein, \$6,104, -8.0 percent; skim milk powder, \$2,218, +1.4 percent; and whole milk powder, \$3,022, -3.3 percent.

SOUTH AMERICA OVERVIEW: During the past two weeks, dry climate and cooler temperatures have prevailed in the main dairy provinces of **Argentina**, increasing the comfort of dairy herds. According to some industry contacts, the dairy crisis is over in the country and milk production is expected to continue growing for most of the winter season. During this holiday week, fluid/UHT milk shipments to retailers and restaurants have been lower. Meanwhile, one of the main dairy cooperatives in the country is trying to begin its reconversion process to access the remaining 250 million Argentinian pesos (15.3 million dollars) in government bailouts. Currently, the cooperative is actively processing mozzarella cheese and other dairy products.

In **Uruguay**, milk production has increased, following seasonal patterns. The availability of milk/cream is increasing, sufficient to meet some manufacturing needs such as bottled milk and cheese. The cream market is still strong, but is expected to decline in the short term, as milk fat supplies are increasingly available. Meanwhile, the debt level of the dairy industry continues to grow. According to the Central Bank of Uruguay, during the first four months of 2017, the average monthly

balance of loans from the dairy industry grew 16.7% compared to the same period last year.

Milk supply in **Brazil** is moving forward. In this way, there is more availability of milk/cream to cover some processing needs, while the dependence on imports is decreasing. Cheese processing is active, prompted by higher farm milk intakes and lower prices for milk loads in the spot market. Demand for cheese is improving while prices are relatively strong. As a result, the supply of whey is increasing. However, even with greater availability of whey, its demand seems to remain strong, sustaining the rise in prices negotiated.

MAY MILK PRODUCTION (NASS): Milk production in the 23 major States during May totaled 17.8 billion pounds, up 1.8 percent from May 2016. April revised production, at 17.2 billion pounds, was up 2.2 percent from April 2016. The April revision represented an increase of 36 million pounds or 0.2 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 2,035 pounds for May, 16 pounds above May 2016. This is the highest production per cow for the month of May since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.72 million head, 81,000 head more than May 2016, and 2,000 head more than April 2017.

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, MAY 2017 (FMMO): Handler reports of receipts and utilization under the Federal milk order system for May 2017 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During May, 11.2 billion pounds of milk were received from Federally pooled producers. This volume of milk is 11.0 percent lower than the May 2016 volume. Regulated handlers pooled 3.408 billion pounds of producer milk as Class I products, up 1.2 percent when compared to the previous year. Class I utilization increased in 7 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 30 percent, Class II = 15 percent, Class III = 36 percent, and Class IV = 18 percent. The weighted average statistical uniform price was \$16.13 per cwt, up \$0.15 from last month and up \$2.07 from last year.

MAY COLD STORAGE (NASS): On May 31, 2017, U.S. cold storage holdings of butter totaled 313.6 million pounds, up 7 percent from last month, but down 3 percent from last year. Natural American cheese holdings total 847.0 million pounds, up 2 percent from the previous month and 12 percent more than April 2016. Total natural cheese stocks were 1.3 billion pounds, up 1 percent from the previous month and up 7 percent from May 2016.

FEDERAL MILK ORDER ADVANCE CLASS PRICES, JULY 2017 (FMMO): Under the Federal milk order pricing system, the base Class I price for July 2017 is \$16.59 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$7.32 and the advanced butterfat pricing factor of \$2.7212. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price. The base Class I price increased \$1.28 per cwt when compared to the previous month of June 2017. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$1.19 per cwt, \$0.102 per gallon; reduced fat milk (2%), \$0.73 per cwt, \$0.063 per gallon; fat-free (skim milk), \$0.16 per cwt, \$0.014 per gallon. The advanced Class IV skim milk pricing factor is \$6.71. Thus, the Class II skim milk price for July 2017 is \$7.41 per cwt, and the Class II nonfat solids price is \$0.8233. The two-week product price averages for July 2017 are: butter \$2.4186, nonfat dry milk \$0.9208, cheese \$1.6412 and dry whey \$0.4962.

NATIONAL RETAIL REPORT-DAIRY (DMN): This week, total conventional dairy advertisements increased 19 percent, but organic dairy ads decreased 5 percent. For conventional 1 # butter, the national weighted average advertised price, \$3.16, is down 23 cents from last week. Organic butter in 1 # containers has an average price of \$4.82, down \$1.85 from the previous week.

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Conventional yogurt ads increased 6 percent, while organic yogurt ads decreased 68 percent. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.95, while 4-6 ounce organic Greek yogurt is \$1.54, an organic price premium of 59 cents. The average sale price for 4-6 ounce conventional yogurt is \$0.57, while 4-6 ounce organic yogurt is \$.50.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.41, up 11 cents from last week, with ads increasing 34 percent. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$3.81. There were no ads reported last week for organic 8 ounce cheese blocks. The advertised price for conventional 8 ounce shred cheese averaged \$2.31, up 6 cents from last week, as ads increased 11 percent. The advertised price for organic 8 ounce shred cheese averaged \$3.79. There were no ads reported last week for organic 8 ounce cheese shreds.

This week, the difference between the weighted average price for organic half gallon milk, \$3.98, and the weighted average price for conventional half-gallon milk, \$1.50, resulted in an organic price premium of \$2.48. Organic milk advertisements increased 17 percent, and ads for conventional milk increased 8 percent. Advertisements for conventional half gallon flavored milk declined 66 percent while ads for conventional gallon flavored milk increased 1,082 percent.

MONDAY, JUNE 19, 2017

CHEESE -- SALES: 8 CARS BARRELS: 2 @ \$1.3600, 6 @ \$1.3500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.3500; 1 CAR 40# BLOCKS @ \$1.5975
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.9000; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9050
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 5 CARS GRADE AA: 1 @ \$2.5550, 2 @ \$2.5500, 2 @ \$2.4750; LAST OFFER UNCOVERED: NONE

TUESDAY, JUNE 20, 2017

CHEESE -- SALES: 11 CARS BARRELS: 1 @ \$1.3475, 2 @ \$1.3400, 2 @ \$1.3450, 3 @ \$1.3400, 1 @ \$1.3350, 2 @ \$1.3375; 1 CAR 40# BLOCKS @ \$1.5975; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3300; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3375
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8550; LAST OFFER UNCOVERED: 6 CARS GRADE A: 1 @ \$0.9050, 1 @ \$0.9100, 1 @ \$0.8900, 3 @ \$0.8900
 BUTTER -- SALES: 6 CARS GRADE AA: 1 @ \$2.6200, 3 @ \$2.6300, 1 @ \$2.6275, 1 @ \$2.6300; LAST BID UNFILLED: 12 CARS GRADE AA: 1 @ \$2.6175, 1 @ \$2.5600, 1 @ \$2.5650, 2 @ \$2.5600, 2 @ \$2.5725, 2 @ \$2.5900, 1 @ \$2.6200, 1 @ \$2.6150, 1 @ \$2.6250; LAST OFFER UNCOVERED: 5 CARS GRADE AA: 2 @ \$2.6500, 1 @ \$2.6600, 2 @ \$2.6300

WEDNESDAY, JUNE 21, 2017

CHEESE -- SALES: 18 CARS BARRELS: 5 @ \$1.3375, 3 @ \$1.3475, 1 @ \$1.3500, 2 @ \$1.3400, 2 @ \$1.3475, 1 @ \$1.3500, 2 @ \$1.3575, 1 @ \$1.3600, 1 @ \$1.3625; 3 CARS 40# BLOCKS: 1 @ \$1.5975, 2 @ \$1.5600; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3400; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3575; 1 CAR 40# BLOCKS @ \$1.5600
 NONFAT DRY MILK -- SALES: 4 CARS GRADE A @ \$0.8600; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8550; LAST OFFER UNCOVERED: 5 CARS GRADE A: 1 @ \$0.8750, 4 @ \$0.8625
 BUTTER -- SALES: 10 CARS GRADE AA: 1 @ \$2.5950, 2 @ \$2.5900, 2 @ \$2.5800, 1 @ \$2.5750, 1 @ \$2.5775, 2 @ \$2.5850; LAST BID UNFILLED: 4 CARS GRADE AA: 1 @ \$2.5400, 1 @ \$2.5700, 1 @ \$2.5775, 1 @ \$2.5850; LAST OFFER UNCOVERED: 4 CARS GRADE AA: 1 @ \$2.6025, 1 @ \$2.6200, 1 @ \$2.6000, 1 @ \$2.6100

THURSDAY, JUNE 22, 2017

CHEESE -- SALES: 3 CARS BARRELS @ \$1.3400; 2 CARS 40# BLOCKS: 1 @ \$1.5600, 1 @ \$1.5450; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3300; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3475; 1 CAR 40# BLOCKS @ \$1.5450
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.8475, 2 @ \$0.8425; LAST BID UNFILLED: 3 CARS GRADE A: 1 @ \$0.8425, 1 @ \$0.8200, 1 @ \$0.8400; LAST OFFER UNCOVERED: 3 CARS GRADE A: 1 @ \$0.8700, 2 @ \$0.8500
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.5900; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.5800; LAST OFFER UNCOVERED: 2 CARS GRADE AA: 1 @ \$2.5850, 1 @ \$2.6000

FRIDAY, JUNE 23, 2017

CHEESE -- SALES: 23 CARS BARRELS: 1 @ \$1.3400, 3 @ \$1.3500, 5 @ \$1.3600, 3 @ \$1.3700, 2 @ \$1.3800, 4 @ \$1.3825, 3 @ \$1.3750, 1 @ \$1.3800, 1 @ \$1.3750; 7 CARS 40# BLOCKS: 2 @ \$1.5450, 1 @ \$1.5525, 2 @ \$1.5550, 1 @ \$1.5450, 1 @ \$1.5400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3700
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.8425, 1 @ \$0.8500, 1 @ \$0.8475; LAST BID UNFILLED: 7 CARS GRADE A: 1 @ \$0.8400, 1 @ \$0.8200, 5 @ \$0.8450; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 4 CARS GRADE AA: 3 @ \$2.5850, 1 @ \$2.5900; LAST OFFER UNCOVERED: 2 CARS GRADE AA: 1 @ \$2.6500, 1 @ \$2.6000

BUTTER MARKETS

NORTHEAST

Eastern butter demand is strong as print retail and food service channels' sales activities are active. With butter in high demand, some manufacturers are purchasing as much cream as possible. With cream's decreasing spot market availability, multiples are strengthening. Butter production is mixed. Some churns are running at full swing to build up inventory for future needs. However, a number of churns are shut off for maintenance and cream supplies are being sold. Butter stocks are manageable to long. Domestic bulk butter prices are 5-7 cents over the market of the CME Group, with various time periods and averages used. The market undertone is stable. Tuesday's CME Group cash trading saw Grade AA butter prices closed at \$2.6300, up \$0.0500 from the previous week. According to the *DMN National Retail Report-Dairy*, for June 16-22, 2017, the Northeast weighted average retail price for 1-pound butter was \$3.51, 12 cents higher than the national average price and unchanged in price from last week's Northeast butter price. Retail butter markets reported prices ranging \$2.50-\$3.99. The surveyed average price in the Southeast moved to \$3.47, up 2 cents, with a price range of \$3.00-\$3.50.

