

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (8/11)**

**BUTTER:** Grade AA closed at \$2.6825. The weekly average for Grade AA is \$2.6680 (-.0420).

**CHEESE:** Barrels closed at \$ 1.5875 and 40# blocks at \$ 1.7425. The weekly average for barrels is \$ 1.5550 (-.0180) and blocks, \$1.6935 (-.0485).

**NONFAT DRY MILK:** Grade A closed at \$0.8500. The weekly average for Grade A is \$0.8500 (-.0140).

**BUTTER HIGHLIGHTS:** Butter orders in the United States are strong as the demand from retail and food service channels are at steady to higher levels. Domestic demand is good as buyers seek to gain coverage ahead of later Q4 needs. Export orders are steady as a number of international buyers have significantly increased intakes of butter as domestic prices are lower than foreign prices. Cream is still flowing into Class II and IV manufacturing. Butter production is active in some balancing plants, but at a halt in a number of manufacturing plants. Many butter producers continue to sell cream instead of churning. Stocks in storage are heavy to decreasing due to the current demand. Bulk butter prices range 2 cents below to 7 cents over the market. The market tone is steady as butter orders from domestic and international markets are active and prices are around the \$2.60-\$2.70 range. Friday's CME Group cash trading saw Grade AA butter closed at \$2.6825, down \$0.0475 from last Friday.

**CHEESE HIGHLIGHTS:** Milk into cheese plants is mixed this week. In the Northeast and Midwest, intakes have slowed somewhat. Midwest cheese producers report that some spot milk loads are headed to regions where school is beginning earlier. Western farm milk remains readily available for cheese production. Some Northeastern cheese plants are continuing to run at/near full capacity, whereas some Midwestern plants have recently been able to grant some time off. Northeastern food service demand is steady with schools reopening their doors. Midwestern food service is also steady, whereas some retail/traditional type cheesemakers report lower sales figures than this time last year. Western sales, domestically, are strong. Export opportunities for Western cheesemakers are slow to develop. Cheese inventory reports vary by plant. The cheese market tone is unstable. CME price movements have been unpredictable, as relatively large daily upsurges are followed by multiday downswings. CME Group trading Friday, barrels closed at \$1.5875, up \$0.0575 from last Friday. Blocks closed at \$1.7425, up \$0.0450 from last Friday.

**FLUID MILK:** Milk output is mixed in the Eastern region. Cooler temperatures have certain areas experiencing steady output, while warmer areas have seen declines. Central contacts report a slight milk output decline. However, with the improvement in feed rations and seasonably cooler weather, milk levels have not been as noticeably hindered as in previous years. Throughout most of the Western U.S.A., milk yields are also lower as temperatures have been too warm for ideal cow comfort. However, the mountain states are the exception, as milk production has been strong. Bottling contacts, around the country, report that orders are increasing or are expected to soon, as schools are opening their doors. Some south Central contacts are in the midst of school commencement and foresee some logistical hauling/trucking difficulties over the next few weeks. Cream markets are remaining fairly steady in the Northeast and Midwest. Midwestern contacts report that there is a bit of tightness in supply compared to previous weeks. Cream is moving heavily into ice cream production in both the Midwest and Western U.S. Cream multiples for various uses range from **1.25 to 1.37** in the East, **1.25 to 1.34** in the Midwest, and **1.07 to 1.27** in the West.

**DRY PRODUCTS:** Low/medium heat nonfat dry milk (NDM) prices slipped on the bottom of the mostly price series in the Central and East, while the mostly price series in the West was mixed. Low/medium heat NDM demand was light and the spot market was fairly quiet. Low/medium heat NDM production is steady to slightly decreasing across all regions, while inventories are adequate to long. High heat NDM prices held steady in all regions. High heat NDM production is based primarily on contractual obligations. Dry buttermilk prices held steady across the nation. Dry buttermilk inventories are mixed in the Central/East regions, as off-spec supplies are reportedly increasing, but Q3 loads are reportedly tighter. Western demand for condensed buttermilk is strong, leading to tightening inventories of dry buttermilk. Dry buttermilk production is fairly limited across all regions. Dry whole milk prices were mixed on the range and expected to firm in the near term. Dry whole milk demand is solid. Dry whole milk production is mostly based on contracts. Dry whole milk demand is fair to good. Dry whey prices have declined across the country. In the Central region, prices decreased on the tops of the range and mostly price series. Dry whey inventories are

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NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY AUG 07	TUESDAY AUG 08	WEDNESDAY AUG 09	THURSDAY AUG 10	FRIDAY AUG 11	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$1.5300 (N.C.)	\$1.5100 (-.0200)	\$1.5925 (+.0825)	\$1.5550 (-.0375)	\$1.5875 (+.0325)	:: (+.0575)	:: \$1.5550 (-.0180)
40# BLOCKS	\$1.6800 (-.0175)	\$1.6600 (-.0200)	\$1.6800 (+.0200)	\$1.7050 (+.0250)	\$1.7425 (+.0375)	:: (+.0450)	:: \$1.6935 (-.0485)
NONFAT DRY MILK GRADE A	\$.8500 (-.0125)	\$.8500 (N.C.)	\$.8500 (N.C.)	\$.8500 (N.C.)	\$.8500 (N.C.)	:: (-.0125)	:: \$.8500 (-.0140)
BUTTER GRADE AA	\$2.6975 (-.0325)	\$2.6600 (-.0375)	\$2.6500 (-.0100)	\$2.6500 (N.C.)	\$2.6825 (+.0325)	:: (-.0475)	:: \$2.6680 (-.0420)

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 -**

generally available in the Central and Northeast. Whey production is active in the West, but Central production has declined slightly with lessening milk intakes into Class III facilities. Whey protein concentrate (WPC) 34% prices fell on the top of the range and bottom of the mostly price series. WPC 34% inventories, for infant formula or specified requirements, are comfortable to tight. Demand, for easily interchangeable WPC 34%, is weaker. Lactose prices slid lower on the range, but held steady on the mostly price series. Lactose producers, for preferred brands, are seeing solid demand and reporting that inventories are at fairly tight levels. However, less specified lactose is being offered out at lower prices, as interchangeable lactose is experiencing pressure from whey permeate and other carbohydrate sources. Casein prices, for both rennet and acid, were unchanged. Casein contacts are waiting for New Zealand's milk output levels, which will undoubtedly affect domestic casein markets.

**ORGANIC DAIRY MARKET NEWS (DMN):** AMS reports total organic milk products sales for June 2017 at 208 million pounds, down 1.7 percent from the previous year. However, cumulative sales, January through June 2017 are up 0.8 percent, compared with the same months of 2016. Organic whole milk sales for June 2017 are 81 million pounds, up 4.1 from the same month last year. Cumulative, year to date, organic whole milk sales rose 7.7 percent compared to sales within the same period a year ago.

Overall, the number of organic retail advertisements increased 2 percent this current survey period. Organic milk ads declined 13 percent this week. Organic cheese ads tumbled 50 percent compared to the last survey period. Organic butter ad numbers are down 75 percent, while the number of ads for organic sour cream increased approximately six fold.

**NATIONAL RETAIL REPORT-DAIRY (DMN):** This week, total conventional dairy ads decreased 2 percent, but organic dairy ads increased 2 percent. Conventional ice cream posted the largest number of ads within the survey, as ad numbers increased 12 percent from last week. Conventional 1 # butter advertisement numbers decreased 47 percent, with an average price of \$3.70, up 13 cents from last week's price. Organic 1 # butter has an average price of \$4.82, down 60 cents from last week and carrying an organic price premium of \$1.12.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.35, up 8 cents from last week. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$3.59, up 21 cents from last week. The advertised price for conventional 8 ounce shred cheese averaged \$2.15, down 4 cents from last week, as ads increased 1 percent. Conventional cheese ad numbers rose 12 percent this week.

Conventional yogurt ads increased 2 percent, while organic yogurt ads decreased 20 percent. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.95, down 2 cents. Organic 4-6 ounce Greek yogurt has an average price of \$1.00, down 22 cents, resulting in an organic premium this week of 5 cents. The average sale price for 4-6 ounce conventional yogurt is \$0.48, down 2 cents from last week, while 4-6 ounce organic yogurt averages \$0.94, up 26 cents from last week.

The conventional half gallon milk price was \$2.13. Organic half gallon milk containers were priced at \$4.29, resulting in a premium of \$2.16. Conventional half gallon milk ads increased 62 percent, while conventional gallon milk ads increased by 5 percent. Organic gallon milk ads saw a decrease, week over week, of 78 percent. Total organic milk ad numbers decreased 13 percent, as ad numbers for conventional milk increased 12 percent.

**JUNE MILK SALES (USDA FMMO & CDFA):** During June, 3.7 billion pounds of packaged fluid milk products are estimated to have been sold in the United States. This was 0.8 percent lower than June 2016. Estimated sales of total conventional fluid milk products decreased 0.8 percent from June 2016 and estimated sales of total organic fluid milk products decreased 1.7 percent from a year earlier.

**AUGUST SUPPLY AND DEMAND ESTIMATES (WASDE):** The milk production forecasts for 2017 and 2018 are reduced from the previous month as slow growth in milk per cow more than offsets increases in dairy cow numbers. For 2017, fat basis exports are raised from the previous month on higher butter and anhydrous milk fat shipments. Fat basis imports are unchanged. The skim-solid basis export forecast for 2017 is lowered on weaker than expected whey sales. The import forecast is unchanged. For 2018, fat basis exports are raised on stronger shipments of a number of dairy products. Fat basis imports are lowered slightly. Skim-solid basis exports are raised on expected stronger sales of nonfat dry milk (NDM) and other dairy products while imports are unchanged from last month. Butter and cheese price forecasts are raised for 2017 and 2018 as demand strength is expected to carry into 2018. The 2017 and 2018 NDM and whey price forecasts are reduced from the previous month on weak demand. The 2017 Class III price forecast is unchanged at the midpoint, but the 2018 price is lowered as lower whey prices more than offset higher cheese prices. Class IV price forecasts for 2017 and 2018 are raised as stronger forecast butter prices more than offset lower NDM prices. The all milk price is raised to \$17.80 to \$18.00 per cwt for 2017, but is unchanged at \$18.00 to \$19.00 per cwt for 2018.

MONDAY, AUGUST 7, 2017

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5000; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5600; 1 CAR 40# BLOCKS @ \$1.6800  
 NONFAT DRY MILK -- SALES: 4 CARS GRADE A: 1 @ \$0.8550, 1 @ \$0.8525, 2 @ \$0.8500; LAST BID UNFILLED: 5 CARS GRADE A: 1 @ \$0.8500, 1 @ \$0.8450, 3 @ \$0.8500; LAST OFFER UNCOVERED: 5 CARS GRADE A: 4 @ \$0.8900, 1 @ \$0.8850  
 BUTTER -- SALES: 16 CARS GRADE AA: 7 @ \$2.7000, 1 @ \$2.7050, 1 @ \$2.7000, 2 @ \$2.6975, 2 @ \$2.7000, 2 @ \$2.6975, 1 @ \$2.7000; LAST BID UNFILLED: 4 CARS GRADE AA: 1 @ \$2.6700, 1 @ \$2.6875, 2 @ \$2.6850; LAST OFFER UNCOVERED: 7 CARS GRADE AA: 1 @ \$2.7100, 1 @ \$2.7050, 1 @ \$2.7075, 2 @ \$2.6975, 1 @ \$2.7050, 1 @ \$2.7025

TUESDAY, AUGUST 8, 2017

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.6600; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5100; 1 CAR 40# BLOCKS @ \$1.6600  
 NONFAT DRY MILK -- SALES: 7 CARS GRADE A: 1 @ \$0.8400, 1 @ \$0.8500, 1 @ \$0.8450, 1 @ \$0.8500, 2 @ \$0.8450, 1 @ \$0.8500; LAST BID UNFILLED: 4 CARS GRADE A: 1 @ \$0.8300, 1 @ \$0.8400, 2 @ \$0.8500; LAST OFFER UNCOVERED: 5 CARS GRADE A: 3 @ \$0.8750, 2 @ \$0.8700  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.6600; LAST BID UNFILLED: 4 CARS GRADE AA: 2 @ \$2.6000, 1 @ \$2.6200, 1 @ \$2.6400; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$2.6700

WEDNESDAY, AUGUST 9, 2017

CHEESE -- SALES: 6 CARS BARRELS: 2 @ \$1.5100, 1 @ \$1.5500, 1 @ \$1.5650, 1 @ \$1.5700, 1 @ \$1.5925, 3 CARS 40# BLOCKS: 2 @ \$1.6700, 1 @ \$1.6800; LAST BID UNFILLED: 10 CARS BARRELS: 1 @ \$1.5100, 1 @ \$1.5175, 1 @ \$1.5225, 1 @ \$1.5275, 1 @ \$1.5325, 1 @ \$1.5375, 1 @ \$1.5525, 1 @ \$1.5575, 1 @ \$1.5700, 1 @ \$1.5750, 2 CARS 40# BLOCKS: 1 @ \$1.6600, 1 @ \$1.6550; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.6800  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE A: 1 @ \$0.8500, 1 @ \$0.8300; LAST OFFER UNCOVERED: 7 CARS GRADE A: 4 @ \$0.8850, 2 @ \$0.8775, 1 @ \$0.8700  
 BUTTER -- SALES: 6 CARS GRADE AA @ \$2.6500; LAST BID UNFILLED: 3 CARS GRADE AA: 2 @ \$2.6475, 1 @ \$2.6450; LAST OFFER UNCOVERED: 6 CARS GRADE AA: 5 @ \$2.6625, 1 @ \$2.6550

THURSDAY, AUGUST 10, 2017

CHEESE -- SALES: 7 CARS BARRELS: 1 @ \$1.5925, 1 @ \$1.5900, 3 @ \$1.5600, 1 @ \$1.5575, 1 @ \$1.5550; LAST BID UNFILLED: 3 CARS 40# BLOCKS: 1 @ \$1.6800, 1 @ \$1.6500, 1 @ \$1.7050; LAST OFFER UNCOVERED: 3 CARS BARRELS: 1 @ \$1.6000, 1 @ \$1.5925, 1 @ \$1.5600  
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.8475, 1 @ \$0.8500, 1 @ \$0.8425; LAST BID UNFILLED: 18 CARS GRADE A: 10 @ \$0.8200, 5 @ \$0.8200, 1 @ \$0.8350, 1 @ \$0.8500, 1 @ \$0.8450; LAST OFFER UNCOVERED: 11 CARS GRADE A: 5 @ \$0.8800, 3 @ \$0.8750, 2 @ \$0.8650, 1 @ \$0.8525  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 4 CARS GRADE AA: 2 @ \$2.6250, 1 @ \$2.6300, 1 @ \$2.6425; LAST OFFER UNCOVERED: 6 CARS GRADE AA: 4 @ \$2.6700, 1 @ \$2.6725, 1 @ \$2.6650

FRIDAY, AUGUST 11, 2017

CHEESE -- SALES: 6 CARS BARRELS: 1 @ \$1.5600, 2 @ \$1.5700, 1 @ \$1.5825, 1 @ \$1.5900, 1 @ \$1.5875; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5600; 2 CARS 40# BLOCKS: 1 @ \$1.7250, 1 @ \$1.7425; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 10 CARS GRADE A: 2 @ \$0.8300, 5 @ \$0.8400, 3 @ \$0.8300; LAST OFFER UNCOVERED: 12 CARS GRADE A: 2 @ \$0.8900, 10 @ \$0.8750  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.6825; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.6300; LAST OFFER UNCOVERED: 15 CARS GRADE AA: 1 @ \$2.7000, 5 @ \$2.7200, 2 @ \$2.6950, 5 @ \$2.6875, 1 @ \$2.6850, 1 @ \$2.6900

**BUTTER MARKETS****NORTHEAST**

percent from May 2017.

