

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (7/14)**

BUTTER: Grade AA closed at \$2.6000. The weekly average for Grade AA is \$ 2.5985 (-.0134).

CHEESE: Barrels closed at \$ 1.4750 and 40# blocks at \$ 1,6750. The weekly average for barrels is \$ 1.4330 (+.0667) and blocks, \$1.6250 (+.0819).

NONFAT DRY MILK: Grade A closed at \$0.8625. The weekly average for Grade A is \$ 0.8690 (+.0140).

BUTTER HIGHLIGHTS: Butter sales are steady to strong in domestic and global channels. The demand is in good balance with seasonal levels. Cream multiples are mixed throughout the U.S. The availability is blended as some market participants report that there is limited supply of cream. However, some butter manufacturers suggest current cream is available to purchase in the market and will continue in the near term. Butter production is active to turned off as a number of butter producers are opting to sell cream on the spot market. A few producers report having a bit more salted butter inventories than unsalted. Overall, stocks are manageable and in line with processing needs. A handful of contacts anticipate steady market prices for months to come. Bulk butter prices range 2 cents below to 7 cents over the market. The market tone is generally solid. Friday's CME Group cash trading saw Grade AA butter closed at \$2.6000, up \$0.0150 from last Friday.

CHEESE HIGHLIGHTS: Milk intakes, into Class III processing, are steady to slower across the nation. Even so, plentiful milk is expected to be available for cheesemakers until school districts commence next month. Cheddar production in the Northeast is steady. Some cheese producers in the Midwest, experiencing a seasonal ordering surge, are shifting production activity towards a summer favorite, cheese curds. Swiss cheese makers in the Northeast are also reporting markedly improved demand year over year. Western contacts anticipate lower cheese prices will help spur global opportunities. Cheese inventories are generally reported as long, particularly in barrel varieties. Although cheese prices are increasing, contacts remain anxious about the large block to barrel price variance on the CME. CME Group trading Friday, barrels closed at \$1.4750, up \$0.1000 from last Friday. Blocks closed at \$1.6750, up \$0.1225 from last Friday.

FLUID MILK: Eastern milk production is decreasing, as is Midwest milk production. California milk production is down,

reflecting heat stressed cows. Arizona milk output is down, but readily available for processing needs. In New Mexico, production is steady to higher, while steady in the Pacific Northwest. Manufacturers in Idaho, Utah and Colorado report lower milk production. Cream multiples for various uses range from **1.20** to **1.35** in the East, **1.20** to **1.30** in the Midwest, and **1.15** to **1.18** in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk (NDM) prices in the Central and East inched up on the bottom of the range, while the mostly price series remained steady. Western low/medium heat nonfat dry milk prices are mostly steady with a narrower range. Dry buttermilk prices in the Central and East inched up on the bottom of the price range. Spot trading is light. Western dry buttermilk prices are steady with moderate trading. Dry whole milk prices are steady to higher. Central dry whey prices decreased on the range and mostly price series. Dry whey prices for Eastern markets inched back on the top of the range. Prices for dry whey in the West are lower at the top of the range and mostly series. Whey protein concentrate 34% prices contracted on both the range and mostly price series. Lactose prices are steady to lower in spot sales and initial Q3 contracted prices.

ORGANIC DAIRY MARKET NEWS: AMS reports total organic milk products sales for May 2017 were 226 million pounds, up 4.1 percent from the previous May and up 1.3 percent, January-May compared with the same period of 2016.

Total organic whole milk products sales for May 2017, 88 million pounds, were up 9.0 percent compared with May last year and up 8.4 percent, January-May compared with the same period of 2016. Organic cheese ads as a percentage of surveyed organic dairy retail ads fell from the highest percentage two weeks ago to the lowest this period, 2 percent. Organic milk ads are in first place this week, with 49 percent. The following pie chart displays percentages of all organic commodities noted in the survey.

Organic advertisement numbers increased 27 percent this period, triple the percentage increase for conventional dairy ads. An almost astonishing 37 fold increase for organic 16 oz. sour cream and over 15 fold increase for organic 8 oz. sour cream helped drive organic ad numbers.

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CME GROUP CASH TRADING

COMMODITY	MONDAY JUL 10	TUESDAY JUL 11	WEDNESDAY JUL 12	THURSDAY JUL 13	FRIDAY JUL 14	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$1.3850 (+.0100)	\$1.4175 (+.0325)	\$1.4375 (+.0200)	\$1.4500 (+.0125)	\$1.4750 (+.0250)	:: (+.1000)	:: \$1.4330 (+.0667)
40# BLOCKS	\$1.5550 (+.0025)	\$1.6150 (+.0600)	\$1.6300 (+.0150)	\$1.6500 (+.0200)	\$1.6750 (+.0250)	:: (+.1225)	:: \$1.6250 (+.0819)
NONFAT DRY MILK GRADE A	\$.8725 (+.0050)	\$.8725 (N.C.)	\$.8700 (-.0025)	\$.8675 (-.0025)	\$.8625 (-.0050)	:: (-.0050)	:: \$.8690 (+.0140)
BUTTER GRADE AA	\$2.6150 (+.0300)	\$2.6075 (-.0075)	\$2.5850 (-.0225)	\$2.5850 (N.C.)	\$2.6000 (+.0150)	:: (+.0150)	:: \$2.5985 (-.0134)

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-**

JULY SUPPLY AND DEMAND ESTIMATES (USDA-WAOB): The 2017 and 2018 milk production forecasts are lowered from last month. Growth in milk per cow has been slower than expected, and the forecast growth rate is reduced. Fat basis import forecasts for 2017 and 2018 are unchanged from the previous month. Fat-basis export forecasts for 2017 and 2018 are raised on continued robust exports of cheese. On a skim-solids basis, imports for 2017 were reduced from the previous month on lower expected purchases of milk protein concentrates (MPC), but the 2018 import forecast remains unchanged. The 2018 skim solids import forecast remains unchanged. Skim-solid exports for 2017 and 2018 are raised as nonfat dry milk (NDM) and cheese shipments are expected to remain strong. For 2017, cheese and whey price forecasts are reduced from the previous month, while butter prices are forecast higher. The NDM price forecast is unchanged but the range is narrowed. Cheese prices for 2018 are reduced while butter prices are raised on continued strong demand. NDM and whey price forecasts for 2018 are unchanged from last month. The 2017 and 2018 Class III price forecasts are lowered from last month in line with lower component product prices. The Class IV price forecasts are increased for 2017 and 2018 reflecting higher butter prices. The 2017 all milk price is forecast at \$17.65 to \$17.95 and the price for 2018 is \$18.00 to \$19.00 per cwt.

APRIL MAILBOX PRICES (FMMO & CDFA): In April 2017, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.16 per cwt, down \$1.15 per cwt from the March 2017 average but up \$1.27 per cwt from the April 2016 average. The component tests of producer milk in April 2017 were: butterfat, 3.80%; protein, 3.13%; and other solids, 5.76%. When compared to the previous month, the April Mailbox prices decreased in all 19 of the Federal milk order reporting areas. The Southern Missouri reporting area decreased \$2.33 per cwt, while the Iowa reporting area decreased only \$0.46 per cwt from the previous month. Averaged over all Federal milk order reporting areas, the April 2017 Mailbox price decreased an average of \$1.29 per cwt. Mailbox prices in April 2017 ranged from \$17.66 in the New England States to \$13.69 in the New Mexico reporting area.

MAY MILK SALES (FMMO & CDFA): During May, 4.1 billion pounds of packaged fluid milk products are estimated to have been sold in the United States. This was 0.4 percent higher than May 2016. Estimated sales of total conventional fluid milk products increased 0.1 percent from May 2016 and estimated sales of total organic fluid milk products increased 4.1 percent from a year earlier.

NATIONAL RETAIL REPORT-DAIRY (DMN): This week, total conventional dairy ads increased 9 percent, and organic dairy ads increased 27 percent. As a summertime favorite, ice cream posted the largest number of conventional ads within the survey. The U.S. weighted average advertised price for conventional ice cream in 48-64 oz. containers is \$3.02 compared to \$5.99 for organic ice cream, an organic premium of \$2.97.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.14, down 6 cents from last week. There were no reported advertised prices for 8 ounce organic cheese blocks this week. The advertised price for conventional 8 ounce shred cheese averaged \$2.19, down 8 cents from last week. The advertised price for organic 8 ounce shred cheese averaged \$3.57, up 17 cents, resulting in an organic premium of \$1.38. Conventional cheese ad numbers increased 35 percent this week, but organic cheese ad numbers decreased 53 percent.

The average sale price for 4-6 ounce conventional Greek yogurt is

\$0.96, down 4 cents. Organic 4-6 ounce Greek yogurt has an average price of \$1.08, down 13 cents, resulting in an organic premium of 12 cents. The average price for 4-6 ounce conventional yogurt is \$0.50, while the price for organic yogurt is \$0.75, resulting in a \$0.25 organic premium. Total conventional yogurt ads decreased 6 percent and organic yogurt ads decreased 18 percent.

The weighted average price for conventional half gallon milk is \$2.16. The weighted average price for organic half gallon milk reached the highest point so far this year, \$4.11, resulting in an organic price premium of \$1.95. Organic milk ad numbers decreased 2 percent, but ad numbers for conventional milk increased 14 percent. Half gallons of milk had the largest number of ads for organic dairy items in the survey.

MONDAY, JULY 10, 2017

CHEESE -- SALES: 8 CARS BARRELS: 1 @ \$1.3825, 1 @ \$1.3800, 5 @ \$1.3825, 1 @ \$1.3850; 3 CARS 40# BLOCKS: 2 @ \$1.5525, 1 @ \$1.5550; LAST BID UNFILLED: 3 CARS 40# BLOCKS: 1 @ \$1.5550, 1 @ \$1.5525, 1 @ \$1.5550; LAST OFFER UNCOVERED: 5 CARS BARRELS: 3 @ \$1.4200, 2 @ \$1.3850; 1 CAR 40# BLOCKS @ \$1.5575
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.8700, 1 @ \$0.8725; LAST BID UNFILLED: 16 CARS GRADE A: 1 @ \$0.8700, 1 @ \$0.8625, 1 @ \$0.8675, 1 @ \$0.8625, 1 @ \$0.8675, 10 @ \$0.8200, 1 @ \$0.8700; LAST OFFER UNCOVERED: 13 CARS GRADE A: 1 @ \$0.8800, 10 @ \$0.9000, 1 @ \$0.8750, 1 @ \$0.8725
 BUTTER -- SALES: 8 CARS GRADE AA: 1 @ \$2.6200, 1 @ \$2.6175, 2 @ \$2.6150, 3 @ \$2.6125, 1 @ \$2.6150; LAST BID UNFILLED: 4 CARS GRADE AA: 2 @ \$2.5750, 1 @ \$2.6000, 1 @ \$2.6075; LAST OFFER UNCOVERED: 7 CARS GRADE AA: 1 @ \$2.6150, 4 @ \$2.6500, 1 @ \$2.6200, 1 @ \$2.6175

TUESDAY, JULY 11, 2017

CHEESE -- SALES: 19 CARS BARRELS: 4 @ \$1.3850, 2 @ \$1.3875, 4 @ \$1.3900, 1 @ \$1.3975, 3 @ \$1.4000, 1 @ \$1.4050, 3 @ \$1.4100, 1 @ \$1.4200; 5 CARS 40# BLOCKS: 1 @ \$1.5600, 1 @ \$1.5650, 1 @ \$1.5700, 1 @ \$1.5750, 1 @ \$1.5900; LAST BID UNFILLED: 7 CARS BARRELS: 2 @ \$1.3750, 2 @ \$1.3850, 1 @ \$1.3925, 1 @ \$1.4075, 1 @ \$1.4000; 2 CARS 40# BLOCKS: 1 @ \$1.5625, 1 @ \$1.6150; LAST OFFER UNCOVERED: 4 CARS BARRELS: 2 @ \$1.4200, 1 @ \$1.4175, 1 @ \$1.4200
 NONFAT DRY MILK -- SALES: 31 CARS GRADE A: 9 @ \$0.8750, 1 @ \$0.8775, 3 @ \$0.8750, 1 @ \$0.8775, 1 @ \$0.8750, 1 @ \$0.8725, 3 @ \$0.8700, 2 @ \$0.8750, 10 @ \$0.8725; LAST BID UNFILLED: 2 CARS GRADE A: 1 @ \$0.8725, 1 @ \$0.8650; LAST OFFER UNCOVERED: 6 CARS GRADE A: 5 @ \$0.8800, 1 @ \$0.8775
 BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$2.6200, 1 @ \$2.6175, 1 @ \$2.6075; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.6000; LAST OFFER UNCOVERED: 3 CARS GRADE AA: 1 @ \$2.6250, 2 @ \$2.6100

WEDNESDAY, JULY 12, 2017

CHEESE -- SALES: 16 CARS BARRELS: 1 @ \$1.4200, 4 @ \$1.4250, 3 @ \$1.4300, 8 @ \$1.4375; 2 CARS 40# BLOCKS: 1 @ \$1.6200, 1 @ \$1.6300; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4150; LAST OFFER UNCOVERED: 8 CARS BARRELS: 5 @ \$1.4500, 2 @ \$1.4425, 1 @ \$1.4500
 NONFAT DRY MILK -- SALES: 10 CARS GRADE A: 1 @ \$0.8775, 1 @ \$0.8725, 2 @ \$0.8700, 2 @ \$0.8725, 2 @ \$0.8700, 1 @ \$0.8725, 1 @ \$0.8700; LAST BID UNFILLED: 3 CARS GRADE A: 1 @ \$0.8600, 1 @ \$0.8675, 1 @ \$0.8600; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9000
 BUTTER -- SALES: 21 CARS GRADE AA: 2 @ \$2.6050, 1 @ \$2.6025, 2 @ \$2.6050, 1 @ \$2.6000, 2 @ \$2.6025, 1 @ \$2.6050, 1 @ \$2.6000, 2 @ \$2.6050, 1 @ \$2.6000, 1 @ \$2.5950, 2 @ \$2.6000, 1 @ \$2.5975, 3 @ \$2.6000, 1 @ \$2.5850; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.5750; LAST OFFER UNCOVERED: 17 CARS GRADE AA: 6 @ \$2.6625, 2 @ \$2.6150, 4 @ \$2.6100, 1 @ \$2.6050, 2 @ \$2.5900, 1 @ \$2.6000, 1 @ \$2.5950