CENTRAL

Butter's performance, in retail and food service, is outperforming previous years' and continues to keep production facilities busy. Butter producers report that they are attempting to focus production on late summer/early fall expectations, whenever not fulfilling current orders. Cream supplies are tightening for butter producers.

F.O.B cream multiples for Class IV production are at or around 1.20, and butter makers report seeing fewer offers in that range. The butter market tone is healthy, and some contacts are bullish for the near term. Central contacts suggest that global milkfat demand continues to bolster domestic butter prices. Reported bulk butter prices are 4 to 7 cents over the market. Wednesday at the CME Group, Grade AA butter closed at \$2.5850, down \$0.1150 from last Wednesday. *DMN National Retail Report-Dairy* for June 16-22 noted the national weighted average advertised price for a 1 pound package of butter is \$3.39, \$0.07 below one week ago, but \$0.23 higher than one year ago. The weighted average regional prices in the Midwest and South Central were \$3.14 and \$2.94, respectively.

WEST

Demand for butterfat continues to be a primary driving force within the dairy industry. Western butter production is strong and focused mostly on putting away bulk butter for needs later in the year. End users' interests ebb and flow with the fluctuation of market prices, but ultimately a lot of buying decisions are driven by current needs and the strong desire to assure coverage. Inventories are fairly heavy. However, industry contacts suggest that stocks are either committed, or manufacturers are willing to hold butter supplies until peak butter demand season in the fall and early winter. Bulk butter pricing in the West this week is 3 cents below to 5 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

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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 17, 2017	2.4537 5,516,487	1.7057 13,504,666	1.5234 11,574,235	.4926 6,269,759	.9199 11,919,315

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

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16-22 found that the U.S. weighted average advertised price of 1 pound butter is \$3.39, down \$.07 from last week. The U.S. weighted average price was \$3.16 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.33 with a price range of \$2.99-\$4.49. In the Northwest, the weighted average advertised price of 1 pound butter is \$2.86, with a price range of \$2.50-\$3.49. The Grade AA butter price at the CME Group on Wednesday closed at \$2.5850, down \$.1150 from a week ago.

CHEESE MARKETS

NORTHEAST

Milk supply volumes moving into regional cheese plants are sustaining those plants' full production schedules. Sources indicated that current production rates are likely to continue, pending the restart of school, which typically reroutes milk back to Class I processing. Consequently, cheese stocks continue to build at some facilities. Opportunities for international trading are higher as some of those markets are becoming less competitive. Domestic demand is moderate to light, depending on the cheese variety, as mozzarella sales tick lower than last year's levels at this time according to some area producers. Northeast wholesale cheese prices for cheddar and Muenster shifted lower \$0.0200 and the process cheese price declined \$0.0250. Grade A Swiss is unchanged. The market undertone conveys weakness. Based on the recent CME closings, the block and barrel price spread grew to \$0.2600 yesterday. Tuesday's CME Group daily cash prices saw barrels close at \$1.3375, down \$0.0775 from a week ago, and blocks closed at \$1.5975, down \$0.0325 from a week ago. The *DMN National Retail Report-Dairy*, for June 16-22, 2017, noted the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.19, 13 cents below last week's regional price and 11 cents below the national average price. Northeast retail prices range \$1.77-\$2.99. The Southeast weighted average price for 8 oz. block was \$2.51, down 2 cents from the previous week, but up 21 cents over the national average price. Surveyed retail prices for the region ranged \$2.00-\$3.50. The Northeast average advertised price for 8 oz. cheese shreds was \$2.15, down 29 cents from last week and 10 cents below the national average price. Regional prices ranged \$1.49-\$2.79. In the Southeast, the average price for 8 oz. shreds was \$2.28, a 3 cents increase from the previous week, with prices ranging \$1.49-\$2.50.

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

Cheddar 40# Block	:	2.0675-2.3525
Process 5# Sliced	:	1.5600-2.0400
Muenster	:	2.0525-2.4025
Grade A Swiss Cuts 10 - 14#	:	3.2000-3.5225

MIDWEST

Milk is available for cheese producers in the Midwest. However, cheesemakers report the flush milk availability of previous weeks has noticeably decreased. Reported spot milk prices ranged from \$1.00 to \$4.00 under Class III. Cheese production has edged back. Some cheese producers in the Midwest are trying to manage heavy inventories. Some contacts suggest export sales, which are scheduled for future shipment dates, have not been accounted for, thus cheese inventories are not as heavy as widely believed. Central cheese producers report varied sales activity. Some report slower domestic retail sales, along seasonal lines. Some pizza cheesemakers report steady sales, a little behind last year's figures. Generally, there are some questions regarding what will happen with the cheese market. The large block to barrel CME price variance is at loggerheads with a stable market, according to Central cheese contacts. The *DMN National Retail Report-Dairy* shows that June 16-22 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.17, 8 cents below the national average. Midwest prices range from \$1.88-\$2.50. One year ago, the national price was \$2.31. For 8 ounce blocks, the Midwest average price is \$2.10, 20 cents below the national average price. Midwest ads are priced from \$1.88-\$2.50. Last year, the national price was \$2.16. In CME Group trading

Wednesday, barrels closed at \$1.3575, down \$.0450 from last Wednesday and blocks closed at \$1.5600, down \$.0700 from last Wednesday. Midwestern wholesale prices are unchanged for Swiss cuts, but down \$.0250 for process and down \$.0200 for all other types.

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

Process American 5# Loaf	:	1.4975-1.8575
Brick And/Or Muenster 5#	:	1.9925-2.4175
Cheddar 40# Block	:	1.7200-2.1150
Monterey Jack 10#	:	1.9675-2.1725
Blue 5#	:	2.2600-3.2475
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7925-2.7325
Grade A Swiss Cuts 6 - 9#	:	2.7175-2.8350

WEST

Western cheese makers report continued strong production as milk supplies are readily available for most processing needs. Industry contacts describe demand as good, but not great. Although retail and branded cheese sales are solid, food service activity appears to be slightly slower. In addition, export inquiries seem to vacillate along with the variance between current U.S. market prices and international prices. Inventories are long. Contacts suggest older blocks and barrels comprise a good portion of the stocks along with seasonal supplies of mozzarella and other pizza cheeses. The *DMN National Retail Report-Dairy* for the week of June 16-22 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.25, down \$.12 from last week. Packs average \$2.34 in the Southwest and \$2.49 in the Northwest. One year ago, the national price was \$2.31. For 8 ounce blocks, the U.S. price is \$2.30, down \$.11 from last week. Blocks average \$2.30 in the Southwest and \$2.50 in the Northwest. One year ago, the national price was \$2.16. In the West, wholesale prices were down \$.0250 for process, and down \$.0200 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged. In CME Group trading Wednesday, barrels closed at \$1.3575, down \$.0450 from a week ago and blocks closed at \$1.5600, down \$.0700.

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

Process 5# Loaf	:	1.4850-1.7425
Cheddar 40# Block	:	1.7525-2.1975
Cheddar 10# Cuts	:	1.9325-2.1525
Monterey Jack 10#	:	1.9425-2.1025
Grade A Swiss Cuts 6 - 9#	:	2.7775-3.2075

FOREIGN TYPE CHEESE

In the European Union (EU), cheese sales are currently limited to contracted volumes, and no additional stocks are available for spot sales. Due to shorter supplies in the past weeks, not all cheese requests are fully accepted. As demand increases and supplies decrease, prices continue to ramp up within the European Union. Cheese requests from within the EU countries, Southern European countries, and foreign countries continue to persistently trend upward. From January to April 2017, EU cheese exports rose by 7 percent compared to 2016; however, their imports decreased. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices decreased \$0.0200 and all other varieties remained stable.

CONTINUED ON PAGE 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

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

VARIETY	: NEW YORK	: DOMESTIC
	: IMPORTED	
	:	:
Blue	: 2.6400-5.2300	: 2.1375-3.6250*
Gorgonzola	: 3.6900-5.7400	: 2.6450-3.3625*
Parmesan (Italy)	: -0-	: 3.5275-5.6175*
Romano (Cows Milk)	: -0-	: 3.3275-5.4775*
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

	<u>BUTTER</u>	<u>: CHEESE</u>
	:	
06/19/17	34,163	: 102,874
06/01/17	31,913	: 100,336
CHANGE	2,250	: 2,538
% CHANGE	7	: 3

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	160	0	142	0	125
SOUTHEAST STATES	0	0	0	0	0	0

New England and Mid-Atlantic milk production volumes are steady to lower in some areas. While a surge of heat moved through Vermont, heavy shower activity occurred in some of the Atlantic coast states. Processors report more than adequate amounts of milk moving into production in some instances. Balancing operations are seeing an uptick in milk intakes this week, but volumes are not burdensome. Overall, Class I sales are steady to lower as schools continue to finish up for summer. Southeast milk production edged lower as a recent heatwave in some areas takes a toll on cow comfort. Processing plants are able to satisfy contractual customer needs, as the declines in bottling orders add to milk receipts. Federal Order No. 7 reports Class I utilization was 62.92 percent in May, up 3.35 percent compared to the previous month, but 1.53 percent lower than May last year. In Florida, the rainy season is in full force, but portions of the state maintain severe drought levels, as milk production steadily declines. Milk sales are flat, and doubtful to change before August. Milk exports rose to 160 shipments this week, 18 spot loads more than last week. Federal Order No. 6 reports Class I utilization was 81.18 percent in May, up 0.60 percent compared to last month and up 0.07 percent from May 2016. The *DMN National Retail Report-Dairy*, June 16-22, 2017, reports the U.S. weighted average advertised price for a gallon of milk is \$2.55, up 3 cents from last week and up 4 cents from the previous year. **Cream** markets continue to yield firmness, as supplies become less accessible and demand builds. Both Class II ice cream and Class IV butter production compete for available cream supplies. Hence, **cream multiples** are reported **1.30-1.40**, higher than last week's regional f.o.b. transactions. Demand for **condensed skim** is mostly for the filling of contracts. Some improvements in the spot market are noted, as condensed skim prices remain very low for some f.o.b. cash transactions. Drying schedules are still very active in clearing surplus volumes.