Eastern manufacturers' butter orders are steady to strong from retail and food service channels. Retail sales are active as stores announce weekly butter advertisements. Contracts from international markets are good as prices are steady. Market participants report seeing more offers of available cream this week. Cream supplies continue to clear into Class II manufacturing. Many dairy industry individuals are selling cream instead of churning. Butter production is heavy in some balancing plants and shut down in a number of manufacturing plants. Butter stocks in storage are manageable to short. Bulk butter prices are 5 to 7 cents over the market of the CME Group, with various time frames and averages used. The market undertone is steady as orders from domestic and international markets are active and prices are around \$2.60-\$2.70. Tuesday's CME Group cash trading saw Grade AA butter prices closed at \$2.6600, down \$0.0225 from the previous week. According to the *DMN National Retail Report-Dairy*, for August 4-10, 2017, the Northeast weighted average retail price for 1-pound butter was \$3.91, 34 cents higher than the national average price and up 16 cents from last week's Northeast butter price. Retail butter markets reported prices ranging \$2.99-\$4.99. The surveyed average price in the Southeast moved to \$3.47, with prices ranging \$3.00-\$3.50. The CME Group monthly average price for Grade AA butter during July 2017 was \$2.6195, compared to \$2.2731 a year ago. DAIRY PRODUCTS: According to NASS, U.S. butter production for June 2017, totals 140.6 million pounds, down 4.8 percent from last year and down 14.0 percent from May 2017. Cumulative 2017 butter production through June 2017 totals 981.6 million pounds, 1.7 percent below the same period for 2016. June 2017 butter production in the Atlantic region totaled 14.1 million pounds, up 2.3 percent from last year, but down 25.6

**CENTRAL**

Week after week, butter contacts continue to report strong orders. Food service demand continues at steady to strengthening levels. Retail demand has consistently improved from last year's sales numbers, also. Bulk butter production is active, as cream is still flowing into Class IV processing at relatively reasonable prices. Multiples into Class IV plants were reported as low as 1.23. Bulk butter prices ranged from flat market to 7 cents over the CME average. Contacts point to the Foreign Agricultural Service (FAS) export figures as another positive indicator in the butter markets, as Canadian buyers have significantly increased intakes of butter this year. The butter market tone is maintaining sturdiness. The NASS *Dairy Products* report noted U.S. butter production during June 2017 in the Central region totaled 57.7 million pounds, 0.4 percent higher than one year ago. Total U.S. butter production during June 2017 was 140.6 million pounds, 4.8 percent lower than last year. January through June 2017 U.S. butter production totaled 981.6 million pounds, 1.7 percent lower than the same period in 2016. The CME Group monthly average price for Grade AA butter during July was \$2.6195, up from June's \$2.5688 and up from \$2.2731 a year ago. *DMN National Retail Report-Dairy* for August 4-10 noted the national weighted average advertised price for a 1 pound package of butter is \$3.57, \$0.08 above one week ago and \$0.58 higher than one year ago. The weighted average regional prices in the Midwest and South Central were \$3.09 and \$3.01, respectively. Midwest and South Central were \$3.09 and \$3.01, respectively. Wednesday at the CME Group, Grade AA butter closed at \$2.6500, down \$0.0600 from last Wednesday.

**NATIONAL DAIRY PRODUCTS SALES REPORT**  
 U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
August 5, 2017	2,6456 3,949,627	1,6813 11,698,761	1,5124 11,361,822	0,4344 6,190,970	0,8620 26,171,145

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

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3 New Zealand	4.5	- 67
4 Chile	2.7	+ 77
5 France	1.7	- 16

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## WEST

Western butter makers are not having any particular trouble getting the cream needed for butter production. However, some processors are hesitant to take on any extra cream unless needed to fulfill a confirmed sale. With higher values of butterfat, the manufacturers do not want to put those pricy milkfats into storage as bulk butter. A number of butter makers are choosing to sell off the cream rather than churn. Although inventories are a little heavy, they are being drawn down by current demand. Domestic butter demand is strong as buyers seek to gain coverage ahead of the late year butter needs. A few manufacturers are finding export opportunities in light of some very strong international butter prices. 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 August 4-10 found that the U.S. weighted average advertised price of 1 pound butter is \$3.57, up \$.08 from last week. The U.S. weighted average price was \$2.99 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.52, with a range of \$2.99-\$3.99. In the Northwest, the weighted average advertised price of 1 pound butter is \$3.86, with a range of \$3.79-\$3.99. According to the NASS *Dairy Products* report, U.S. butter production during June 2017, 140.6 million pounds, was 4.8 percent lower than June 2016, and 14.0 percent lower than May 2017. U.S. cumulative 2017 butter production through May is 981.6 million pounds, 1.7 percent lower than the same period last year. In the West, total June butter production was 68.8 million pounds, 10.0 percent lower than June 2016 and 6.8 percent lower than May 2017. California June production was 40.5 million pounds, 12.0 percent lower than last year and 11.6 percent lower than last month. The CME Group July 2017 monthly average price for AA butter, \$2.6195, is up from the June monthly average of \$2.5688. One year ago the CME Group monthly average was \$2.2731. The Grade AA butter price at the CME Group on Wednesday closed at \$2.6500, 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
June Imports		
Total Butter, Fats, Milk (H.S. Code 0405)	6.3	- 8
Butter		
Quota (H.S. Code 405101000)	0.7	+ 75
Over Quota (H.S. Code 405102000)	4.1	- 9
AMF		
Quota (H.S. Code 405901020)	0.3	- 47
Over Quota (H.S. Code 405902020)	1.1	+ 5
Other Milk Fat	0.1	- 65
	2017 Imports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN - JUN	37.9	- 33
1 Ireland	19.0	+ 28
2 Mexico	6.4	- 58



## CHEESE MARKETS

## NORTHEAST

Cheese manufacturers, in general, appear to be comfortable with the production situation. Lower milk volumes and components in available milk lead to less than momentous production drops. Undoubtedly, there are noted cheese manufacturers who continue to run at/near capacity, with a willingness to expand supplies into aging programs. Food service demand is steady, as some schools restart classes. Export cheese interest is active, with the most significant change, from a year ago, observed as cheese moved into Australia, up 68 percent, ahead the milk production season. In addition, export assistance programs continue to provide active support. Some suppliers point out that in lieu of good export interest, attention is focused on having sufficient domestic stocks that will meet the spurt in demand expected over the last quarter of 2017. This week, Northeast wholesale prices for 40# block and muenster increased \$0.0225 and process 5# sliced increased \$0.1050. In addition, the Grade A Swiss price added \$0.04, following the release of the July 2017 Announcement of Class and Component Prices. Meanwhile, the Class III milk price decreased 99 cents per hundred-weight from the previous month. CME Group daily cash trading on Tuesday saw barrel cheese close at \$1.5100, down \$0.1500 from a week ago, while the block cheese price ended the day at \$1.6600, down \$0.1275. The DMN *National Retail Report-Dairy*, for August 4-10, 2017, observed that the Northeast advertised weighted average price for 8 oz. cheese blocks was \$2.18, 9 cents below the national average, with a regional price range of \$1.49-\$3.49. In the Southeast, 8 oz. blocks averaged \$2.34, 7 cents higher than the national average, with a regional price range of \$1.49-\$3.50. The Northeast advertised average price for 8 oz. cheese shreds was \$2.29, 10 cents above the national average, with a regional price range of \$1.50-\$2.99. In the Southeast, 8 oz. cheese shreds averaged \$2.19, identical to the national average price, ranging \$1.49-\$3.00 regionally. The Foreign Agricultural Service (FAS) reports that June 2017 U.S. cheese and curd exports totaled 67.3 million pounds, a 32 percent increase from a year ago. DAIRY PRODUCTS: According to NASS, U.S. total cheese production in June 2017 was 1.03 billion pounds, 3.2 percent higher than a year ago, but 2.5 percent lower than May 2017. In the Atlantic region, total cheese production for June was 127.6 million pounds, 4.4 percent higher than a year ago, but a 1.3 percent decline compared to May 2017. Total cheese production and the percentage change from last year for selected eastern U.S. states are, New Jersey 5.0 million pounds, +3.0 percent; New York 69.0 million pounds, +3.3 percent; Pennsylvania 34.1 million pounds, +2.6 percent; and Vermont 11.7 million pounds, +12.1 percent. Meanwhile, cheddar cheese production in the Atlantic region was 25.1 million pounds, up 8.5 percent, compared to June last year. Output for mozzarella totaled 36.9 million pounds, increasing 0.9 percent from June 2016.

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

Cheddar 40# Block	:	2.1800-2.4650
Process 5# Sliced	:	1.7300-2.2100
Muenster	:	2.1650-2.5150
Grade A Swiss Cuts 10 - 14#	:	3.1725-3.4950

## MIDWEST

Milk continues to be somewhat available for cheese production in the Midwest region. Some cheese producers report being open to taking on more spot milk than is available. Some milk suppliers have limited spot sales for cheesemakers, as suppliers are beginning to move milk into other regions where schools are commencing sooner. Spot milk prices were reported from flat market to \$1.50 under Class. Midwest

cheese production is steady. Food service orders continue to keep some plants running active schedules, although more contacts report being able to allot an occasional day off after months of heavy production schedules. Retail demand, overall, is slow to steady. Some producers report similar numbers to last year, whereas others are experiencing a bit lighter demand than this time in 2016. Contacts were optimistic this time last week regarding the CME cash prices. However, barrel and block prices have consistently slipped since last Tuesday's bounce, as an uncertain market tone persists. The DMN *National Retail Report-Dairy* shows that August 4-10 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.08, 11 cents below the national average. Midwest prices range from \$1.49-\$2.50. One year ago, the national price was \$2.29. For 8 ounce blocks, the Midwest average price is \$1.73, 54 cents below the national average price. Midwest ads are priced from \$1.49-\$2.00. Last year, the national price was \$2.14. In CME Group trading Wednesday, barrels closed at \$1.5925, up \$.0025 from last Wednesday and blocks closed at \$1.6800, down \$.0600 from last Wednesday. *Dairy Products* (NASS) reports total U.S. cheese production, for June 2017, was 1.029 billion pounds, 3.2 percent above June 2016. Central total cheese production for June 2017 was 466.8 million pounds, 2.4 percent lower than May 2017. The CME Group July 2017 monthly average price for barrels, \$1.4396, is up from the June average of \$1.3972 and down from the monthly average of a year ago, \$1.7363. Blocks' July average price, \$1.6586, is up from the \$1.6022 June monthly average, but down from \$1.6613 one year ago. Midwestern wholesale prices are up \$.0400 for Swiss cuts, up \$.1050 for process and up \$.0225 all other types.

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

Process American 5# Loaf	:	1.6675-2.0275
Brick And/Or Muenster 5#	:	2.1050-2.5300
Cheddar 40# Block	:	1.8325-2.2275
Monterey Jack 10#	:	2.0800-2.2850
Blue 5#	:	2.3725-3.3600
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9050-2.8450
Grade A Swiss Cuts 6 - 9#	:	2.6900-2.8075

## WEST

Cheese production in the West is ongoing as farm milk output is readily available for processing. The market undertone is slow. A few industry contacts report that the inventories for retail and commodity cheese are balanced. However, some manufacturers report long stocks. Although domestic sales seem to be strong, they are not enough to offset current production levels. Cheese is moving well within contracts, but spot sales are slower to develop. Export opportunities are currently low; however, there is hope that it will pick up in the near future. As the result of temporary issues at some cheese plants, other cheese factories in the Western region increased their milk intakes to help with clearing farm milk volumes. The DMN *National Retail Report-Dairy* for the week of August 4-10 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.19, up \$.10 from last week. Packs average \$2.46 in the Southwest and \$2.05 in the Northwest. One year ago, the national price was \$2.29. For 8 ounce blocks, the U.S. price is \$2.27, up \$.11 from last week. Blocks average \$2.50 in both the Southwest and the Northwest. One year ago, the national price was \$2.14. In the West, wholesale prices were up \$.1050 for process, and up \$.0250 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are up \$.0400. *Dairy Products* (NASS) reports June 2017 U.S. total cheese production, 1.03 billion pounds, is 2.5 percent below May 2017. Total 2017 U.S. cheese

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## CHEESE MARKETS

## CONTINUED FROM PAGE 3

production, year to date through June is 6.176 billion pounds, 2.7 percent above January through June 2016. In the West, total cheese production for June 2017 was 434.7 million pounds, 2.9 percent less than last month. For total cheese production and various types of cheese, June 2017 U.S. and West cheese production percent changes compared to June 2016 are as follows:

	U.S.	West
Total Cheese	+ 3.2	+ 2.8
American	+ 3.0	- 0.9
Cheddar	+ 2.8	- 3.7
Total Italian	+ 3.1	+ 4.4
Mozzarella	+ 3.1	+ 5.2
Swiss	...	...

