

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (8/18)**

BUTTER: Grade AA closed at \$2.6450. The weekly average for Grade AA is \$2.6605 (-.0075).

CHEESE: Barrels closed at \$ 1.7500 and 40# blocks at \$ 1.7550. The weekly average for barrels is \$ 1.6805 (+.1255) and blocks, \$1.7410 (+.0475).

NONFAT DRY MILK: Grade A closed at \$0.8325. The weekly average for Grade A is \$0.8430 (-.0070).

BUTTER HIGHLIGHTS: Domestic butter demand reports are consistently positive throughout the United States. Midwestern butter makers report international inquiries are following suit, as unsalted butter orders have begun to increase. Cream supplies into butter production vary by region. Some Northeastern contacts report steady intakes of cream, while others are seeing tightness in supplies. Midwestern intakes are generally steady, while Western butter producers report plentiful offers of cream. Butter production echoes the cream supply pattern, and varies by regional cream intakes. Some butter makers in the West report selling off some excess cream, primarily into ice cream production, in lieu of churning. Bulk butter prices, across all regions, range from flat market to 8 cents over the CME average. With strong global/domestic demand, alongside generally balanced cream supplies and prices, butter continues to be the standout in regards to maintaining a strong market tone within the dairy industry. Friday's CME Group cash trading saw Grade AA butter close at \$2.6450, down \$0.0375 from last Friday.

CHEESE HIGHLIGHTS: Milk availability into cheese production varies by region. Midwest and Northeastern Class III producers are receiving fewer spot offers. West cheese plants continue to take on plentiful milk supplies. Cheese production is steady in the Northeast, slightly down in the Midwest, and is continuing apace in the West, although Western contacts believe production will begin to slow in that region in the near term. Demand for pizza cheese is picking up. Cheddar makers in the East report a seasonal lag in sales, while demand is generally fair in the Western region. Inventories of barrel cheese are long in the Midwest and West. The cheese market tone is improving. Steadily increasing barrel prices on the CME have narrowed the gap with block prices. Contacts believe this is a positive sign, after a lengthy and unsettling price rift has kept industry participants anxious since early May. CME Group trading Friday,

barrels closed at \$1.7500, up \$0.1625 from last Friday. Blocks closed at \$1.7550, up \$0.0125 from last Friday.

FLUID MILK: Milk production in the Northeast region is flat with sufficient volumes for maintaining bottling and processing needs. Hot temperatures in the Southeast have led to a decline in milk production. Florida's milk output continues to drop, but milk from different regions is being brought in to support fluid sales. Milk output in the Central region varies from place to place. Supply is sufficient for intake facility needs but slowly declining. Warm weather in California is causing lower outputs. However, milk is available for most processing needs. Arizona and New Mexico milk output is still following a downward trend, with balancing plants working near to full capacities processing milk. Class I sales are high with school starting, while Class II production plants are allotting time for maintenance. In the mountain states of Idaho, Utah and Colorado, milk production is actively meeting manufacturing needs. Cream markets are generally steady across all regions. Ice cream manufacturers are reportedly continuing to take on a multitude of cream spot loads. Cream multiples for various uses range from 1.25-1.37 in the East, 1.25-1.34 in Midwest, 1.07-1.27 in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk (NDM) prices in the East and Central U.S. decreased on the top of the range, while holding steady on the mostly price series. High heat NDM prices declined through the range on f.o.b. spot trading. Production is mostly based on customers' needs. Prices for Western low/medium heat nonfat dry milk (NDM) are lower at the bottom of the range and steady on the mostly price series. The market undertone is weak/weakening in all regions. Prices for western high heat nonfat dry milk remain steady compared to last week. Demand is quiet, and sales outside of contracts are light. Prices for East and Central dry buttermilk increased on both the top and bottom of the price range. F.O.B prices for dry buttermilk in the West remain steady on both the range and the mostly prices series. Demand for dry buttermilk is intermittent to steady. National dry whole milk f.o.b. spot prices are steady to higher as a few spot sales pushed up the top of the range. Prices for dry whey in the Eastern region of the country are steady to lower, in a weakening market. Central whey prices remained steady on the range, but slid on the bottom of the mostly price series. The spot

-CONTINUED ON PAGE 1A -

*****SPECIALS THIS ISSUE*****

INTERNATIONAL DAIRY MARKET NEWS (PAGE 8-8C)

CME FUTURES (PAGE 9)

MAY MAILBOX PRICES (PAGE 10)

JULY FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY (PAGE 11)

RETAIL PRICES FOR CONVENTIONAL AND ORGANIC MILK (PAGES 12-16)

DAIRY GRAPHS (G1)

NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY AUG 14	TUESDAY AUG 15	WEDNESDAY AUG 16	THURSDAY AUG 17	FRIDAY AUG 18	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$1.6575 (+.0700)	\$1.6400 (-.0175)	\$1.6700 (+.0300)	\$1.6850 (+.0150)	\$1.7500 (+.0650)	:: (+.1625)	:: \$1.6805 (+.1255)
40# BLOCKS	\$1.7550 (+.0125)	\$1.7250 (-.0300)	\$1.7350 (+.0100)	\$1.7350 (N.C.)	\$1.7550 (+.0200)	:: (+.0125)	:: \$1.7410 (+.0475)
NONFAT DRY MILK GRADE A	\$.8500 (N.C.)	\$.8475 (-.0025)	\$.8475 (N.C.)	\$.8375 (-.0100)	\$.8325 (-.0050)	:: (-.0175)	:: \$.8430 (-.0070)
BUTTER GRADE AA	\$2.6700 (-.0125)	\$2.6700 (N.C.)	\$2.6625 (-.0075)	\$2.6550 (-.0075)	\$2.6450 (-.0100)	:: (-.0375)	:: \$2.6605 (-.0075)

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 -**

market for dry whey has quieted since early August when many larger-volume transactions were reported. Western dry whey prices moved lower at the top of the range and remain steady on the mostly price series. The general market trend is weakening and sales are difficult to realize. Whey protein concentrate 34% prices remained steady on the range, but decreased on the bottom of the mostly price series. Inventories vary by location and demand is mixed. Prices for lactose declined on the bottom of the range, while holding steady on the mostly price series. A majority of lactose processors and brokers report that lactose is experiencing an onslaught of downward pressure. Rennet casein prices are steady to higher. Acid casein prices are steady.

INTERNATIONAL DAIRY MARKET NEWS (DMN): WESTERN OVERVIEW: Current estimates of milk production in Germany and France reflect seasonal declines. ZMB Dairy World estimates that last week's milk production in Germany declined 0.4 percent from the prior week and declined 1.6 percent from the same week last year. In France, the estimate is that milk production declined 1.8 percent from the corresponding week of last year.

January-June, ZMB reports that German milk production declined 2.8 percent from the same period last year. June 2017 production was 0.5 percent behind June last year.

However, very preliminary reports suggest that as reporting is finalized, January-June milk production in some other Western European countries may be reported to be higher than year ago milk production.

EASTERN OVERVIEW: In Eastern Europe, Turkey reports January-June 2017 milk production was 4.2 percent lower than year ago production, according to ZMB. Focusing on Turkish production of specific dairy products January-June compared with one year earlier, the product and percentage changes are: butter, +7.7 percent; cheese, +1.2 percent; and skimmed milk powder, -29.0 percent.

Slovenia reports a 0.5 percent decline in milk production for the first half of 2017 compared with 2016. However, June 2017 production was 2.0 percent higher than June 2016 but 6.0 percent lower than May 2017.

The European Commission notes that the Russian Federation recently extended import sanctions affecting a range of EU agricultural products (primarily meats, dairy products, fruits and vegetables), introduced August 7, 2014, until December 31, 2018. The commission reports that EU agricultural food exports to Russia dropped from about 11.8 billion euros in 2013, reaching about 5.6 billion euros in 2016.

SOUTH AMERICA OVERVIEW: Although rainy conditions have been very active during the past two weeks in the Southern Cone of South America, farm milk production continues inching up, especially in Brazil, Uruguay, Argentina, and Chile. Milk/cream intakes are adequate to cover all processing needs, including milk powders. According to some industry participants, the strong international butter market is boosting regional premiums for cream.

Milk production in **Argentina** and **Uruguay** is close to the peak of the seasonal flush. Demand for bottled milk/UHT is strong as most schools are filling pipelines while grocery stores are restocking shelves. Cheese manufacturing is very active while inventories are building in many processing plants.

According to the Ministry of Agriculture, in July 2017, Argentina milk production grew 5% over the previous month and 3% more than a year ago. During July 2017, nominal prices paid to producers increased 34% from July 2016.

Milk output continues increasing in **Brazil**. As a result, many food

processors are using more domestic milk intakes and importing less dairy products from nearby countries. Bottling milk manufacturing is very active while stocks for UHT milk are building. Thus, several processors are trying to reduce inventories of UHT milk by reducing prices. Meanwhile, cheese demand is starting to warm up after weeks of very weak sales for many processors. In general, the interest for milk powders remains weak.

NATIONAL RETAIL REPORT-DAIRY (DMN): This week, total conventional dairy ads increased 4 percent, and organic dairy ads decreased 25 percent. Ice cream posted the second major number of conventional ads, but decreased 16 percent from the previous survey. The U.S. weighted average advertised price for conventional ice cream in 48-64 oz. containers is \$3.04, down 7 cents from the last period. Meanwhile, reported advertised pricing for organic ice cream in 48-64 oz. containers is \$5.99 for an organic premium of \$2.95.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.37, up 2 cents from last week. The advertised price for conventional 8 ounce shred cheese averaged \$2.28, up 13 cents from last week. Conventional cheese ad numbers decreased 10 percent from the previous week. There were no reported advertised prices for organic cheese this week.