MILK PRODUCTION: According to NASS, milk production in the 23 major states during May 2017 totaled 17.8 billion pounds, up 1.8% from one year ago. Individual Eastern states' milk production are as follows:

MAY 2017 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Florida	229	- 0.4
New York	1,323	+ 2.3
Pennsylvania	977	+ 2.1
Vermont	239	+ 0.8
Virginia	155	+ 1.3

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-	3.3421-3.6031
F.O.B. producing plants: Upper Midwest-	3.2115-3.4465

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices-	.25-.70
Northeast - Class III - spot prices -	.20-.75

MIDWEST

Milk output has eased a bit in the Midwest. The warmer temperatures have brought milk yields down to less-than-flush volumes. However, milk is still available for various processing channels. Class I facilities are limiting production during school breaks, and some facilities plan to take some time off for the 4th of July. Although current Class III intakes are steady, there is concern that cheese producers, with weakening cheese and whey prices, will cut back on milk intakes. Currently, spot milk is flowing into cheese vats at \$1.00 to \$4.00 under Class. Cream demand, from Class II, III and IV producers, is increasing. Butter producers are planning to store butter for the early fall peak and continue to see strong retail and food service sales. Cream intakes, from ice cream manufacturers, have increased alongside the temperatures. F.O.B. **cream multiples** into Class II production range from **1.23 to 1.32**. Butter makers are taking in cream multiples at or around 1.20 f.o.b. The *DMN National Retail Report-Dairy* for June 16-22 noted the national weighted average advertised price for one gallon of milk was \$2.55, up \$.03 from a week ago, and \$.04 higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$1.80 and \$2.60, respectively. The *NASS Milk Production* report noted May 2017 milk production in the 23 selected states was 17.8 billion pounds, 1.8% above a year ago. Milk cows in the 23 selected states totaled 8.7 million head, 81,000 head more than a year ago. The following table shows Central states included in the report and the monthly milk production changes compared to a year ago:

May 2017 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Illinois	172	+ 0.6
Indiana	370	+ 2.2
Iowa	448	+ 1.4
Kansas	297	+ 3.8
Michigan	993	+ 4.0
Minnesota	868	+ 2.6
Ohio	494	+ 1.4
South Dakota	224	+ 2.8
Texas	1,064	+14.7
Wisconsin	2,622	- 0.7

WEST

In California, milk production at the farm level flattened compared to last week. Hotter temperatures across the state are impacting milk output. They are also melting snow in the mountains. With most schools closed, bottlers have reduced their daily milk intakes.

FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

Balancing plants are taking in additional milk to help clear any unused milk by bottlers. Alfalfa fields are making excellent progress, and they are being cut and baled. Extreme hot weather is negatively affecting farm milk output in Arizona. This week, milk yield is trending down. Bottling demand has scaled back due to most educational institutions being on vacation. Eighty-five percent of alfalfa hay was rated good to excellent, compared to only 73 percent last week. Harvesting is taking place on more than 85 percent of alfalfa acreage. Milk production in New Mexico is dropping. The Southwest part of the state is experiencing warmer weather conditions that are taking a toll on cows' well-being. Some contacts suggest that milk production will continue to decline, as the weather heats up. Orders for Class I are holding flat. Milk holdovers from last week are steadily declining this week. Class II demand is slightly up due to increased orders from ice cream makers. The third cutting of alfalfa hay just started and is 13 percent completed. Sixty-nine percent of alfalfa hay was reported good to excellent. Although milk production in the Pacific Northwest is down year over year, processors say there is plenty of milk for manufactured product needs. Some impacts of the cold, wet winter may have lingered through the remainder of cow lactations, but warmer weather is helping milk production recover. Manufacturers say milk intakes are in relatively good balance with processing needs. Bottling demand is now fully into summer patterns. Warm weather has moved into much of the mountain states of Colorado, Idaho and Utah, but industry contacts say the heat has not impacted milk production yet. In most years, milk production peaks in late June or early July for areas within the region. According to the NASS *Milk Production* report, the states have added cow numbers since last year, and aside from some lingering effects of a harsh winter in Idaho, milk production continues to grow in Utah and Colorado. Milk processors say they have no problem getting the milk they need for most processing needs. Many manufacturing facilities are operating at or near full capacity. In the West, some industry participants confirm that **condensed skim** intakes from ice cream manufacturers are picking up. In general, **cream** is available in the West. However, supplies are getting tighter every week. Demand continues to be very active from ice cream manufacturers. This week **cream multiples** for all usages range **1.14-1.32**. According to the DMN *National Retail Report-Dairy* for the week of June 16-22, the national weighted average advertised price for one gallon of milk is \$2.55, up \$0.03 from last week, and \$0.04 higher from a year ago. The weighted average regional price in the Southwest is \$2.94, with a price range of \$2.29-\$3.99. No ads were reported in the Northwest. The NASS *Milk Production* report noted May 2017 milk production in the 23 selected states was 17.8 billion pounds, 1.8% above a year ago. Milk cows in the 23 selected states totaled 8.72 million head, 81,000 head more than a year ago. The following table shows western states included in the report and the monthly milk production changes compared to a year ago:

May 2017 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Arizona	454	+ 4.8
California	3515	- 1.1
Colorado	352	+ 7.3
Idaho	1255	- 0.2
New Mexico	727	+ 6.9
Oregon	222	- 3.5
Utah	188	+ 3.9
Washington	564	- 1.4

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 slipped on both ends of the price range and decreased at the top end of the mostly price series. Low/medium heat NDM spot purchases were infrequent, although offers were aplenty. Some contacts do not foresee impactful near term weakness in the low/medium heat NDM market. Others, however, expect a steady decline, in NDM prices and futures, as NDM inventories remain readily available, while production remains active in the Central region. The low/medium heat NDM market tone is mixed. High heat NDM prices decreased on the bottom of the range. Spot market trading of high heat NDM was moderate. High heat NDM production schedules remain focused on contractual needs, while inventories are light to adequate.

EAST: Low/medium heat nonfat dry milk (NDM) shifted down on both ends of the range and shifted lower on the top of the mostly price series this week. Spot sales showed signs of decreased prices in the market. Low/medium heat NDM production continues to operate at active levels as a number of manufacturers took in extra milk loads this week due to decreased bottling needs. Inventories are manageable to building. The demand is mixed as some market participants see high demand for low/medium heat NDM, and others see prices potentially weakening, so they are holding off on purchasing. The market undertone is steady, with signs of weakness. High heat NDM prices slightly decreased on the bottom of the range this week. Production is limited and focused mainly on contractual needs. Inventories are light and the market undertone continues to firm. Wednesday's CME Group cash trading for Grade A nonfat dry milk closed at \$0.8600, down \$0.0475 from last Wednesday.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8700 - 0.9800 MOSTLY: .9000 - .9300
HIGH HEAT: .9900 - 1.1000

NONFAT DRY MILK - WEST

F.O.B. spot prices for Western low/medium heat nonfat dry milk (NDM) moved lower at the top of the range and both ends of the mostly price series. Some industry contacts report that the change in prices could be due to lower than expected sales into the Mexican market. A number of reports say that manufacturers and buyers are not finding a consensus on the price of NDM. Most buyers are hesitant to buy at prices in the top of the mostly price series, while processors are reluctant to sell at the bottom of the mostly price series. According to contacts in the industry, the market undertone is starting to stabilize. Demand is steady and mainly focused on fulfilling contracts. Spot trades are existent, but continue to be less frequent. Some end-users/buyers are delaying their purchase of NDM in the hope that prices will further decrease. Production is ongoing and more than enough for processing needs. Inventories are plentiful for some processors and balanced for others. High heat nonfat dry milk prices are steady at the bottom of the range and lower at the top. Sales are often contract based with minor opportunities for spot trades. Production is irregular, and inventories are tight. At the GDT Event 190 on June 20, skim milk powder (SMP) prices across all contract periods averaged \$1.0061 per pound, up 1.4 percent from the last event.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8500 - 0.9700 MOSTLY: .8800 - .9600
HIGH HEAT: .9800 - 1.0900

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
June 16	\$.8973	6,496,276
June 9	\$.8943	5,747,252

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

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central region dry buttermilk prices saw a slight increase on the bottom of the price range, while remaining steady at the top. Dry buttermilk spot market activity was quiet to steady. Dry buttermilk demand is mixed, as many ice cream makers and other end users continue to opt for condensed buttermilk. Buttermilk drying has noticeably slowed, thus inventories are tightening. The dry buttermilk market tone is steady.

EAST: Prices for dry buttermilk shifted up on the bottom of the price series this week. Spot sales are moderate to light. Dry buttermilk production is operating on steady to light schedules as a number of butter churns are shut off, overall, decreasing the usage of dryers for buttermilk. Inventories are manageable for contractual requirements. Some market participants report limited spot loads in the market. Dry buttermilk demand is moderate and the market undertone is steady to quiet.

F.O.B. CENTRAL/EAST: .8400 - .9100

DRY BUTTERMILK - WEST

F.O.B. spot prices for dry buttermilk in the Western region are steady. Sales are unchanged from last week, and spot trading activities are light. Supplies remain tight and highly committed to contractual obligations. Dry buttermilk production is intermittent due to higher condensed buttermilk interest from ice cream makers and processors favoring nonfat milk production in place of buttermilk. The market undertone is quiet.

F.O.B. WEST: .8300 - .9400 MOSTLY: .8800 - .9200

DRY WHOLE MILK - NATIONAL

Nationwide, f.o.b. spot prices for dry whole milk are unchanged on light trading. According to several industry participants, the demand for dry whole milk is steady, but is expected to improve in the next few weeks, parallel with butterfat values. Production is less active while inventories are becoming less available in the spot market.

F.O.B. PRODUCING PLANT: 1.3000 - 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 decreased on the top of the price range and top of the mostly price series. Central dry whey spot market activity has slowed, as multiple end users and buyers report being stocked, and in some cases, end users are stocked for multiple months. Dry whey production is steady, as milk flowing into Midwestern cheese vats, although lower than previous flush levels, is still somewhat available. Animal feed whey prices decreased on both ends of the price range. Some brand specific purchases of animal feed whey took place, creating a relatively large price range. Animal feed whey inventories are mixed.

F.O.B. CENTRAL: .3500 - .5500 MOSTLY: .4000 - .4850
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3000 - .4800

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are steady to lower. The bottom end of the mostly price series moved down while other prices held generally steady. The WPC34% market and tone remain split, as they have been for many months. A few manufacturers are able to hold prices at the top end of the range and mostly price series. They report a firm market tone and solid demand for available loads of WPC34% that meet stringent end user requirements. Other manufacturers are feeling price pressures from the nonfat dry milk market and other protein sources. The recent downturn of NDM prices has added to the pressure felt within the stagnant WPC34% market. Production is relatively steady and inventories are not necessarily burdensome. However, demand is light for WPC34% that is interchangeable with other protein sources.