The CME Group July 2017 monthly average price for barrels, \$1.4396, is up from the June 2017 monthly average of \$1.3972, but down from the monthly average of a year ago, \$1.7363. Blocks' July average price, \$1.6586, is up from the \$1.6022 June monthly average, but down from \$1.6613 one year ago. In CME Group trading Wednesday, barrels closed at \$1.5925, up \$.0025 from a week ago and blocks closed at \$1.6800, down \$.0600.

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

Process 5# Loaf	:	1.6550-1.9125
Cheddar 40# Block	:	1.8650-2.3100
Cheddar 10# Cuts	:	2.0450-2.2650
Monterey Jack 10#	:	2.0550-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.7500-3.1800

## FOREIGN TYPE CHEESE

The cheese market undertone of the European Union (EU) is currently balanced. Inventories are steady at their low level. Exports to South and East European holiday countries are higher as buyers/end users take on their contracted volumes. However, some importing countries' demand of European cheese is falling due to higher prices associated with a stronger euro and an increased competition from the USA. Reports suggest that domestic demand has normalized after an active trend in the past months. Nonetheless, it is expected to pick up when schools reopen. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices increased \$0.0225, and Swiss cuts Switzerland increased \$0.0400. All other prices are steady.

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

VARIETY	NEW YORK	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2300	:	2.2500-3.7375*
Gorgonzola	: 3.6900-5.7400	:	2.7575-3.4750*
Parmesan (Italy)	: -0-	:	3.6400-5.7300*
Romano (Cows Milk)	: -0-	:	3.4400-5.5900*
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-	:	3.2100-3.5325*
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
08/07/17	35,245	: 108,650
08/01/17	35,378	: 107,200
CHANGE	-133	: 1,450
% CHANGE	-0	: 1

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

	2017 Imports (Million Lb.)	% Change From Last Month
June Imports		
TOTAL Cheese and Curd (H.S. Code 0406)	32.8	- 2
Cheese, Except Fresh (H.S. Code 040690)	27.8	- 5
Fresh Cheese (H.S. Code 040610)	3.1	+ 6
Cheese, Processed (H.S. Code 040630)	1.1	+21
Cheese, Blue-Veined (H.S. Code 040640)	0.9	+60

	2017 Imports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN - JUN	193.3	- 12
1 Italy	36.3	+ 4
2 France	21.7	- 4
3 Netherlands	14.5	+ 7
4 New Zealand	14.3	- 43
5 Spain	12.8	...

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
June	67.3	+ 32
TOTAL, JAN - JUN	381.4	+ 24
1 Mexico	117.1	+ 16
2 South Korea	63.5	+ 48
3 Japan	36.5	+ 10
4 Australia	27.3	+ 68
5 China	13.6	+ 39

## FLUID MILK AND CREAM

## EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	20	0	0	0	70	0
SOUTHEAST STATES	0	0	0	0	0	0

Eastern milk handlers, depending on the area, are observing decreasing to slightly higher milk production. Cooler temperatures in some areas tend to linger where cow comfort is encouraged. Otherwise, cow comfort appears distressed by hot prevailing conditions. The current emphasis for the market is the filling of school pipelines with available milk supplies. In areas of the Northeast and Mid-Atlantic, farm milk production is mixed, steady to decreasing. Class I milk orders are picking up. Limited spot sales are moving through the market. Processors are comfortable with current milk intake levels. Milk supplies in the Southeast are unbalanced. However, milk output ticked slightly higher from cooler temperatures. Class I pulls are actively consuming available milk. Handlers continue to receive loads from the Southwest as production shortages persist. Supplies moving into balancing are non-existent, with a couple of plants expected to shut down until Christmas. Florida's weather has been in the 90s, with a high heat index to go along with consistent afternoon thunderstorms. As a result, the area's farm milk output remains on a downward slide. Fluid milk sales are stronger, with schools starting this week throughout August. Import milk shipments total 20 f.o.b. loads this week. The **condensed skim** market is little changed from the previous week. Quite a few loads are being cleared to Midwest buyers. However, offerings of condensed skim are lighter. Prices for July Class III skim condensed inched lower from the previous month. The **fluid cream** market is mostly steady. Offerings range from somewhat tight to adequate during the latter part of the week. Spot demand is fair to good, with a slight dip in the multiple at the bottom of the range. **Cream multiples** for all Classes range **1.25-1.37**, in the region this week. Ice cream makers are seeing seasonally active production and good to fair sales as consumption patterns change with contrasting temperatures. According to the DMN *National Retail Report-Dairy*, for August 4-10, 2017, the U.S. weighted average advertised price for a gallon of milk was \$2.60, up 17 cents compared to last week and up 6 cents from a year ago. In the Northeast, the weighted average price for a gallon of milk is \$3.69 compared to \$2.99 the previous week.

**DAIRY PRODUCTS:** According to NASS, June 2017 hard ice cream production in the Atlantic region totaled 17.0 million gallons, 2.3 percent less than a year ago, but 2.8 percent more than last month. Cumulative U.S. 2017 production through June totaled 409.3 million gallons, 1.8 percent less than the previous year through June. Cumulative U.S. 2017 yogurt production (plain and flavored) through June totaled 2.3 billion pounds, down 0.9 percent from the previous year.

## SPOT PRICES OF CLASS II CREAM, DOLLARS PER LB. BUTTERFAT:

F.O.B. producing plants: Northeast- 3.3875-3.7127  
F.O.B. producing plants: Upper Midwest- 3.3875-3.6314

## PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices- .40-.81  
Northeast - Class III - spot prices - .40-.74

## MIDWEST

Milk output in the Central U.S. is experiencing a decline, but contacts report that it is not as palpable as in years past. Some contacts suggest feed rations and relatively comfortable, seasonally mild weather in the upper Midwest are to credit for the lack of a marked falloff of milk supplies. Bottling contacts reported an increase in activity. Some bottlers began school orders this week, while others suggest the end of August is when things start to pick up. This varies state by state, as school districts' opening weeks vary. Some logistical hurdles are expected with the onset of school bottled milk ordering. Cheese makers in the Midwest pointed out that spot market milk was harder to come by, even as prices are steady between flat market and \$1.50 under Class III. **Cream** is still available, although there are reports that there is a little tightness of cream availability. **Cream multiples** were reported from **1.25 to 1.34** f.o.b. into Class II plants. Ice cream manufacturers remain a factor in the cream market. According to contacts, fresh ice cream production is still pulling at the availability of cream. The DMN *National Retail Report-Dairy* for August 4-10 noted the national weighted average advertised price for one gallon of milk was \$2.60, up 17 cents from last week and 6 cents higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.85 and \$2.49, respectively. The DMN monthly average of the range price series for Upper Midwest Class II cream during July 2017 was \$3.2857, compared to \$2.8892 a year ago. The NASS *Dairy Products* report noted July U.S. regular (hard) ice cream production totaled 75.5 million gallons, down 2 percent from last year. January-June U.S. production totals 409.3 million gallons, 1.8 percent below 2016 during the same period. June production in the Central region totaled 41.3 million gallons, 1.8 percent above a year ago.

## WEST

In **California**, weather conditions continue to be less favorable for farm milk production. This week, contacts report that milk output is declining. As the result, for a number of processors, spot loads are harder to find on short notice. However, contracted milk volumes continue to flow as planned. Manufacturing plants are working close to full capacities. Class I demand is unchanged from a week ago. In **Arizona**, milk output is trending down due to hotter daytime temperatures across the state. Last week, many reports showed temperatures above normal levels. Bottled milk intakes are steady, but are expected to pick up within a few weeks when educational institutions reopen. In Arizona, fifty-eight percent of alfalfa hay is rated good to excellent, with harvesting taking place on three-quarters of the alfalfa acreage. Nine-three percent of topsoil moisture is adequate to surplus. In **New Mexico**, milk production is steady to slightly down, following its normal summer pattern. Some western milk loads are moving into the Southeast region. With most schools getting ready to reopen in a few week, pipelines are filling up. Industry contacts suggest that milk volumes into balancing plants are significantly down. Class I intakes are steady while Class II and III requests are decreasing. In New Mexico, topsoil moisture levels were reported as seventy-four percent adequate to surplus this week, compared to thirty-nine percent last week. The fifth cutting of alfalfa is twelve percent complete while the third and fourth cutting are respectively eighty-six and fifty-five percent complete. Last week's heat wave may have suppressed milk production in the **Pacific Northwest**, but as the temperatures have moderated, milk output

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## FLUID MILK AND CREAM

## -CONTINUED FROM PAGE 4-

has come back somewhat. Although still warm, cow comfort and milk production are improving slightly. Milk is available for most processing needs and the school bottling demand has not yet kicked into high gear. The region has also experienced a long stretch of dry weather. Pasture and rangeland conditions are good or excellent in 29 percent of Oregon and 38 percent of Washington. Milk production in the mountain states of **Idaho**, **Utah** and **Colorado** is strong and manufacturers are having no trouble getting the milk needed for most processing needs. Industry contacts report fewer production issues at processing facilities and were hoping to clear holdovers early in the week. Contacts further stated some loads of milk were leaving the region, moving into neighboring states. A few loads of condensed skim were available at flat market prices and some distressed milk was still available at \$4 under Class. Pasture and rangeland conditions are good to excellent in 57 percent of Colorado, 49 percent of Utah, and 70 percent of Idaho. In the West, **condensed skim** is moving at flat market price and sales are strong. Some western manufacturers are planning to move condensed skim to the Midwest this coming week. **Cream** continues to move strongly into ice cream in most parts of the West. In California, contacts report a big lag in cream demand. Some western cream loads are finding homes in the East. **Cream multiples** for all usages are **1.07-1.27**. According to the DMN *National Retail Report-Dairy* for the week of August 4-10, the national weighted average advertised price for one gallon of milk is \$2.60, up \$0.17 from last week, and \$0.06 higher from a year ago. The weighted average regional price in the Southwest is \$2.70, with a price range of \$1.99-\$2.99. The weighted average regional price in the Northwest is \$1.84, with a price range of \$1.79-\$1.99. According to the NASS *Dairy Products* report, hard ice cream production in the West region for June 2017 is 17.2 million gallons, 3.5 percent higher than a month ago, but 9.7 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. decreased slightly at the bottom of the mostly price series, while holding steady on the price range. Spot trading activity was lighter than in previous weeks. Low/medium heat NDM inventories are generally available, and the NASS *Dairy Products* report noted a large increase of stocks compared to this time last year. Brokers report that buyers are holding off on spot purchases, awaiting the possibility of market changes. Low/medium heat NDM production has slowed with lessening seasonal milk intakes, but remains the primary focus of dryers in the Central region. The low/medium heat NDM market undertone is uncertain. High heat NDM prices were unchanged. Spot sale trading of high heat NDM mirrored low/medium heat NDM and was relatively slow. Production and inventories of high heat NDM are on par with manufacturers' contractual necessities. The NASS *Dairy Products* report noted U.S. human NDM production during June 2017 in the Central region totaled 31.5 million pounds, 5.8 percent higher than one year ago. Total U.S. human NDM production during June 2017 was 163.7 million pounds, 11.6 percent higher than last year. During January-June 2017, U.S. human NDM production totaled 958.4 million pounds, 2.4 percent more than the same time span in 2016. Total U.S. NDM, human, month ending stocks for June were 297.5 million pounds, 28.9 percent above a year ago. The CME Group monthly average price for Grade A NDM during July was \$0.8616, compared to \$0.8638 a year ago. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during July was \$0.9000, compared to \$0.8774 a year ago. The July monthly average of the range price series for Central and East high heat was \$1.0440 compared to \$0.9531 a year ago.