Conventional 4-6 ounce Greek yogurt is the most advertised item this week with an average sale price of \$0.94, down 1 cent from the previous week. Organic 4-6 ounce Greek yogurt has an average price of \$1.25, up 25 cents, resulting in an organic premium of 31 cents. The average price for 4-6 ounce conventional yogurt is \$0.52, while the price for organic yogurt is \$1.34, resulting in an \$0.82 organic premium. Total conventional yogurt ads increased 11 percent while organic yogurt ads increased 54 percent.

The weighted average price for conventional half gallon milk is \$3.25. The weighted average price for organic half gallon is \$3.94, resulting in an organic price premium of 69 cents. Organic milk ad numbers decreased 31 percent, but ads for conventional milk increased 38 percent. Half gallons of milk had the largest number of ads for organic dairy items in the survey.

MAY MAILBOX PRICES (FMMO & CDFA): In May 2017, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.15 per cwt, down \$0.01 per cwt from the April 2017 average but up \$1.78 per cwt from the May 2016 average. The component tests of producer milk in May 2017 were: butterfat, 3.77 percent; protein, 3.10 percent; and other solids, 5.76 percent. When compared to the previous month, the May Mailbox prices decreased in 12 of the Federal milk order reporting areas and increased in 7 of the Federal milk order reporting areas. The Florida reporting area reported a decrease of \$0.57 per cwt, while the New Mexico reporting area reported an increase of \$0.20 per cwt from the previous month. Averaged over all Federal milk order reporting areas, the May 2017 Mailbox price decreased an average of \$0.07 per cwt. Mailbox prices in May 2017 ranged from \$17.63 in the New England States to \$13.89 in the New Mexico reporting area.

JULY FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY (FMMO): Handler reports of receipts and utilization under the Federal milk order system for July 2017 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During July, more than 11.9 billion pounds of milk were received from Federally pooled producers. This volume of milk is 4.6 percent higher than the July 2016 volume. Regulated handlers pooled 3.110 billion pounds of producer milk as Class I products, down 0.7 percent when compared to the previous year. Class I utilization decreased from last year in 7

-CONTINUED ON PAGE 1B -

NATIONAL DAIRY MARKET NEWS AT A GLANCE

- CONTINUED FROM PAGE 1A -

of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 26 percent, Class II = 11 percent, Class III = 50 percent, and Class IV = 12 percent. The weighted average statistical uniform price was \$17.10 per cwt, up \$0.03 from last month and up \$1.32 from last year.

RETAIL PRICES FOR CONVENTIONAL AND ORGANIC MILK (FMMO): A survey of retail prices conducted by the Federal milk market administrators found conventional whole milk prices for August 2017 average \$3.37 per gallon. August organic whole milk prices average \$4.21 per gallon, an organic premium of \$0.84. The simple averages of monthly gallon prices for the period of January through August are \$3.40 for conventional whole milk and \$4.26 for organic whole milk. In August, conventional reduced fat (2%) milk gallons average \$3.31 and organic reduced fat (2%) milk gallons average \$4.21, an organic premium of \$0.90. The simple averages of monthly gallon prices for the period of January through July are \$3.34 for conventional reduced fat (2%) milk and \$4.26 for organic reduced fat (2%) milk.

MONDAY, AUGUST 14, 2017

CHEESE – SALES: 3 CARS BARRELS: 1 @ \$1.6450, 1 @ \$1.6475, 1 @ \$1.6575; 3 CARS 40# BLOCKS: 1 @ \$1.7450, 1 @ \$1.7425, 1 @ \$1.7475; LAST BID UNFILLED: 12 CARS BARRELS: 1 @ \$1.5400, 1 @ \$1.5825, 1 @ \$1.5900, 1 @ \$1.5925, 1 @ \$1.5950, 1 @ \$1.6000, 1 @ \$1.6075, 1 @ \$1.6150, 1 @ \$1.6225, 1 @ \$1.6550, 1 @ \$1.6350, 1 @ \$1.6450; 1 CAR 40# BLOCKS @ \$1.7550; LAST OFFER UNCOVERED: 2 CARS BARRELS @ \$1.6600; 1 CAR 40# BLOCKS @ \$1.7575

NONFAT DRY MILK – SALES: NONE; LAST BID UNFILLED: 7 CARS GRADE A: 1 @ \$0.8300, 1 @ \$0.8475, 1 @ \$0.8325, 1 @ \$0.8475, 3 @ \$0.8350; LAST OFFER UNCOVERED: 10 CARS GRADE A @ \$0.8750

BUTTER – SALES: 5 CARS GRADE AA: 3 @ \$2.6725, 2 @ \$2.6700; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.6600; LAST OFFER UNCOVERED: 5 CARS GRADE AA: 1 @ \$2.6750, 4 @ \$2.6700

TUESDAY, AUGUST 15, 2017

CHEESE – SALES: 5 CARS BARRELS: 1 @ \$1.6475, 1 @ \$1.6400, 1 @ \$1.6475, 2 @ \$1.6400; 5 CARS 40# BLOCKS: 1 @ \$1.7050, 2 @ \$1.7000, 1 @ \$1.7100, 1 @ \$1.7225; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5900; 2 CARS 40# BLOCKS: 1 @ \$1.7150, 1 @ \$1.7250; LAST OFFER UNCOVERED: 2 CARS BARRELS: 1 @ \$1.6450, 1 @ \$1.6500

NONFAT DRY MILK – SALES: 3 CARS GRADE A: 2 @ \$0.8500, 1 @ \$0.8475; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.8350; LAST OFFER UNCOVERED: 11 CARS GRADE A: 3 @ \$0.8700, 2 @ \$0.8725, 5 @ \$0.8700, 1 @ \$0.8575

BUTTER – SALES: NONE; LAST BID UNFILLED: 5 CARS GRADE AA @ \$2.6000; LAST OFFER UNCOVERED: 5 CARS GRADE AA: 2 @ \$2.6700, 1 @ \$2.6700, 2 @ \$2.6700

WEDNESDAY, AUGUST 16, 2017

CHEESE – SALES: 5 CARS BARRELS: 1 @ \$1.6375, 1 @ \$1.6700, 1 @ \$1.6650, 1 @ \$1.6700, 1 @ \$1.6575; 1 CAR 40# BLOCKS @ \$1.7150; LAST BID UNFILLED: 2 CARS BARRELS: 1 @ \$1.6600, 1 @ \$1.6650; 1 CAR 40# BLOCKS @ \$1.7350; LAST OFFER UNCOVERED: NONE

NONFAT DRY MILK – SALES: NONE; LAST BID UNFILLED: 14 CARS GRADE A @ \$0.8400; LAST OFFER UNCOVERED: 17 CARS GRADE A: 3 @ \$0.8775, 2 @ \$0.8700, 1 @ \$0.8650, 1 @ \$0.8600, 10 @ \$0.8750

BUTTER – SALES: 34 CARS GRADE AA: 1 @ \$2.6500, 3 @ \$2.6550, 1 @ \$2.6525, 2 @ \$2.6550, 1 @ \$2.6525, 6 @ \$2.6550, 1 @ \$2.6575, 3 @ \$2.6550, 6 @ \$2.6600, 1 @ \$2.6625, 1 @ \$2.6675, 4 @ \$2.6700, 1 @ \$2.6675, 2 @ \$2.6650, 1 @ \$2.6625; LAST BID UNFILLED: 3 CARS GRADE AA @ \$2.6450; LAST OFFER UNCOVERED: 9 CARS GRADE AA: 2 @ \$2.6975, 3 @ \$2.6700, 1 @ \$2.6750, 1 @ \$2.6700, 1 @ \$2.6725, 1 @ \$2.6675

THURSDAY, AUGUST 17, 2017

CHEESE – SALES: 1 CAR BARRELS @ \$1.6850; 1 CAR 40# BLOCKS @ \$1.7325; LAST BID UNFILLED: 3 CARS BARRELS: 1 @ \$1.6825, 1 @ \$1.6775, 1 @ \$1.6800; 1 CAR 40# BLOCKS @ \$1.7350; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7000; 1 CAR 40# BLOCKS @ \$1.7400

NONFAT DRY MILK – SALES: 4 CARS GRADE A: 2 @ \$0.8425, 1 @ \$0.8400, 1 @ \$0.8375; LAST BID UNFILLED: 4 CARS GRADE A: 1 @ \$0.8375, 2 @ \$0.8350, 1 @ \$0.8375; LAST OFFER UNCOVERED: 2 CARS GRADE A: 1 @ \$0.8500, 1 @ \$0.8450

BUTTER – SALES: 13 CARS GRADE AA: 1 @ \$2.6575, 1 @ \$2.6550, 1 @ \$2.6575, 1 @ \$2.6625, 1 @ \$2.6650, 1 @ \$2.6600, 5 @ \$2.6575, 2 @ \$2.6550; LAST BID UNFILLED: 6 CARS GRADE AA: 5 @ \$2.6200, 1 @ \$2.6400; LAST OFFER UNCOVERED: 8 CARS GRADE AA: 2 @ \$2.6975, 1 @ \$2.6750, 1 @ \$2.6550, 3 @ \$2.6600, 1 @ \$2.6700

FRIDAY, AUGUST 18, 2017

CHEESE – SALES: 6 CARS BARRELS: 1 @ \$1.6875, 4 @ \$1.6850, 1 @ \$1.6875; 4 CARS 40# BLOCKS: 1 @ \$1.7250, 1 @ \$1.7375, 1 @ \$1.7400, 1 @ \$1.7500; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.7500; 2 CARS 40# BLOCKS: 1 @ \$1.7300, 1 @ \$1.7550; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.7600