F.O.B. EXTRA GRADE 34% PROTEIN: .7500 - 1.2350 MOSTLY: .8000 - .9950

DRY WHEY - NORTHEAST

Dry whey prices moved lower at the bottom of the range, but higher at the top on f.o.b. spot market transactions. Some buyers are jumping at the opportunity to get the quality of product they need at prices being offered, reflecting this week's gain. However, dry whey markets, in general, have a weak undertone as the majority of cash transactions point to declines. Output rates are ongoing, at active levels, due to the heavy cheese production. Hence, market sources suggest a mixture of inventories from adequate to ample. Volumes moving to designated foreign channels are good and support inventory management. Domestically, spot purchases are primarily hand-to-mouth, as domestic buyer interest ranges from moderate to relaxed.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3900 - .5325

LACTOSE - CENTRAL AND WEST

A number of lactose industry contacts report the market tone for lactose is steady to weaker. Lactose prices reflect this by holding steady for the most part, but edging slightly lower at the bottom of the mostly price series. A few contacts suggest lower prices and weakening demand from Southeast Asian hog markets are putting pressure on lactose manufacturers. Domestic demand is generally fair, but solid for a few manufacturers. Production is steady and inventories are growing slightly. Some manufacturers say buyers are slow to secure Q3 contracts and seem willing to see if prices ease further. At the GDT Event 190 on June 20, lactose prices across all contract periods averaged \$0.3942 per pound, down 11.1 percent.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .3200 - .5500 MOSTLY: .3500 - .4400

CASEIN - NATIONAL

Rennet casein prices weakened. Acid casein is steady to lower. This week's GDT event 190 on June 20, resulted in an all contracts price decline in rennet casein of 8.0 percent. With Oceania milk production near seasonal lows, casein markets are quiet and production is low. New Zealand remains the primary source for U.S. casein(ate) imports January-April this year, supplying 48.3 percent, 12,335 MT. EU exports of casein(ates) January-April this year, 38,677 MT, are 2.5 percent lower than year earlier according to Euclait. The United States received 7,248 MT, which was 18.7 percent of EU exports.

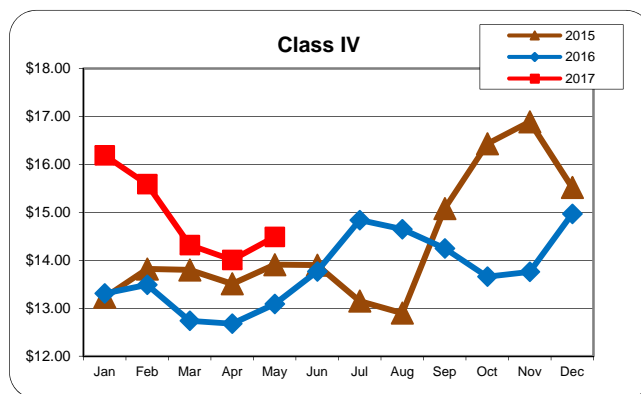
SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.7000 - 3.0000
ACID: 3.4000 - 3.6500

DRY WHEY - WEST

Although Western whey prices are unchanged, industry contacts describe the market tone for whey as weakening. Domestic demand is marginal and export demand weaker still. A few contacts suggest prices for offered loads need to be at the bottom end of the range or mostly prices series, or even lower, to move much volume. Buyers seem to have limited interest outside of regular contract purchases. Market participants say whey is currently harder to move, especially into international markets. Production is heavy and adding to already large inventories.

NONHYGROSCOPIC: .4000 - .5200 MOSTLY: .4100 - .4700



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered June 12 - 23, 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: Western European milk production continues to seem better or worse, depending on the viewpoint. In recent weeks, milk production is reported to be close to production one year earlier. The seasonal decline is expected to be later this year in Northern Europe. However, recently very hot weather is taking a toll on cow comfort and milk production.

Data from Eurolait shows that EU milk production during April 2017 leads April 2016 by 0.3 percent. However, January-April 2017 milk production lags January-April 2016 by 1.4 percent. Focusing on the larger producing nations in Western Europe, all have negative results comparing the first four months of this year with the same period last year. Most are also negative looking only at April vs. April. Four month and one month results are: Germany, -4.1 percent, -3.2 percent; France, -3.3 percent, -1.0 percent; Netherlands, -0.5 percent, -0.4 percent; Austria, -1.1 percent, +1.0%; and United Kingdom, -2.4 percent, 0.0 percent.

BUTTER/BUTTEROIL: Butter and butteroil prices in Western Europe continued advancing. Prices are highest in Germany, a bit lower in Netherlands and France, and lower in Italy. Recent heat in Northern Europe has taken a toll. Butterfat in milk is declining, in contrast to demand for butter and cream increasing. Milk production volumes have been mostly steady since mid-May. The higher prices for butter have started crimping retail sales of packaged butter. Nevertheless, many processors are actively working to secure supplies of cream to keep churning, even with higher cream prices.

January-April EU butter production decreased 4.9 percent according to Eurolait. April 2017 production was 8.9 percent below April 2016.

January-April EU exports of butter declined 18.6 percent from the same period one year earlier. Export volumes and primary destinations are shown in the following table:

European Union Butter Exports
Main Three Destinations
January-April 2017

Destination	Quantity (MT)	% of Total
USA	8,157	16.1%
Saudi Arabia	3,679	7.3%
China	3,113	6.1%

82% BUTTERFAT: 6,250 - 6,675

99% BUTTERFAT: 5,500 - 6,500

SKIM MILK POWDER (SMP): European skim milk powder prices are unchanged. Within Europe, German prices are steady. Prices in the Netherlands weakened slightly, but within the existing German price range. Demand for SMP has weakened, especially for export purposes. European pricing is making it harder to find export buyers, especially when considering lower prices in Oceania.

January-April EU SMP production decreased 11.4 percent according to Eurolait. April 2017 production was 11.9 percent below April 2016.

January-April EU exports of SMP increased 13.3 percent from the same period one year earlier. Export volumes and primary destinations are shown in the following table:

European Union SMP Exports
Main Three Destinations
January-April 2017

Destination	Quantity (MT)	% of Total
Algeria	36,899	14.3%
China	28,077	10.9%
Indonesia	24,722	9.6%

1.25% BUTTERFAT: 2,175 - 2,350

SWEET WHEY POWDER: Sweet whey prices in Western Europe are steady, at the highest level of 2016 and 2017. Feed whey buyers are adequately stocked and are selective in closing deals. Manufacturer production and inventory levels are comfortable.

January-April EU exports of whey powder increased 3.9 percent from the same period one year earlier. Export volumes and primary destinations are shown in the following table:

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

Destination	Quantity (MT)	% of Total
China	56,908	29.5%
Indonesia	32,094	16.6%
Malaysia	16,053	8.3%

NONHYGROSCOPIC: 1,200 - 1,250

WHOLE MILK POWDER (WMP): Whole milk powder prices in Western Europe slightly strengthened and remain higher than in Oceania. Western European prices are at the highest level of 2017, as well as 2016. The market is quiet, with most sales into the EU internal market. Sellers, facing higher prices for dairy fats, are pushing hard for higher WMP prices, but buyers are resisting.

January-April EU WMP production decreased 0.1 percent according to Eurolait. April 2017 production was 2.2 percent below April 2016.

January-April EU exports of WMP increased 8.4 percent from the same period one year earlier. Export volumes and primary destinations are shown in the following table:

European Union WMP Exports
Main Three Destinations
January-April 2017

Destination	Quantity (MT)	% of Total
Algeria	25,591	19.0%
Oman	14,190	10.6%
Kuwait	6,897	5.1%

26% BUTTERFAT: 3,350 - 3,600

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INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered June 12 - 23, 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.

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EASTERN OVERVIEW: In Eastern Europe, Poland and Romania have each had positive results in milk production. January-April 2017 compared with 2016, Poland is up 3.6 percent and Romania is up 1.7 percent. Comparing April to April, Poland is up 4.1 percent and Romania is up 0.3 percent.

Ukraine wishes to smooth the process to trade heat treated milk and dairy products with EU countries. Thus, Ukraine has shared a draft certificate for importing heat treated milk and dairy products with the EU. The European Commission is requesting comments from member states. Ukraine has demonstrated that it is keen to conclude talks on a certificate as soon as possible so as to overcome current trade irritants.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered June 12 - 23, 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: Average milkfat in Australia this April was 0.6 percent higher than April last year. Average protein in April was 0.1 percent above April last year, according to Dairy Australia.

April 2017 milk production was down 6.3% from April 2016. The state changes from one year earlier, and state percentage of national milk production, are: New South Wales, -1.6 percent, 13.5 percent; Victoria, -7.1 percent, 59.8 percent; Queensland, unchanged, 5.0 percent; South Australia, -10.0 percent, 6.1 percent; Western Australia, -1.0 percent, 4.8 percent; Tasmania, -10.6 percent, 10.7 percent.

Australia's milk production season to date is down 8.0% compared to last season. The cumulative July 2016-April 2017 changes are: New South Wales, -5.4 percent; Victoria, -9.6 percent; Queensland, +1.4 percent; South Australia, -8.5 percent; Western Australia, -1.5 percent; and Tasmania, -6.8 percent.

NEW ZEALAND: Most observers believe that New Zealand milk production is ending the season stronger than had been expected. Pastures have been generally okay. Improved pay prices for the coming season are highly anticipated, but still uncertain. Producers are hopeful for price improvements ahead. The recent strength in prices, especially dairy fats, is expected to help price levels. One concern is that after some tough years, dairy producers who perceive price strength will respond with higher milk production in volumes that tamp down prices.

At the June 20 GDT event #190, all contracts prices ranged from 11.1 percent lower to 4.4 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, \$6,885, +4.4 percent; butter, \$5,768, +2.9 percent; buttermilk powder, n.a.; cheddar cheese, \$4,121, -3.8 percent; lactose, \$869, -11.1 percent; rennet casein, \$6,104, -8.0 percent; skim milk powder, \$2,218, +1.4 percent; and whole milk powder, \$3,022, -3.3 percent.

BUTTER: Oceania butter prices are higher, but below levels in Western Europe. Nevertheless, Oceania prices are at a 2016-2017 high. The continuing strength in demand and pricing for dairy fats keeps driving butter prices. This is expected to continue for the immediate future. Some Oceania observers also noted the "pull" factor that higher Western European prices are having on butter prices in Oceania.

This year, January-April, Australia butter exports show a 35.5 percent decline from the same period one year earlier, according to Eurolait. Export volumes and primary destinations are shown in the following table:

Australia Butter Exports
Main Three Destinations
January-April 2017

Destination	Quantity(MT)	% of Total
China	744	19.7%
Singapore	697	18.5%
Malaysia	647	17.1%

At GDT Event 190 on June 20, the butter all contracts price increased 2.9%.