**EAST:** Prices for low/medium heat nonfat dry milk (NDM) held steady on the range, but slightly shifted down on the bottom of the mostly price series. Market participants communicate many spot sales are being priced around the mostly series. Dairy individuals report seeing many offers from suppliers. Sales have been steady to light. With the current heat, milk production is decreasing on the farms. Bottling plants have picked up production as schooling institutions will be reopening. Many balancing plants are taking in lower milk volumes. Eastern low/medium heat NDM production has decreased. Inventories are adequate for contractual needs and spot load requests. The market tone is stable, with signs of weakness as spot sales have been minimal and prices are mostly stagnate. High heat NDM prices are unchanged. Spot sales activity is light. Production is down, but there are anticipations it will pick up in the near future. Inventories are short, and the market undertone is steady. The DMN monthly average of the range price series for Central and East low/medium heat NDM during July 2017 was \$0.9023, compared to \$0.8824 a year ago. Wednesday's CME Group cash trading for Grade A nonfat dry milk closed at \$0.8500, down \$0.0150 from last Wednesday.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .8500 - 0.9500 MOSTLY: .8700 - .9200  
HIGH HEAT: 1.0000 - 1.0900

### NONFAT DRY MILK - WEST

Western f.o.b. spot prices for low medium heat nonfat dry milk are lower on the range. However, NDM values are mixed on the mostly series on a narrower range. The low end of the range is reflecting NDM sales from Q1/Q2 production, while the top is mirroring sales from Q3 production. This week, contract sales account for the majority of low/medium heat NDM transactions. Although the current domestic demand for NDM is even, most processors are anticipating higher interest from

buyers/end users in the near term as the baking season approaches. Cheese fortification with NDM is active in some processing plants. Meanwhile, NDM/SMP demand from Mexico is strong as farm milk intakes are declining there. Thus, most NDM trades from the U.S. West region to Mexico are occurring at the top of the pricing range. Back to the U.S., NDM production is active to marginally lower as regional farm milk yields decline. NDM inventories are generally long. Prices for high heat nonfat dry milk remain unchanged from last week. Demand is currently silent. Seasonal interest from bakers and mixed accounts are expected to develop beyond current demand in the short term. Spot sales activity is light. The CME Group monthly average price for Grade A NDM during July was \$0.8616, compared to \$0.8638 a year ago. The July 2017 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$0.8940 compared to \$0.8910 a year ago. The average for Western high heat nonfat dry milk is \$1.0226 compared to \$0.9713 a year ago. The NASS *Dairy Products* report noted U.S. human NDM production during June 2017 in the West region totaled 98.9 million pounds, 23.4 percent higher than one year ago, and 1.3 percent above the previous month. Total U.S. human NDM production during June 2017 was 163.7 million pounds, up 11.6 percent from last year. Cumulative human NDM production from January to June was 958.4 million pounds, 2.4 percent above the previous year. Total U.S. NDM, human, month ending stocks for June were 297.5 million pounds, 28.9 percent above a year ago. According to FAS, during June, U.S. NDM exports totaled 100.9 million pounds, 8 percent higher than a year ago. From January-June, U.S. NDM exports totaled 679.4 million pounds, 20 percent above last year during the same time span.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .7950 - 0.9300 MOSTLY: .8800 - .9100  
HIGH HEAT: .9800 - 1.0650

### CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
August 4	\$ .8948	4,023,348
July 28	\$ .8958	7,782,206

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
June Total	100.9	+ 8
TOTAL, JAN - JUNE	679.4	+ 20
1 Mexico	317.2	+ 27
2 Philippines	81.7	- 8
3 China	45.0	+125
4 Indonesia	33.7	- 27
5 Malaysia	31.5	+32

### DRY BUTTERMILK - CENTRAL AND EAST

**CENTRAL:** Prices for Central dry buttermilk were steady. Spot sale trading was fairly quiet. Demand for dry buttermilk is mixed. Dry buttermilk production has decelerated week after week. Inventory reports range from plant to plant. Q3 dry buttermilk loads are harder to

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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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find, but there are reports of plenty of off-spec buttermilk available to brokers and/or feed suppliers. The market undertone is uncertain. The NASS *Dairy Products* report noted U.S. dry buttermilk production during June 2017 totaled 8.0 million pounds, 0.9 percent lower than a year ago. Total U.S. dry buttermilk month-ending stocks for June were 16.2 million pounds, 24.5 percent below last year. The DMN monthly average of the range price series for Central and East dry buttermilk during July was \$0.8821, compared to \$0.8065 a year ago.

**EAST:** Dry buttermilk prices are unchanged on the price series. In the East, a number of manufacturers are not offering dry buttermilk on the market. Some market participants have a high need for dry buttermilk, and are willing to purchase loads at higher prices, but the majority of sales are around \$0.90. Production is steady in a couple balancing plants and turned off in a number of plants. Inventories are adequate to limited. The market tone is stable to uncertain as there are limited offers, but individuals are willing to purchase at higher prices, based on time and need.

F.O.B. CENTRAL/EAST: .8450 - .9225

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**DRY BUTTERMILK - WEST**

Western dry buttermilk f.o.b. spot prices are unchanged from the previous week. Demand for condensed buttermilk remains strong from ice cream and frozen dessert manufacturers. Thus, some dry buttermilk processors continue moving condensed buttermilk volumes into Class II instead drying. Slowdowns in dry buttermilk production have tightened inventories across the Western region. Nevertheless, at this point, the market undertone is balanced. The July 2017 Dairy Market News monthly average for the West dry buttermilk mostly series is \$0.9115 compared to \$0.7720 a year ago. The NASS *Dairy Products* report noted U.S. dry buttermilk production during June 2017 totaled 8.0 million pounds, down 0.9 percent from a year ago, and 14.1 percent below the previous month. Total U.S. dry buttermilk month ending stocks for June were 16.2 million pounds, 24.5 percent lower than last year.

F.O.B. WEST: .8200 - .9600 MOSTLY: .9100 - .9200

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**DRY WHOLE MILK - NATIONAL**

F.O.B. spot prices for national dry whole milk are mixed on light trading. Some spot tractions pushed up the bottom of the pricing range. According to some industry participants, national dry whole milk prices are expected to continue firming parallel with butterfat premiums. Requests from the bakery and confectionary sectors are fair to good. Dry whole milk production is irregular, mostly based on contractual needs. Inventories vary from plant to plant. The July 2017 Dairy Market News monthly average for the National price series for dry whole milk is \$1.4475 compared to \$1.3018 a year ago. The NASS *Dairy Products* report noted U.S. dry whole milk production during June 2017 totaled 8.0 million pounds, 28.2 percent higher from one year ago, and 7.6 percent above the previous month. Total U.S. dry whole milk month ending stocks for June were 20.9 million pounds, 34.1 percent above last year.

F.O.B. PRODUCING PLANT: 1.4000 - 1.7000

**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 the top of the range and top of the mostly price series. The spot market for dry whey was slower than a noticeably busy previous week. Some spot sales this week, near the top of the range, were for specific brands or specifications. Contacts report that inventories are generally available. Dry whey production is experiencing a slight decline, as milk has become less available for Class III production in the Midwest. Feed whey spot market prices mirrored dry whey prices and slipped on the top of the price range. Feed whey spot activity was quiet. Feed whey inventories are still available, although feed suppliers are expressing some relief as stocks are becoming more manageable after months of continually growing inventories have begun to taper. The DMN monthly average of the mostly price series for Central dry whey during July was \$0.4280, compared to \$0.2546 a year ago. The monthly average of the range price series for Central animal feed whey during July was \$0.3878, compared to \$0.1722 a year ago. The NASS *Dairy Products* report noted U.S. total dry whey (Human) production for June 2017 was 86.1 million pounds, up 10.3 percent from a year ago. January-June 2017 U.S. total dry whey production totaled 502.2 million pounds, 3.5 percent above the same time span in 2016. The Central region produced 42.0 million pounds of U.S. human dry whey production in June. This production is 11.8 percent higher than a year ago.

F.O.B. CENTRAL: .3200 - .4900 MOSTLY: .3600 - .4500  
 F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2800 - .4100

**DRY WHEY - NORTHEAST**

This week, Northeast dry whey markets saw f.o.b. spot prices back off slightly at the bottom of the range. Reports indicate inventories are substantial as suppliers look to clear volumes prior to Q4. Trades are occurring, but not at rates that balance inventory dry whey suppliers currently hold. Hence, market participants are delaying purchases, in anticipation of negotiating market prices for dry whey even lower. Domestic demand is fair to sluggish. Global interest has slowed. The current undertone affords the possibility that a buyers' market could be in the making.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3500 - .4700

**DRY WHEY - WEST**

F.O.B spot prices for whey in the West shifted down at the bottom of the range and both ends of the mostly price series. The market undertone is weak. Whey production is strong due to cheese production being active in the West. Contacts report that inventories are heavy for most manufacturers. Domestic transactions are lower outside of contracted volumes. International sales are slower to develop. The DMN monthly average of the mostly price series for West dry whey during July was \$0.4256 compared to \$0.4415 one month ago and \$0.2687 a year ago. NASS reports that June 2017 U.S. human dry whey production, 86.1 million pounds, is up 10.3 percent from a year ago, and up 5.3 percent from May 2017. The Western region produced 21.3 million pounds of human dry whey during June, up 16.1 percent from last year, and up 26.2 percent from last month. Month ending stocks for U.S. human dry whey, at 81.9 million pounds, are 12.2 percent higher than one year ago, but down 4.8 percent from May 2017.

NONHYGROSCOPIC: .3500 - .4625

MOSTLY: .3800 - .4400

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey protein concentrate 34% prices moved lower at the top of the range and the bottom of the mostly price series. Although a few processors say it has gotten more difficult to maintain the higher premium prices, there remains a two-tier market with higher prices for desired brands and WPC34% that cannot be replaced via reformulation and lower prices for WPC34% that is interchangeable with other protein sources. Manufacturers report inventories for WPC34% that meet tight customer specifications or infant formula requirements are comfortable to tight. Demand from buyers that cannot reformulate is strong. However, demand is weak for WPC34% that can be substituted easily with other protein sources. Some end users are asking their suppliers to delay shipments or to help adjust the end users' stocks for year-end financials. In addition, a number of market participants feel the whey complex is out of balance on a price per unit protein basis. There is talk within the industry that some production may shift from higher protein concentrations to WPC34% or sweet whey powder, boosting WPC34% production somewhat and creating more price pressures for whey proteins. The July 2017 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$0.8919, compared to \$0.9013 one month ago and \$0.6937 one year ago. According to the NASS *Dairy Products* report U.S. production of WPC (25.0-49.9% protein) during June 2017 totaled 14.5 million pounds, 4.1 percent lower than one year ago, and 3.1 percent lower than May. Year to date total WPC (25.0-49.9% protein) production through June is 90.6 million pounds, 1.0 percent less than January through June one year ago. Manufacturers' end-of-month stocks for WPC (25.0-49.9% protein) totaled 24.0 million pounds, 5.4 percent lower than one year ago, and 3.5 percent less than May 2017.

F.O.B. EXTRA GRADE 34% PROTEIN: .7100 - 1.1000 MOSTLY: .7700 - .9425

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
June Total	39.1	+ 5
TOTAL, JAN - JUNE	220.4	+19
1 China	106.5	+108
2 Canada	24.3	+ 5
3 Philippines	16.4	+21
4 Mexico	16.3	- 12
5 Japan	9.9	- 18

-CONTINUED ON PAGE 6A-

**WHEY, WPC 34%, LACTOSE & CASEIN**

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

**-CONTINUED FROM PAGE 6-****U.S. Lactose Exports, H.S. Code 1702110000(FAS)**

<b>U.S. WPC &lt; 80% Exports, H.S. Code 0404100500(FAS)</b>			<b>2017 Exports      % Change From</b>		
	<b>2017 Exports</b>	<b>% Change From</b>	<b>(Million Lb.)</b>	<b>1 Year Ago</b>	
June Total	22.1	-37			
TOTAL, JAN - JUNE	147.7	- 1			
1 China	69.2	+ 1			
2 Mexico	21.3	+16			
3 Canada	16.5	- 2			
4 Philippines	7.9	+121			
5 Indonesia	4.8	- 31			

June Total	52.3	+ 1
TOTAL, JAN - JUNE	286.8	+ 3
1 China	46.2	- 9
2 Mexico	43.6	+ 22
3 New Zealand	38.2	- 23
4 Japan	22.8	- 1
5 Indonesia	19.4	- 14

**LACTOSE - CENTRAL AND WEST**

Prices for lactose are unchanged on the mostly price series, but slid lower at both ends of the price range. A few manufacturers that make lactose of qualified and preferred brands have been like islands of stability within a sea of uncertainty. These processors report solid demand, relatively comfortable to tight inventories, and firm prices. However, much of the lactose market has an uncertain tone. Contracting for Q3 has been slow to develop and covers only a portion of what usually is secured. A few industry contacts report receiving lower priced offers from manufacturers for 200 mesh lactose, suggesting a wider availability of all mesh sizes. Manufacturers also say international demand has been slow. Buyers seem to be taking a wait and see approach. Some lactose sales are under pressure from whey permeate and other carbohydrate sources that are offered below published lactose prices. And U.S. contacts report increased competition from European lactose manufacturers. A few market observers note the shift of EU milk supplies from butter and powder to cheese has increased lactose production, while lowering the use of lactose for standardization. The result is more lactose available on the world market. The July 2017 Dairy Market News average of the mostly price series for Central and West lactose was \$0.3745, compared to \$0.3998 one month ago and \$0.2769 one year ago. NASS's *Dairy Products* report shows U.S. lactose production during June 2017 totaled 96.7 million pounds, a 3.2 percent increase from one year ago, and 1.9 percent more than last month. Year to date lactose production through June is 562.3 million pounds, 3.4 percent more than a year ago. Month ending stocks, at 136.1 million pounds, are 8.8 percent higher than one year ago, and 3.7 percent more than May 2017. According to Eurolait, total annual lactose imports, January through June, into China are up 3.2 percent from the same period in 2016. Imports from the U.S. comprise 74.0 percent of those imports. January through June imports of lactose into Japan are up 11.6 percent from 2016. Imports from the United States make up 58.1 percent of lactose imports into Japan.

**CASEIN - NATIONAL**

Casein prices for both acid and rennet are unchanged this week. Industry contacts are watching and waiting for more indication of how the New Zealand milk production season will unfold and what that could mean for potential impacts on casein prices. In the month of August, New Zealand milk production increases rapidly and casein production could follow suit.