NONFAT DRY MILK – SALES: 4 CARS GRADE A: 2 @ \$0.8325, 1 @ \$0.8375, 1 @ \$0.8325; LAST BID UNFILLED: 4 CARS GRADE A: 1 @ \$0.8250, 2 @ \$0.8275, 1 @ \$0.8300; LAST OFFER UNCOVERED: 5 CARS GRADE A @ \$0.8625

BUTTER – SALES: 11 CARS GRADE AA: 1 @ \$2.6375, 2 @ \$2.6400, 1 @ \$2.6350, 1 @ \$2.6375, 3 @ \$2.6400, 2 @ \$2.6425, 1 @ \$2.6450; LAST BID UNFILLED: 5 CARS GRADE AA: 1 @ \$2.6200,

BUTTER MARKETS

NORTHEAST

Manufacturers' butter churning schedules are dependent on sufficient to tighter cream supplies. In addition, milk intakes for operations capable of processing cream after separation are variable. As some producers receive steady cream supplies from regular sources, locating surplus cream is challenging for others. Butter stocks are declining for some balancing operations as they pull from supplies to provide for active interest. Overall, butter demand is good. Both offerings and bids are fairly active as buyers/sellers seek agreeable cash price positions. Some market sources expect steady to higher butter prices, with climbs in the global market. In the East, the bulk butter price is 5 to 8 cents over the market of the CME Group, with various time frames and averages used. Tuesday's CME Group daily cash trading saw Grade AA butter prices close at \$2.6700, up \$0.0100 from the previous week. According to the *DMN National Retail Report-Dairy*, for August 11-17, 2017, the Northeast weighted average retail price for 1-pound butter was \$4.40, 70 cents higher than the national price and up 49 cents from last week's Northeast butter price. Retail butter markets reported prices ranging \$2.99-\$5.49 in the Northeast. The surveyed average price in the Southeast is \$3.43, down 4 cents from last week, with prices ranging \$1.99-\$3.88.

CENTRAL

Retail and food service orders for butter have maintained consistency. Week after week, manufacturers report that sales numbers are at least slightly higher than those of 2016. As schools are nearing their return from break, food service expectations are strong for the near term. Adding to the overall demand trend, international interests are prevalent. Manufacturers report inquiries

into unsalted loads have increased. Butter production is steady. Spot bulk purchases were light, as bulk butter prices remained at flat market to 7 cents over the CME average. Cream availability, which can dwindle this time of year, has not been problematic, as cream headed into butter churns has been steadily available. Reported cream multiples into Class IV production are at or around 1.24 f.o.b. CME cash prices of butter have been fairly consistent, with relatively small changes week over week. The \$3.00 CME cash price expectation is not out of reach, but some contacts suggest with positive reports on exports earlier in the month, they would have expected the markets to react a little more bullishly. *DMN National Retail Report-Dairy* for August 11-17 noted the national weighted average advertised price for a 1 pound package of butter is \$3.70, \$0.13 above one week ago and \$0.47 higher than one year ago. The weighted average regional prices in the Midwest and South Central were \$2.89 and \$3.16, respectively. Wednesday at the CME Group, Grade AA butter closed at \$2.6625, up \$0.0125 from last Wednesday.

WEST

In the West region, butter production is steady. Cream volumes moving into butter churns are more than sufficient. Premiums for milkfat continue firming on a bullish market. As a result, a few butter makers are selling some spot loads of cream, mainly to ice cream processors, instead of churning. Bulk butter supplies are large. However, the high demand for butter is helping to move some stocks outside storage. Bulk butter pricing in the West this week is flat to 5 cents above the market, based on the CME Group with various periods and averages used. Meanwhile, print butter output

CONTINUED ON PAGE 2A

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 12, 2017	2.6715 5,438,204	1.7375 10,981,870	1.5526 10,752,293	0.4326 6,830,926	0.8822 13,166,262

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

CONTINUED FROM PAGE 2

remains very active with a robust demand from retailers and food service. The DMN *National Retail Report–Dairy* for the week of August 11-17 found that the U.S. weighted average advertised price of 1 pound butter is \$3.70, up \$0.13 from last week. The U.S. weighted average price was \$3.23 one year ago. In the West region, the weighted average advertised price of 1 pound butter is \$3.99. The Grade AA butter price at the CME Group on Wednesday closed at \$2.6625, up \$.0125 from a week ago.

CHEESE MARKETS

NORTHEAST

Cheese production remains steady with last week. As such, output levels are mostly in balance with orders. Demand shows signs of improving for mozzarella as food service prepares for the fall school year. Process cheese interest is somewhat quieter, with cheddar interest seeing a seasonal downturn, but retail movement is holding up well. This week, a cooperative export assistance program accepted 11 requests to sell 1.601 million pounds (726 metric tons) of cheese. Cheese markets are currently unsettled, however there is near-term expectancy of prices moving upwards to align with characteristic fall interest and diminishing milk supplies. A week after posting a consecutive increase for weekly average prices at the CME Group, the Northeast wholesale prices for 40# block and muenster dropped \$0.0475, while process 5# sliced declined \$0.0175. Grade A Swiss prices are steady, following last week's price increase. The *DMN National Retail Report-Dairy*, for August 11-17, 2017, notes that the Northeast advertised weighted average price for 8 oz. cheese blocks was \$2.20, 15 cents below the national average, with a regional price range of \$1.88-\$3.00. In the Southeast, 8 oz. blocks averaged \$2.49, 14 cents higher than the national average, with a regional price range of \$1.49-\$3.00. The Northeast advertised average price for 8 oz. cheese shreds was \$2.15, equivalent to national average, with a regional price range of \$1.67-\$3.49. In the Southeast region, 8 oz. cheese shreds averaged \$2.13, 2 cents below the national average with a range of \$1.49-\$2.50.

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

Cheddar 40# Block	:	2.1325-2.4175
Process 5# Sliced	:	1.7125-2.1925
Muenster	:	2.1175-2.4675
Grade A Swiss Cuts 10 - 14#	:	3.1725-3.4950

MIDWEST

Milk availability reports vary by area for cheesemakers in the Midwest region. Some cheese manufacturers report getting few to no spot milk offers. Others maintain that spot milk, although no longer discounted, is still available in their respective locales. Spot milk prices were reported from flat market to \$1 over Class III. Multiple manufacturers report cheese demand has picked up. Some report that there has been a noticeable uptick in orders this week over last, and that year over year numbers have also improved. Cheese production is steady to a bit slower. Some plant managers have begun shifting from a 5-day to a 4-day workweek in order to find time for general maintenance and sanitizing needs. Barrel cheese inventories are long. Cheese market tones have slightly improved, although the overall tone remains uncertain. CME cash prices for barrel cheese continue to gain on the block price day by day, which gives contacts some hope for steadier markets ahead. The *DMN National Retail Report-Dairy* shows that August 11-17 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.12, 3 cents below the national average. Midwest prices range from \$1.50-\$2.99. One year ago, the national price was \$2.25. For 8 ounce blocks, the Midwest average price is \$2.79, 44 cents above the national average price. Midwest ads are priced from \$2.00-\$3.50. Last year, the national price was \$2.17. In CME Group trading Wednesday, barrels closed at \$1.6700, up \$.0775

from last Wednesday and blocks closed at \$1.7350, up \$.0550 from last Wednesday. Midwestern wholesale prices are unchanged for Swiss cuts, down \$.0175 for process and down \$.0475 for all other types.

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

Process American 5# Loaf	:	1.6500-2.0100
Brick And/Or Muenster 5#	:	2.0575-2.4825
Cheddar 40# Block	:	1.7850-2.1800
Monterey Jack 10#	:	2.0325-2.2375
Blue 5#	:	2.3250-3.3125
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8575-2.7975
Grade A Swiss Cuts 6 - 9#	:	2.6900-2.8075

WEST

As milk continues to be plentiful in the West, more cheese is being made. Cheese demand is fair, but continues to lag behind production. In general, sales are limited outside of contracted obligations. Interest from the international market continues to be low. Supplies are long, but holding relatively steady. Some contacts believe that manufacturers will soon try to slow down cheese production so they can control their inventories. The *DMN National Retail Report-Dairy* for the week of August 11-17 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.15, down \$.04 from last week. Packs average \$2.25 in the Southwest and \$2.13 in the Northwest. One year ago, the national price was \$2.25. For 8 ounce blocks, the U.S. price is \$2.35, up \$.08 from last week. Blocks average \$2.00 in the Southwest and \$1.80 in the Northwest. One year ago, the national price was \$2.17. In the West, wholesale prices were down \$.0175 for process, and down \$.0475 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are steady. In CME Group trading Wednesday, barrels closed at \$1.6700, up \$.0775 from a week ago and blocks closed at \$1.7350, up \$.0550.

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

Process 5# Loaf	:	1.6375-1.8950
Cheddar 40# Block	:	1.8175-2.2625
Cheddar 10# Cuts	:	1.9975-2.2175
Monterey Jack 10#	:	2.0075-2.1675
Grade A Swiss Cuts 6 - 9#	:	2.7500-3.1800

FOREIGN TYPE CHEESE

Milk supplies continue to be limited for cheese makers in the European Union (EU). Cheese inventories are shrinking. Prices are stable at a higher level. In general, demand for the summer holiday is lower. However, cheese exports to the Southern European holiday countries are persistently elevated. As the result, not all the demand can be fulfilled. Due to the current strong value of the euro and the competition from the USA, EU cheese exports to other countries have been difficult. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices decreased \$0.0475. All other prices are steady.