82% BUTTERFAT: 5,500 - 6,050

SKIM MILK POWDER (SMP): Oceania skim milk powder prices slightly firmed. Prices in the EU remain higher, leading some buyers to now begin to more actively seek out deals in Oceania and reach out to sellers they have not done much business with before.

This year, January-April, Australia SMP exports show a 22.7 percent decline from the same period one year earlier, according to Eurolait. Export volumes and primary destinations are shown in the following table:

Australia SMP Exports
Main Three Destinations
January-April 2017

Destination	Quantity(MT)	% of Total
Indonesia	12,448	25.5%
China	7,956	16.3%
Malaysia	5,183	10.6%

At GDT Event 190 on June 20, the SMP all contracts price increased 1.4%.

1.25% BUTTERFAT: 2,025 - 2,175

CHEDDAR CHEESE: Cheddar cheese prices in Australia are slightly lower. Awareness of high cheese stocks in the U.S. and an increasing focus on cheese production in Europe have resonated in Oceania. There are also expectations that a major coop manufacturer of cheese will offer higher volumes on the GDT in the coming year. With the preceding factors, in addition to prices in Oceania remaining near record levels for 2016-2017, a slight price dip this period is not of great concern.

This year, January-April, Australia cheese exports show an 8.3 percent increase from the same period one year earlier, according to Eurolait. Export volumes and primary destinations are shown in the following table:

Australia Cheese Exports
Main Three Destinations
January-April 2017

Destination	Quantity(MT)	% of Total
Japan	28,106	47.1%
China	9,149	15.3%
South Korea	3,561	6.0%

At GDT Event 190 on June 20, the cheddar all contracts price decreased 3.8%.

39% MAXIMUM MOISTURE: 3,600 - 4,100

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered June 12 - 23, 2017

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

CONTINUED FROM PAGE 8A

WHOLE MILK POWDER (WMP): Whole milk powder prices in Oceania are slightly weaker. Many observers had not expected this, but with prices remaining relatively strong over the span of 2016 and 2017, this small dip is not causing much anxiety. It is viewed as more of a trading range movement. Many observers believe the milk season in New Zealand ended stronger than recently expected, which in turn supported higher WMP production than expected. WMP has been selling regularly during recent months. With many buyers comfortably stocked, some buyers took a step back for breath this period.

This year, January-April, Australia WMP exports show a 7.6 percent decline from the same period one year earlier, according to Eurolait. Export volumes and primary destinations are shown in the following table:

Australia WMP Exports
Main Three Destinations
January-April 2017

Destination	Quantity(MT)	% of Total
China	4,009	21.5%
Sri Lanka	3,447	18.5%
Singapore	2,633	14.1%

At GDT Event 190 on June 20, the WMP all contracts price decreased 3.3%.

26% BUTTERFAT: 3,050 - 3,200

Exchange rates for selected foreign currencies:
June 19, 2017

.0620 Argentina Peso	.0155 India Rupee
.7598 Australian Dollar	.0090 Japan yen
.3045 Brazil Real	.0557 Mexican Peso
.7564 Canadian Dollar	.7231 New Zealand Dollar
.0015 Chile Peso	.2643 Poland Zloty
1.1150 Euro	.0353 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0557) = 17.9533$ Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 190 Recap - June 20, 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	\$7,024	2.6%	\$7,019	4.2%	\$6,980	6.1%	\$6,785	5.5%	\$6,480	2.0%		n.a.	\$6,885	4.4%
Butter	\$5,960	-5.7%	\$6,030	1.9%	\$6,050	4.9%	\$5,590	4.4%	\$5,455	2.1%		n.a.	\$5,768	2.9%
Buttermilk Powder		n.a.		n.a		n.a		n.a.		n.a.		n.a.		n.a.
Cheddar	\$4,117	-6.7%		n.a	\$4,088	-5.4%	\$4,148	-1.9%	\$4,145	1.6%		n.a.	\$4,121	-3.8%
Lactose		n.a.	\$869	-11.1%		n.a		n.a.		n.a.		n.a.	\$869	-11.1%
Rennet Casein	\$6,815	-14.4%	\$6,249	-1.5%	\$5,865	-2.8%	\$6,063	-12.7%	\$5,855	-19.7%		n.a.	\$6,104	-8.0%
Skim Milk Powder	\$2,268	1.6%	\$2,150	-0.6%	\$2,251	1.9%	\$2,239	2.6%	\$2,284	3.5%		n.a.	\$2,218	1.4%
Whole Milk Powder	\$2,957	-6.5%	\$2,946	-5.6%	\$3,042	-4.5%	\$3,109	-1.0%	\$3,073	1.7%		n.a.	\$3,022	-3.3%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 190 Recap - June 20, 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	\$3.1861	2.6%	\$3.1838	4.2%	\$3.1661	6.1%	\$3.0777	5.5%	\$2.9393	2.0%	n.a.	\$3.1230	4.4%
Butter	\$2.7034	-5.7%	\$2.7352	1.9%	\$2.7443	4.9%	\$2.5356	4.4%	\$2.4744	2.1%	n.a.	\$2.6163	2.9%
Buttermilk Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	n.a.	
Cheddar	\$1.8675	-6.7%	n.a.		\$1.8543	-5.4%	\$1.8815	-1.9%	\$1.8802	1.6%	n.a.	\$1.8693	-3.8%
Lactose	n.a.		\$0.3942	-11.1%	n.a.		n.a.		n.a.		n.a.	\$0.3942	-11.1%
Rennet Casein	\$3.0913	-14.4%	\$2.8345	-1.5%	\$2.6603	-2.8%	\$2.7502	-12.7%	\$2.6558	-19.7%	n.a.	\$2.7688	-8.0%
Skim Milk Powder	\$1.0288	1.6%	\$0.9752	-0.6%	\$1.0210	1.9%	\$1.0156	2.6%	\$1.0360	3.5%	n.a.	\$1.0061	1.4%
Whole Milk Powder	\$1.3413	-6.5%	\$1.3363	-5.6%	\$1.3798	-4.5%	\$1.4102	-1.0%	\$1.3939	1.7%	n.a.	\$1.3708	-3.3%

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

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered June 12 - 23, 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: During the past two weeks, dry climate and cooler temperatures have prevailed in the main dairy provinces of **Argentina**, increasing the comfort of dairy herds. According to some industry contacts, the dairy crisis is over in the country and milk production is expected to continue growing for most of the winter season. During this holiday week, fluid/UHT milk shipments to retailers and restaurants have been lower. Meanwhile, one of the main dairy cooperatives in the country is trying to begin its reconversion process to access the remaining 250 million Argentinian pesos (15.3 million dollars) in government bailouts. Currently, the cooperative is actively processing mozzarella cheese and other dairy products.

In **Uruguay**, milk production has increased, following seasonal patterns. The availability of milk/cream is increasing, sufficient to meet some manufacturing needs such as bottled milk and cheese. The cream market is still strong, but is expected to decline in the short term, as milk fat supplies are increasingly available. Meanwhile, the debt level of the dairy industry continues to grow. According to the Central Bank of Uruguay, during the first four months of 2017, the average monthly balance of loans from the dairy industry grew 16.7% compared to the same period last year.

Milk supply in **Brazil** is moving forward. In this way, there is more availability of milk/cream to cover some processing needs, while the dependence on imports is decreasing. Cheese processing is active, prompted by higher farm milk intakes and lower prices for milk loads in the spot market. Demand for cheese is improving while prices are relatively strong. As a result, the supply of whey is increasing. However, even with greater availability of whey, its demand seems to remain strong, sustaining the rise in prices negotiated.

Meanwhile, some manufacturers' WMP tenders within the Brazilian market can be found priced at or above \$3,600 per metric ton, down \$50/MT from the last two weeks, on a bearish domestic market. It is important to mention that this price is not included in the pricing range, since it only reflects the internal Brazilian market.

At the GDT Event 190 on June 20, whole milk powder (WMP) prices across all contract periods averaged \$3,022 per metric ton, down 3.3% from the last event.

26% BUTTERFAT: 3,225 - 3,575

SKIM MILK POWDER (SMP): With more milk available in the Southern Cone of South America, most plant managers are focusing drying schedules on WMP production. Thus, SMP processing has been limited, while inventories are decreasing. Therefore, skim milk powder (SMP) f.o.b. export prices are slightly higher in the region. At this point, sales activity is mostly driven by contractual needs.

At the GDT Event 190 on June 20, skim milk powder (SMP) prices across all contract periods averaged \$2,218 per metric ton, up 1.4% from the last event.

1.25% BUTTERFAT: 2,750– 3,050

WHOLE MILK POWDER (WMP): Whole milk powder (WMP) f.o.b. export prices adjusted slightly lower in line with the recent GDT results for all WMP contracts. WMP processing is more active, mainly influenced by greater milk volumes for drying in the region. As a result, stocks are building and values declining. Within the Mercosur bloc, WMP demand is weakening, mainly from Brazil, as their milk yields are improving. This is reflected on the top of the pricing range. Meanwhile, the interest for Argentinian and Uruguayan WMP from Algeria and Russia is fair to good, mirrored on the bottom of the price range.