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 - 3.6000

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2400 - .4700 MOSTLY: .3100 - .4000



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

<u>WEEK ENDING</u>	<u>2017 WEEKLY DAIRY COWS</u>	<u>2017 CUMULATIVE DAIRY COWS</u>	<u>2016 WEEKLY DAIRY COWS</u>	<u>2016 CUMULATIVE DAIRY COWS</u>
07/22/2017	56.8	1,657.0	53.3	1,651.6

**WEBSITE:** [http://www.ams.usda.gov/mnreports/sj\\_ls714.txt](http://www.ams.usda.gov/mnreports/sj_ls714.txt)

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

### CLASS III MILK PRICES (3.5% Butterfat)

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

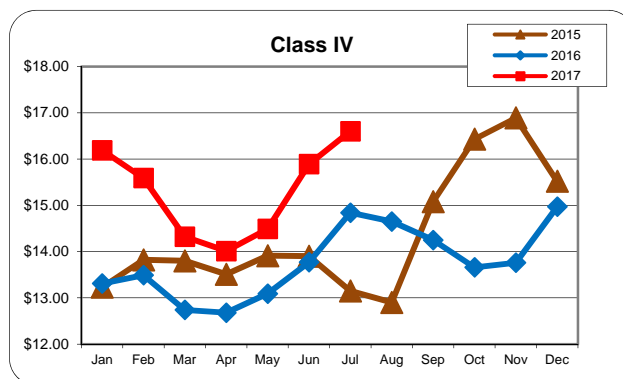
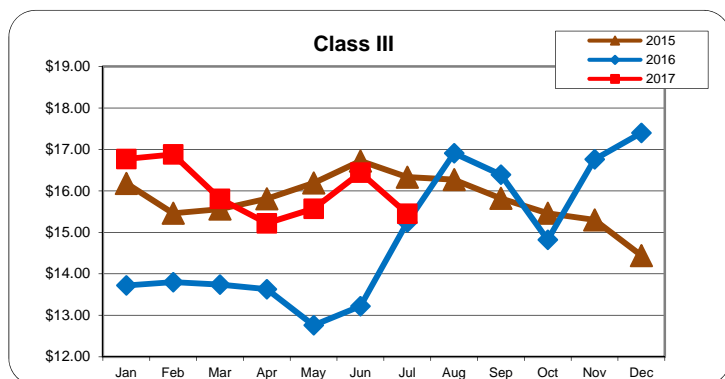
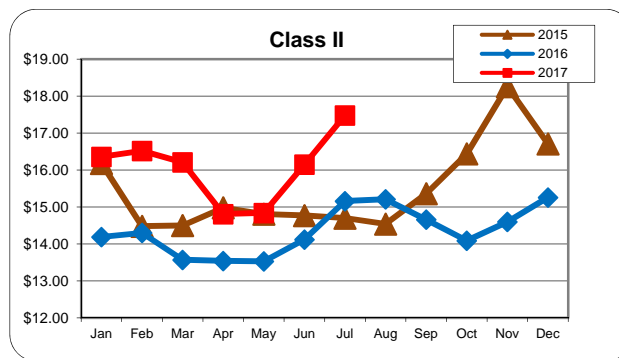
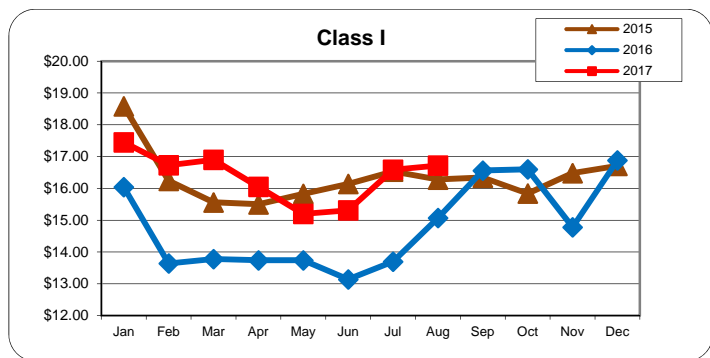
### CLASS IV MILK PRICES (3.5% Butterfat)

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

**FEDERAL MILK ORDER CLASS PRICES FOR 2017 (3.5% Butterfat)**

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	17.45	16.73	16.90	16.05	15.20	15.31	16.59	16.72				
II	16.36	16.52	16.21	14.81	14.84	16.15	17.48					
III	16.77	16.88	15.81	15.22	15.57	16.44	15.45					
IV	16.19	15.59	14.32	14.01	14.49	15.89	16.60					

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



## ORGANIC DAIRY MARKET NEWS

Information gathered July 31 - August 11, 2017

## ORGANIC DAIRY FLUID OVERVIEW

**Milk Product Sales.** AMS reports total organic milk products sales for June 2017 at 208 million pounds, down 1.7 percent from the previous year. However, cumulative sales, January through June 2017 are up 0.8 percent, compared with the same months of 2016.

Organic whole milk sales for June 2017 are 81 million pounds, up 4.1 percent from the same month last year. Cumulative, year to date, organic whole milk sales rose 7.7 percent compared to sales within the same period a year ago.

#### ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, June 2017, with COMPARISONS<sup>1</sup>

Product Name	Sales		Change from: <sup>2</sup>	
	June Million Lbs.	Y-T-D	Prev Yr.	Y-T-D Percent

## ORGANIC PRODUCTION PRACTICE

Whole Milk	81	498	4.1	7.7
Reduced Fat Milk (2%)	62	398	-2.0	0.7
Low Fat Milk (1%)	34	202	-8.6	-9.0
Fat-Free Milk (Skim)	22	140	-16.8	-14.2
Flavored Fat-Reduced Milk	9	59	30.5	36.1
Other Fluid Milk Products	0	1	1.4	-3.3
Total Fat-Reduced Milk 3/	127	799	-5.1	3.0
Tot. Organic Milk Products	208	1,297	-1.7	0.8

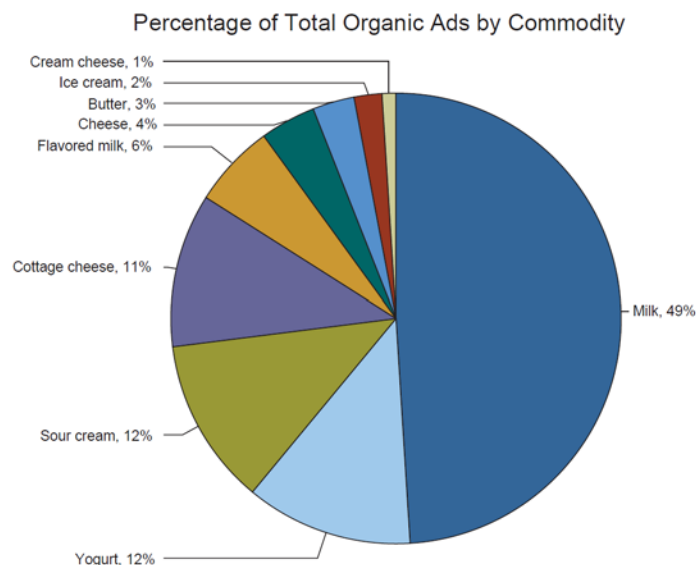
\*Total Fluid Milk Products Adjusted for Calendar Composition will not be published until release of "An Overview of Calendar Composition of Fluid Milk Sales." 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account 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/ Both conventional and organic fat-reduced milk categories are total of reduced fat, lowfat, skim, and flavored fat reduced milk. 4/ Sales volumes and percent changes have been adjusted for calendar composition.

**Organic Whole Milk Powder Market.** A recent research study by the U.S. research group, Future Market Insights (FMI), reports projections of over \$3 billion in organic milk powder sales by 2027. According to findings, global organic milk powder production grew 2 to 5 percent in 2016, ahead of organic fluid milk production. Food safety and rising consumer demand for healthy and nutritious products, along with dry powder's ability to lengthen shelf life are likely reasons to drive worldwide consumption for organic milk powder.

## ORGANIC DAIRY RETAIL OVERVIEW

**Organic Dairy Overview.** Overall, the number of organic retail advertisements increased 2 percent this current survey period. Organic milk ads, as a percentage of all organic dairy ads declined 13 percent this week. Organic cheese ads tumbled 50 percent compared to the last survey period. Organic butter ad numbers are down 75 percent, while the number of ads for organic sour cream increased approximately six fold.

The pie chart below displays percentages of all organic commodities detailed in the survey. To view all images please go to the PDF version of this report at, <https://www.ams.usda.gov/mnreports/dybdairyorganic.pdf>



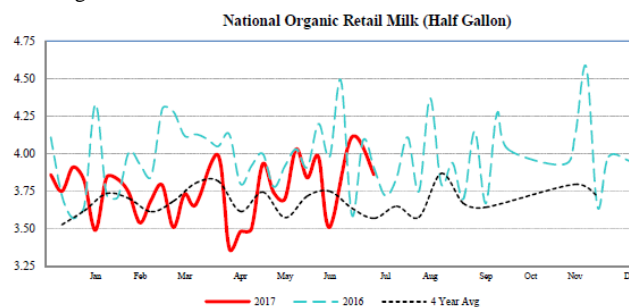
Data source: USDA Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from August 11-17 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
<b>Butter</b>	4.82	5.42	5.09
<b>Milk</b>			
Half Gal.	4.29	4.03	4.11
Gal.	4.43	5.49	4.55
8 oz.	0.88	1.05	1.00
<b>Yogurt</b>			
4-6 oz. Greek	1.00	1.22	1.35
32 oz. Greek	5.99	...	2.50
4-6 oz. Yogurt	0.94	0.68	0.40
32 oz. Yogurt	3.12	3.58	2.50



Data source: USDA/AMS/Weekly National Organic Summary

-CONTINUED ON PAGE 8A-

## ORGANIC DAIRY MARKET NEWS

Information gathered July 31 - August 11, 2017

**-CONTINUED FROM PAGE 8-**

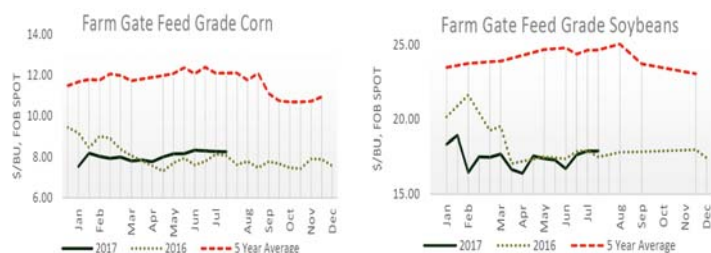
Complete results of the “National Retail Report-Dairy” and “Weekly National Organic Summary” is accessible using the following links:

<https://www.ams.usda.gov/mnreports/dybretail.pdf>

<https://www.ams.usda.gov/mnreports/lswnos.pdf>

**ORGANIC GRAIN AND FEEDSTUFF MARKETS**

Organic feed grade corn demand and activity is moderate and trading 1 cent lower, compared to the previous period. Feed grade soybean demand is moderate, while trading 24 cents higher this period on light activity. Spot sales for soybean meal and oil are sluggish, but contractual deliveries are moving timely. Feed wheat trading is sluggish with old crop bidding around \$8.00 delivered. Forward contracting appears light this period for Q3 and Q4 deliveries. Exchanges of food grade wheat consisted of SRW wheat, with sales ranging \$9.00 to \$9.25. Few spot exchanges were made on feed oats, feed barley, and feed white milo. Organic dry edible beans trading is light.



Source: Graphs by Livestock, Poultry and Grain Markets

**USDA FAS GATS Organic Import Volume**

Commodity	Mo.	Unit	Volume	YTD Volume
Yellow Corn	May	bu	2,450,892.76	10,234,335.20
Soybeans	May	bu	1,559,772.02	7,314,548.55
Durum Wheat	May	bu	69,007.01	817,576.91

Source: USDA FAS GATS

Additional livestock and grain market news information is available at: [www.ams.usda.gov/LSMarketNews](http://www.ams.usda.gov/LSMarketNews)

## June Milk Sales

During June, 3.7 billion pounds of packaged fluid milk products are estimated to have been sold in the United States. This was 0.8 percent lower than June 2016. Estimated sales of total conventional fluid milk products decreased 0.8 percent from June 2016 and estimated sales of total organic fluid milk products decreased 1.7 percent from a year earlier.

Estimated Total U.S. Sales of Fluid Milk Products, June 2017, with Comparisons <sup>1</sup>				
Product Name	Sales		Change from: <sup>2</sup>	
	June	Year to Date	Previous Year	Year to Date
	(million pounds)		(percent)	
Conventional Production Practice				
Whole Milk	1,221	7,241	3.9	2.4
Flavored Whole Milk	52	322	7.4	10.3
Reduced Fat Milk (2%)	1,236	7,504	-1.1	-2.8
Low Fat Milk (1%)	473	3,199	-6.1	-7.3
Fat-Free Milk (Skim)	325	2,103	-11.1	-12.6
Flavored Fat-Reduced Milk	188	1,982	5.9	1.6
Buttermilk	41	250	-2.9	-0.6
Other Fluid Milk Products	4	28	-22.7	8.7
Total Fat-Reduced Milk <sup>3</sup>	2,221	14,789	-3.2	-4.8
Total Conventional Milk Products	3,538	22,631	-0.8	-2.3
Organic Production Practice				
Whole Milk	81	498	4.1	7.7
Reduced Fat Milk (2%)	62	398	-2.0	0.7
Low Fat Milk (1%)	34	202	-8.6	-9.0
Fat-Free Milk (Skim)	22	140	-16.8	-14.2
Flavored Fat-Reduced Milk	9	59	30.5	36.1
Other Fluid Milk Products	0	1	1.4	-3.3
Total Fat-Reduced Milk <sup>3</sup>	127	799	-5.1	-3.0
Total Organic Milk Products	208	1,297	-1.7	0.8
Total Fluid Milk Products	3,746	23,928	-0.8	-2.2

<sup>1</sup> 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. <sup>2</sup> Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. <sup>3</sup> 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](mailto:Daniel.manzoni@ams.usda.gov) or 202-720-2352.

Packaged Sales of Total Fluid Milk Products in Federal Milk Orders and California, June 2017, with Comparisons <sup>1</sup>					
Marketing Area	Order Number	Sales		Change from: <sup>2</sup>	
		June	Year to Date	Previous Year	Year to Date
		<i>(million pounds)</i>		<i>(percent)</i>	
Northeast	001	646	4,046	-1.6	-2.8
Appalachian	005	249	1,574	0.1	-2.2
Florida	006	215	1,385	1.3	-0.3
Southeast	007	343	2,201	0.2	-1.2
Upper Midwest	030	279	1,794	-2.2	-4.9
Central	032	316	2,052	-0.5	-0.4
Mideast	033	414	2,641	0.9	-2.2
Pacific Northwest	124	155	971	-1.1	-1.7
Southwest	126	339	2,211	-0.2	-0.6
Arizona	131	77	506	-1.7	-4.6
California	---	414	2,632	-3.0	-3.3
All Orders (Total)		3,033	19,382	-0.5	-2.0
All Areas (Total)		3,447	22,014	-0.8	-2.2

<sup>1</sup> These figures are representative of the consumption of total fluid milk products in the respective area; see footnote <sup>3</sup> above for the products included. <sup>2</sup> 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.