CONTINUED ON PAGE 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

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

VARIETY	: NEW YORK	
	: IMPORTED	: DOMESTIC
Blue	: 2.6400-5.2300	: 2.2025-3.6900*
Gorgonzola	: 3.6900-5.7400	: 2.7100-3.4275*
Parmesan (Italy)	: -0-	: 3.5925-5.6825*
Romano (Cows Milk)	: -0-	: 3.3925-5.5425*
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

	<u>BUTTER</u>	<u>: CHEESE</u>
	:	
08/14/17	34,222	: 108,613
08/01/17	35,378	: 107,200
CHANGE	-1,156	: 1,413
% CHANGE	-3	: 1

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	10	0	20	0	65	0
SOUTHEAST STATES	0	0	0	0	0	0

Milk production in the Northeast and Mid-Atlantic is reported flat to lower. Milk handlers state that volumes are generally sufficient to maintain bottling pipelines and processing schedules. Reports show declines in solids contents and butterfat levels on incoming milk. Milk output in the Southeastern part of the U.S. is declining in many areas. Hot temperatures are a significant factor in the milk decline. Milk sales are up, with milk influxes from other regions supporting the fluid demand. Thus, available milk being distributed to most of the secondary processing plants is less than borderline. Florida's farm milk continues to drop. Milk rejects, while expected in transferring loads, are occurring in the heat of the season. Milk sales remain on the rise with schools opening. Import milk shipments total 10 f.o.b. loads this week. Distribution channels from the Midwest are supporting the minor deficit. **Condensed skim** markets are generally steady. Volumes are down with significant portions of condensed skim clearing the market in some production facilities in lieu of heading to the dryer. Sources report discounted loads at 30 cents under Class for a few trades. The Eastern **fluid cream** market is little changed from the previous week. **Multiples** for all Classes range **1.25-1.37**. Most f.o.b. spot transactions linger in the low 1.30s, based on time and need. In some areas, supplies are less available prompting production stoppages for butter makers. However, supplies moving into processing are sufficient for customers' production needs. Surplus loads are clearing easily, as some processors take in more than others do. Class III production use is active, with seasonal heavy output of dips, and bottled cream. Ice cream pulls remain substantial in cream markets. According to the DMN *National Retail Report-Dairy*, for August 11-17, 2017, the U.S. weighted average advertised price for a gallon of milk was \$3.22, up 62 cents compared to last week and up 73 cents from a year ago. In the Northeast, the weighted average price for a gallon of milk is \$3.69, unchanged from the previous week. The gallon milk price in the Southeast was \$4.19, with a price range of \$3.99-\$4.29.

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

F.O.B. producing plants: Northeast-	3.3350-3.6555
F.O.B. producing plants: Upper Midwest-	3.3350-3.5751

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices-	.30-.80
Northeast - Class III - spot prices -	.30-.70

MIDWEST

Milk output in the Central region varies from area to area. Generally, intake facilities are still reporting available, although lessening, milk supplies. However, some intake plants have reported a scarcity of spot milk availability. Class I contacts report that bottling is steady before the upcoming holiday. Business is expected to noticeably grow for bottlers next week, as school orders begin. Market participants report a growth in milk movements out of the Midwest headed for the Eastern regions. Spot milk into Midwest cheese plants was reported from flat market to \$1 over Class. **Cream** has been reported from tight

to fairly balanced, dependent on locality. Class II **cream multiples** remained steady this week, **1.25 to 1.34** f.o.b. Some contacts report that the current peak season for cream has been atypical of previous years, as cream prices did not reach previous levels. Producers of ice cream are continuing to take on some cream loads. The DMN *National Retail Report-Dairy* for August 11-17 noted the national weighted average advertised price for one gallon of milk was \$3.22, up 62 cents from last week and 73 cents higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$1.87 and \$3.64, respectively.

WEST

Warmer weather conditions continue to negatively affect farm milk production in **California**. Outputs are lower this week. However, milk is still available for most processing needs and is moving well within contracts. Spot loads are harder to find. Bottled milk demand is strong due to schools being back in session in most parts of the state. **Arizona** milk output is still following a downward trend. Nevertheless, balancing plants are working at or near full capacities processing milk. Class I demand is steady. Demand for Class II is active as ice cream processors continue taking on more loads of milk. Recent rains in the state have resulted in new forage production. Topsoil and subsoil moistures are both rated ninety-seven percent adequate to surplus. Milk production in **New Mexico** is slightly down. Class I sales are higher as most schools started to reopen. Class II requests are down. Due to repair/maintenance projects at some plants, cheese manufacturers have reduced their orders by a few loads. However, demand for Class III remains stronger this week as other Class III plants take on additional loads. Topsoil moisture across the state is eighty-two percent adequate to surplus compared with seventy-four percent last week. The third cutting of alfalfa hay is ninety-two percent complete, while the fourth and fifth cutting are respectively fifty-eight and twenty-one percent complete. In the **Pacific Northwest**, cows are producing more than sufficient milk to meet all manufacturing needs. The heat present in the area is not suppressing milk yields as cooler nights are helping cows recharge. Furthermore, pasture and rangeland conditions are good to excellent for dairy herds' productivity. Class I processors continue pulling heavy milk supplies to cover large bottled milk requests from schools and retailers. Farm milk output throughout the mountain states of **Idaho, Utah, and Colorado** is very active and processors are getting enough milk intakes to meet most manufacturing needs. Demands for Class I and Class II are fair to good. Some distressed milk loads are still available at \$4 under market, according to some processors. Western **condensed skim** continues to move strongly in the Western region. Inventories are steady compared to last week. Contacts in the West report that ice cream makers are buying **cream** at higher multiples while butter producers are taking theirs at the lowest multiples. Most low multiples seem to be for a few distressed loads of cream. This week **cream multiples** for all usages remain steady at **1.07-1.27**. According to the DMN *National Retail Report-Dairy* for the week of August 11-17, the national weighted average advertised price for one gallon of milk is \$3.22, up \$0.62 from last week, and \$0.73 higher from a year ago. The weighted average regional price in the Southwest is \$2.25, with a price range of \$1.99-\$2.39. This week, no advertised dairy ads were reported in the Northwest. According to CDFA, September 2017 Class 1 prices in California are \$18.65 in the North and \$18.92 in the South. The statewide average Class 1 price based on production is \$18.66. This price is up \$0.32 from the previous month, and \$0.53 higher than a year ago.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Low/medium heat nonfat dry milk (NDM) prices in the Central U.S. decreased on the top of the range, while holding steady on the mostly price series. Spot trading activity remained light. Some buyers reported that they plan to delay any purchases for the next two to three weeks, as there are some expectations that the market may weaken. Low/medium heat NDM inventories are reportedly available. Low/medium heat NDM production is a bit lighter, with less milk availability in the region. The low/medium heat NDM market undertone is fairly steady. High heat NDM prices slid on the bottom of the range and decreased on the top of the range. Spot sale trading of high heat NDM was up a bit from last week. Production and inventories of high heat are slightly lower, and primarily centered on contracts.

EAST: Low/medium heat nonfat dry milk (NDM) prices are steady to lower in the range, with a weak market undertone. Some market participants suggest that NDM is "dead in the water", with prices close to bottoming out. Hence, sources indicate the low/medium heat NDM spot market is being pressured by a few higher index enthusiasts, but with some pushback. Eastern low/medium heat NDM processors are reporting lighter production rates, as slowdowns in milk production prompt declines in milk supply receipts. Interests from cheesemakers show signs of waning slightly, as manufacturers work off stocks acquired earlier in the year. Demand from other domestic end-users is adequate. Sources report that active exports, going into Mexico, are helping to balance out a few NDM inventories. In the interim, the futures market shows prices increasing through Q4. High heat NDM prices declined through the range on f.o.b. spot trading. Production is mostly based on customers' needs. High heat NDM inventories are light to moderate. The market undertone is in line with weakness in low/medium heat NDM markets.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .8500 - .9400 MOSTLY: .8700 - .9200
 HIGH HEAT: .9950 - 1.0500

NONFAT DRY MILK - WEST

Prices for western low/medium heat nonfat dry milk (NDM) are lower at the bottom of the range and steady on the mostly price series. Some contacts say that sellers want to raise prices, but can't do so. In addition, they suggest that it is risky to try holding on to stocks as prices might not improve as hoped for. The market undertone is weakening. Production is steady to lower as milk output is decreasing in many regions. NDM is being used to fortify cheese in some manufacturing plants. However, supplies are still abundant. Domestic sales are steady. This week, most Mexico destined exports of NDM/SMP are increasing as Mexico is running short of farm milk. In addition, contacts suggest that most sales to Mexico are occurring at prices on the top of the range. Prices for western high heat nonfat dry milk remain steady compared to last week. Demand is quiet, and sales outside of contracts are light. Seasonal interest from bakers and mixed accounts is expected to develop beyond current demand in the short term. At the GDT Event 194 on August 15, 2017 skim milk powder (SMP) prices across all contract periods averaged \$.8927 per pound, up 0.3% from the last event.

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

LOW/MEDIUM HEAT: .7925 - .9300 MOSTLY: .8800 - .9100
 HIGH HEAT: .9800 - 1.0650

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
August 11	\$.9015	6,749,566
August 4	\$.8948	4,023,348

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

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Prices for Central dry buttermilk increased on both the top and bottom of the price range. Spot sale trading was slightly up from last week. Demand for dry buttermilk is steady. Many end users, notably ice cream manufacturers, are in the market for condensed buttermilk. Dry buttermilk production, therefore, has slowed considerably. The uptrend in spot pricing could be attributed to buyers looking for Q3 dried buttermilk, which is not readily available. The dry buttermilk market undertone is steady.

EAST: The region's dry buttermilk prices pushed higher. Dry buttermilk demand is intermittent to steady as most buyers look forward to a market adjustment from the pressure of NDM. Variances in demand include pricing and buyers' needs. Some market sources relate the strength of dry buttermilk to "the lack of separation", when limited milk clears to bottling during the summer months and neutralizes cream volumes that typically go into butter making. This week, production is unchanged to lower, due to restricted churning by some plants in parts of the region. Buttermilk stocks are closely balanced and adequate to cover contractual needs, but f.o.b. spot inquiries are going unfilled in some instances. The market undertone for dry buttermilk is unsettled as prices firm.