CME GROUP, INC FUTURES

Selected settling prices

Month	06/09	06/12	06/13	06/14	06/15	06/16	06/19	06/20	06/21	06/22
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
JUN 17	16.28	16.31	16.31	16.31	16.34	16.33	16.32	16.33	16.33	16.35
JUL 17	16.55	16.61	16.67	16.61	16.49	16.41	16.22	15.97	15.91	15.92
AUG 17	16.99	17.16	17.27	17.27	17.13	17.03	16.88	16.73	16.69	16.74
SEP 17	17.27	17.50	17.57	17.56	17.43	17.30	17.15	16.99	16.91	16.96
OCT 17	17.32	17.48	17.59	17.60	17.49	17.39	17.22	17.14	17.07	17.09
NOV 17	17.26	17.35	17.39	17.36	17.33	17.27	17.16	17.10	17.08	17.07
DEC 17	17.03	17.12	17.15	17.13	17.04	16.99	16.97	16.92	16.90	16.89
JAN 18	16.72	16.75	16.72	16.68	16.68	16.65	16.70	16.70	16.68	16.64
FEB 18	16.63	16.64	16.63	16.65	16.65	16.65	16.65	16.66	16.63	16.58
MAR 18	16.59	16.59	16.59	16.59	16.59	16.59	16.59	16.61	16.57	16.54
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
JUN 17	16.01	16.01	16.01	16.02	16.02	16.02	16.02	16.02	16.02	15.98
JUL 17	16.77	16.77	16.85	17.31	17.35	17.19	16.86	16.98	16.71	16.58
AUG 17	16.88	16.88	17.02	17.55	17.58	17.33	17.19	17.19	16.91	16.68
SEP 17	16.98	16.98	17.14	17.60	17.70	17.48	17.29	17.30	17.01	16.78
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
JUN 17	244.45	244.45	244.73	246.00	245.23	243.30	243.30	243.30	243.30	242.75
JUL 17	253.00	256.25	261.25	271.10	271.70	266.70	259.50	263.73	262.98	261.25
AUG 17	254.88	257.83	262.50	272.25	272.25	267.25	261.10	265.50	264.63	263.70
SEP 17	255.50	259.98	264.98	273.73	274.00	269.00	262.95	266.50	264.33	263.90
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
JUN 17	91.55	91.55	91.55	91.75	91.73	91.75	91.75	91.58	91.53	91.10
JUL 17	95.25	93.50	93.50	93.43	93.43	94.00	93.60	92.50	89.98	89.25
AUG 17	96.70	94.50	94.50	94.95	95.25	95.65	96.03	94.08	91.50	89.75
SEP 17	97.50	95.00	94.70	95.73	95.95	96.43	96.60	95.18	92.25	90.13
WHEY (Electronic-Traded) (¢/lb)										
JUN 17	48.30	48.30	48.33	48.33	48.95	48.95	48.95	48.95	48.88	49.25
JUL 17	45.75	46.00	46.18	46.05	46.15	46.20	46.20	46.08	46.00	46.00
AUG 17	43.75	43.75	43.75	43.30	43.95	43.78	43.85	43.75	43.25	43.25
SEP 17	43.00	43.00	42.65	41.85	42.30	42.30	43.48	42.50	41.45	41.05
CHEESE CSC (Electronic-Traded) (\$/lb)										
JUN 17	1.62	1.62	1.62	1.62	1.62	1.62	1.62	1.62	1.62	1.62
JUL 17	1.66	1.66	1.66	1.66	1.64	1.63	1.62	1.59	1.59	1.59
AUG 17	1.71	1.73	1.74	1.74	1.72	1.71	1.70	1.69	1.68	1.68
SEP 17	1.75	1.77	1.78	1.78	1.76	1.75	1.73	1.72	1.72	1.72
OCT 17	1.76	1.77	1.79	1.78	1.78	1.77	1.75	1.74	1.75	1.75

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

May Milk Production

Milk production in the 23 major States during May totaled 17.8 billion pounds, up 1.8 percent from May 2016. April revised production, at 17.2 billion pounds, was up 2.2 percent from April 2016. The April revision represented an increase of 36 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 2,035 pounds for May, 16 pounds above May 2016. This is the highest production per cow for the month of May since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.72 million head, 81,000 head more than May 2016, and 2,000 head more than April 2017.

May 2017 Milk Cows and Milk Production, by States

State	Milk Cows ¹		Milk per Cow ²		Milk Production ²		
	2016	2017	2016	2017	2016	2017	Change from 2016
	(thousands)		(pounds)		(million pounds)		(percent)
AZ	196	203	2,210	2,235	433	454	4.8
CA	1,764	1,753	2,015	2,005	3,554	3,515	-1.1
CO	149	159	2,200	2,215	328	352	7.3
FL	123	124	1,870	1,850	230	229	-0.4
ID	592	596	2,125	2,105	1,258	1,255	-0.2
IL	94	93	1,820	1,850	171	172	0.6
IN	184	186	1,965	1,990	362	370	2.2
IA	213	217	2,075	2,065	442	448	1.4
KS	145	152	1,970	1,955	286	297	3.8
MI	418	427	2,285	2,325	955	993	4.0
MN	461	459	1,835	1,890	846	868	2.6
NM	310	328	2,195	2,215	680	727	6.9
NY	620	624	2,085	2,120	1,293	1,323	2.3
OH	266	262	1,830	1,885	487	494	1.4
OR	126	124	1,825	1,790	230	222	-3.5
PA	530	525	1,805	1,860	957	977	2.1
SD	114	117	1,915	1,915	218	224	2.8
TX	470	513	1,975	2,075	928	1,064	14.7
UT	91	93	1,990	2,020	181	188	3.9
VT	131	129	1,810	1,855	237	239	0.8
VA	90	87	1,705	1,785	153	155	1.3
WA	275	272	2,080	2,075	572	564	-1.4
WI	1,279	1,279	2,065	2,050	2,641	2,622	-0.7
23 State Total	8,641	8,722	2,019	2,035	17,442	17,752	1.8

¹ Includes dry cows. Excludes heifers not yet fresh.

² Excludes milk sucked by calves.

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

Federal Milk Order Marketing and Utilization Summary, May 2017

Highlights. Handler reports of receipts and utilization under the Federal milk order system for May 2017 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During May, 11.2 billion pounds of milk were received from Federally pooled producers. This volume of milk is 11.0 percent lower than the May 2016 volume. Regulated handlers pooled 3.408 billion pounds of producer milk as Class I products, up 1.2 percent when compared to the previous year. Class I utilization increased in 7 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 30%, Class II = 15%, Class III = 36%, and Class IV = 18%. The weighted average statistical uniform price was \$16.13 per cwt, up \$0.15 from last month and up \$2.07 from last year.

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

Federal Milk Order Marketing Area ¹	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I		Utilization of Producer Milk in All Classes ³				Uniform Price ²
		Total	Change from Prev. Year	Total	Change from Prev. Year	Class I	Class II	Class III	Class IV	
		<i>(million lbs)</i>	<i>(percent)</i>	<i>(million lbs)</i>	<i>(percent)</i>		<i>(percent)</i> ³			<i>(\$ per cwt)</i>
Northeast (Boston)	001	2,432.4	2.5	745.5	1.2	31	24	25	20	16.51
Appalachian (Charlotte)	005	486.7	-0.8	327.9	4.5	67	16	4	12	17.65
Florida (Tampa)	006	218.4	-4.3	177.3	-4.2	81	11	4	4	19.69
Southeast (Atlanta)	007	496.6	3.7	312.4	1.2	63	14	13	10	17.83
Upper Midwest (Chicago)	030	2,457.6	-22.3	281.2	0.4	11	8	75	5	15.65
Central (Kansas City)	032	1,366.5	-9.4	404.4	3.1	30	13	39	18	15.50
Mideast (Cleveland)	033	1,735.6	-4.9	534.2	2.6	31	22	28	19	15.67
Pacific Northwest (Seattle)	124	633.1	-18.2	162.8	-1.0	26	7	30	37	15.43
Southwest (Dallas)	126	918.2	-27.2	353.9	-0.9	39	13	19	29	16.37
Arizona (Phoenix)	131	447.3	-4.6	107.8	0.1	24	9	24	43	15.53
All Market Average or Total		11,192.4	-11.0	3,407.5	1.2	30	15	36	18	16.13

¹ Names in parentheses are the major city in the principal pricing point of the market.

² Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

³ Totals may not add to 100 percent due to rounding.

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

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

All stocks in thousand pounds except where otherwise indicated

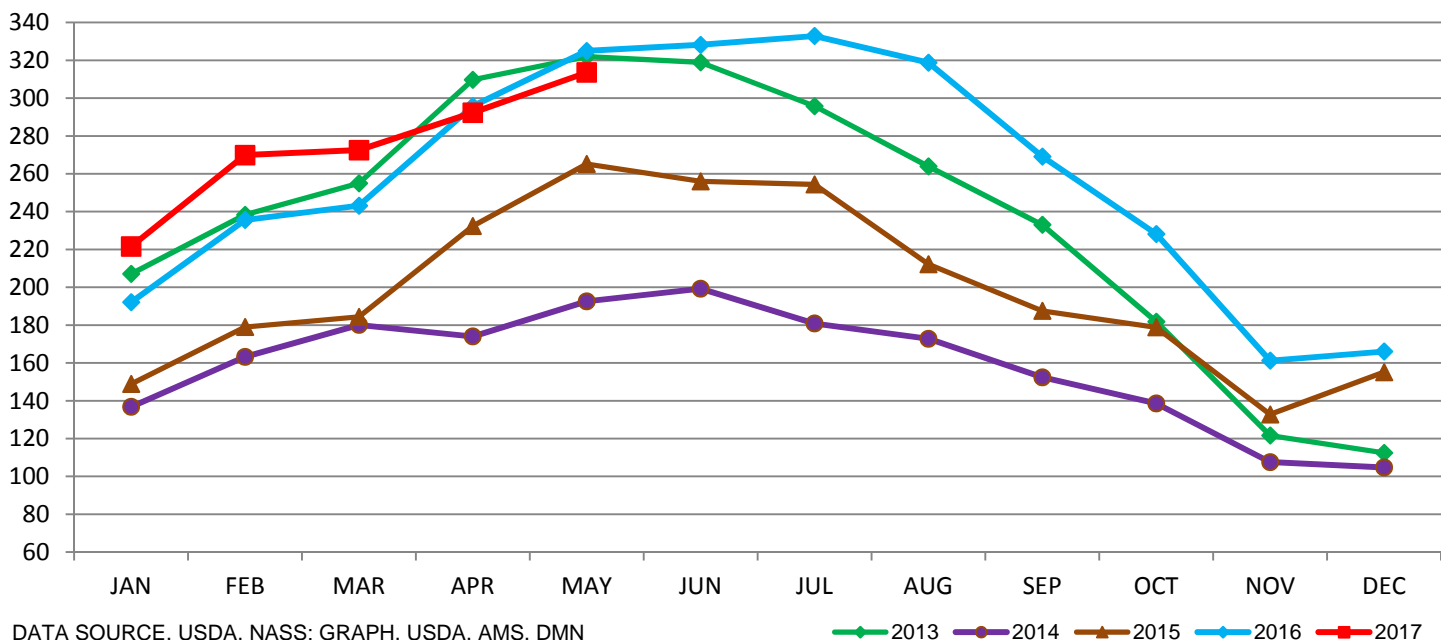
U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	APR 30, 2015	APR 30, 2016	REVISED APR 30, 2017	MAY 31, 2015	MAY 31, 2016	MAY 31, 2017
Butter	232,372	295,771	292,289	265,198	324,942	313,575
Cheese, Natural American	644,113	734,121	833,586	669,464	757,530	847,044
Cheese, Swiss	23,986	24,592	26,962	21,424	24,967	26,224
Cheese, Other Natural	417,810	450,509	472,263	420,966	466,885	467,101
Total Cheese	1,085,909	1,209,222	1,332,811	1,111,854	1,249,382	1,340,369

MAY STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
New England	60,225	63,546	67,274				710	563	724
Middle Atlantic	67,949	92,430	84,242				24,014	18,807	19,239
East North Central	258,990	293,975	354,085				265,905	294,633	306,210
West North Central	116,319	133,076	137,523				45,907	46,531	49,409
South Atlantic	688	1,121	1,351				24,516	28,604	29,809
East South Central	5,797	6,888	14,053				14,745	25,033	14,537
West South Central	12,345	13,491	18,364				635	1,328	1,449
Mountain	50,191	50,516	55,977				2,100	2,579	3,420
Pacific	96,960	102,487	114,175				42,434	48,807	42,304
TOTAL	669,464	757,530	847,044	265,198	324,942	313,575	420,966	466,885	467,101

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

MILLION POUNDS

Butter Cold Storage Holdings



FEDERAL MILK ORDER ADVANCE CLASS PRICES, JULY 2017

Base Class I Price: Under the Federal milk order pricing system, the base Class I price for July 2017 is \$16.59 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$7.32 and the advanced butterfat pricing factor of \$2.7212. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I Price

Comparison to Previous Month: The base Class I price increased \$1.28 per cwt when compared to the previous month of June 2017. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$1.19 per cwt, \$0.102 per gallon; reduced fat milk (2%), \$0.73 per cwt, \$0.063 per gallon; fat-free (skim milk), \$0.16 per cwt, \$0.014 per gallon.