THURSDAY, JULY 13, 2017

CHEESE -- SALES: 1 CAR BARRELS @ \$1.4500; 4 CARS 40# BLOCKS: 1 @ \$1.6425, 3 @ \$1.6500; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6450; LAST OFFER UNCOVERED: 13 CARS BARRELS: 2 @ \$1.4700, 1 @ \$1.4500, 2 @ \$1.4800, 2 @ \$1.4900, 2 @ \$1.5000, 2 @ \$1.5100, 2 @ \$1.4500; 1 CAR 40# BLOCKS @ \$1.6550
 NONFAT DRY MILK -- SALES: 8 CARS GRADE A: 2 @ \$0.8775, 6 @ \$0.8675; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.8600; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.9000
 BUTTER -- SALES: 16 CARS GRADE AA: 1 @ \$2.6050, 1 @ \$2.6025, 2 @ \$2.6000, 1 @ \$2.5925, 1 @ \$2.5950, 2 @ \$2.5875, 1 @ \$2.5900, 1 @ \$2.5875, 1 @ \$2.5925, 2 @ \$2.5850; LAST BID UNFILLED: 3 CARS GRADE AA: 1 @ \$2.5500, 1 @ \$2.5000, 1 @ \$2.5825; LAST OFFER UNCOVERED: 10 CARS GRADE AA: 3 @ \$2.6500, 1 @ \$2.6300, 2 @ \$2.6000, 1 @ \$2.6100, 2 @ \$2.6000, 1 @ \$2.6300

FRIDAY, JULY 14, 2017

CHEESE -- SALES: 6 CARS BARRELS: 3 @ \$1.4500, 3 @ \$1.4700; 3 CARS 40# BLOCKS: 1 @ \$1.6500, 1 @ \$1.6600, 1 @ \$1.6750; LAST BID UNFILLED: 6 CARS BARRELS: 1 @ \$1.4400, 1 @ \$1.4475, 1 @ \$1.4300, 1 @ \$1.4025, 1 @ \$1.4575, 1 @ \$1.4750; 1 CAR 40# BLOCKS @ \$1.6750; LAST OFFER UNCOVERED: 15 CARS BARRELS: 3 @ \$1.5000, 3 @ \$1.5100, 3 @ \$1.5200, 3 @ \$1.5300, 3 @ \$1.4800; 1 CAR 40# BLOCKS @ \$1.6900
 NONFAT DRY MILK -- SALES: 10 CARS GRADE A: 1 @ \$0.8675, 1 @ \$0.8600, 1 @ \$0.8725, 2 @ \$0.8650, 1 @ \$0.8700, 2 @ \$0.8675, 1 @ \$0.8650, 1 @ \$0.8600; LAST BID UNFILLED: 8 CARS GRADE A: 2 @ \$0.8575, 1 @ \$0.8300, 1 @ \$0.8250, 2 @ \$0.8600, 1 @ \$0.8625, 1 @ \$0.8600; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 19 CARS GRADE AA: 1 @ \$2.6000, 1 @ \$2.6050, 1 @ \$2.6025, 1 @ \$2.6000, 1 @ \$2.5975, 1 @ \$2.6000, 1 @ \$2.5975, 10 @ \$2.6000, 1 @ \$2.5975; LAST BID UNFILLED: 2 CARS GRADE AA: 1 @ \$2.5800, 1 @ \$2.6000; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.6050

BUTTER MARKETS

NORTHEAST

Northeastern butter market trading activities are moderate this week as domestic and global channels continue to have steady orders. Cream multiples shifted slightly lower on the bottom of the range as Eastern cream availability is mixed. Some manufacturers are seeing available cream to purchase. However, a number of market participants communicated that there is limited supply of cream. Butter production is active to quiet. A handful of manufacturers are clearing heavy amounts of cream to churns. On the other hand, some butter makers have turned off their churns to sell their cream to various manufacturing plants and end users. Butter stocks are adequate for near term needs. The demand is balanced and bulk butter prices are 5-7 cents over the market of the CME Group, with various time frames and averages used. The market undertone is stable. Monday's CME Group cash trading saw Grade AA butter prices closed at \$2.6150, down \$0.0300 from the previous week. According to the *DMN National Retail Report-Dairy*, for July 7-13, 2017, the Northeast weighted average retail price for 1-pound butter was \$3.76, 41 cents higher than the national average price, but 8 cents lower than last week's Northeast butter price. Retail butter markets reported prices ranging \$2.99-\$4.69. The surveyed average price in the Southeast moved to \$3.75, 10 cents lower than last week's Southeast butter price, with prices ranging \$2.99-\$3.99. DAIRY PRODUCTS: According to NASS, U.S. butter production for May 2017, totals 163.5 million pounds, down 1.5 percent from last year, but up 0.6 percent from April 2017. Cumulative 2017 butter production through May 2017 totals 841.0 million pounds, 1.2 percent below the same period for 2016. May 2017 butter

production in the Atlantic region totaled 18.9 million pounds, up 7.9 percent from last year and up 3.4 percent from April 2017.

CENTRAL

Sales reports on butter are steady to strong. Some butter producers relay that retail butter sales are on par with this time last year. Butter production is ongoing, although some butter producers are opting to sell cream on the spot market in lieu of producing extra butter. Cream multiples into Class IV production are similar to last week, around 1.20 f.o.b. There is some indication of firming cream markets, as seasonal temperatures are taking their toll on overall milk production. However, some butter manufacturers suggest the current cream availability will continue for the near term, as Class II manufacturers entered cream buying relatively early to avoid an expected tightening of supplies in the summer months. Some producers report having a bit more salted butter inventories than unsalted, but overall inventories are manageable and in good balance. Bulk butter sales ranged from \$.02 to \$.07 over the CME average. The market tone is solid. A number of contacts anticipate steady market prices, in the current \$2.6000 range, for months to come. Wednesday at the CME Group, Grade AA butter closed at \$2.5850, down \$0.0600 from last Wednesday. *DMN National Retail Report-Dairy* for July 7-13 noted the national weighted average advertised price for a 1 pound package of butter is \$3.35, \$0.51 below one week ago, but \$0.16 higher than one year ago. The weighted average regional prices in the Midwest and South Central

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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
July 8, 2017	2.6540 1,961,143	1.6134 11,723,891	1.4211 10,467,959	.4577 5,289,678	.9021 12,946,604

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

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were \$2.73 and \$2.87, respectively. The NASS *Dairy Products* report noted U.S. butter production during May 2017 in the Central region totaled 70.8 million pounds, 1.3 percent higher than one year ago. Total U.S. butter production during May 2017 was 163.5 million pounds, 1.5 percent lower than last year. January through May 2017 U.S. butter production totaled 841.0 million pounds, 1.2 percent lower than the same period in 2016. According to FAS, May 2017 U.S. butter exports totaled 4.3 million pounds, 187% above last year.

WEST

Western butter makers report steady to lower production levels. A number of plant operators who reduced their churning activity during the Fourth of July holiday are back to their normal production volumes. Some manufacturers are decreasing their output to take advantage of higher cream prices. Those who can afford to do so, are selling their cream to ice cream processors. Butter inventories are stable and in line with processing needs. Demand is steady at seasonal levels. Some contacts suggest that international prices moved higher this week. Bulk butter pricing in the West this week is 2 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 July 7-13 found that the U.S. weighted average advertised price of 1 pound butter is \$3.35, down \$.51 from last week. The U.S. weighted average price was \$3.19 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$2.97 with a price range of \$2.49-\$3.99. In the Northwest, the weighted average advertised price of 1 pound butter is \$2.49. According to the NASS *Dairy Products* report, U.S. butter production during May 2017, 163.5 million pounds, was 1.5 percent lower than May 2016, but .6 percent higher than April 2017. U.S. cumulative 2017 butter production through April is 841.0 million pounds, 1.2 percent lower than the same period last year. In the West, total May butter production was 73.8 million pounds, 6.1 percent lower than May 2016 and 2.5 percent lower than April 2017. California May production was 45.8 million pounds, 7.5 percent lower than last year and 4.6 percent lower than last month. The Grade AA butter price at the CME Group on Wednesday closed at \$2.5850, down \$.0600 from a week ago.

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

	2017 Imports (Million Lb.)	% Change From Last Month
May Imports		
Total Butter, Fats, Milk (H.S. Code 0405)	6.9	...
Butter		
Quota (H.S. Code 405101000)	0.4	- 29
Over Quota (H.S. Code 405102000)	4.5	+ 2
AMF		
Quota (H.S. Code 405901020)	0.6	+ 53
Over Quota (H.S. Code 405902020)	1.0	- 28
Other Milk Fat	0.4	+214
	2017 Imports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN - MAY	31.6	- 34
1 Ireland	15.5	+ 42
2 Mexico	5.1	- 59
3 New Zealand	4.2	- 68
4 Chile	2.3	+ 64
5 France	1.5	- 23

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
May	4.3	+ 187
TOTAL, JAN - MAY	20.0	- 25
1 Canada	8.8	+148
2 Mexico	3.0	- 83
3 South Korea	1.7	+194
4 Saudi Arabia	1.4	- 35
5 Peru	1.2	+852

CHEESE MARKETS

NORTHEAST

Milk intakes at Northeastern cheese plants are steady to slower. Contacts expect that milk will remain somewhat available for the next few weeks, until school districts commence, and cut into spot milk accessibility. Cheddar production is steadily ongoing, whereas other types of cheesemakers' production levels are mixed. Swiss cheese producers report demand has been exceptional, with sales outpacing those of the past few years. Producers of packaged/retail cheese report a seasonal quietness, while food service contacts anticipate increased sales in the next few weeks, as school districts begin their preparatory ordering. Generally, cheese stocks are long in the East. The Northeast cheese market tone is mixed, with signs of stability as prices continue to slowly trend upward. At Monday's CME Group daily cash trading barrel cheese closed at \$1.3850, up \$0.0325 from a week ago, while block cheese ended the day at \$1.5550, up \$0.0300 from a week ago. *Dairy Products* (NASS) reports total U.S. cheese production, for May 2017, was 1.051 billion pounds, 4.0 percent above May 2016. Atlantic region total cheese production for May 2017 was 129.3 million pounds, 10.9 percent higher than May 2016. The *DMN National Retail Report-Dairy*, for July 7-13, 2017, noted the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.18, 38 cents below last week's regional price and 2 cents below the national average price. Northeast retail prices ranged \$1.88-\$3.00. The Southeast weighted average price for 8 oz. block was \$2.27, down 85 cents from last week, but 7 cents above the national average price. Surveyed retail prices for the region ranged \$1.67-\$3.00. The Northeast average advertised price for 8 oz. cheese shreds was \$2.22, down 23 cents from last week and 5 cents lower than the national average price, as regional prices ranged \$1.88-\$2.99. Southeast's average price for advertised 8 oz. shreds was \$2.33, 19 cents below the previous week, with prices ranging \$1.67-\$3.00. This week, a cooperative export assistance program accepted ten requests for export assistance to sell 1.490 million pounds (853 metric tons) of cheese. The Foreign Agricultural Service (FAS) reports that May 2017 U.S. cheese and curd exports totaled 78.1 million pounds, a 48 percent increase from the same period a year ago. The Northeast wholesale price for cheddar and Muenster cheeses increased \$0.0250, and the wholesale process 5# sliced price rose \$0.0050.

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

Cheddar 40# Block	:	1.9825-2.2675
Process 5# Sliced	:	1.5225-2.0025
Muenster	:	1.9675-2.3175
Grade A Swiss Cuts 10 - 14#	:	3.1325-3.4550

MIDWEST

Milk intakes are mixed amongst cheesemakers in the Midwest. Some reports indicate milk is still available, although storage capacity concerns are hindering some producers from taking on extra milk. Other cheese producers report taking on spot milk at prices from flat market to \$3.00 under Class III. Cheese contacts suggest milk suppliers were actively trying to find takers late into last week, as some intake facilities were closed for the holiday. Generally, cheese sales range from steady to slow. Cheese curd producers, however, are experiencing a seasonal robustness in orders. As local fairs and community events are in their prime season, some producers report a shift in production from other varieties to curds, for the near term. Process cheese inventories are long in the Midwest. Some traditional/artisanal cheese producers report balanced inventories. CME spot market cheese prices have been moving up. However, contacts report that although prices have trended upward, the block to barrel price gap is distressing for the overall market. In CME Group trading Wednesday, barrels closed at \$1.4375, up

\$0.0675 from last Wednesday and blocks closed at \$1.6300, up \$0.0900 from last Wednesday. The *DMN National Retail Report-Dairy* shows that July 7-13 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.37, 10 cents above the national average. Midwest prices range from \$1.88-\$3.00. One year ago, the national price was \$2.30. For 8 ounce blocks, the Midwest average price is \$2.02, 18 cents below the national average price. Midwest ads are priced from \$1.79-\$3.00. Last year, the national price was \$2.33. This week, a cooperative export assistance program accepted requests for 1.490 million pounds (853 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 43.3 million pounds of cheese in export markets. *Dairy Products* (NASS) reports total U.S. cheese production, for May 2017, was 1.051 billion pounds, 4.0 percent above May 2016. Central total cheese production for May 2017 was 474.5 million pounds, 2.9 percent higher than May 2016. The Foreign Agricultural Service (FAS) reports that January through May 2017 U.S. cheese and curd exports totaled 314.0 million pounds, a 22% increase from the same period a year ago. Midwestern wholesale prices are unchanged for Swiss cuts, up \$.0050 for process and up \$.0250 for all other types.