F.O.B. CENTRAL/EAST: .8600 - .9500

DRY BUTTERMILK - WEST

F.O.B prices for dry buttermilk in the West remain steady on both the range and the mostly prices series. Contacts report limited activities in the market. Dry buttermilk demand is fairly quiet outside of contractual needs. Most buyers are not looking for additional spot loads. Inventories are a little tighter. Production is lower due to reduced condensed buttermilk supplies and dryers' limited availability.

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

DRY WHOLE MILK - NATIONAL

National dry whole milk f.o.b. spot prices are steady to higher as a few spot sales pushed up the top of the range. Dry whole milk production has been sporadic as condensed milk supplies are tight due to lower regional cows' milk yields. In addition, the demand for cream is strong, thus, several processors are diverting whole milk volumes from the dryers in order to get more cream. Nationwide, the demand for dry whole milk is high as the baking season approaches. Inventories are tight.

F.O.B. PRODUCING PLANT: 1.4000 - 1.7500

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 remained steady on the range, but slid on the bottom of the mostly price series. The spot market for dry whey has quieted since early August when many larger-volume transactions were reported. Contacts report that inventories are available. Some manufacturers report a little more ease with contractual movements, and the pushback from end users has been less present in recent weeks. Dry whey production is slightly down, as cheese producers are receiving less discounted milk. Feed whey spot market prices fell on the bottom of the range. Feed whey spot activity picked up a bit from previous weeks. Feed whey inventories are available.

F.O.B. CENTRAL: .3200 - .4900 MOSTLY: .3400 - .4500
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2600 - .4100

DRY WHEY - NORTHEAST

Prices for dry whey in the Eastern region of the country are steady to lower, in a weakening market. Some dry whey plants have decreased production schedules as lower cheese manufacturing equates to reductions in condensed whey volumes. Buying interest is adequate, as weather has helped sustain ice cream sales, a prime outlet for dry whey powder. Stocks on hand at manufacturing facilities are adequate to heavy.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3500 - .4675

DRY WHEY - WEST

Western dry whey prices moved lower at the top of the range and remain steady on the mostly price series. The general market trend is weakening and sales are difficult to realize. Contract sales are predominant in the market while the number of spot sales are limited. Inventories remain long for most processing plants and above current demand. Whey production is unchanged from last week. Some industry contacts report that international demand is currently quiet.

NONHYGROSCOPIC: .3500 - .4600 MOSTLY: .3800 - .4400

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices remained steady on the range, but decreased on the bottom of the mostly price series. WPC34% inventories vary by specification. Interchangeable WPC34% is plentiful, whereas preferred brand WPC34% is in balance. Some buyers who are able to utilize varying proteins have foregone WPC34% for nonfat dry milk (NDM), as some Q1 and Q2 NDM offers are a bargain relative to WPC34%. WPC34% demand is mixed. Orders for sought after brands of WPC34% continue steadily, whereas interchangeable WPC34% end users are taking advantage of the weakening market and waiting for falling prices. WPC34% production varies. The entire whey complex is thought to be weak, as reports continue to point to a shift in production from whey protein isolates and other high protein concentrations to WPC34% production.

F.O.B. EXTRA GRADE 34% PROTEIN: .7100 - 1.1000 MOSTLY: .7525 - .9425

LACTOSE - CENTRAL AND WEST

Prices for lactose declined on the bottom of the range, while holding steady on the mostly price series. A majority of lactose processors and brokers report that lactose is experiencing an onslaught of downward pressure. Manufacturers report that end users who do not need brand specificity or upgraded requirements are able to patiently wait out the current downtrend in prices, as unground lactose inventories continue to build. Contracting for Q3 into Q4 has been an uphill battle for some manufacturers. Export demand is mixed. Some contacts noted that there were block loads headed into Asia this week, while others report exports into Southeast Asia are generally quiet, and Asian buyers are only purchasing based on current production requirements. EU production of lactose is adding to the anxiety amongst U.S. manufacturers. Overall, interchangeable lactose is experiencing an unstable market. One possible bright spot is that contacts have suggested current prices have begun to grow Mexican interest. Producers who manufacture brand-specific and/or infant formula grade lactose are not feeling the same pressure. Inventories of higher mesh product are fairly balanced, while demand is steady.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2200 - .4700 MOSTLY: .3100 - .4000

CASEIN - NATIONAL

Rennet casein prices are steady to higher. Acid casein prices are steady. In New Zealand, recent weeks of rain and flooding have slowed the early milk season output. This has left some uncertainty as to the pacing of still expected increased milk production, especially as to how that may flow into casein during the coming season. Recent price strength is believed to be related, in part, to the recent weather setback. At GDT event 194 on August 15, rennet casein prices for the September contract increased 5 percent and the all contracts price increased 2.9 percent.

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 - 2.8500
ACID: 3.4000 - 3.6000

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

WEEK ENDING	2017 WEEKLY DAIRY COWS	2017 CUMULATIVE DAIRY COWS	2016 WEEKLY DAIRY COWS	2016 CUMULATIVE DAIRY COWS
07/29/2017	55.0	1,712.0	50.4	1,702.0

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

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

CLASS III MILK PRICES (3.5% 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

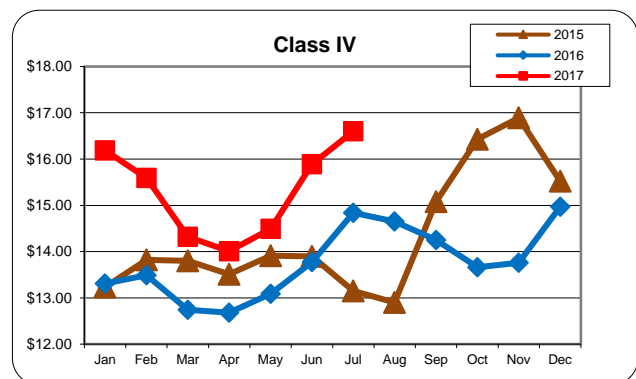
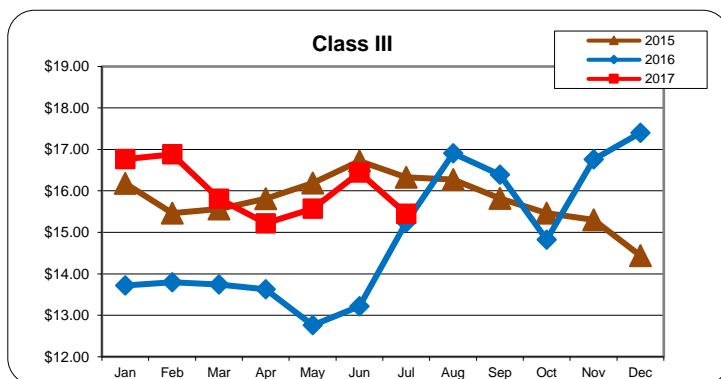
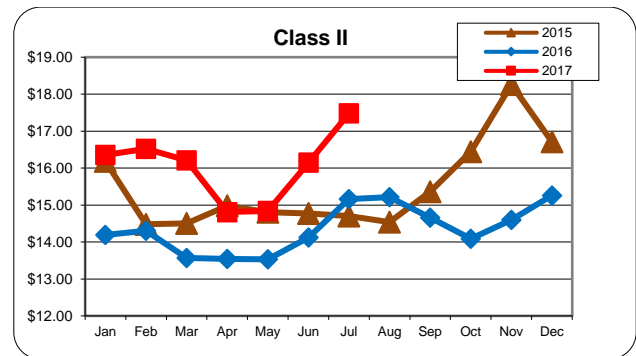
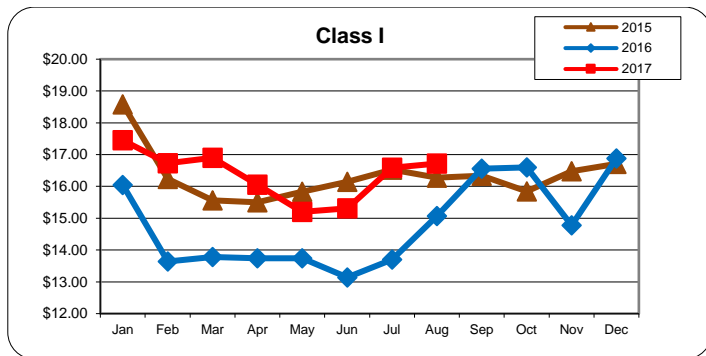
CLASS IV MILK PRICES (3.5% Butterfat)

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; then select "Prices"; and then select "Principal Pricing Points."



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered August 7 - 18, 2017

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

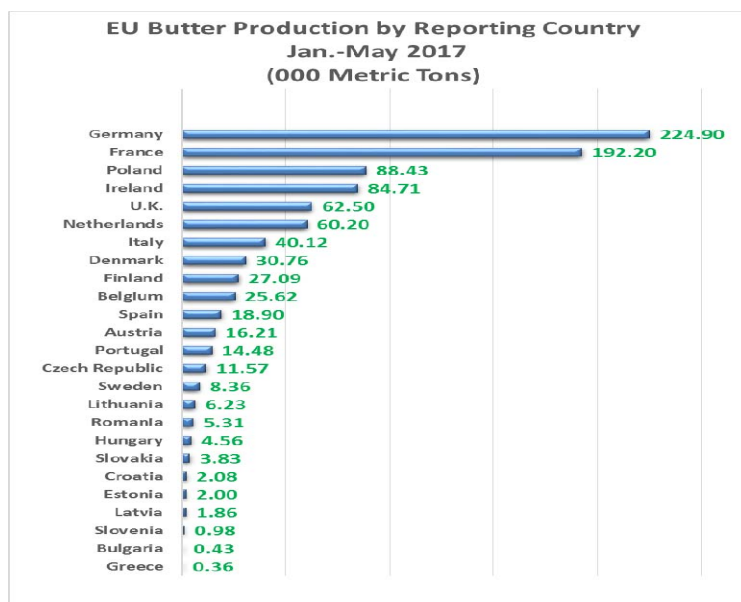
WESTERN OVERVIEW: Current estimates of milk production in Germany and France reflect seasonal declines. ZMB Dairy World estimates that last week's milk production in Germany declined 0.4 percent from the prior week and declined 1.6 percent from the same week last year. In France, the estimate is that milk production declined 1.8 percent from the corresponding week of last year.