## August Supply and Demand Estimates

The milk production forecasts for 2017 and 2018 are reduced from the previous month as slow growth in milk per cow more than offsets increases in dairy cow numbers. For 2017, fat basis exports are raised from the previous month on higher butter and anhydrous milk fat shipments. Fat basis imports are unchanged. The skim-solid basis export forecast for 2017 is lowered on weaker than expected whey sales. The import forecast is unchanged. For 2018, fat basis exports are raised on stronger shipments of a number of dairy products. Fat basis imports are lowered slightly. Skim-solid basis exports are raised on expected stronger sales of nonfat dry milk (NDM) and other dairy products while imports are unchanged from last month. Butter and cheese price forecasts are raised for 2017 and 2018 as demand strength is expected to carry into 2018. The 2017 and 2018 NDM and whey price forecasts are reduced from the previous month on weak demand. The 2017 Class III price forecast is unchanged at the midpoint, but the 2018 price is lowered as lower whey prices more than offset higher cheese prices. Class IV price forecasts for 2017 and 2018 are raised as stronger forecast butter prices more than offset lower NDM prices. The all milk price is raised to \$17.80 to \$18.00 per cwt for 2017, but is unchanged at \$18.00 to \$19.00 per cwt for 2018.

U.S. Milk Supply and Use					
Commodity	2016	2017 Projected		2018 Projected	
		Jul	Aug	Jul	Aug
Milk	<i>(billion pounds)</i>				
Production	212.4	216.3	215.7	221.2	220.3
Farm Use	1.0	1.0	1.0	1.0	1.0
Fat Basis Supply					
Beginning Commercial Stocks	12.3	12.7	12.7	12.3	12.1
Marketings	211.4	215.3	214.7	220.2	219.3
Imports	7.0	6.0	6.0	5.9	5.8
Total Commercial Supply	230.8	234.0	233.4	238.3	237.2
Fat Basis Use					
Commercial Exports	8.4	9.1	9.3	9.1	9.2
Ending Commercial Stocks	12.7	12.3	12.1	11.8	11.8
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	209.7	212.5	211.9	217.5	216.2
Skim-Solid Basis Supply					
Beginning Commercial Stocks	9.2	9.5	9.5	10.0	9.9
Marketings	211.4	215.3	214.7	220.2	219.3
Imports	6.5	6.3	6.3	6.4	6.4
Total Commercial Supply	227.1	231.1	230.5	236.5	235.5
Skim-Solids Basis Use					
Commercial Exports	39.0	41.2	40.7	41.9	42.1
Ending Commercial Stocks	9.5	10.0	9.9	9.1	9.0
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	178.5	179.9	179.9	185.5	184.4

NOTE: Totals may not add due to rounding.

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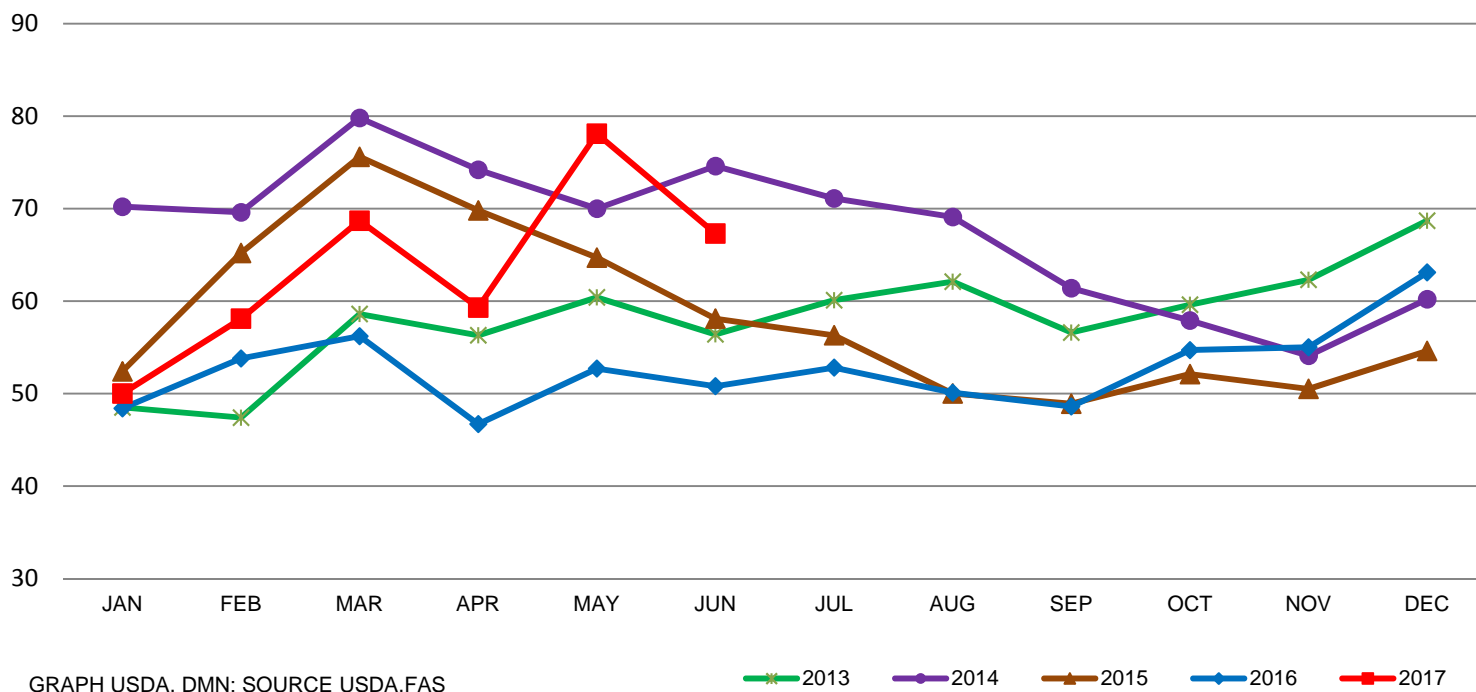
## August Milk Supply and Demand Estimates-cont'd

U.S. Dairy Prices						
Commodity	2016	2017 Projected		2018 Projected		
		Jul	Aug	Jul	Aug	
Product Prices <sup>1</sup>	(dollars per pound)					
	Cheese	1.6050	1.575-1.605	1.590-1.610	1.630-1.730	1.640-1.740
	Butter	2.0777	2.365-2.425	2.425-2.465	2.310-2.440	2.375-2.505
	Nonfat Dry Milk	0.8292	0.900-0.930	0.885-0.905	0.935-1.005	0.905-0.975
	Dry Whey	0.2875	0.475-0.495	0.455-0.475	0.480-0.510	0.445-0.475
Milk Prices <sup>2</sup>	(dollars per cwt)					
	Class III	14.87	15.85-16.15	15.90-16.10	16.45-17.45	16.30-17.30
	Class IV	13.77	15.65-16.05	15.75-16.05	15.70-16.80	15.70-16.80
	All Milk <sup>3</sup>	16.30	17.65-17.95	17.80-18.00	18.00-19.00	18.00-19.00
Milk Production	Quarterly					
	2017 II	2017 III <sup>4</sup>	2017 IV <sup>4</sup>	2018 I <sup>4</sup>	2018 II <sup>4</sup>	
	(billion pounds)					
	55.3	53.4	53.4	54.7	56.5	
	(dollars per cwt)					
All Milk Price <sup>2,3</sup>	16.83	17.55-17.85	18.45-19.05	18.15-19.05	17.55-18.55	
Class III Price <sup>2</sup>	15.74	15.65-15.95	15.70-16.30	16.15-17.05	16.15-17.15	
Class IV Price <sup>2</sup>	14.80	16.60-17.00	16.30-17.00	15.65-16.65	15.45-16.55	

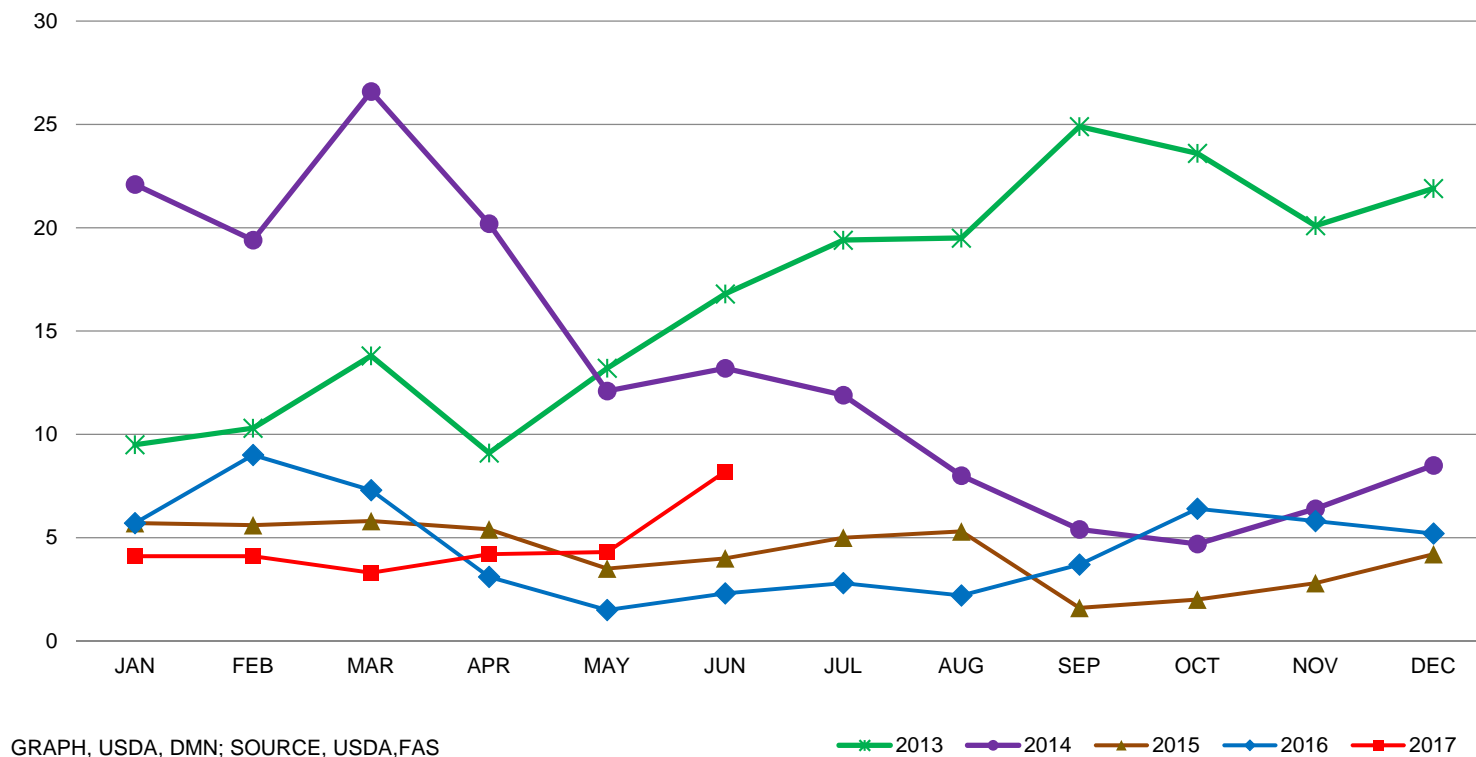
<sup>1</sup> Simple average of monthly prices calculated from AMS weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/rules-regulations/mmr/dmr>; scroll down to Publications, National Dairy Products Sales Reports, and select Current Release & Archives.” <sup>2</sup> 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. <sup>3</sup> Does not reflect any deductions from producers as authorized by legislation. <sup>4</sup> Projection.

**Source:** U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-568, August 10, 2017*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Roger Cryan, AMS; Paul Kiendl, FAS; Jerry Cessna, ERS; and Milton Madison, FSA].