Class II Price Information: The advanced Class IV skim milk pricing factor is \$6.71. Thus, the Class II skim milk price for July 2017 is \$7.41 per cwt, and the Class II nonfat solids price is \$0.8233.

Product Price Averages: The two-week product price averages for July 2017 are: butter \$2.4186, nonfat dry milk \$0.9208, cheese \$1.6412 and dry whey \$0.4962.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION^{1 2}

Federal Milk Order Marketing Area ³	Order Number	July 2017		
		Class I Price (3.5%)	Class I Skim Milk Price	Class I Butterfat Price
		<i>\$ per cwt</i>	<i>\$ per cwt</i>	<i>\$ per pound</i>
Northeast (Boston) ⁴	001	19.84	10.57	2.7537
Appalachian (Charlotte) ⁵	005	19.99	10.72	2.7552
Florida (Tampa) ⁶	006	21.99	12.72	2.7752
Southeast (Atlanta) ⁷	007	20.39	11.12	2.7592
Upper Midwest (Chicago) ⁸	030	18.39	9.12	2.7392
Central (Kansas City) ⁹	032	18.59	9.32	2.7412
Mideast (Cleveland) ¹⁰	033	18.59	9.32	2.7412
Pacific Northwest (Seattle) ¹¹	124	18.49	9.22	2.7402
Southwest (Dallas) ¹²	126	19.59	10.32	2.7512
Arizona (Phoenix)	131	18.94	9.67	2.7447
All-Market Average		19.48	10.21	2.7501

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

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

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

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

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

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

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

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

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

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

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

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

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



Dairy Market News Branch

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National Retail Report-Dairy

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

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Friday, June 23, 2017

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 06/23/2017 to 06/29/2017

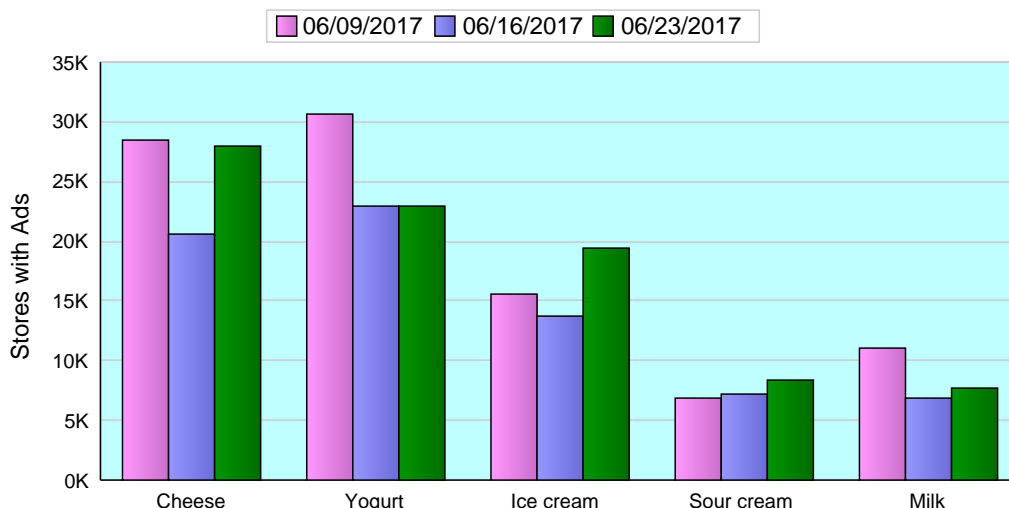
This week, total conventional dairy advertisements increased 19 percent, but organic dairy ads decreased 5 percent. For conventional 1 # butter, the national weighted average advertised price, \$3.16, is down 23 cents from last week. Organic butter in 1# containers has an average price of \$4.82, down \$1.85 from the previous week.

Conventional yogurt ads increased 6 percent, while organic yogurt ads decreased 68 percent. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.95, while 4-6 ounce organic Greek yogurt is \$1.54, an organic price premium of 59 cents. The average sale price for 4-6 ounce conventional yogurt is \$0.57, while 4-6 ounce organic yogurt is \$0.50.

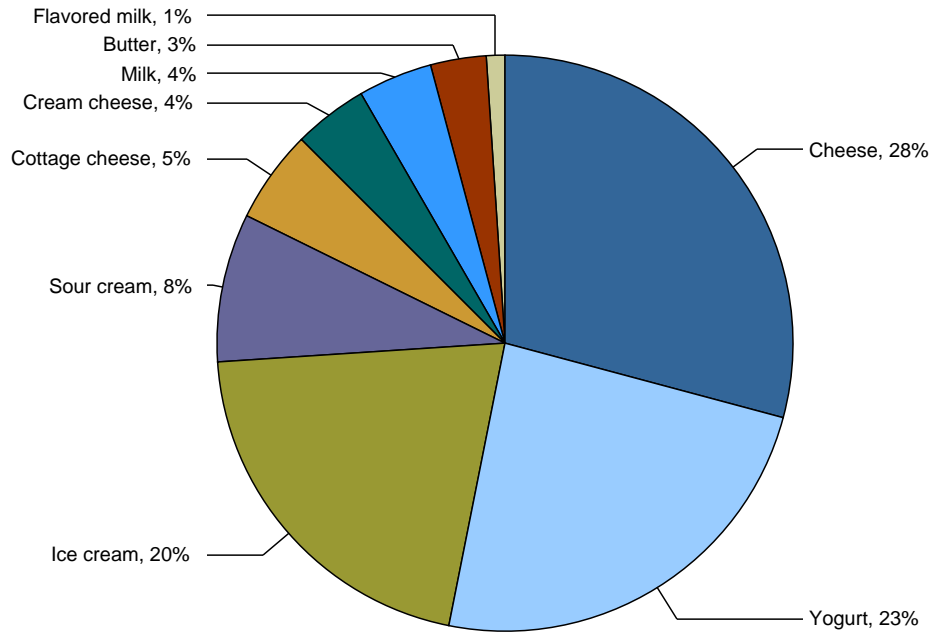
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.41, up 11 cents from last week, with ads increasing 34 percent. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$3.81. There were no ads reported last week for organic 8 ounce cheese blocks. The advertised price for conventional 8 ounce shred cheese averaged \$2.31, up 6 cents from last week, as ads increased 11 percent. The advertised price for organic 8 ounce shred cheese averaged \$3.79. There were no ads reported last week for organic 8 ounce cheese shreds.

This week, the difference between the weighted average price for organic half gallon milk, \$3.98, and the weighted average price for conventional half-gallon milk, \$1.50, resulted in an organic price premium of \$2.48. Organic milk advertisements increased 17 percent, and ads for conventional milk increased 8 percent. Advertisements for conventional half gallon flavored milk declined 66 percent while ads for conventional gallon flavored milk increased 1,082 percent.

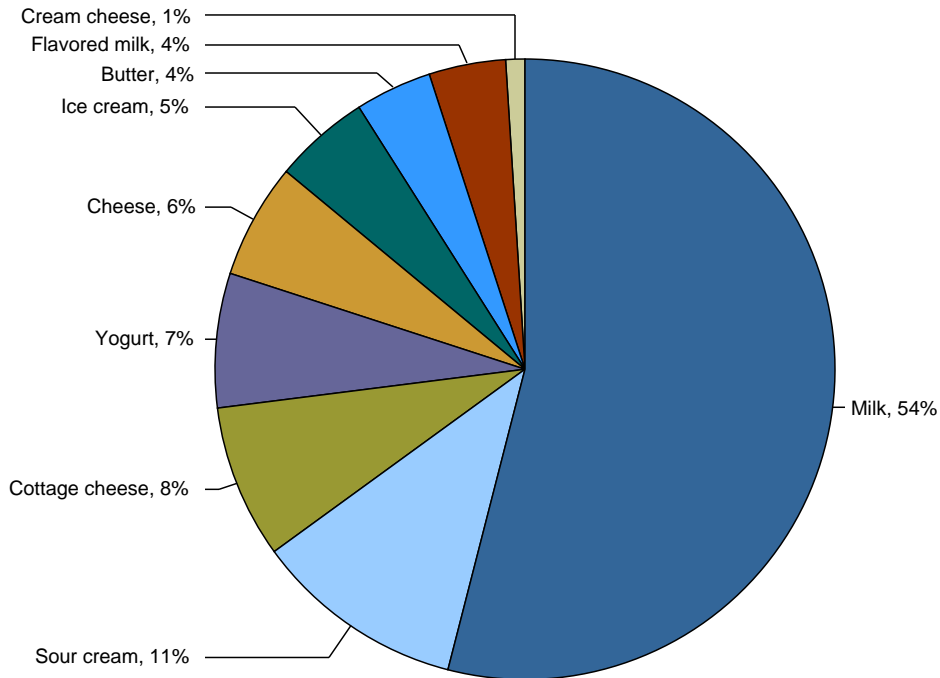
Top 5 Commodities Featured



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 #	2860	3.16	4341	3.39	5802	3.02
Cheese	Natural Varieties	8 oz block	9320	2.41	6943	2.30	8654	2.25
Cheese	Natural Varieties	1 # block	3827	4.15	1177	3.72	3479	5.17
Cheese	Natural Varieties	2 # block	392	6.01	845	6.61	1133	6.28
Cheese	Natural Varieties	8 oz shred	10552	2.31	9547	2.25	9994	2.24
Cheese	Natural Varieties	1 # shred	3383	4.24	1943	3.82	1977	3.54
Cottage cheese		16 oz	4523	1.96	3816	1.76	3954	1.94
Cream cheese		8 oz	4100	1.68	4297	1.58	3816	1.76
Flavored milk	All fat tests	half gallon	393	2.37	1158	2.73	1165	2.57
Flavored milk	All fat tests	gallon	910	2.40	77	3.93	645	2.88
Ice cream		48-64oz	19066	3.03	13649	3.02	11530	2.99
Milk	All fat tests	half gallon	1060	1.50	1824	2.33	971	2.80
Milk	All fat tests	gallon	2595	2.43	1562	2.55	4955	2.20
Sour cream		16 oz	7604	1.65	5983	1.68	7029	1.67
Yogurt	Greek	4-6 oz	13271	.95	9715	.99	12049	.95
Yogurt	Greek	32 oz	1319	4.25	624	4.63	1901	4.36
Yogurt	Yogurt	4-6 oz	6483	.57	9127	.53	9990	.53
Yogurt	Yogurt	32 oz	1401	2.54	1812	2.37	618	3.16