January-June, ZMB reports that German milk production declined 2.8 percent from the same period last year. June 2017 production was 0.5 percent behind June last year.

However, very preliminary reports suggest that as reporting is finalized, January-June milk production in some other Western European countries may be reported to be higher than year ago milk production.

BUTTER/BUTTEROIL: Butter prices in Western Europe strengthened, including in Germany, France and Netherlands. Prices are the highest of 2017 as well as 2016. Most activity is related to filling short term butter need. Both buyers and sellers are hesitant to get too far ahead. Uncertainty as to the duration and dimension of current prices and trends persists. Buyers are hoping the upward trend will slow or reverse. Sellers believe there is more price strength and don't want to get locked into current pricing. With milk production seasonally declining in August, this is affecting butter production. Export activity is quiet.

Through May, 2017, butter production in the EU lags the same period of 2016 by 5.9 percent according to Eurolait. May 2017 production is 5.8 percent behind May last year. Among the top seven butter producing countries, only Ireland and Italy have January-May production above last year, +5.2 percent and +4.2 percent, respectively. However, with Germany and France so overwhelmingly producing the substantial percentage of butter in the EU and with Germany being down 6.6 percent for the first five months this year and France down 9.2 percent, increased butter production in countries producing far less butter can't overcome the lag of the top two countries.



Data from Eurolait. Chart by USDA Dairy Market News

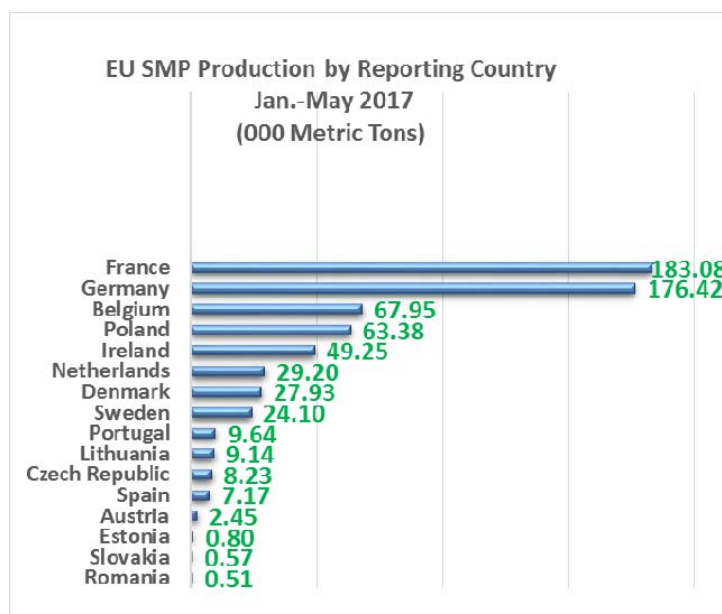
82% BUTTERFAT: 7,400 - 7,950

99% BUTTERFAT: 6,800 - 8,800

SKIM MILK POWDER (SMP): Skim milk powder prices in Western Europe decreased overall. Within the range, prices in Germany remained unchanged, while Netherlands prices slightly weakened and French prices slightly strengthened. Markets are mostly calm. Production is primarily destined to fill contracts. Export activity is slow.

Eurolait reports that SMP was sold into intervention this week for the first time since May. Lithuania sold 47 MT into the program. The current intervention scheme will be open until the end of September, unless changed before then.

Through May, 2017, SMP production in the EU lags the same period of 2016 by 11.6 percent according to Eurolait. May 2017 production is also 11.6 percent behind May last year. Among the top seven butter producing countries, only Denmark has January-May production above last year, +28.1 percent. However, with number one and two France and Germany so overwhelmingly producing the substantial percentage of SMP in the EU, and with those countries as well as the other top six producers being down through May, increased SMP production in lower producing countries can't overcome the lag of the top producers. German data released this week by AMI shows a January-June decrease of 12.0 percent compared with last year.



Data from Eurolait. Chart by USDA Dairy Market News

1.25% BUTTERFAT: 2,025 - 2,200

SWEET WHEY POWDER: Sweet whey prices in Western Europe slightly firmed, reaching 2017 highs. While markets are slower than earlier in the year, internal EU demand for food grade whey remains sufficient to cause price firming. The stronger euro is slowing export activity.

NONHYGROSCOPIC: 1,025 - 1,150

CONTINUED ON PAGE 8.1A

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

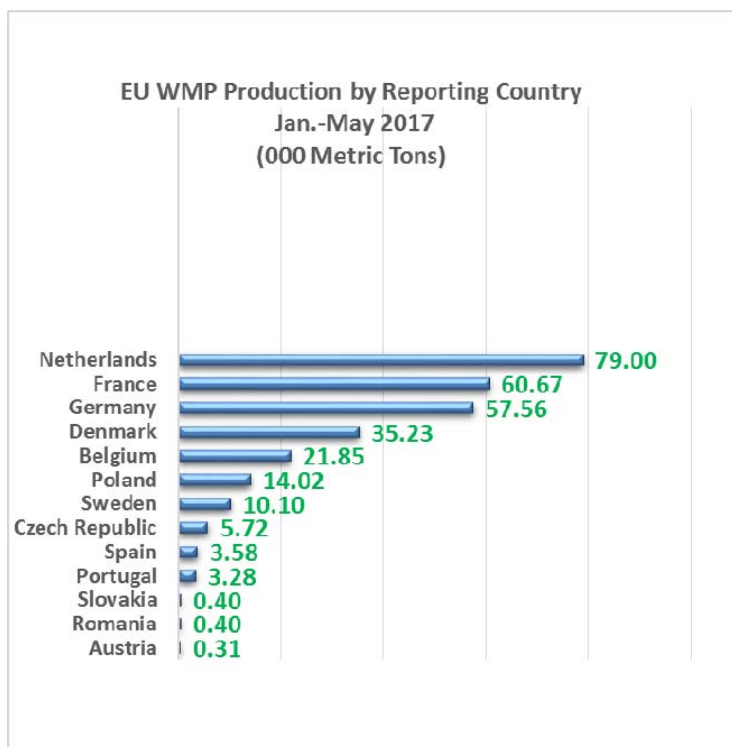
Information gathered August 7 - 18, 2017

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

CONTINUED FROM PAGE 8

WHOLE MILK POWDER (WMP): Whole milk powder prices strengthened in Western Europe, reaching 2017 highs. Late summer markets are quieter but still predominantly working to meet needs for the internal EU market. Enough buyers need to secure stocks that prices have been nudged upward. Export activity is quiet.

Through May, 2017, Eurolait reports WMP production in the EU lags the same period of 2016 by 0.8 percent according to Eurolait. May 2017 production is 1.5 percent behind May last year. Among the top four WMP producing countries, Netherlands, France and Germany each has higher January-May WMP production: 12.5 percent; 5.8 percent; and 16.8 percent. Number four Denmark is down 4.8 percent.



Data from Eurolait. Chart by USDA Dairy Market News

26% BUTTERFAT: 3,700 - 3,925

EASTERN OVERVIEW: In Eastern Europe, Turkey reports January-June 2017 milk production was 4.2 percent lower than year ago production, according to ZMB. Focusing on Turkish production of specific dairy products January-June compared with one year earlier, the product and percentage changes are: butter, +7.7 percent; cheese, +1.2 percent; and skimmed milk powder, -29.0 percent.

Slovenia reports a 0.5 percent decline in milk production for the first half of 2017 compared with 2016. However, June 2017 production was 2.0 percent higher than June 2016 but 6.0 percent lower than May 2017.

The European Commission notes that the Russian Federation recently extended import sanctions affecting a range of EU agricultural products (primarily meats, dairy products, fruits and vegetables), introduced August 7, 2014, until December 31, 2018. The commission reports that EU agricultural food exports to Russia dropped from about 11.8 billion euros in 2013, reaching about 5.6 billion euros in 2016.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered August 7 - 18, 2017

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

AUSTRALIA: Financial setbacks sustained in recent years by a large dairy cooperative set in motion a number of plant and manufacturing facility sales. Sales and purchases are continuing. New ownership in many of the locations has generally kept plants operating, processing milk for new owners. This tracks recent shifting in milk contracting by a number of dairy producers.

Increasing discontent is developing among Australian dairy producers as to what pay price they receive for milkfats. The increase in global prices for butter, many feel, has not reached Australian dairy producers. A particular objection is that current pricing favors protein content, even subsidizing protein at the expense of fats. Owners of Jersey herds in particular, are increasingly vocal about the need to reconsider the relationship between protein and fat in milk pricing.

NEW ZEALAND: June 2017 New Zealand milk production was 0.178 million MT, down from .818 million MT in May, according to DCANZ. During June 2016, milk production was 0.147 million MT. June milk solids, 15.7 million kg, are down from 84.0 million kg in May. During June 2016, milk solids were 13.0 million kg.

While a number of observers continue to estimate seasonal growth in milk production of 4 percent, at this point very early in the season, there has been lots of rain and flooding. This has left pastures in poor condition. It is still early enough that these unfavorable conditions can be overcome.