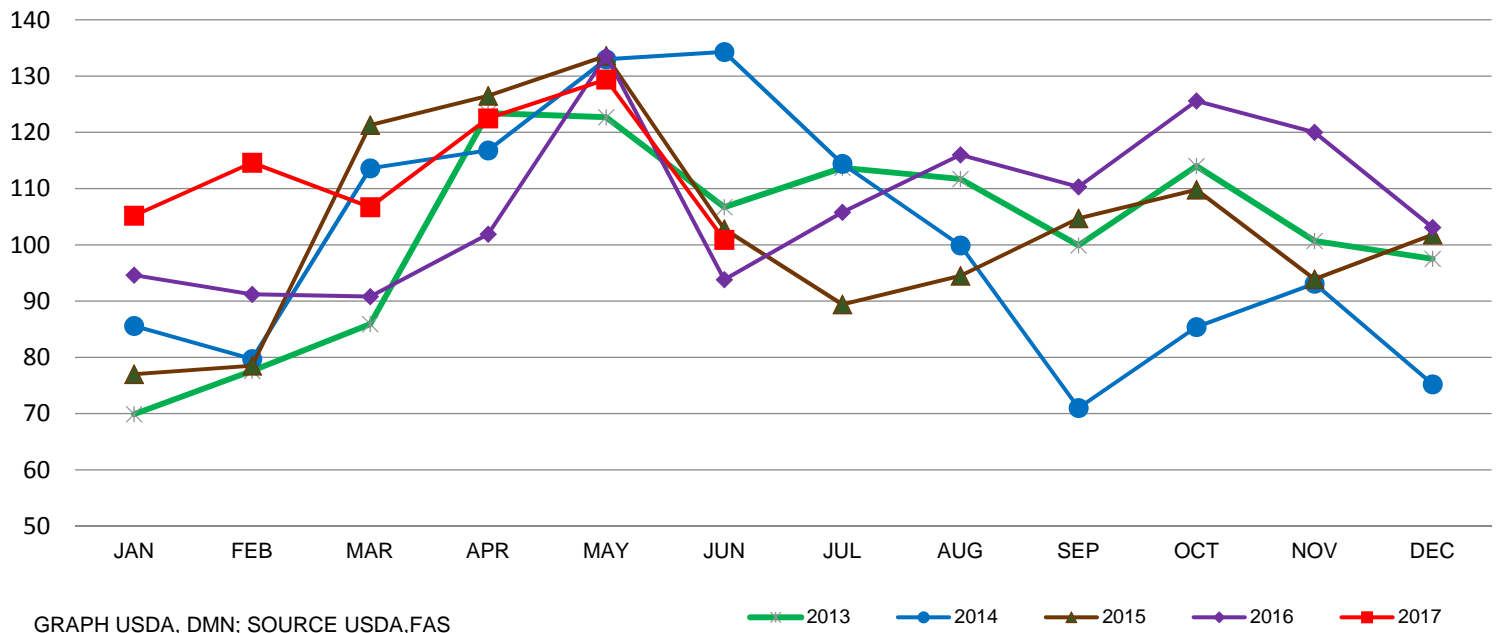
Million Pounds

**Cheese Exports (various H.S. Codes)**

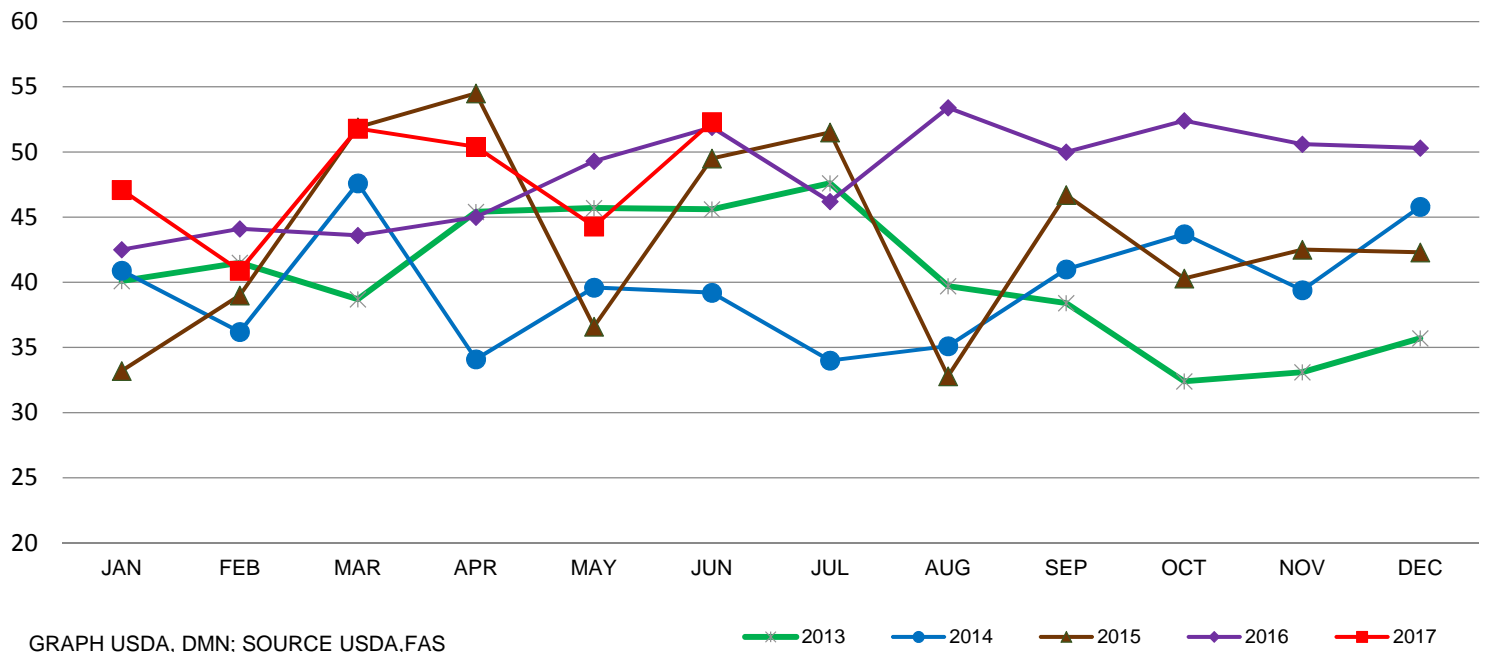
Million Pounds

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

Million Pounds

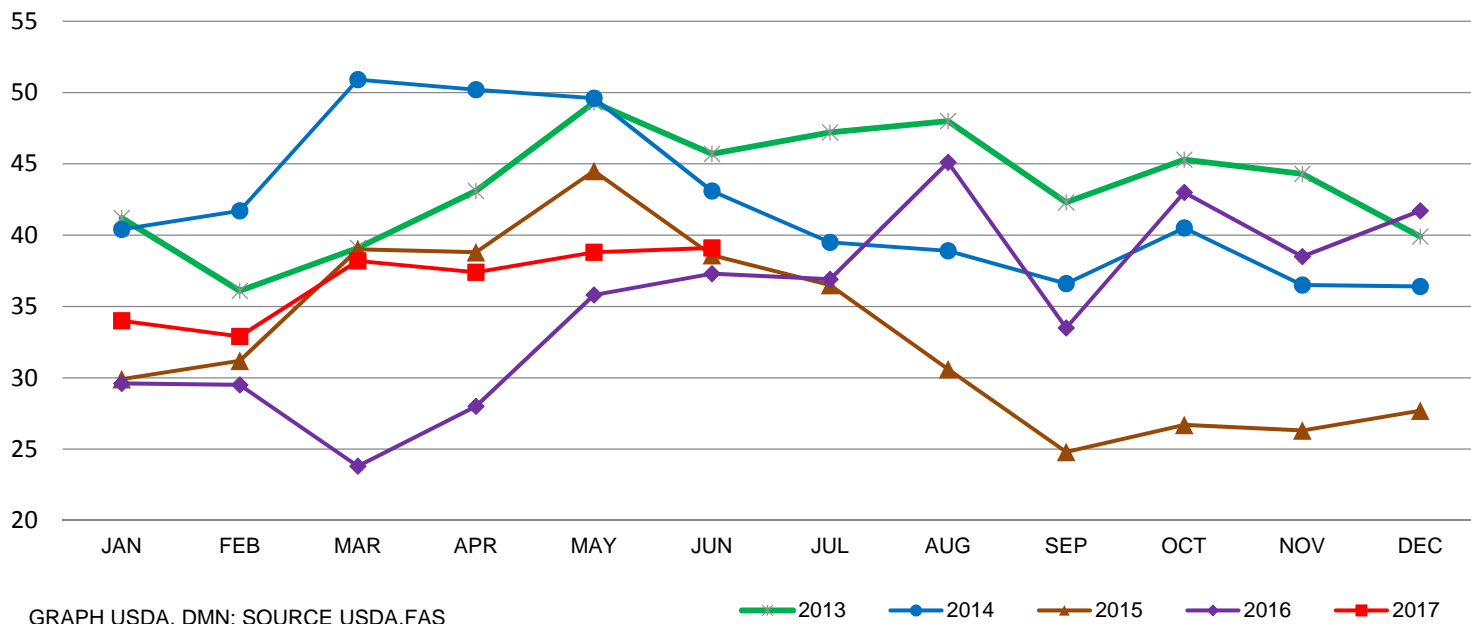
**Monthly Nonfat Dry Milk Exports: H.S. Code 0402100000(FAS)**

Million Pounds

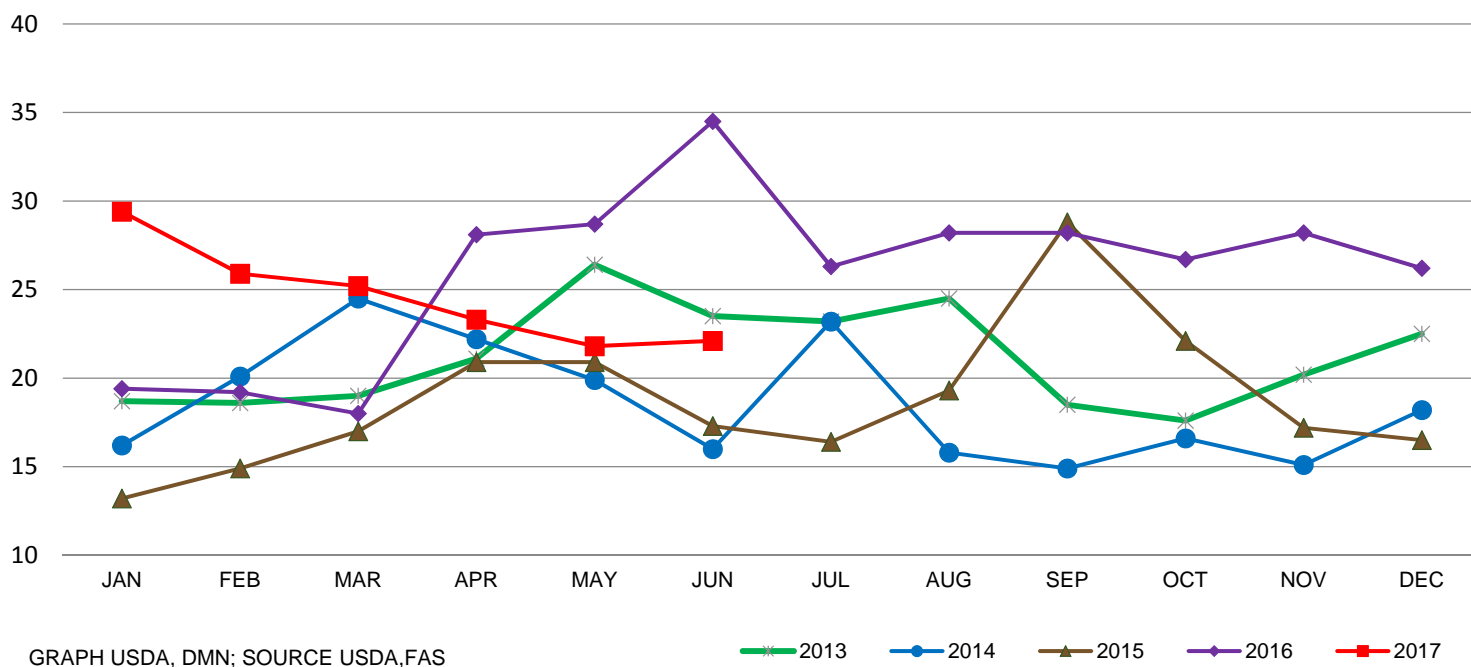
**Monthly Lactose Exports: H.S. Code 1702110000(FAS)**



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/dybretil.pdf>

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### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 08/11/2017 to 08/17/2017

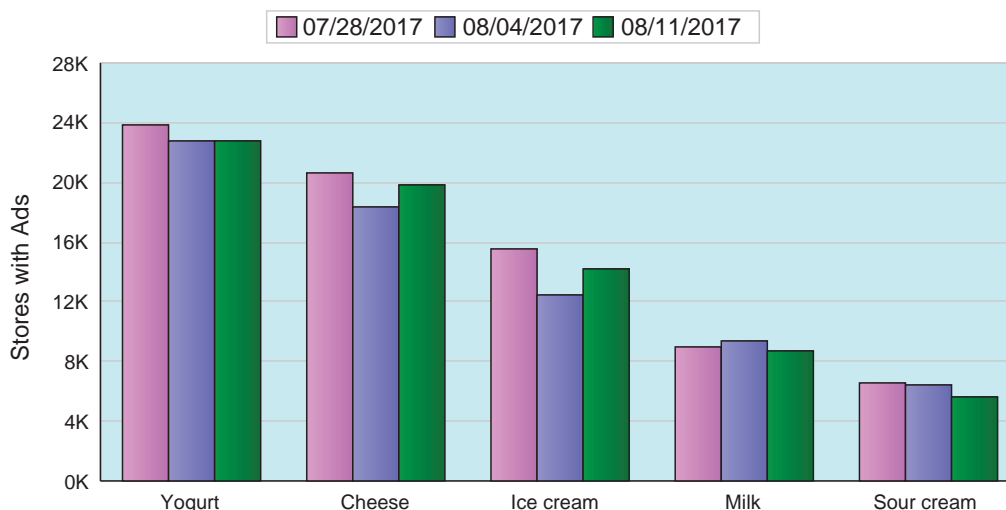
This week, total conventional dairy ads decreased 2 percent, but organic dairy ads increased 2 percent. Conventional ice cream posted the largest number of ads within the survey, as ad numbers increased 12 percent from last week. Conventional 1 # butter advertisement numbers decreased 47 percent, with an average price of \$3.70, up 13 cents from last week's price. Organic 1 # butter has an average price of \$4.82, down 60 cents from last week and carrying an organic price premium of \$1.12.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.35, up 8 cents from last week. The U.S. advertised price for 8 ounce organic cheese blocks averaged \$3.59, up 21 cents from last week. The advertised price for conventional 8 ounce shred cheese averaged \$2.15, down 4 cents from last week, as ads increased 1 percent. Conventional cheese ad numbers rose 12 percent this week.