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

Process American 5# Loaf	:	1.4600-1.8200
Brick And/Or Muenster 5#	:	1.9075-2.3325
Cheddar 40# Block	:	1.6350-2.0300
Monterey Jack 10#	:	1.8825-2.0875
Blue 5#	:	2.1750-3.1625
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7075-2.6475
Grade A Swiss Cuts 6 - 9#	:	2.6500-2.7675

WEST

Western cheese makers report active cheese manufacturing. Although milk production is slowing to some extent, there is still plenty of milk available for processing. The lighter intakes have had a negligible effect on cheese prices and inventories. Industry contacts say cheese stocks are still long, but demand is starting to catch up to production and, perhaps, starting to draw on cheese stocks. Domestic demand is stable and a number of manufacturers say cheese is moving well through current contracts. Cheese marketers are hopeful that lower cheese prices in the U.S., compared to world markets, may boost export opportunities in the near future. The *DMN National Retail Report-Dairy* for the week of July 7-13 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.27, down \$.16 from last week. Packs average \$2.41 in the Southwest and \$3.00 in the Northwest. One year ago, the national price was \$2.30. For 8 ounce blocks, the U.S. price is \$2.20, down \$.41 from last week. Blocks average \$2.32 in the Southwest. There were no reported sale prices in the Northwest. One year ago, the national price was \$2.33. In the West, wholesale prices were up \$.0050 for process, and up \$.0250 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged. This week, a cooperative export assistance program accepted requests for export assistance on contracts to sell 1.490 million pounds (853 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 43.324 million pounds of cheese in export markets. *Dairy Products* (NASS) reports May 2017 U.S. total cheese production, 1.051 billion pounds, is 0.8 percent above April 2017. Total 2017 U.S. cheese production, year to date through May, is 5.143 billion pounds, 2.5 percent above January through May 2016. In the West, total cheese production for May 2017 was 447.6 million pounds, 0.6 percent more than last

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CHEESE MARKETS

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month. For total cheese production and various types of cheese, May 2017 U.S. and West cheese production percent changes compared to May 2016 are as follows:

	U.S.	West
Total Cheese	+ 4.0	+ 3.2
American	+ 5.7	+ 4.9
Cheddar	+ 6.9	+ 5.4
Total Italian	+ 1.2	+ 0.9
Mozzarella	+ 0.6	+ 1.4
Swiss	- 1.3	...

In CME Group trading Wednesday, barrels closed at \$1.4375, up \$.0675 from a week ago and blocks closed at \$1.6300, up \$.0900.

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

Process 5# Loaf	:	1.4475-1.7050
Cheddar 40# Block	:	1.6675-2.1125
Cheddar 10# Cuts	:	1.8475-2.0675
Monterey Jack 10#	:	1.8575-2.0175
Grade A Swiss Cuts 6 - 9#	:	2.7100-3.1400

FOREIGN TYPE CHEESE

In the European Union, the cheese market remains very firm. Inventories are at low levels despite higher production. In Germany, milk delivery is persistently declining. As the result, cheese production is not enough to fulfill all the demand. Domestic demand is normal, and international demand is good. In the first five months of 2017, although less dairy products were sold into the retail food service, cheese sales remained more stable compared to other dairy products. Exports to Southern Europe for the summer holidays are higher, partly exceeding supplies. At the beginning of July, cheese prices were elevated. Ongoing contract negotiations are requiring higher prices. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices increased \$0.0250. All other cheese prices are unchanged from last week.

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

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
	:	:
Blue	: 2.6400-5.2300	: 2.0525-3.5400*
Gorgonzola	: 3.6900-5.7400	: 2.5600-3.2775*
Parmesan (Italy)	: -0-	: 3.4425-5.5325*
Romano (Cows Milk)	: -0-	: 3.2425-5.3925*
Sardo Romano (Argentina)	: 2.8500-4.7800	: -0-
Reggianito (Argentina)	: 3.2900-4.7800	: -0-
Jarlsberg-(Brand)	: 2.9500-6.4500	: -0-
Swiss Cuts Switzerland	: -0-	: 3.1700-3.4925
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

* = Price change.

COLD STORAGE

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

	BUTTER	CHEESE
	:	:
07/10/17	36,632	: 107,915
07/01/17	35,826	: 105,944
CHANGE	806	: 1,971
% CHANGE	2	: 2

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
May	78.1	+ 48
TOTAL, JAN - MAY	314.0	+ 22
1 Mexico	98.3	+ 15
2 South Korea	49.4	+ 37
3 Japan	28.5	+ 5
4 Australia	25.0	+ 101
5 Canada	10.9	+ 4

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

	2017 Imports (Million Lb.)	% Change From Last Month
May Imports		
TOTAL Cheese and Curd (H.S. Code 0406)	33.6	...
Cheese, Except Fresh (H.S. Code 040690)	29.3	...
Fresh Cheese (H.S. Code 040610)	2.9	+ 27
Cheese, Processed (H.S. Code 040630)	0.9	- 10
Cheese, Blue-Veined (H.S. Code 040640)	0.6	- 17
	2017 Imports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN - MAY	160.4	- 14
1 Italy	29.0	- 2
2 France	17.5	- 5
3 New Zealand	14.1	- 38
4 Netherlands	12.0	+ 15
5 Germany	11.0	+ 42

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	100	0	120	0	90
SOUTHEAST STATES	0	0	0	0	0	0

Eastern milk production is gradually decreasing as temperatures and humidity are increasing throughout the region. Class I sales are flat to up this week. Bottling schedules are down. In Florida, the weather is hot with scattered thunderstorms overall continuing to have an effect on milk output. Milk shipments out of Florida have been decreasing. This week, spot shipments were 100. A handful of market participants communicated the volume of milk supplies going into balancing is less, and some plants are being filled with milk coming in from other regions. The **condensed skim** market is stable. The interest is good as Class II manufacturers are increasing soft serve mix production. With the hotter weather, soft serve demand is increasing. The **fluid cream** market is stable. Supply availability is mixed. Some manufacturers report of seeing available cream to purchase. On the other hand, a handful of market participants communicate a tight supply of cream. **Cream multiples** range **1.20 to 1.35**. Butter makers are clearing heavy to light amounts of cream into churns. According to the DMN *National Retail Report-Dairy*, for July 7-13, 2017, the U.S. weighted average advertised price for a half gallon of milk was \$2.29, up \$0.03 cents compared to last week, and an increase of \$0.27 from last year. **DAIRY PRODUCTS:** According to NASS, May 2017 hard ice cream production in the Atlantic region totaled 16.5 million gallons, 24.9 percent more than last month and 2.5 percent more than a year ago. National cumulative 2017 production through May totaled 333.6 million gallons, 1.8 percent less than the previous year total through May. U.S. yogurt production (plain and flavored) for May totaled 372.7 million pounds, up 1.1 percent from last month and up 2.3 percent from the previous year.

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-	3.1343-3.5261
F.O.B. producing plants: Upper Midwest-	3.1343-3.3955

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices-	.35-.65
Northeast - Class III - spot prices -	.30-.70

MIDWEST

As warm, humid weather has continued in the Midwest, milk outputs and component levels have decreased. That being said, milk availability into processing plants varies by region, as some intake plants continue to report plentiful milk offers and/or receipts. Class I sales are sluggish. Contacts assess that relative to last year, sales are significantly lighter. Class III intakes are mixed. Some cheese producers have seen a noteworthy decrease in availability, while other cheesemakers report similar milk availability to previous weeks. Class III spot milk prices ranged from flat market to \$3.00 under. Some cheese contacts relay that milk suppliers are more willing to negotiate discounted milk prices via contract, as to avoid a reliance upon spot market variabilities. Cream availability reports are mixed. F.O.B. **cream multiples** ranged from **1.20 to 1.30**. Butter makers

reported cream multiples beginning at 1.18. Contacts estimate that cream will continue to tighten with warming weather. Although, some suggest that ice cream manufacturers bought cream earlier this year than in years past, so competition for cream supplies may be lighter than expected. The DMN *National Retail Report-Dairy* for July 7-13 noted the national weighted average advertised price for one gallon of milk was \$2.39, down \$1.27 from a week ago, but \$0.07 higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.09 and \$2.24, respectively. The NASS *Dairy Products* report noted May U.S. regular (hard) ice cream production totaled 72.6 million gallons, down 0.3 percent from last year. January-May U.S. production totals 333.6 million gallons, 1.8 percent below 2016 during the same period. May production in the Central region totaled 39.5 million gallons, 5.2 percent above a year ago.

WEST

In **California**, milk production at the farm level is lower as the weather conditions remain hotter for cows' well-being. Industry contacts anticipate that the heat stress may continue to negatively impact milk production. Balancing plants are receiving the same volumes of milk as in the previous week. Requests from Class I producers are fixed. According to CDFA, August 2017 Class 1 prices in California are \$18.32 in the North and \$18.59 in the South. The statewide average Class 1 price based on production is \$18.34. This price is down \$0.13 from the previous month, but \$1.96 higher than a year ago. Although farm milk production in **Arizona** continues its downward trend, milk is readily available for processing needs. Manufacturing plants are working at full or near to full capacities. Bottlers' milk intakes are unchanged from last week. The soil moisture is on average 86 percent adequate in Arizona. Sixty-seven percent of alfalfa hay is rated good to excellent, and harvesting is taking place on almost 90 percent of the alfalfa acreage. In **New Mexico**, milk production is steady to higher this week. Although it is anticipated to drop in the coming weeks. Contacts report that due to repair/maintenance issues, many surplus handling plants have lowered their orders. Milk intakes are ahead of local processing capabilities. Holdovers are higher than usual. Handlers are looking for additional sale outlets for excess milk processing. Milk intakes into Class I are down. Requests for Class II and III are a little higher. Ice cream and frozen dessert manufacturers are increasing their daily orders. **Pacific Northwest** milk intakes are steady and manufacturers suggest there is plenty of milk available for processing. Milk handlers shifted a few loads of milk around the region in order to accommodate some repairs and maintenance at several plants. Milk production is following seasonal patterns and is starting to ebb slowly downward. Manufacturers in the mountain states of **Idaho, Utah and Colorado** report milk production is descending from the peak of the flush. The lighter volumes are giving processors a little more breathing room for handling milk intakes. Higher temperatures have not greatly impacted cow comfort as yet, because cooler night temperatures are providing relief from the summer heat. A few loads of milk are still finding their way into the region from surrounding states and are rounding out processing runs. Due to some manufacturers switching from nonfat dry milk to **condensed skim**, condensed skim demand in the West continues to be active. Western **cream** market is fairly firm. Demand for cream is at the seasonal levels for this time of the year. Orders from ice cream manufacturers are active. **Cream multiples** for all usages are steady at **1.15 to 1.28**. According to the DMN *National Retail Report-Dairy* for the week of

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FLUID MILK AND CREAM

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July 7-13, the national weighted average advertised price for one gallon of milk is \$2.39, down \$1.27 from last week, but \$0.07 higher from a year ago. The weighted average regional price in the Southwest is \$2.75, with a price range of \$1.88-\$2.99. The weighted average regional price in the Northwest is \$1.89, with no price range. According to the NASS *Dairy Products* report, hard ice cream production in the West region for May 2017 is 16.5 million gallons, 2.1 percent higher than a month ago, but 13.5 percent below the previous year.

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Low/medium heat nonfat dry milk (NDM) prices in the Central U.S. inched up on the bottom of the range, while the mostly price series remained steady. Spot trading activity, outside the CME, was relatively quiet. However, some contacts suggest contract sales have begun to pick up. Low/medium heat NDM production continues to be the primary focus of dryer time. Inventories remain available. The low/medium heat NDM market undertone remains solid. High heat NDM prices also edged up on the bottom of the price range. Spot sale trading of high heat NDM was steady this week. Production and inventories of high heat NDM are contractually based, although some producers expect high heat production to begin picking up in the next few weeks. The NASS *Dairy Products* report noted U.S. human NDM production during May 2017 in the Central region totaled 32.9 million pounds, 11.5 percent lower than one year ago. Total U.S. human NDM production during May 2017 was 168.0 million pounds, 1.2 percent higher than last year. During January–May 2017, U.S. human NDM production totaled 794.4 million pounds, 0.6 percent more than the same time span in 2016. Total U.S. NDM, human, month ending stocks for May were 282.3 million pounds, 21.6 percent above a year ago.