At the August 15 GDT event #194, all contracts prices ranged from 1.4 percent higher to 4.9 percent lower from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous averages are: anhydrous milk fat, \$6,199, -1.2 percent; butter, \$5,735, -1.3 percent; buttermilk powder, n.a.; cheddar cheese, \$4,005, +1.4 percent; lactose, \$747, -4.9 percent; rennet casein, \$6,255, +2.9 percent; skim milk powder, \$1,968, +0.3 percent; and whole milk powder, \$3,143, -0.6 percent.

BUTTER: The Oceania butter price range widened, reaching the highest level of 2017 at the top but declining at the bottom. The pull from prices in Europe is felt in Oceania, particularly in export markets. Some domestic butter sales between longstanding manufacturers and customers are less affected by higher global prices, at least for now. Wet weather in New Zealand during recent weeks has slowed the seasonal advance of milk production, further driving near term butter price increases.

Australian butter production in June, 3,864 MT, was down 22.8 percent from June 2016. Production July 2016-June 2017, 65,338 MT, was 18.1 percent lower than the previous twelve months.

At GDT Event 194 on August 15, the butter all contracts price, \$5,735, decreased 1.3 percent. The slight price weakness somewhat surprised observers. The September contract increased 3.9 percent.

82% BUTTERFAT: 5,700 - 6,650

SKIM MILK POWDER (SMP): Oceania skim milk powder prices are weaker. The SMP intervention stocks in Europe continue to hang over Oceania markets. Few expect Oceania SMP markets to step out of the EU shadow in the immediate term, certainly not until some resolution of intervention stocks occurs. Bankers in Oceania view SMP markets in the region remaining weak, but generally stable, in coming months.

Australian SMP production in June, 13,356 MT, was up 5.2 percent from June 2016. However, production July 2016-June 2017, 222,109 MT, was 13.2 percent lower than the previous twelve months.

At GDT Event 194 on August 15, the SMP all contracts price, \$1,968, increased 0.3 percent while the September contract decreased 0.6 percent.

1.25% BUTTERFAT: 1,950 - 2,000

CHEDDAR CHEESE: Oceania cheddar prices slightly firmed at the bottom of the price range and are stable at the top. Buying interest remains active and seasonal milk production is still climbing from seasonal low levels, all helping to move cheese prices up. Export interest is also good.

Australian cheese production in June was up 2.2 percent from June 2016. However, production July 2016-June 2017, 317,776 MT, was 2.3 percent lower than the previous twelve months.

At GDT Event 194 on August 15, the cheddar all contracts price increased 1.4 percent.

39% MAXIMUM MOISTURE: 4,000 - 4,025

WHOLE MILK POWDER (WMP): Oceania whole milk powder prices are weaker. While manufacturers would prefer price strength, current pricing remains above generally regarded profitability levels. Moreover, the current price weakness is slight and within a trading range. Nevertheless, the dip was a bit of a surprise.

Australian WMP production in June, 4,078 MT, was up 162.1 percent from June 2016. However, production July 2016-June 2017, 59,982 MT, was 9.3 percent lower than the previous twelve months.

At GDT Event 194 on August 15, the WMP all contracts price, \$3,143, decreased 0.6 percent.

26% BUTTERFAT: 3,150 - 3,250

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 194 Recap - August 15, 2017										
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6
	Sep-17		Oct-17		Nov-17		Dec-17		Jan-18		Feb-18
Anhydrous Milk Fat	\$6,565	-1.8%	\$6,333	-0.4%	\$6,079	-1.7%	\$5,998	-3.6%	\$6,420	4.2%	n.a.
Butter	\$6,659	3.9%	\$5,710	-6.1%	\$5,595	-2.4%	\$5,745	0.2%	\$5,740	13.8%	n.a.
Buttermilk Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.
Cheddar	\$4,021	-8.4%	\$4,025	-0.4%	\$4,011	0.2%	\$3,951	7.0%	\$4,115	3.0%	n.a.
Lactose	n.a.		\$747	-4.9%	n.a.		n.a.		n.a.		n.a.
Rennet Casein	\$6,271	5.0%	\$6,186	3.7%	\$6,309	1.8%	\$6,346	1.8%	\$6,175	3.3%	n.a.
Skim Milk Powder	\$1,979	-0.6%	\$1,948	0.2%	\$1,982	-0.2%	\$2,036	1.2%	\$1,913	0.5%	n.a.
Whole Milk Powder	\$3,167	-2.9%	\$3,147	-0.5%	\$3,138	-0.5%	\$3,180	1.0%	\$3,079	-2.7%	n.a.

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

US\$/Pound	Global/Dairy Trading (gDT) Event 194 Recap - August 15, 2017										
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6
	Sep-17		Oct-17		Nov-17		Dec-17		Jan-18		Feb-18
Anhydrous Milk Fat	\$2.9779	-1.8%	\$2.8726	-0.4%	\$2.7574	-1.7%	\$2.7207	-3.6%	\$2.9121	4.2%	n.a.
Butter	\$3.0205	3.9%	\$2.5900	-6.1%	\$2.5379	-2.4%	\$2.6059	0.2%	\$2.6036	13.8%	n.a.
Buttermilk Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.
Cheddar	\$1.8239	-8.4%	\$1.8257	-0.4%	\$1.8194	0.2%	\$1.7922	7.0%	\$1.8666	3.0%	n.a.
Lactose	n.a.		\$0.3388	-4.9%	n.a.		n.a.		n.a.		n.a.
Rennet Casein	\$2.8445	5.0%	\$2.8060	3.7%	\$2.8617	1.8%	\$2.8785	1.8%	\$2.8010	3.3%	n.a.
Skim Milk Powder	\$0.8977	-0.6%	\$0.8836	0.2%	\$0.8990	-0.2%	\$0.9235	1.2%	\$0.8677	0.5%	n.a.
Whole Milk Powder	\$1.4365	-2.9%	\$1.4275	-0.5%	\$1.4234	-0.5%	\$1.4424	1.0%	\$1.3966	-2.7%	n.a.

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

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered August 7 - 18, 2017

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

SOUTH AMERICA OVERVIEW: Although rainy conditions have been very active during the past two weeks in the Southern Cone of South America, farm milk production continues inching up, especially in Brazil, Uruguay, Argentina, and Chile. Milk/cream intakes are adequate to cover all processing needs, including milk powders. According to some industry participants, the strong international butter market is boosting regional premiums for cream.

Milk production in **Argentina** and **Uruguay** is close to the peak of the seasonal flush. Demand for bottled milk/UHT is strong as most schools are filling pipelines while grocery stores are restocking shelves. Cheese manufacturing is very active while inventories are building in many processing plants.

According to the Ministry of Agriculture, in July 2017, Argentina milk production grew 5% over the previous month and 3% more than a year ago. During July 2017, nominal prices paid to producers increased 34% from July 2016.

Milk output continues increasing in **Brazil**. As a result, many food processors are using more domestic milk intakes and importing less dairy products from nearby countries. Bottling milk manufacturing is very active while stocks for UHT milk are building. Thus, several processors are trying to reduce inventories of UHT milk by reducing prices. Meanwhile, cheese demand is starting to warm up after weeks of very weak sales for many processors. In general, the interest for milk powders remains weak.

SKIM MILK POWDER (SMP): With farm milk production improving across the Southern Cone, manufacturing milk volumes are more available. Thus, SMP production has been more active compared to one month ago. SMP inventories are building while premiums are declining. The Brazilian food industry is depending less on imports from Argentina and Uruguay. Therefore, throughout the past two weeks, f.o.b. export prices for skim milk powder (SMP) shifted down in the region as most processors are trying to become more competitive in the market while others want to move some stocks outside storage. Overall, interest for SMP from various market channels is weakening.

According to the Brazilian government, SMP imports from January to July 2017 totaled 16.9 million tons, down 3 percent from the same period in 2016. From this total, imports from Uruguay, Argentina, and United States represented 42, 39, and 13 percent, respectively.

At the GDT Event 194 on August 15, skim milk powder (SMP) prices across all contract periods averaged \$1,968 per metric ton, up 0.3 percent from the last event.

1.25% BUTTERFAT: 2,650– 2,950

At the GDT Event 194 on August 15, whole milk powder (WMP) prices across all contract periods averaged \$3,143 per metric ton, down 0.6 percent from the last event.

26% BUTTERFAT: 3,150 - 3,450

WHOLE MILK POWDER (WMP): F.O.B. export prices for whole milk powder (WMP) are mixed in the Southern Cone region. Some exports from Argentina/Uruguay to Russia and Algeria pulled up the bottom of the pricing range, while a few export transactions to Brazil pushed down the top. Outside the Mercosur bloc, the demand for WMP is fair/good, but is sluggish within the zone, principally from Brazil. WMP production is active as farm milk output continues improving across the region. In general, WMP inventories are steady to building.

According to the Brazilian government, WMP imports from January to July 2017 totaled 56.6 million tons, down 20 percent from the same period in 2016. From this total, imports from Uruguay, Argentina, and Chile represented 62, 33, and 4 percent, respectively.