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 #	2.50-3.99	1183	3.37	3.99	87	3.99	2.50-3.33	254	2.73
Cheese	Natural Varieties	8 oz block	1.88-2.99	2464	2.17	1.88-3.50	3013	2.82	1.25-2.99	1342	1.97
Cheese	Natural Varieties	1 # block	3.99	167	3.99	2.99-4.99	1882	4.64	2.99	354	2.99
Cheese	Natural Varieties	2 # block				6.48	195	6.48			
Cheese	Natural Varieties	8 oz shred	1.77-2.99	2594	2.29	1.88-2.50	2519	2.37	1.67-3.29	1822	2.14
Cheese	Natural Varieties	1 # shred	3.99-5.99	384	5.01	4.50-4.99	1818	4.70	2.99-3.99	589	3.39
Cottage cheese		16 oz	1.66-3.00	1361	2.18	1.00-2.50	1621	1.87	1.00-3.29	806	2.02
Cream cheese		8 oz	1.49-2.50	1128	1.84	1.50-3.00	1258	1.60	1.00-1.50	464	1.13
Flavored milk	All fat tests	half gallon							1.69-3.00	393	2.37
Flavored milk	All fat tests	gallon							1.69-2.99	376	2.58
Ice cream		48-64oz	1.99-4.49	4104	3.02	2.50-3.50	3384	2.69	1.68-3.99	4527	3.04
Milk	All fat tests	half gallon	0.89	221	.89				0.69-2.50	433	1.53
Milk	All fat tests	gallon	3.49-3.99	199	3.65				1.58-2.99	637	2.18
Sour cream		16 oz	1.50-2.00	1202	1.74	1.00-2.00	2685	1.87	0.99-1.99	1509	1.45
Yogurt	Greek	4-6 oz	0.69-1.00	2917	.94	0.75-1.00	2930	.98	0.75-1.00	1950	.94
Yogurt	Greek	32 oz	3.79-3.99	529	3.91	3.00-4.50	174	3.75			
Yogurt	Yogurt	4-6 oz	0.50-0.60	2315	.51	0.50-1.00	382	.77	0.50-0.66	894	.54

Wtd Avg - Simple weighted average



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Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	2.49-2.79	916	2.70	2.79	61	2.79	2.00-2.29	203	2.12

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-3.50	528	2.49	1.99-4.99	371	4.15	1.99-3.50	350	2.25
Cheese	Natural Varieties	8 oz block	1.25-3.00	605	2.08	1.49-3.49	1468	2.47	1.67-2.99	340	2.48
Cheese	Natural Varieties	1 # block	2.99-4.99	395	3.57	2.99-4.99	783	4.07	2.99	187	2.99
Cheese	Natural Varieties	2 # block	4.99	80	4.99	4.99	90	4.99			
Cheese	Natural Varieties	8 oz shred	1.25-2.50	1123	2.15	1.49-3.49	1804	2.48	1.67-2.99	629	2.40
Cheese	Natural Varieties	1 # shred	2.99-4.99	274	3.39	2.99	241	2.99	2.99	66	2.99
Cottage cheese		16 oz	1.25-2.00	390	1.44	1.00-1.25	206	1.11			
Cream cheese		8 oz	1.49-2.00	488	1.70	1.49-2.49	484	1.86	1.50-2.00	174	1.70
Flavored milk	All fat tests	gallon	1.88-1.99	429	1.90				3.79	105	3.79
Ice cream		48-64oz	1.99-3.99	3266	3.04	2.49-4.99	2744	3.38	2.50-3.99	819	2.80
Milk	All fat tests	half gallon	2.50	55	2.50	1.99	246	1.99	0.99	105	.99
Milk	All fat tests	gallon	1.88-4.29	503	2.25	1.88-2.99	1135	2.49	1.88	121	1.88
Sour cream		16 oz	1.00-1.99	894	1.39	1.00-1.79	1010	1.46	1.25	187	1.25
Yogurt	Greek	4-6 oz	0.69-1.00	1326	.95	0.75-1.00	3304	.95	0.69-1.00	697	.85
Yogurt	Greek	32 oz	3.33-5.00	194	4.02	4.99	422	4.99			
Yogurt	Yogurt	4-6 oz	0.25-1.00	1017	.61	0.42-0.70	884	.59	0.50-0.62	882	.55
Yogurt	Yogurt	32 oz	2.50	114	2.50				1.79	105	1.79

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.49-4.50	57	3.72	4.49-5.49	30	5.39
Cheese	Natural Varieties	8 oz block	2.89-3.00	34	2.98	1.99-3.00	54	2.50
Cheese	Natural Varieties	1 # block	3.50-5.98	35	4.01	5.69	24	5.69
Cheese	Natural Varieties	2 # block				8.99	27	8.99
Cheese	Natural Varieties	8 oz shred	2.89-3.48	34	3.02	2.99	27	2.99
Cheese	Natural Varieties	1 # shred	3.50	11	3.50			
Cottage cheese		16 oz	2.98-3.50	58	3.31	2.59-3.49	81	3.05
Cream cheese		8 oz	1.66	2	1.66	2.00-2.99	102	2.51
Ice cream		48-64oz	2.97-7.99	131	4.58	3.00-4.99	91	3.64
Sour cream		16 oz	1.66-3.00	63	2.40	1.99-2.99	54	2.49
Yogurt	Greek	4-6 oz	0.99-1.66	56	1.34	0.99-1.66	91	1.19
Yogurt	Yogurt	4-6 oz	0.60	21	.60	0.49-1.00	88	.81
Yogurt	Yogurt	32 oz	3.50	2	3.50			



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 #	303	4.82	342	6.67	2766	5.51
Cheese	Natural Varieties	8 oz block	313	3.81			551	4.65
Cheese	Natural Varieties	8 oz shred	105	3.79			874	3.80
Cheese	Natural Varieties	1 # shred			80	7.99		
Cottage cheese		16 oz	575	3.33	866	3.29	330	3.62
Cream cheese		8 oz	63	2.59				
Flavored milk	All fat tests	half gallon	288	4.92	167	4.49	161	4.99
Ice cream		48-64oz	388	5.16	21	7.99		
Milk	All fat tests	half gallon	3135	3.98	2210	3.84	4007	3.98
Milk	All fat tests	gallon	251	5.99	335	6.61	1073	6.06
Milk	All fat tests	8 oz UHT	633	1.08	902	.99	315	.95
Sour cream		16 oz	812	3.23	1160	3.10	640	2.71
Yogurt	Greek	4-6 oz	207	1.54	1414	1.26	1634	1.35
Yogurt	Greek	32 oz					419	3.64
Yogurt	Yogurt	4-6 oz	167	.50	121	.63	120	1.32
Yogurt	Yogurt	32 oz	167	3.99	147	3.50		

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.69	167	4.69						
Cottage cheese		16 oz				3.29	324	3.29	3.29	119	3.29
Flavored milk	All fat tests	half gallon	3.99	108	3.99				5.48	180	5.48
Ice cream		48-64oz							4.49	137	4.49
Milk	All fat tests	half gallon	3.99-4.99	1445	4.28	3.99	61	3.99	2.50-4.99	543	3.77
Milk	All fat tests	gallon	5.99	251	5.99						
Milk	All fat tests	8 oz UHT	1.00	62	1.00				1.00-1.25	303	1.15
Sour cream		16 oz				3.29	324	3.29	2.99-3.29	467	3.23
Yogurt	Greek	4-6 oz							1.50	180	1.50

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 #	4.99	133	4.99						
Cheese	Natural Varieties	8 oz block							3.79	289	3.79
Cheese	Natural Varieties	8 oz shred	3.79	63	3.79						
Cottage cheese		16 oz	3.99	63	3.99				2.99	69	2.99
Cream cheese		8 oz	2.59	63	2.59						
Ice cream		48-64oz	5.99	72	5.99	4.99-5.99	179	5.34			
Milk	All fat tests	half gallon	2.99-3.99	360	3.19	2.99-4.99	585	3.97	2.99	66	2.99
Milk	All fat tests	8 oz UHT				1.00	241	1.00			
Yogurt	Yogurt	4-6 oz				0.50	167	.50			
Yogurt	Yogurt	32 oz				3.99	167	3.99			

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.38	3	4.38			
Cheese	Natural Varieties	8 oz block	3.79-5.98	24	4.06			
Cheese	Natural Varieties	8 oz shred	3.79	42	3.79			
Milk	All fat tests	half gallon	3.79	21	3.79	3.29-5.99	54	4.64
Milk	All fat tests	8 oz UHT				1.16	27	1.16
Sour cream		16 oz	2.49	21	2.49			
Yogurt	Greek	4-6 oz				1.79	27	1.79

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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GENERAL NUMBER

(608) 422-8587

Elizabeth Frederick

(608) 422 -8587

Elizabeth.Frederick@AMS.USDA.GOV

EAST/ ORGANIC

Daniel Johnson

(608) 422-8605

Daniel.Johnson@AMS.USDA.GOV

Jessica Mueller

(608) 422-8589

Jessica.Mueller@AMS.USDA.GOV

CENTRAL

Israel Weber

(608) 422-8601

Israel.Weber@AMS.USDA.GOV

SOUTHWEST/SOUTH AMERICA

AJ (Angel José) Terán

(608) 422-8593

Angel.Terán@AMS.USDA.GOV

Florence Kone-Gonzalez

(608) 422-8594

Florence.KoneGonzalez@AMS.USDA.GOV

NORTHWEST/MOUNTAIN

Mike Bandli

(608) 422-8592

Mike.Bandli@AMS.USDA.GOV

ORGANIC/EUROPE & OCEANIA

Eric Graf

(608) 422-8590

Eric.Graf@AMS.USDA.GOV

ACTING NATIONAL SUPERVISOR

Janet Linder

(608) 422-8588

Janet.Linder@AMS.USDA.GOV

INTERNET ADDRESS

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

MARKET NEWS PORTAL

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

RECORDED INFORMATION SYSTEM

(608) 422-8602

FAX

(608) 240-6689

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