EAST: Prices for low/medium heat nonfat dry milk (NDM) in the East region shifted slightly higher on the bottom of the range price series this week. Although the bottom of the pricing series has inched up, spot sale trading is not showing signs of improvement for loads at prices outside of the range price series. Production is strong as most dryers' schedules are focused on low/medium heat NDM. With constant output, inventories are building. The demand is weakening as a number of market participants report moderate to minimal sales activity. The market undertone has been soft, but showing some signs of stability. High heat NDM prices inched up on the bottom of the range price series this week. Production has limited drying time, but some manufacturers are drying high heat for contractual needs. Inventories are light and the market tone is fairly firm. **DAIRY PRODUCTS:** According to NASS, U.S. production of human food nonfat dry milk in the Atlantic region totaled 37.4 million pounds, 3.7 percent more than a year ago and 2.5 percent above the previous month. The May 2017 U.S. production of skim milk powder totaled 51.0 million pounds, 0.3 percent more than a year ago and 1.6 percent more than last month. Cumulative 2017 U.S. year to date skim milk powder production through May totals 249.2 million pounds, a 10.2 percent increase from May 2016. Wednesday's CME Group cash trading for Grade A nonfat dry milk closed at \$0.8700, up \$0.0200 from last Wednesday.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8500 - .9400 MOSTLY: .8800 - .9200
HIGH HEAT: 1.0000 - 1.0900

NONFAT DRY MILK - WEST

In the western region, f.o.b. spot prices for low/medium heat nonfat dry milk (NDM) are mostly mixed on a narrower range. NDM values are more in line with the current large supply available in the market, according to some buyers/end users. Meanwhile, some processors are anticipating higher NDM futures values as production is expected to decrease during the rest of the summer season. At this point, the market undertone is unsettled. Spot sales transactions have been active throughout the week. NDM production is active, but at a lower output rate, compared to a few weeks ago, mainly due to lower farm milk intakes in the Southwest region. Low/medium heat inventories are sufficient to meet both contractual and spot needs. High heat NDM prices are unchanged on light trading. Production is limited, mostly driven by contractual requirements. Inventories are mixed throughout

the region. The NASS *Dairy Products* report noted U.S. human NDM production during May 2017 in the West region totaled 97.6 million pounds, 5.2 percent higher than one year ago, but 4.6 percent lower from the previous month. Total U.S. human NDM production during May 2017 was 168.0 million pounds, up 1.2 percent from last year. Cumulative human NDM production from January to May was 794.4 million pounds, 0.6 percent above the previous year. Total U.S. NDM, human, month ending stocks for May were 282.3 million pounds, 21.6 percent above a year ago. According to FAS, during May, U.S. NDM exports totaled 129.4 million pounds, 32 percent higher than a year ago. From January–May, U.S. NDM exports totaled 578.4 million pounds, 22 percent above last year during the same time span.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8150 - .9500 MOSTLY: .8700 - .9200
HIGH HEAT: .9800 - 1.0600

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
July 7	\$.8872	4,736,966
June 30	\$.9043	4,912,956

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

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	129.4	+ 32
TOTAL, JAN - MAY	578.4	+ 22
1 Mexico	266.9	+ 25
2 Philippines	66.1	- 15
3 China	39.9	+ 148
4 Indonesia	29.5	- 11
5 Malaysia	27.8	+ 40

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Prices for Central dry buttermilk inched up on the bottom of the range. Spot sale trading did not pick up much following the holiday week. Dry buttermilk production is down. Inventories are following suit, as producers are tailoring production for current and/or returning customers. Dry buttermilk demand is fair. The market undertone is steady. The NASS *Dairy Products* report noted U.S. dry buttermilk production during May 2017 totaled 9.4 million pounds, 6.7 percent higher than a year ago. Total U.S. dry buttermilk month-ending stocks for May were 20.7 million pounds, 14.3 percent below last year.

EAST: Dry buttermilk prices in the East shifted up on the bottom of the range price series. Production is steady to limited as many manufacturers are not drying buttermilk. Inventories on hand are moderate to light. With limited supply, spot sale trading has been light to quiet. The demand for dry buttermilk is moderate. A number of market participants are willing to purchase spot loads at higher prices than a few weeks ago to build holdings. The market tone is generally balanced.

F.O.B. CENTRAL/EAST: .8450 - .9200

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

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DRY BUTTERMILK - WEST

Western f.o.b. prices for dry buttermilk are steady on moderate trading. The market is in balance as supply is proportional with the current buyers' demands. Drying schedules for condensed buttermilk are limited as most dryers are full clearing skim milk volumes. Nevertheless, dry buttermilk supplies are enough to meet buyers/end users contractual and spot requests. The NASS *Dairy Products* report noted U.S. dry buttermilk production during May 2017 totaled 9.4 million pounds, 6.7 percent higher than a year ago, and 7.2 percent above the previous month. Total U.S. dry buttermilk month ending stocks for May were 20.7 million pounds, 14.3 percent below last year.

F.O.B. WEST: .8200 - .9400

MOSTLY: .9000 - .9200

DRY WHOLE MILK - NATIONAL

Nationwide, f.o.b. spot prices for dry whole milk are steady to higher on a firmer market. The high demand for cream is helping to boost dry whole milk values. Moderate spot export transactions are represented at the lower end of the range, while light spot sales in the domestic market are reflected at the top. Production is sporadic as most dryers are busy converting condensed skim volumes into NDM/SMP. Inventories for national whole milk powder are sufficient to cover contractual needs, but are less available in the spot market. The NASS *Dairy Products* report noted U.S. dry whole milk production during May 2017 totaled 7.4 million pounds, 13.2 percent lower from one year ago, but 4.5 percent higher than the previous month. Total U.S. dry whole milk month ending stocks for May were 22.1 million pounds, 43.9 percent above last year.

F.O.B. PRODUCING PLANT:

1.3000 - 1.6000

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 whey prices decreased on both the range and the mostly price series. Dry whey spot activity was steady. Domestic demand is picking up slightly, as the continued price decreases have some end users returning to the market. However, some whey suppliers report that the demand uptick is doing little to combat the large quantities in storage. Whey production is steady, even as milk intakes into Class III plants have ebbed a bit from spring flush season. Whey inventories are mixed. Some suppliers have built up large quantities, while other contacts suggest inventories are manageable. Prices for animal feed whey remained steady, during a quiet week for feed buyers and sellers. Demand for feed grade whey is unchanged, and inventories of feed whey remain available. The NASS *Dairy Products* report noted U.S. total dry whey production for May 2017 was 82.8 million pounds, up 0.5 percent from a year ago. January-May 2017 U.S. total dry whey production totaled 414.4 million pounds, 2.2 percent above the same time span in 2016. The Central region produced 42.0 million pounds of U.S. human dry whey production in May. This production is 4.0 percent higher than a year ago.

F.O.B. CENTRAL: .3400 - .5200 MOSTLY: .3900 - .4700
 F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3000 - .4725

DRY WHEY - NORTHEAST

Dry whey prices for Eastern markets inched back on the top of the range. Demand for dry whey has picked up a bit, domestically, as current prices have begun to draw more attention from buyers/end users. Dry whey production continues steadily, as Northeast cheesemakers continue to receive fair, albeit lessening, milk intakes. Dry whey inventory levels vary by plant, but there is a consensus that product is accessible. The market tone remains somewhat weak. The NASS *Dairy Products* report noted U.S. total dry whey production for May 2017 was 82.8 million pounds, up 0.5 percent from a year ago. January-May 2017 U.S. total dry whey production totaled 414.4 million pounds, 2.2 percent above the same time span in 2016. The Atlantic region produced 22.8 million pounds of U.S. human dry whey production in May. This production is 3.7 percent higher than a year ago. The Foreign Agricultural Service (FAS), reports that May 2017 U.S. dry whey exports totaled 38.8 million pounds, a 7 percent increase from a year ago.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3700 - .5050

DRY WHEY - WEST

Prices for dry whey in the West are lower at the top of the range and mostly series. Overall, the market undertone remains weak. Production is active due to higher volumes of cheese being processed. Inventories of dry whey are long. Domestic demand is steady although it will take some time to catch up with supplies. Buyers are taking contracted loads as planned. Demand is slower to develop in Mexico. However, sweet whey powder is receiving some interest from food manufacturers. NASS reports that May 2017 U.S. human dry whey production, 81.6 million pounds, is up 0.9 percent from a year ago, but down 1.5 percent from April 2017. The Western region produced 16.8 million pounds of human dry whey during May, down 9.4 percent from last year, and down 11.9 percent from last month. Month ending stocks for U.S. human dry whey, at 85.4 million pounds, are 1.4 percent lower than one year ago, but up 2.0 percent from April 2017.

NONHYGROSCOPIC: .3800 - .4925 MOSTLY: .4000 - .4500

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices contracted on both the range and mostly price series. Although manufacturers making WPC34% that meet the tight requirements for some markets have been able to maintain prices for the most part, pressures within the whey protein complex have chipped away at premiums. In addition, WPC34% buyers at the lower end of the market are still able to find deals for NDM and WPC80% that can be interchanged with WPC34% in some recipes. Demand for WPC34% is mixed. Demand is weak for interchangeable WPC34%, but somewhat captive for those end users that cannot reformulate. The market tone for WPC34% remains relatively uncertain. WPC34% production is steady and stocks vary by manufacturer and type of WPC34% made. According to the NASS *Dairy Products* report U.S. production of WPC (25.0-49.9% protein) during May 2017 totaled 14.7 million pounds, 1.0 percent lower than one year ago, and 11.0 percent lower than April. Year to date total WPC (25.0-49.9% protein) production through May is 75.7 million pounds, 0.9 percent less than January through May one year ago. Manufacturers' end-of-month stocks for WPC (25.0-49.9% protein) totaled 24.8 million pounds, 1.0 percent lower than one year ago, but 0.1 percent more than April 2017.

F.O.B. EXTRA GRADE 34% PROTEIN: .7500 - 1.1850 MOSTLY: .8300 - .9550

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	38.8	+ 7
TOTAL, JAN - MAY	181.3	+ 23
1 China	83.6	+ 128
2 Canada	21.3	+ 8
3 Mexico	13.8	- 7
4 Philippines	12.1	+ 16
5 Japan	9.4	- 12

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	21.8	- 24
TOTAL, JAN - MAY	125.6	+ 10
1 China	61.8	+ 28
2 Mexico	17.6	+ 16
3 Canada	13.1	+ 7
4 Philippines	6.5	+ 130
5 Indonesia	3.8	- 31

-CONTINUED ON PAGE 6A-

WHEY, WPC 34%, LACTOSE & CASEIN

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

-CONTINUED FROM PAGE 6-**LACTOSE - CENTRAL AND WEST**

Lactose prices are steady to lower based on spot sales and initial Q3 contracted prices. Industry contacts say lactose demand in Southeast Asia has evaporated as lower hog prices have curtailed purchases of dairy proteins and lactose used in making pig feeds. Lactose demand from Oceania is picking up as the milk production season nears. Manufacturers say domestic lactose demand is mixed. Some regular contracted buyers are taking a few extra loads, but others are taking a wait and see approach to their purchases. Processors are hoping the standardization market and domestic market can help stabilize lactose prices. Lactose production is steady and inventories are comfortable, but growing slightly. NASS's *Dairy Products* report shows U.S. lactose production during May 2017 totaled 94.8 million pounds, a 1.8 percent increase from one year ago, but 1.2 percent less than last month. Year to date lactose production through May is 465.5 million pounds, 3.4 percent more than a year ago. Month ending stocks, at 126.9 million pounds, are 1.1 percent lower than one year ago, but 11.4 percent more than April 2017.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2800 - .4900 MOSTLY: .3400 - .4200

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

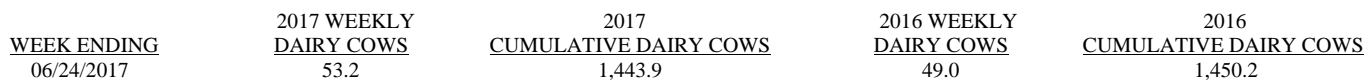
	2017 Exports (Million Lb.)	% Change From 1 Year Ago
May Total	44.3	- 11
TOTAL, JAN - MAY	234.5	+ 4
1 China	38.7	- 7
2 Mexico	36.6	+ 24
3 New Zealand	31.8	- 22
4 Japan	19.2	+ 2
5 Indonesia	15.8	- 16

CASEIN - NATIONAL

Rennet casein prices are steady to weaker. Acid casein prices are steady. Some casein manufacturers exhibiting at a recent international food exposition were working harder to overcome recent casein sales, characterized as tepid. Expectations of higher milk production in New Zealand in the new season are viewed as potentially increasing casein production. There is some uncertainty as to casein markets at this time.

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 - 2.8000
ACID:	3.4000 - 3.6500



ORGANIC DAIRY MARKET NEWS

Information gathered July 3 - 14, 2017

ORGANIC DAIRY FLUID OVERVIEW

U.S. Milk Product Sales. AMS reports total organic milk products sales for May 2017 were 226 million pounds, up 4.1 percent from the previous May and up 1.3 percent, January-May compared with the same period of 2016.

Total organic whole milk products sales for May 2017, 88 million pounds, were up 9.0 percent compared with May last year and up 8.4 percent, January-May compared with the same period of 2016.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, MAY 2017, WITH COMPARISONS^{1/}

Product Name	Sales		Change ^{2/}	
	MAY Mil. Lbs.	Y-T-D	Prev Yr. Percent	Y-T-D
ORGANIC PRODUCTION PRACTICE				
Whole Milk	88	417	9.0	8.4
Reduced Fat Milk (2%)	70	336	6.1	1.2
Low Fat Milk (1%)	34	167	-7.4	-9.1
Fat-Free Milk (Skim)	24	118	-11.4	-13.7
Flavored Fat-Reduced Milk	10	50	52.1	37.2
Other Fluid Milk Products	0	1	-2.2	-4.2
Total Fat-Reduced Milk 3/	138	671	1.2	-2.6
Tot. Organic Milk Products	226	1,089	4.1	1.3

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

Current U.S. Organic Dairy Situation. Longtime organic dairy processors note that recent national press articles about the integrity of some organic milk supplies may impact the current heavy supplies of organic milk. Various national retailers have been re-evaluating the organic integrity of their organic milk suppliers, and who new potential suppliers might be. The potential for some realignment of organic fluid milk sourcing remains a pending wild card in near term organic milk markets and pricing. Other sources note that lower organic milk pay prices during 2017, arose from challenges in processing the volumes produced. Some industry observers do not expect a near term return to previous price levels. A problem cited is the difficulty organic dairy processors have in finding data as to utilization of organic milk by class, as well as regional organic milk production and demand. This has slowed efforts to add processing capacity.