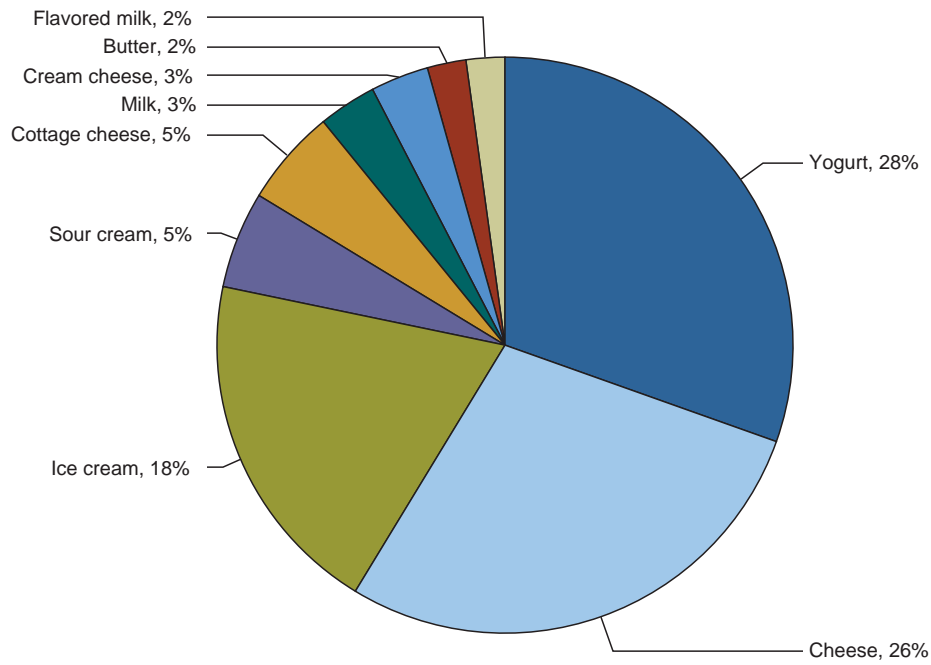
Conventional yogurt ads increased 2 percent, while organic yogurt ads decreased 20 percent. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.95, down 2 cents. Organic 4-6 ounce Greek yogurt has an average price of \$1.00, down 22 cents, resulting in an organic premium this week of 5 cents. The average sale price for 4-6 ounce conventional yogurt is \$0.48, down 2 cents from last week, while 4-6 ounce organic yogurt averages \$0.94, up 26 cents from last week.

The conventional half gallon milk price was \$2.13. Organic half gallon milk containers were priced at \$4.29, resulting in a premium of \$2.16. Conventional half gallon milk ads increased 62 percent, while conventional gallon milk ads increased by 5 percent. Organic gallon milk ads saw a decrease, week over week, of 78 percent. Total organic milk ad numbers decreased 13 percent, as ad numbers for conventional milk increased 12 percent.

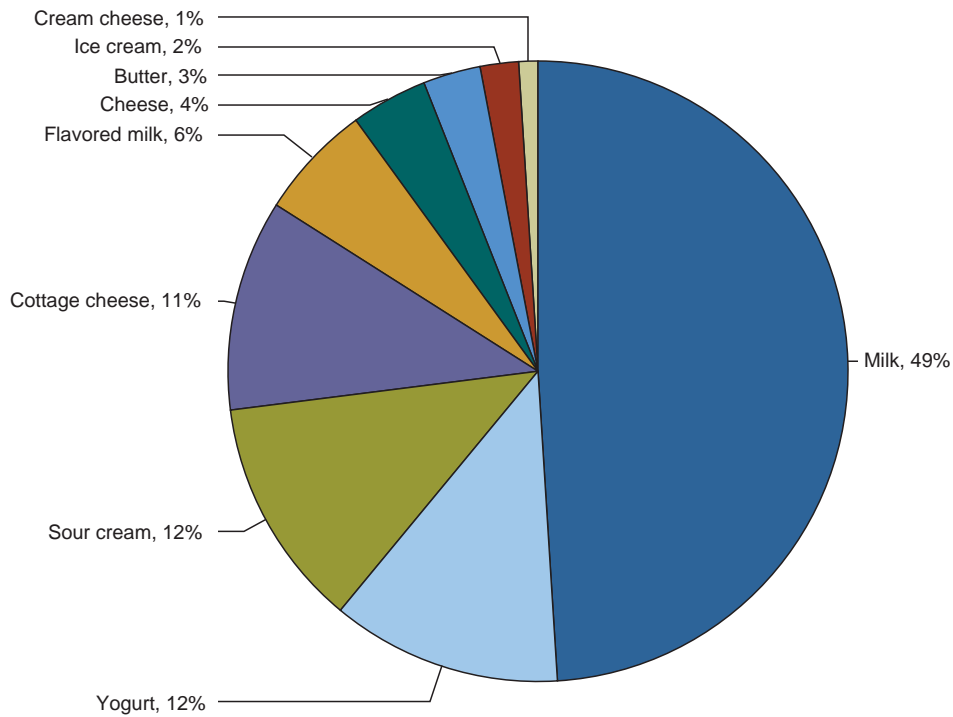
Top 5 Commodities Featured



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 #	1759	3.70	3309	3.57	3265	3.23
Cheese	Natural Varieties	8 oz block	6030	2.35	4085	2.27	6929	2.17
Cheese	Natural Varieties	1 # block	1289	4.15	1146	3.45	1124	3.35
Cheese	Natural Varieties	2 # block	995	6.77	1144	7.06	1661	5.97
Cheese	Natural Varieties	8 oz shred	9847	2.15	9714	2.19	8797	2.25
Cheese	Natural Varieties	1 # shred	1216	4.13	1285	3.73	860	3.48
Cottage cheese		16 oz	3936	1.99	3740	1.82	3061	2.11
Cream cheese		8 oz	2059	1.88	4013	2.15	2483	2.22
Flavored milk	All fat tests	half gallon	1268	3.02	820	2.46	900	2.13
Flavored milk	All fat tests	gallon	233	3.09	759	3.43	792	2.91
Ice cream		48-64oz	13835	3.11	12382	3.06	9133	2.94
Milk	All fat tests	half gallon	444	2.13	274	1.84	481	2.03
Milk	All fat tests	gallon	2026	3.22	1925	2.60	1835	2.49
Sour cream		16 oz	4121	1.66	6212	1.74	4492	1.82
Yogurt	Greek	4-6 oz	10291	.95	11726	.97	12052	.91
Yogurt	Greek	32 oz	2547	4.61	1337	4.24	2235	3.79
Yogurt	Yogurt	4-6 oz	7150	.48	7611	.50	9019	.50
Yogurt	Yogurt	32 oz	1311	2.23	208	2.59	1290	2.17

## REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.99-5.49	633	4.40	1.99-3.88	256	3.43	2.79-2.99	438	2.89
Cheese	Natural Varieties	8 oz block	1.88-3.00	2381	2.20	1.49-3.00	2217	2.49	2.00-3.50	489	2.79
Cheese	Natural Varieties	1 # block	2.99-5.00	275	4.21	3.99	214	3.99	2.99	247	2.99
Cheese	Natural Varieties	2 # block							7.99	180	7.99
Cheese	Natural Varieties	8 oz shred	1.67-3.49	2609	2.15	1.49-2.50	2239	2.13	1.50-2.99	1382	2.12
Cheese	Natural Varieties	1 # shred	2.99	108	2.99	4.29-4.99	563	4.91	2.99-4.50	366	3.48
Cottage cheese		16 oz	1.50-2.69	941	2.03	1.50-2.59	2341	1.97	1.50-1.89	288	1.78
Cream cheese		8 oz	1.69-2.49	862	1.93	1.50-1.99	994	1.90	1.50-1.67	179	1.62
Flavored milk	All fat tests	half gallon	2.50-3.69	598	2.88				2.50	180	2.50
Flavored milk	All fat tests	gallon							1.69	110	1.69
Ice cream		48-64oz	2.50-3.99	3654	2.96	2.50-5.99	1967	3.23	1.99-4.49	2464	3.02
Milk	All fat tests	half gallon							2.50	180	2.50
Milk	All fat tests	gallon	3.69	137	3.69	3.99-4.29	735	4.19	0.79-2.99	573	1.87
Sour cream		16 oz	1.49-2.19	960	1.77	1.50-1.67	1475	1.52	1.50-2.00	463	1.82
Yogurt	Greek	4-6 oz	0.80-1.25	2626	1.01	1.00	1860	1.00	0.80-1.00	772	.89
Yogurt	Greek	32 oz	3.99	60	3.99	4.49-4.99	1818	4.69	4.50	180	4.50
Yogurt	Yogurt	4-6 oz	0.50-0.75	1429	.53	0.40-0.50	2466	.49	0.33-0.50	995	.44

Wtd Avg - Simple weighted average





Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	1.99-2.69	285	2.28				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 #	2.50-3.50	180	3.16	3.99	137	3.99	3.99	105	3.99
Cheese	Natural Varieties	8 oz block	1.38-3.00	579	2.23	2.00	114	2.00	1.67-2.00	174	1.80
Cheese	Natural Varieties	1 # block	2.99-4.99	309	3.69	5.99	241	5.99			
Cheese	Natural Varieties	2 # block	6.99	114	6.99	5.99-6.99	487	6.50	5.99	187	5.99
Cheese	Natural Varieties	8 oz shred	0.99-2.50	1574	2.13	1.99-2.99	1064	2.25	1.66-3.00	864	2.13
Cheese	Natural Varieties	1 # shred	2.99-4.99	176	3.62						
Cottage cheese		16 oz	2.59-3.00	137	2.84	1.25-1.50	177	1.41			
Flavored milk	All fat tests	half gallon				2.79-3.99	490	3.39			
Flavored milk	All fat tests	gallon	3.99	99	3.99						
Ice cream		48-64oz	2.49-5.00	2611	3.21	2.49-4.99	2105	3.24	2.49-4.99	969	2.94
Milk	All fat tests	half gallon	1.49-2.99	198	2.10				1.25	66	1.25
Milk	All fat tests	gallon	2.99-4.29	402	3.64	1.99-2.39	179	2.25			
Sour cream		16 oz	1.50-2.79	428	1.95	1.25-1.50	599	1.47	1.29-1.99	166	1.55
Yogurt	Greek	4-6 oz	0.79-1.25	1441	.92	0.75-1.25	2969	.89	0.80-1.00	491	.92
Yogurt	Greek	32 oz	4.99	135	4.99	4.99	62	4.99	3.99	289	3.99
Yogurt	Yogurt	4-6 oz	0.40-0.58	493	.45	0.33-0.50	1461	.46	0.38-0.50	298	.45
Yogurt	Yogurt	32 oz	2.50	152	2.50	1.89-2.50	653	2.02	2.99	61	2.99

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.48-5.29	10	4.49			
Cheese	Natural Varieties	8 oz block	2.79-3.00	42	2.96	2.50	34	2.50
Cheese	Natural Varieties	1 # block				5.99	3	5.99
Cheese	Natural Varieties	2 # block				7.99	27	7.99
Cheese	Natural Varieties	8 oz shred	2.50-2.79	27	2.56	2.49-3.00	88	2.65
Cheese	Natural Varieties	1 # shred				5.99	3	5.99
Cottage cheese		16 oz	3.98	28	3.98	2.50	24	2.50
Cream cheese		8 oz				1.69	24	1.69
Flavored milk	All fat tests	gallon				5.79	24	5.79
Ice cream		48-64oz	3.00-4.99	23	3.86	3.18-5.99	42	5.04
Sour cream		16 oz				1.99-2.50	30	2.45
Yogurt	Greek	4-6 oz	0.80-1.50	71	1.20	1.25-1.33	61	1.29
Yogurt	Greek	32 oz				5.99	3	5.99
Yogurt	Yogurt	4-6 oz	0.70	5	.70	0.60	3	.60
Yogurt	Yogurt	32 oz	2.50-2.98	5	2.79	3.79-4.89	33	3.99



## 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 #	354	4.82	1397	5.42	428	5.09
Cheese	Natural Varieties	8 oz block	361	3.59	373	3.38	838	4.18
Cheese	Natural Varieties	8 oz shred	120	3.49	586	3.60	178	2.79
Cottage cheese		16 oz	1430	3.95			266	3.79
Cream cheese		8 oz	141	2.89	798	2.50		
Flavored milk	All fat tests	half gallon	741	4.47			463	4.77
Ice cream		48-64oz	304	3.99	62	5.99	101	6.99
Milk	All fat tests	half gallon	5022	4.29	5184	4.03	4395	4.11
Milk	All fat tests	gallon	403	4.43	1828	5.49	728	4.55
Milk	All fat tests	8 oz UHT	773	.88	101	1.05	1320	1.00
Sour cream		16 oz	1533	2.86	273	2.55	585	2.42
Yogurt	Greek	4-6 oz	225	1.00	1260	1.22	726	1.35
Yogurt	Greek	32 oz	114	5.99			137	2.50
Yogurt	Yogurt	4-6 oz	550	.94	527	.68	110	.40
Yogurt	Yogurt	32 oz	650	3.12	128	3.58	990	2.50

## 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 #	4.99	233	4.99						
Cheese	Natural Varieties	8 oz block	3.99	72	3.99						
Cottage cheese		16 oz	3.99	233	3.99	3.99	1083	3.99			
Cream cheese		8 oz	2.50	72	2.50				3.29	69	3.29
Flavored milk	All fat tests	half gallon	4.79-4.99	322	4.89				3.99	213	3.99
Ice cream		48-64oz	3.99	304	3.99						
Milk	All fat tests	half gallon	4.39-5.99	927	5.14	3.50-4.49	2380	4.17	2.99-3.99	548	3.38
Milk	All fat tests	8 oz UHT	0.83-1.00	269	.93				0.80	247	.80
Sour cream		16 oz	2.99	161	2.99	2.99	1083	2.99			
Yogurt	Greek	4-6 oz							1.00	225	1.00
Yogurt	Yogurt	4-6 oz	0.50-0.75	180	.65				1.00	119	1.00
Yogurt	Yogurt	32 oz	2.99	255	2.99	2.99	227	2.99			

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.49	121	4.49						
Cheese	Natural Varieties	8 oz block							3.49	289	3.49
Cheese	Natural Varieties	8 oz shred				3.49	120	3.49			
Cottage cheese		16 oz				3.49	114	3.49			
Flavored milk	All fat tests	half gallon				4.49	137	4.49	3.99	69	3.99
Milk	All fat tests	half gallon	3.99-4.99	534	4.20	4.49	251	4.49	2.99-4.49	345	3.95
Milk	All fat tests	gallon	2.97	114	2.97				5.00	289	5.00
Milk	All fat tests	8 oz UHT	1.00	54	1.00	0.92	137	.92	0.80	66	.80
Sour cream		16 oz							2.29	289	2.29
Yogurt	Greek	32 oz	5.99	114	5.99						
Yogurt	Yogurt	4-6 oz				1.00-1.25	251	1.11			
Yogurt	Yogurt	32 oz	3.50	54	3.50	3.49	114	3.49			

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon				5.97-6.99	37	6.91

#### 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

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