Organic Milk Production and Pay Prices in the EU. During 2017, organic milk production in Germany has been increasing. The Federal Institute for Agriculture and Nutrition (BLE) reports that January-April 2017 organic milk production in Germany is 11.7 percent higher than the same period of 2016. Bavaria, which generates about one half of German organic milk, is up 13.7 percent January-April.

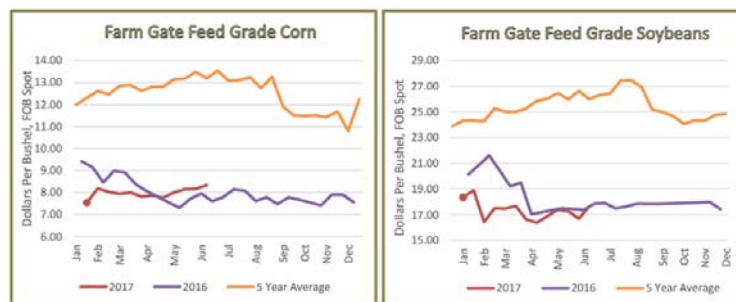
Average organic milk farm prices in Germany for April 2017, 48.42 Euros/100kg, are 0.75 percent higher than a year earlier, but down 1.04 percent from March, according to CLAL. The exchange rate for 1 Euro on July 12 was U.S. \$1.1452. Early estimates are that May organic milk prices overall in Germany are almost stable, but

regionally stronger in Bavaria than much of the rest of Germany.

In France, the April price, 39.70 Euros, is up 3.0 percent from a year earlier but down 13.77% from March.

Organic Standards and Equivalency Agreements. The European Council has reached agreement to require that organic products from third countries imported to the EU will be required to be produced in accordance with EU standards. Once approved by the European Parliament, existing equivalency agreements will be phased out over five years. This is among measures intended to increase consumer confidence in organic food.

ORGANIC GRAIN AND FEEDSTUFF MARKETS: Grower bids on organic feed corn are \$8.00 f.o.b. and for organic feed soybeans, \$17.75 f.o.b. Due to light trading of organic feed corn, no price reports are available. Organic feed soybean trading is too light to compare with the previous period. Spot market trading activity for organic food and feed wheat is also too limited to trend. Organic soybean meal traded sharply higher, with moderate trading activity and good demand. Organic soybean oil trading activity is too limited to trend. Forward contract activity for organic grains is limited. Trading activity involving all other organic grains and hay is too limited to trend.



Graphs by Livestock, Poultry and Grain Market News

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

ORGANIC DAIRY RETAIL OVERVIEW

Organic Dairy Overview. Organic cheese ads as a percentage of surveyed organic dairy retail ads fell from the highest percentage two weeks ago to the lowest this period, 2 percent. Organic milk ads are in first place this week, with 49 percent. The following pie chart displays percentages of all organic commodities noted in the survey.

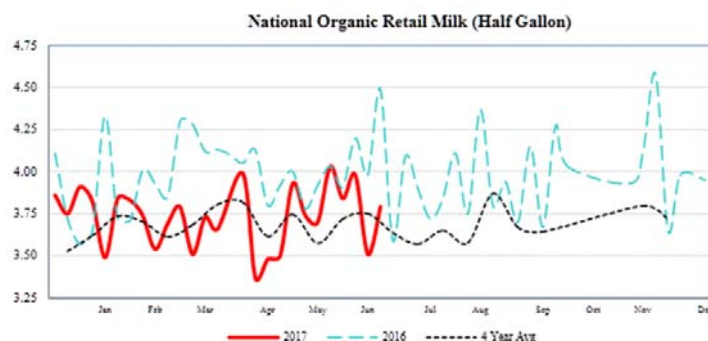
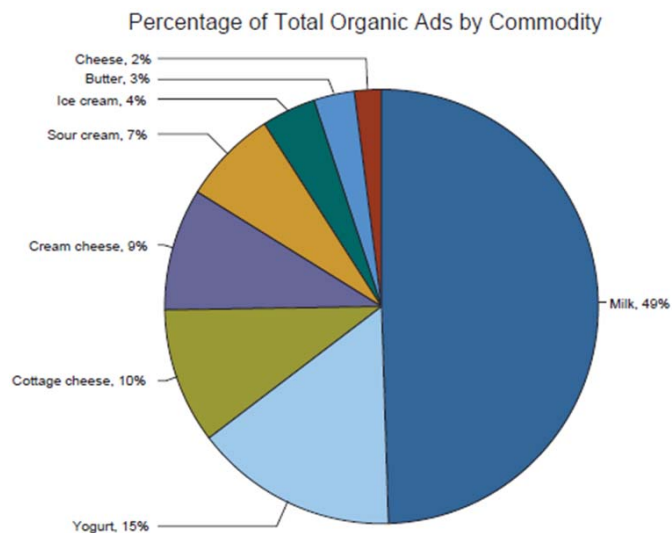
Organic advertisement numbers increased 27 percent this period, triple the percentage increase for conventional dairy ads. An almost astonishing 37 fold increase for organic 16 oz. sour cream and over 15 fold increase for organic 8 oz. sour cream helped drive organic ad numbers.

-CONTINUED ON PAGE 8A-

ORGANIC DAIRY MARKET NEWS

Information gathered July 3 - 14, 2017

-CONTINUED FROM PAGE 8 -



Complete results of the Weekly National Organic Summary can be accessed at: <https://www.ams.usda.gov/mnreports/lswnos.pdf>

Data source/graph USDA Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from July 14-20, 2017, identifying weekly specials and containing organic dairy content. Retail survey ads reflect “advertised specials” and not the range of non-advertised supermarket cooler prices.

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

NATIONAL RETAIL ORGANIC DAIRY (Wtd.Avg.Price - Dollars)

Commodity	This Week	Last Week	Last Year
Butter	5.44	4.99	4.82
Milk			
Half Gal.	4.11	3.79	4.09
Gal.	5.52	5.13	5.65
8 oz.	0.86
Yogurt			
4-6 oz. Greek	1.08	1.21	1.06
32 oz. Greek	...	6.49	...
4-6 oz. Yogurt	0.75	...	1.30
32 oz. Yogurt	4.29	5.64	2.99

Complete results of the National Retail Report-Dairy can be accessed at: <https://www.ams.usda.gov/mnreports/dybretail.pdf>

Mailbox Milk Prices for Selected Reporting Areas in Federal Milk Orders and California, April 2017, With Comparisons

In April 2017, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.16 per cwt, down \$1.15 per cwt from the March 2017 average but up \$1.27 per cwt from the April 2016 average. The component tests of producer milk in April 2017 were: butterfat, 3.80%; protein, 3.13%; and other solids, 5.76%. When compared to the previous month, the April Mailbox prices decreased in all 19 of the Federal milk order reporting areas. The Southern Missouri reporting area decreased \$2.33 per cwt, while the Iowa reporting area decreased only \$0.46 per cwt from the previous month. Averaged over all Federal milk order reporting areas, the April 2017 Mailbox price decreased an average of \$1.29 per cwt. Mailbox prices in April 2017 ranged from \$17.66 in the New England States to \$13.69 in the New Mexico reporting area.

Reporting Area ¹	Mailbox Milk Price ²		
	April 2016	March 2017	April 2017
	<i>(dollars per hundredweight)</i>		
New England States ³	16.30	18.84	17.66
New York	15.06	17.74	16.44
Eastern Pennsylvania ⁴	15.09	17.58	16.30
Appalachian States ⁵	15.11	18.35	16.72
Southeast States ⁶	14.68	17.27	15.67
Southern Missouri ⁷	14.18	17.39	15.06
Florida	15.69	18.87	17.45
Western Pennsylvania ⁸	15.06	18.24	16.55
Ohio	15.23	18.35	16.58
Indiana	15.12	17.74	16.22
Michigan	13.39	16.42	14.29
Wisconsin	15.52	17.89	17.00
Minnesota	15.46	17.27	16.63
Iowa	15.11	17.25	16.79
Illinois	15.35	18.01	16.85
Corn Belt States ⁹	14.21	16.11	15.10
Western Texas ¹⁰	14.16	15.92	15.28
New Mexico	13.29	14.59	13.69
Northwest States ¹¹	14.56	17.29	16.41
All Federal Order Areas ¹²	14.89	17.31	16.16
California ¹³	13.27	15.21	14.96

¹ Areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders.

² Net pay prices received by dairy farmers for milk. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are weighted averages of the prices reported for all orders receiving milk from the reporting area and are reported at the average butterfat tests. Prices include, for the most part, the assessment under the Cooperatives Working Together (CWT) program.

³ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

⁴ Includes all counties to the east of those listed in ⁸.

⁵ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

⁶ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi.

⁷ Includes the counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these.

⁸ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these.

⁹ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in ⁷.

¹⁰ Includes all counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby.

¹¹ Includes Oregon and Washington.

¹² Weighted average of prices for all reporting areas.

¹³ Calculated by California Department of Food and Agriculture, and published at:

<https://www.cdffa.ca.gov/dairy/uploader/postings/mailboxmap/Default.aspx>

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

July Supply and Demand Estimates

The 2017 and 2018 milk production forecasts are lowered from last month. Growth in milk per cow has been slower than expected, and the forecast growth rate is reduced. Fat basis import forecasts for 2017 and 2018 are unchanged from the previous month. Fat-basis export forecasts for 2017 and 2018 are raised on continued robust exports of cheese. On a skim-solids basis, imports for 2017 were reduced from the previous month on lower expected purchases of milk protein concentrates (MPC), but the 2018 import forecast remains unchanged. The 2018 skim solids import forecast remains unchanged. Skim-solid exports for 2017 and 2018 are raised as nonfat dry milk (NDM) and cheese shipments are expected to remain strong. For 2017, cheese and whey price forecasts are reduced from the previous month, while butter prices are forecast higher. The NDM price forecast is unchanged but the range is narrowed. Cheese prices for 2018 are reduced while butter prices are raised on continued strong demand. NDM and whey price forecasts for 2018 are unchanged from last month. The 2017 and 2018 Class III price forecasts are lowered from last month in line with lower component product prices. The Class IV price forecasts are increased for 2017 and 2018 reflecting higher butter prices. The 2017 all milk price is forecast at \$17.65 to \$17.95 and the price for 2018 is \$18.00 to \$19.00 per cwt.

U.S. Milk Supply and Use					
Commodity	2016	2017 Projected		2018 Projected	
		Jun	Jul	Jun	Jul
Milk	(billion pounds)				
Production	212.4	216.7	216.3	221.7	221.2
Farm Use	1.0	1.0	1.0	1.0	1.0
Fat Basis Supply					
Beginning Commercial Stocks	12.3	12.7	12.7	12.9	12.3
Marketings	211.4	215.7	215.3	220.7	220.2
Imports	7.0	6.0	6.0	5.9	5.9
Total Commercial Supply	230.8	234.4	234.0	239.5	238.3
Fat Basis Use					
Commercial Exports	8.4	8.4	9.1	8.6	9.1
Ending Commercial Stocks	12.7	12.9	12.3	12.0	11.8
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	209.7	213.1	212.5	218.9	217.5
Skim-Solid Basis Supply					
Beginning Commercial Stocks	9.2	9.5	9.5	9.9	10.0
Marketings	211.4	215.7	215.3	220.7	220.2
Imports	6.5	6.5	6.3	6.4	6.4
Total Commercial Supply	227.1	231.7	231.1	236.9	236.5
Skim-Solids Basis Use					
Commercial Exports	39.0	40.8	41.2	41.3	41.9
Ending Commercial Stocks	9.5	9.9	10.0	9.3	9.1
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	178.5	181.0	179.9	186.3	185.5

NOTE: Totals may not add due to rounding.

Continued on page 11

July Milk Supply and Demand Estimates-cont'd

U.S. Dairy Prices						
Commodity	2016	2017 Projected		2018 Projected		
		Jun	Jul	Jun	Jul	
Product Prices ¹	(dollars per pound)					
	Cheese	1.6050	1.620-1.660	1.575-1.605	1.665-1.765	1.630-1.730
	Butter	2.0777	2.280-2.350	2.365-2.425	2.210-2.340	2.310-2.440
	Nonfat Dry Milk	0.8292	0.895-0.935	0.900-0.930	0.935-1.005	0.935-1.005
	Dry Whey	0.2875	0.490-0.510	0.475-0.495	0.485-0.510	0.480-0.510
	(dollars per cwt)					
	Milk Prices ²					
	Class III	14.87	16.35-16.75	15.85-16.15	16.75-17.75	16.45-17.45
	Class IV	13.77	15.25-15.75	15.65-16.05	15.25-16.35	15.70-16.80
	All Milk ³	16.24	17.80-18.20	17.65-17.95	18.10-19.10	18.00-19.00
Milk Production	Quarterly					
	2017 II	2017 III ⁴	2017 IV ⁴	2018 I ⁴	2018 II ⁴	
	(billion pounds)					
	55.4	53.7	53.6	54.6	56.6	
	(dollars per cwt)					
All Milk Price ^{2,3}	16.85-16.95	17.35-17.75	18.25-18.95	18.05-19.05	17.55-18.55	
Class III Price ²	15.70-15.80	15.50-15.90	15.80-16.50	16.20-17.20	16.20-17.20	
Class IV Price ²	14.70-14.90	16.35-16.85	16.15-16.95	15.45-16.55	15.40-16.50	

¹ Simple average of monthly prices calculated from AMS weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/rules-regulations/mmr/dmr>; scroll down to Publications, National Dairy Products Sales Reports, and select Current Release & Archives.” ² Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test. ³ Does not reflect any deductions from producers as authorized by legislation. ⁴ Projection.

Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates*, WASDE-567, July 12, 2017. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Carolyn Liebrand, AMS; Paul Kiendl, FAS; Jerry Cessna, ERS; and Milton Madison, FSA].

May Milk Sales

During May, 4.1 billion pounds of packaged fluid milk products are estimated to have been sold in the United States. This was 0.4 percent higher than May 2016. Estimated sales of total conventional fluid milk products increased 0.1 percent from May 2016 and estimated sales of total organic fluid milk products increased 4.1 percent from a year earlier.

Estimated Total U.S. Sales of Fluid Milk Products, May 2017, with Comparisons ¹				
Product Name	Sales		Change from: ²	
	May	Year to Date	Previous Year	Year to Date
	<i>(million pounds)</i>		<i>(percent)</i>	
Conventional Production Practice				
Whole Milk	1,225	6,021	4.3	2.1
Flavored Whole Milk	58	271	18.3	10.9
Reduced Fat Milk (2%)	1,253	6,269	-0.1	-3.2
Low Fat Milk (1%)	546	2,726	-5.1	-7.5
Fat-Free Milk (Skim)	353	1,779	-10.1	-12.9
Flavored Fat-Reduced Milk	353	1,794	4.2	1.2
Buttermilk	43	209	5.0	-0.1
Other Fluid Milk Products	4	25	-5.2	15.6
Total Fat-Reduced Milk ³	2,504	12,567	-2.2	-5.1
Total Conventional Milk Products	3,836	19,093	0.1	-2.6
Organic Production Practice				
Whole Milk	88	417	9.0	8.4
Reduced Fat Milk (2%)	70	336	6.1	1.2
Low Fat Milk (1%)	34	167	-7.4	-9.1
Fat-Free Milk (Skim)	24	118	-11.4	-13.7
Flavored Fat-Reduced Milk	10	50	52.1	37.2
Other Fluid Milk Products	0	1	-2.2	-4.2
Total Fat-Reduced Milk ³	138	671	1.2	-2.6
Total Organic Milk Products	226	1,089	4.1	1.3
Total Fluid Milk Products	4,062	20,182	0.4	-2.4

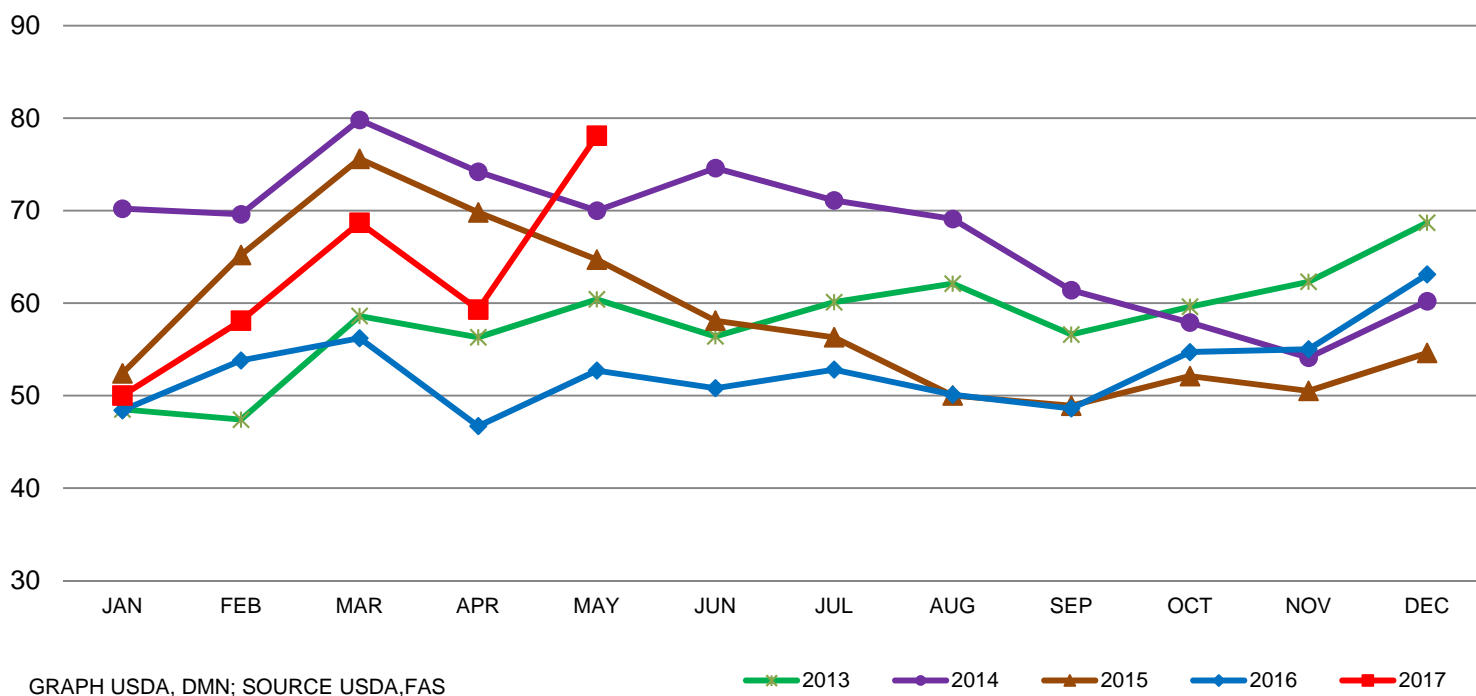
¹ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. ² Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. ³ Both conventional and organic fat-reduced milk categories are the total of reduced fat, lowfat, skim and flavored fat-reduced milk. Report contact: Daniel Manzoni, Daniel.manzoni@ams.usda.gov or 202-720-2352.

Packaged Sales of Total Fluid Milk Products in Federal Milk Orders and California, May 2017, with Comparisons ¹					
Marketing Area	Order Number	Sales		Change from: ²	
		May	Year to Date	Previous Year	Year to Date
		<i>(million pounds)</i>		<i>(percent)</i>	
Northeast	001	695	3,399	-0.8	-3.0
Appalachian	005	265	1,325	0.7	-2.6
Florida	006	228	1,170	4.0	-0.6
Southeast	007	367	1,858	1.5	-1.5
Upper Midwest	030	309	1,515	0.9	-5.4
Central	032	343	1,737	1.9	-0.4
Mideast	033	447	2,228	-1.6	-2.7
Pacific Northwest	124	165	817	-2.1	-1.8
Southwest	126	377	1,872	2.5	-0.7
Arizona	131	85	429	-1.5	-5.1
California	---	456	2,218	-0.7	-3.3
All Orders (Total)		3,281	16,349	0.5	-2.3
All Areas (Total)		3,737	18,567	0.4	-2.4

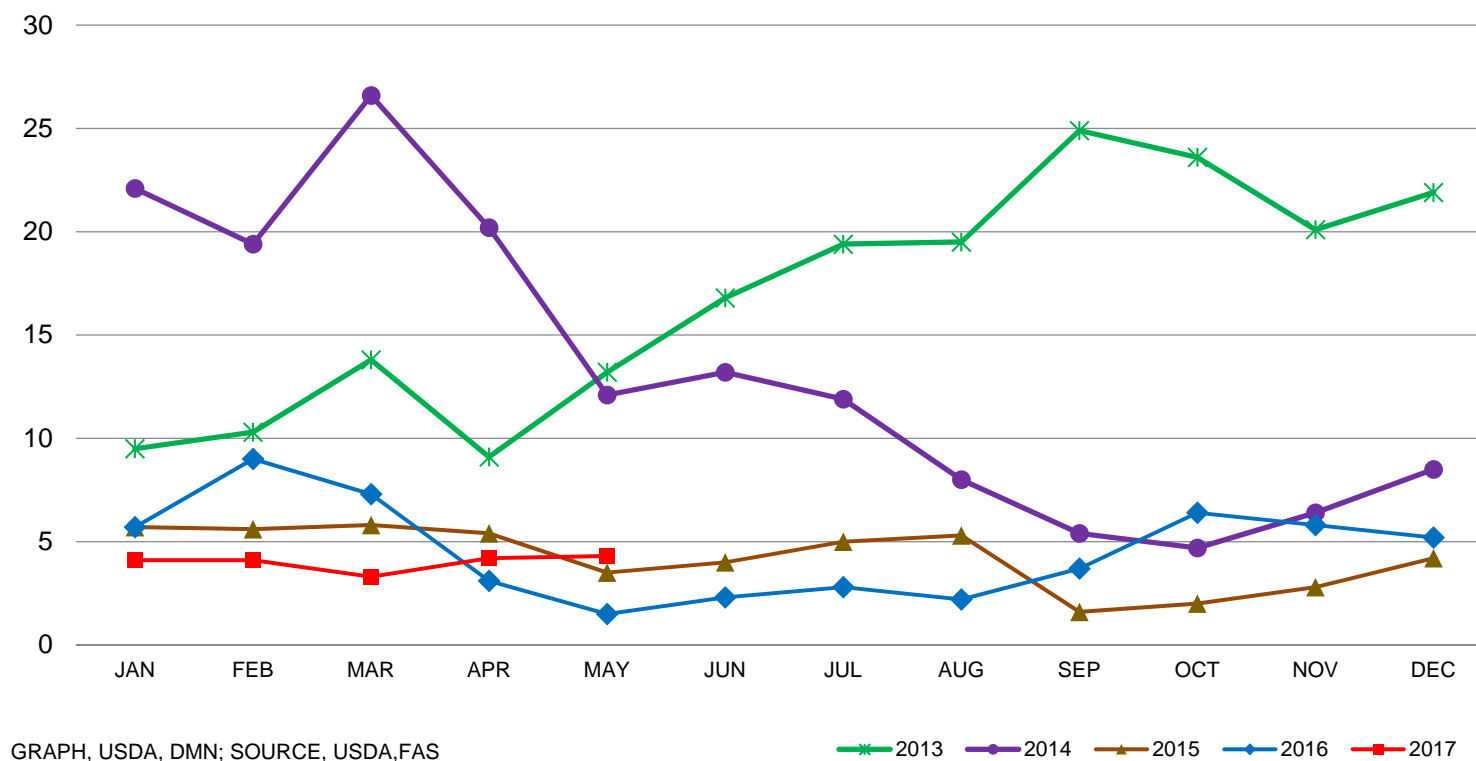
¹ These figures are representative of the consumption of total fluid milk products in the respective area; see footnote ³ above for the products included. ² Percent changes, as well as sales volumes, are shown on an unadjusted basis.

Source: U.S. Department of Agriculture. California Department of Food and Agriculture.

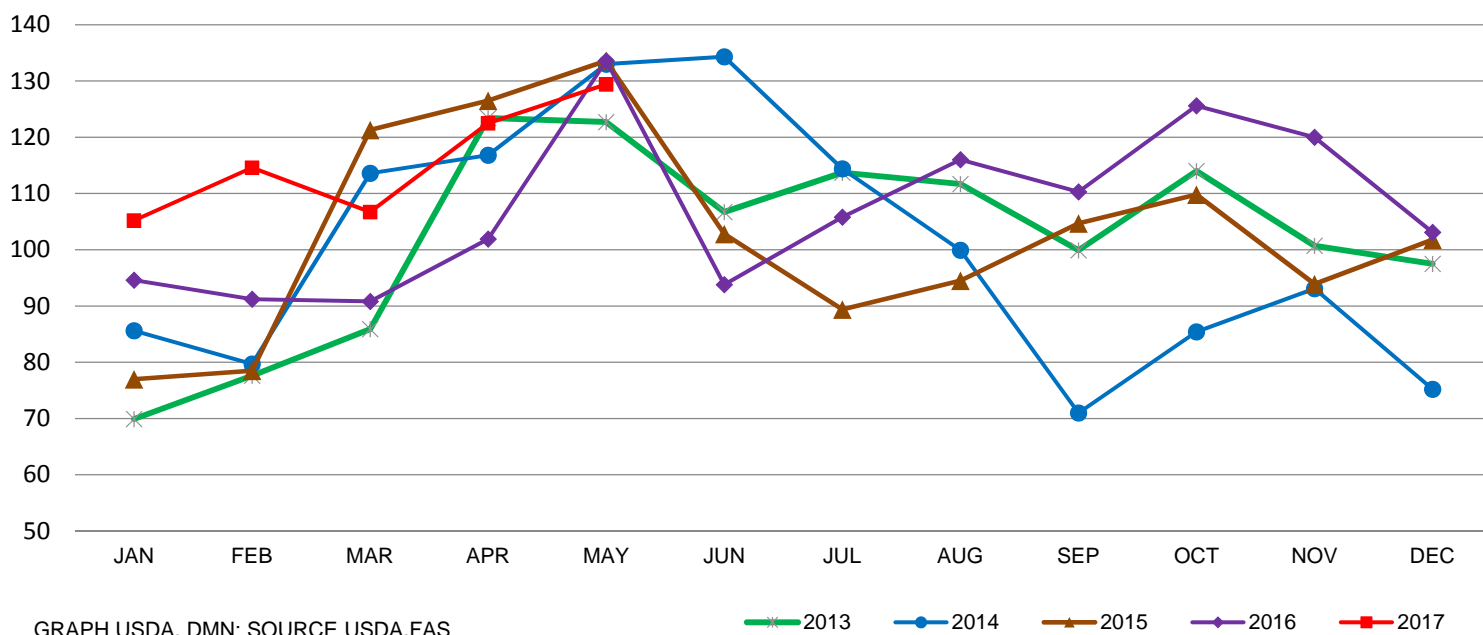
Million Pounds

Cheese Exports (various H.S. Codes)

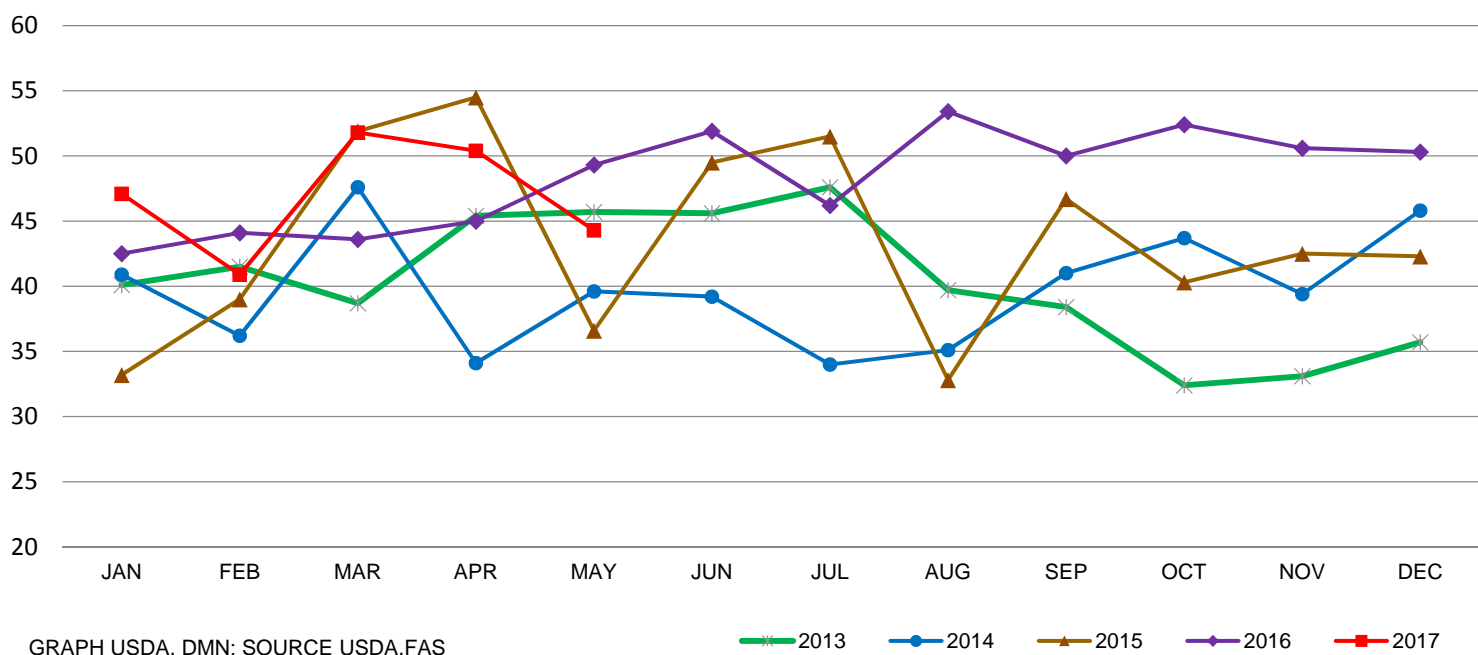
Million Pounds

U.S. Butter and Milkfat Exports (various H.S. Codes)

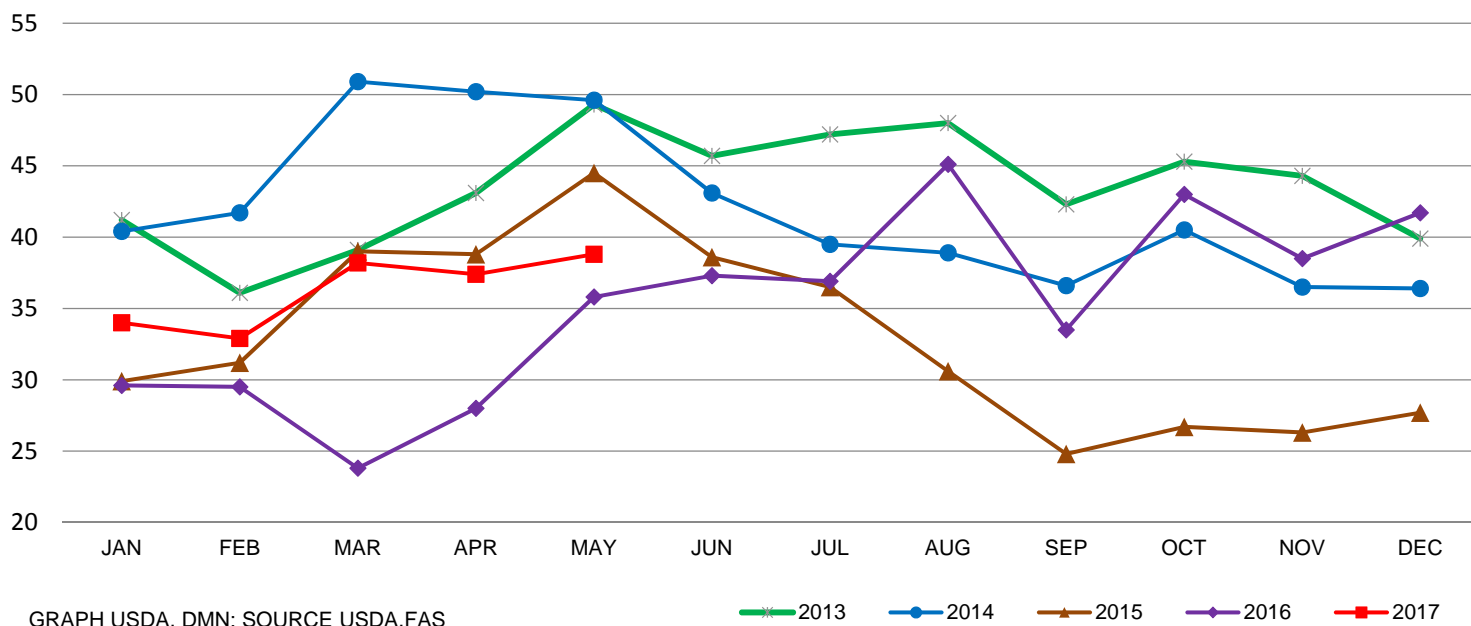
Million Pounds

Monthly Nonfat Dry Milk Exports: H.S. Code 0402100000(FAS)

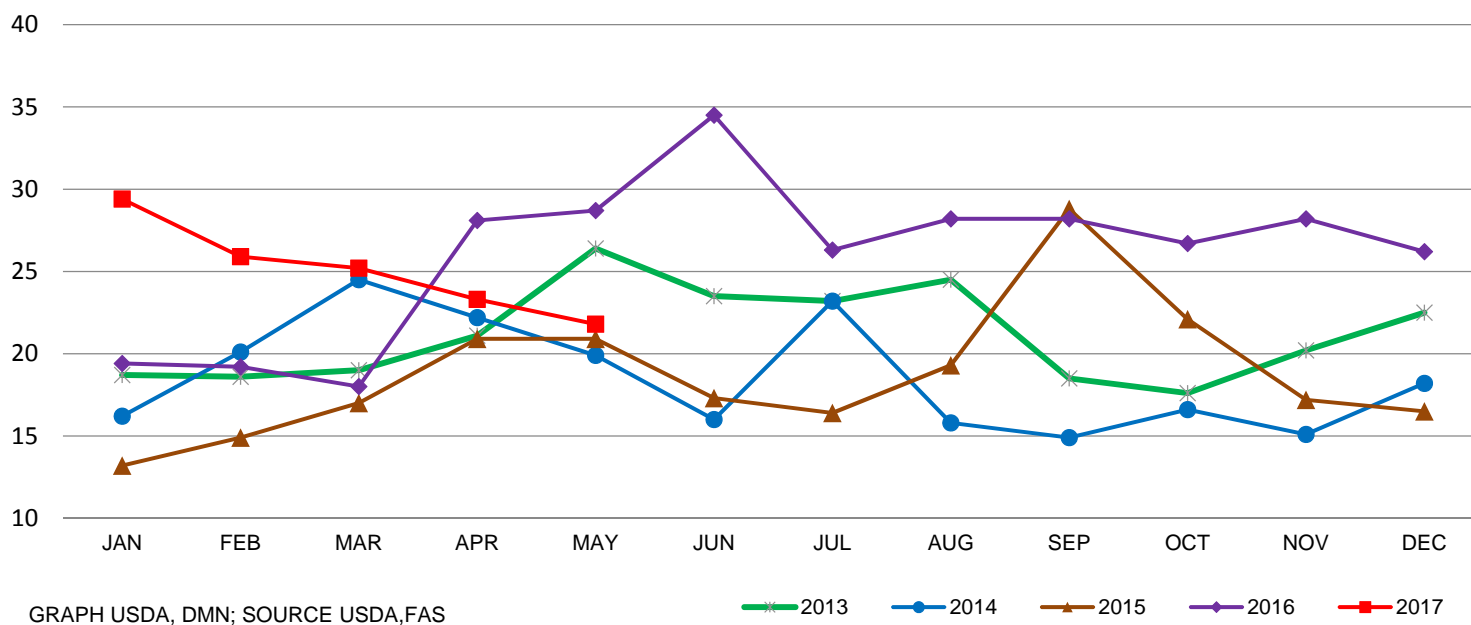
Million Pounds

Monthly Lactose Exports: H.S. Code 1702110000(FAS)

Million Pounds

Monthly Dry Whey Exports: H.S. Code 0404104000(FAS)

Million Pounds

Monthly WPC <80% Exports: H.S. Code 0404100500(FAS)



Dairy Market News Branch

Agricultural
Marketing
Service

National Retail Report-Dairy

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

Volume 84- Number 28

Issued Weekly

Friday, July 14, 2017

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 07/14/2017 to 07/20/2017

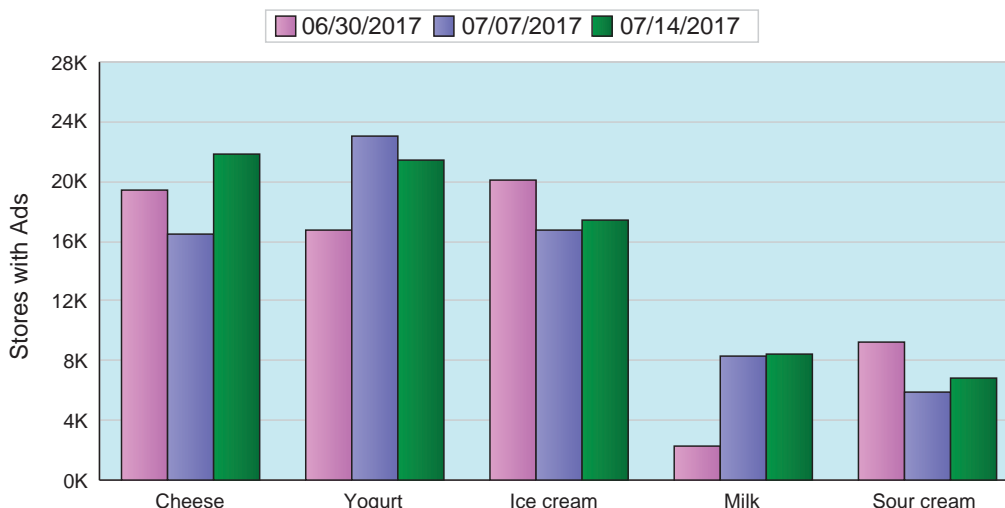
This week, total conventional dairy ads increased 9 percent, and organic dairy ads increased 27 percent. As a summertime favorite, ice cream posted the largest number of conventional ads within the survey. The U.S. weighted average advertised price for conventional ice cream in 48-64 oz. containers is \$3.02 compared to \$5.99 for organic ice cream, an organic premium of \$2.97.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.14, down 6 cents from last week. There were no reported advertised prices for 8 ounce organic cheese blocks this week. The advertised price for conventional 8 ounce shred cheese averaged \$2.19, down 8 cents from last week. The advertised price for organic 8 ounce shred cheese averaged \$3.57, up 17 cents, resulting in an organic premium of \$1.38. Conventional cheese ad numbers increased 35 percent this week, but organic cheese ad numbers decreased 53 percent.

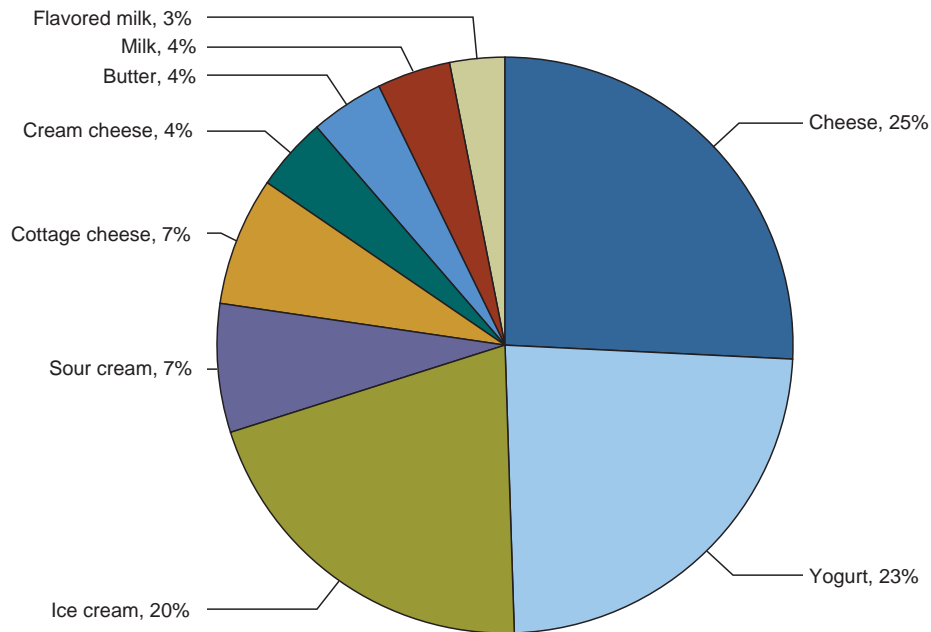
The average sale price for 4-6 ounce conventional Greek yogurt is \$0.96, down 4 cents. Organic 4-6 ounce Greek yogurt has an average price of \$1.08, down 13 cents, resulting in an organic premium of 12 cents. The average price for 4-6 ounce conventional yogurt is \$0.50, while the price for organic yogurt is \$0.75, resulting in a \$0.25 organic premium. Total conventional yogurt ads decreased 6 percent and organic yogurt ads decreased 18 percent.

The weighted average price for conventional half gallon milk is \$2.16. The weighted average price for organic half gallon milk reached the highest point so far this year, \$4.11, resulting in an organic price premium of \$1.95. Organic milk ad numbers decreased 2 percent, but ad numbers for conventional milk increased 14 percent. Half gallons of milk had the largest number of ads for organic dairy items in the survey.

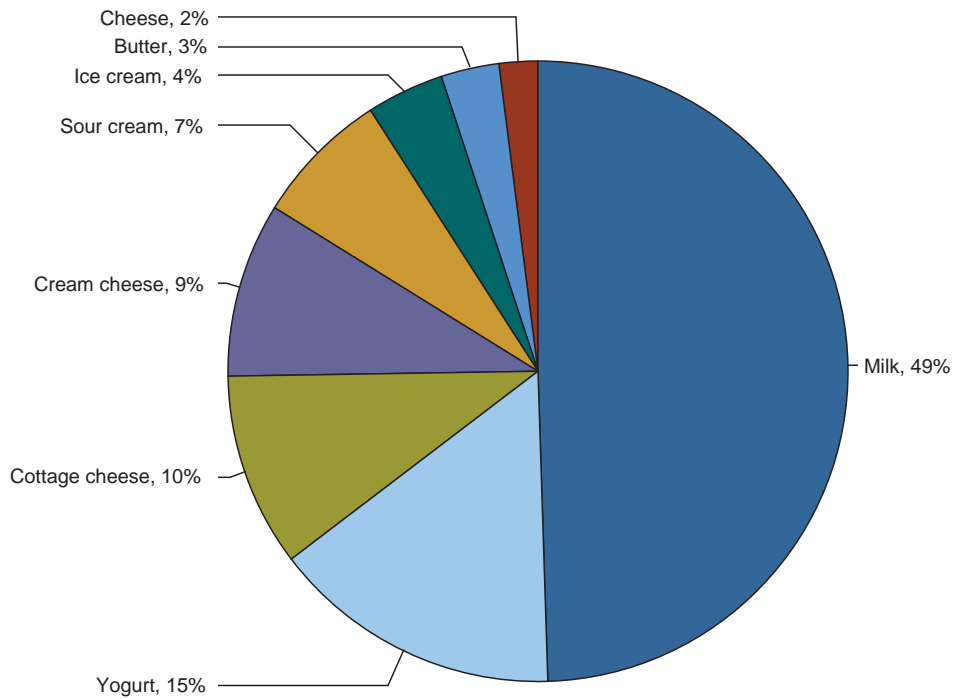
Top 5 Commodities Featured



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 #	3454	2.91	5354	3.35	4826	3.05
Cheese	Natural Varieties	8 oz block	6708	2.14	5861	2.20	8576	2.19
Cheese	Natural Varieties	1 # block	1356	3.17	1486	3.79	2218	5.24
Cheese	Natural Varieties	2 # block	1204	5.77	1373	5.94	657	7.14
Cheese	Natural Varieties	8 oz shred	9349	2.19	5911	2.27	9935	2.19
Cheese	Natural Varieties	1 # shred	2913	3.68	1274	3.43	2334	3.88
Cottage cheese		16 oz	5748	1.91	2949	2.10	4764	1.98
Cream cheese		8 oz	3583	1.93	3963	1.99	3351	1.89
Flavored milk	All fat tests	half gallon	1741	2.36	697	2.72	1168	2.31
Flavored milk	All fat tests	gallon	501	2.70	339	1.91	512	3.24
Ice cream		48-64oz	16974	3.02	16723	3.14	15828	3.11
Milk	All fat tests	half gallon	1599	2.16	290	2.29	482	2.04
Milk	All fat tests	gallon	1504	2.26	2442	2.39	2555	2.72
Sour cream		16 oz	6064	1.71	5859	1.75	6880	1.79
Yogurt	Greek	4-6 oz	12289	.96	11037	1.00	11441	.93
Yogurt	Greek	32 oz	835	4.14	2111	4.17	2561	4.77
Yogurt	Yogurt	4-6 oz	5781	.50	7054	.49	7600	.52
Yogurt	Yogurt	32 oz	918	2.10	691	2.59	904	2.37

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 #	2.47-4.99	762	3.76	2.49-3.48	309	3.11	2.49-3.50	930	2.70
Cheese	Natural Varieties	8 oz block	1.66-2.50	2460	2.14	1.67-2.50	873	2.19	1.67-3.00	690	2.02
Cheese	Natural Varieties	1 # block				2.99	210	2.99	2.99	247	2.99
Cheese	Natural Varieties	2 # block				4.99-5.99	178	5.35			
Cheese	Natural Varieties	8 oz shred	1.66-3.00	2292	2.31	1.67-2.50	2163	2.31	0.99-3.00	1420	2.17
Cheese	Natural Varieties	1 # shred	1.99-4.79	831	3.30	2.99-4.99	1160	4.30	2.99-3.99	366	3.32
Cottage cheese		16 oz	1.50-2.50	1607	2.09	1.50-2.75	3315	1.82	2.50	119	2.50
Cream cheese		8 oz	1.67-2.50	1168	1.85	1.50-2.00	881	1.95	1.00-2.00	290	1.54
Flavored milk	All fat tests	half gallon	2.50	543	2.50	2.50	735	2.50	1.99	180	1.99
Flavored milk	All fat tests	gallon							3.49	106	3.49
Ice cream		48-64oz	1.99-3.50	3335	2.64	2.50-4.99	4193	2.89	2.48-3.99	3072	3.13
Milk	All fat tests	half gallon	0.99-2.50	296	1.68	2.50	735	2.50	1.00-2.99	292	1.59
Milk	All fat tests	gallon							1.99-3.29	388	2.18
Sour cream		16 oz	1.50-2.29	1757	1.85	1.49-2.00	2579	1.63	1.87-2.19	472	2.01
Yogurt	Greek	4-6 oz	0.50-1.25	3052	.92	0.88-1.00	3641	.99	0.77-1.00	1794	.94
Yogurt	Greek	32 oz	3.99	221	3.99						
Yogurt	Yogurt	4-6 oz	0.33-0.50	1574	.49	0.40-0.60	866	.50	0.40-0.66	574	.53

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	2.69	118	2.69	2.49	64	2.49	2.00	122	2.00

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.49-2.50	685	2.49	2.49-3.29	451	2.92	1.99	289	1.99
Cheese	Natural Varieties	8 oz block	1.25-2.99	1072	2.21	1.67-3.00	740	2.44	1.25-2.50	873	1.85
Cheese	Natural Varieties	1 # block	2.99-4.99	476	3.50	2.99-3.00	423	2.99			
Cheese	Natural Varieties	2 # block	4.77-4.99	262	4.89	4.99-6.99	695	6.39	3.99	69	3.99
Cheese	Natural Varieties	8 oz shred	1.25-2.99	1568	2.10	1.67-3.00	912	2.09	1.25-2.99	994	1.92
Cheese	Natural Varieties	1 # shred	2.99-4.99	133	3.82	2.99-3.00	423	2.99			
Cottage cheese		16 oz	1.69-2.00	406	1.73	1.69-2.00	183	1.80	1.69	66	1.69
Cream cheese		8 oz	1.50-2.99	711	2.19	1.77-1.79	307	1.79	1.67-1.99	174	1.80
Flavored milk	All fat tests	half gallon				1.99	178	1.99	1.99	105	1.99
Flavored milk	All fat tests	gallon	1.99-3.79	274	2.71				1.99	121	1.99
Ice cream		48-64oz	1.90-5.50	3227	3.36	1.88-5.00	2568	3.22	1.99-3.49	545	2.67
Milk	All fat tests	half gallon	2.29-2.50	276	2.35						
Milk	All fat tests	gallon	1.99-3.49	413	2.77	1.89-2.39	408	2.08	1.69-1.99	295	1.92
Sour cream		16 oz	0.99-2.00	777	1.49	1.49-2.00	427	1.62			
Yogurt	Greek	4-6 oz	0.88-1.00	1233	.99	0.87-1.00	2072	.96	0.88-1.00	463	.98
Yogurt	Greek	32 oz	4.99	194	4.99	2.99-4.99	420	3.83			
Yogurt	Yogurt	4-6 oz	0.50-1.25	816	.55	0.39-0.60	1656	.49	0.33-0.50	295	.46
Yogurt	Yogurt	32 oz	2.50	194	2.50	2.50	62	2.50	1.49-2.00	358	1.59

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 #	4.50	28	4.50			
Cottage cheese		16 oz	3.50	28	3.50	2.69	24	2.69
Cream cheese		8 oz	4.00	28	4.00	1.69	24	1.69
Ice cream		48-64oz				3.50	34	3.50
Sour cream		16 oz	3.50	28	3.50	2.00	24	2.00
Yogurt	Greek	4-6 oz				1.25	34	1.25

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity Sales by Period								
Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores	Wtd Avg	Stores	Wtd Avg	Stores	Wtd Avg
Wtd Avg - Simple weighted average								



			With Ads	Price	With Ads	Price	With Ads	Price
Butter		1 #	355	5.44	194	4.99	846	4.82
Cheese	Natural Varieties	8 oz block			131	3.54		
Cheese	Natural Varieties	8 oz shred	243	3.57	383	3.40	267	3.99
Cottage cheese		16 oz	1082	3.38	257	3.24	1947	3.54
Cream cheese		8 oz	986	2.04	63	2.59		
Ice cream		48-64oz	383	5.99			1083	3.50
Milk	All fat tests	half gallon	4267	4.11	4245	3.79	3135	4.09
Milk	All fat tests	gallon	434	5.52	1263	5.13	965	5.65
Milk	All fat tests	8 oz UHT	678	.86				
Sour cream		16 oz	780	3.04	21	2.49	1649	3.32
Yogurt	Greek	4-6 oz	974	1.08	1296	1.21	2029	1.06
Yogurt	Greek	32 oz			27	6.49		
Yogurt	Yogurt	4-6 oz	519	.75			300	1.30
Yogurt	Yogurt	32 oz	169	4.29	706	5.64	59	2.99

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	5.99	161	5.99						
Cheese	Natural Varieties	8 oz shred							3.49	180	3.49
Cottage cheese		16 oz	3.99	161	3.99				2.99	119	2.99
Cream cheese		8 oz				2.00	210	2.00	2.00	472	2.00
Milk	All fat tests	half gallon	3.79-4.99	842	4.41	3.79-4.89	2146	4.35	2.34-4.49	658	3.26
Milk	All fat tests	gallon	6.99	84	6.99						
Milk	All fat tests	8 oz UHT	0.92-1.00	269	.97						
Sour cream		16 oz	2.99	161	2.99				2.49	180	2.49
Yogurt	Greek	4-6 oz	1.25	304	1.25						
Yogurt	Yogurt	4-6 oz							0.75	110	.75
Yogurt	Yogurt	32 oz	4.29	108	4.29	4.29	61	4.29			

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	194	4.99						
Cheese	Natural Varieties	8 oz shred	3.79	63	3.79						

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
Cottage cheese		16 oz	3.29-3.99	282	3.45	3.29	451	3.29	2.99	69	2.99
Cream cheese		8 oz	2.59	63	2.59	2.00	241	2.00			
Ice cream		48-64oz	5.99	266	5.99	5.99	117	5.99			
Milk	All fat tests	half gallon	2.34-3.88	224	3.22	3.50-3.99	363	3.83			
Milk	All fat tests	gallon							5.00-5.99	350	5.17
Milk	All fat tests	8 oz UHT	0.75	78	.75	0.75-0.83	331	.81			
Sour cream		16 oz	3.29	78	3.29	3.29	361	3.29			
Yogurt	Greek	4-6 oz	1.00	219	1.00	1.00	451	1.00			
Yogurt	Yogurt	4-6 oz	0.75	78	.75	0.75	331	.75			

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon				6.99	34	6.99

REGIONAL DEFINITIONS

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

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



Dairy Market News

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

Volume 84, Report 28

July 14, 2017

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