CME GROUP, INC FUTURES

Selected settling prices

Month	08/04	08/07	08/08	08/09	08/10	08/11	08/14	08/15	08/16	08/17
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
AUG 17	16.33	16.25	16.23	16.43	16.39	16.47	16.50	16.45	16.47	16.50
SEP 17	16.69	16.63	16.50	16.94	16.86	17.09	17.19	16.84	17.05	17.15
OCT 17	16.92	16.87	16.75	17.15	17.05	17.30	17.39	16.98	17.08	17.16
NOV 17	16.98	16.95	16.84	17.08	16.98	17.21	17.27	16.93	17.01	17.05
DEC 17	16.78	16.82	16.72	16.90	16.80	17.00	16.97	16.83	16.87	16.85
JAN 18	16.60	16.63	16.59	16.62	16.58	16.68	16.71	16.64	16.62	16.61
FEB 18	16.60	16.61	16.66	16.66	16.60	16.65	16.70	16.67	16.67	16.63
MAR 18	16.58	16.63	16.63	16.63	16.59	16.64	16.68	16.67	16.66	16.67
APR 18	16.58	16.58	16.62	16.58	16.55	16.62	16.62	16.59	16.55	16.55
MAY 18	16.58	16.59	16.63	15.59	16.59	16.65	16.65	16.61	16.61	16.61
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
AUG 17	16.90	16.75	16.74	16.76	16.67	16.67	16.67	16.67	16.67	16.60
SEP 17	17.15	16.96	16.84	16.84	16.80	16.80	16.78	16.70	16.70	16.67
OCT 17	17.34	17.15	16.99	16.99	16.94	16.94	16.94	16.89	16.85	16.72
NOV 17	17.39	17.25	17.09	17.09	17.04	17.10	17.10	16.95	16.95	16.75
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
AUG 17	271.00	267.35	267.00	267.98	267.00	267.03	267.50	267.00	267.00	265.03
SEP 17	274.00	270.25	267.00	267.00	267.00	268.30	268.93	265.00	267.50	266.33
OCT 17	275.05	270.05	266.75	268.15	268.93	271.55	270.80	269.00	269.00	267.70
NOV 17	274.50	270.00	266.75	268.25	269.50	272.05	272.00	269.98	270.00	268.60
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
AUG 17	87.83	87.83	87.35	87.55	86.78	87.23	87.20	87.20	87.20	87.20
SEP 17	89.75	88.78	88.40	88.15	87.78	87.80	88.70	88.35	88.00	86.33
OCT 17	91.40	90.40	89.53	89.50	89.00	89.05	89.25	88.00	88.00	86.50
NOV 17	92.00	92.05	91.60	91.00	89.70	89.85	89.73	88.85	88.08	87.08
WHEY (Electronic-Traded) (¢/lb)										
AUG 17	43.20	43.28	43.00	42.75	42.50	42.50	42.50	42.75	42.83	43.10
SEP 17	40.63	40.63	40.35	40.35	40.25	40.30	40.43	40.50	40.68	41.00
OCT 17	40.35	40.35	39.33	39.35	39.35	39.98	39.98	39.60	39.48	39.48
NOV 17	40.00	40.35	39.78	39.38	39.38	39.63	39.63	39.18	38.90	39.05
CHEESE CSC (Electronic-Traded) (\$/lb)										
AUG 17	1.64	1.64	1.64	1.66	1.65	1.66	1.67	1.66	1.66	1.66
SEP 17	1.69	1.69	1.68	1.72	1.72	1.74	1.75	1.72	1.73	1.74
OCT 17	1.72	1.71	1.71	1.74	1.74	1.76	1.77	1.73	1.74	1.75
NOV 17	1.73	1.72	1.72	1.74	1.74	1.76	1.76	1.74	1.74	1.75
DEC 17	1.71	1.72	1.71	1.72	1.72	1.73	1.74	1.72	1.73	1.73

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

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

In May 2017, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.15 per cwt, down \$0.01 per cwt from the April 2017 average but up \$1.78 per cwt from the May 2016 average. The component tests of producer milk in May 2017 were: butterfat, 3.77%; protein, 3.10%; and other solids, 5.76%. When compared to the previous month, the May Mailbox prices decreased in 12 of the Federal milk order reporting areas and increased in 7 of the Federal milk order reporting areas. The Florida reporting area reported a decrease of \$0.57 per cwt, while the New Mexico reporting area reported an increase of \$0.20 per cwt from the previous month. Averaged over all Federal milk order reporting areas, the May 2017 Mailbox price decreased an average of \$0.07 per cwt. Mailbox prices in May 2017 ranged from \$17.63 in the New England States to \$13.89 in the New Mexico reporting area.

Reporting Area ¹	Mailbox Milk Price ²		
	May 2016	April 2017	May 2017
	<i>(dollars per hundredweight)</i>		
New England States ³	15.97	17.66	17.63
New York	14.77	16.44	16.38
Eastern Pennsylvania ⁴	14.80	16.30	16.22
Appalachian States ⁵	15.06	16.72	16.62
Southeast States ⁶	14.48	15.67	15.39
Southern Missouri ⁷	14.19	15.06	14.73
Florida	15.30	17.45	16.88
Western Pennsylvania ⁸	14.56	16.55	16.42
Ohio	14.81	16.58	16.43
Indiana	14.68	16.22	15.81
Michigan	12.90	14.29	14.25
Wisconsin	14.71	17.00	17.13
Minnesota	14.71	16.63	16.81
Iowa	14.42	16.79	16.92
Illinois	14.62	16.85	16.88
Corn Belt States ⁹	13.62	15.10	15.12
Western Texas ¹⁰	13.63	15.28	15.44
New Mexico	12.88	13.69	13.89
Northwest States ¹¹	14.14	16.41	16.40
All Federal Order Areas ¹²	14.37	16.16	16.15
California ¹³	12.58	14.96	15.66

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

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

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

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

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

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

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

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

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

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

¹¹ Includes Oregon and Washington.

¹² Weighted average of prices for all reporting areas.

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

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

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

Federal Milk Order Marketing and Utilization Summary, July 2017

Highlights. Handler reports of receipts and utilization under the Federal milk order system for July 2017 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During July, more than 11.9 billion pounds of milk were received from Federally pooled producers. This volume of milk is 4.6 percent higher than the July 2016 volume. Regulated handlers pooled 3.110 billion pounds of producer milk as Class I products, down 0.7 percent when compared to the previous year. Class I utilization decreased from last year in 7 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 26%, Class II = 11%, Class III = 50%, and Class IV = 12%. The weighted average statistical uniform price was \$17.10 per cwt, up \$0.03 from last month and up \$1.32 from last year.

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

Federal Milk Order Marketing Area ¹	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I		Utilization of Producer Milk in All Classes ³				Uniform Price ²
		Total	Change from Prev. Year	Total	Change from Prev. Year	Class I	Class II	Class III	Class IV	
		<i>(million lbs)</i>	<i>(percent)</i>	<i>(million lbs)</i>	<i>(percent)</i>	<i>(percent)³</i>				<i>(\$ per cwt)</i>
Northeast (Boston)	001	2,305.8	0.2	682.6	1.3	30	25	28	18	18.01
Appalachian (Charlotte)	005	469.8	7.6	309.7	4.6	66	18	6	9	19.35
Florida (Tampa)	006	197.4	-4.1	164.7	-3.9	83	12	2	2	21.45
Southeast (Atlanta)	007	422.3	1.0	285.1	-0.7	68	16	10	6	19.64
Upper Midwest (Chicago)	030	3,019.8	11.3	243.9	-5.7	8	1	89	1	15.80
Central (Kansas City)	032	1,435.8	10.6	365.1	-0.1	25	9	53	13	16.52
Mideast (Cleveland)	033	1,711.9	1.5	501.0	0.2	29	15	39	17	17.01
Pacific Northwest (Seattle)	124	759.4	-1.6	147.1	-3.4	19	6	43	32	16.60
Southwest (Dallas)	126	1,172.3	0.0	311.3	-3.6	27	9	58	6	17.29
Arizona (Phoenix)	131	426.6	7.0	99.0	-3.0	23	9	31	37	17.02
All Market Average or Total		11,921.0	4.6	3,109.6	-0.7	26	11	50	12	17.10

¹ Each city name in parentheses is the major city in the principal pricing point of that market.

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

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

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

Table 2--Retail prices for conventional whole milk, average of three outlets, selected cities, by months, 2017 1/

City and State	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg. 2/
	Dollars Per Gallon												
Atlanta, GA	3.86	3.86	3.86	3.76	3.76	3.76	3.76	3.76					3.80
Baltimore, MD	4.11	4.11	4.11	4.11	4.11	4.38	4.38	4.38					4.21
Boston, MA	3.27	3.25	3.23	3.24	3.26	3.26	3.24	3.26					3.25
Chicago, IL	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.99					3.70
Cincinnati, OH	2.82	2.62	2.02	2.06	2.09	2.06	2.16	2.09					2.24
Cleveland, OH	3.36	3.26	3.19	3.12	3.12	3.12	3.12	3.12					3.18
Dallas, TX	3.28	3.19	2.92	2.99	2.82	2.85	2.82	2.82					2.96
Denver, CO	3.22	3.42	3.42	3.19	3.19	3.19	3.22	3.22					3.26
Detroit, MI	2.92	2.92	2.86	2.96	2.96	2.96	2.96	2.96					2.94
Fort Lee, NJ 3/	3.92	3.92	3.90	3.93	3.97	3.81	3.96	3.93					3.92
Hartford, CT	3.72	3.72	3.71	3.69	3.33	3.66	3.30	3.44					3.57
Houston, TX	2.59	2.39	2.39	2.35	2.35	2.29	2.32	2.45					2.39
Indianapolis, IN	2.42	2.42	2.42	2.39	2.59	2.16	2.26	2.25					2.36
Kansas City, MO	4.27	4.15	4.20	4.14	4.09	4.08	4.11	4.16					4.15
Louisville, KY	2.85	2.92	2.84	2.79	2.89	2.79	2.85	2.75					2.84
Miami, FL	3.75	3.87	3.89	3.89	3.89	3.85	3.98	3.98					3.89
Milwaukee, WI	3.99	3.99	3.99	3.99	3.99	3.99	3.99	3.99					3.99
Minneapolis, MN	3.99	4.06	4.06	4.06	4.06	4.06	4.16	4.16					4.08
New Orleans, LA	3.56	3.63	3.43	3.64	3.64	3.61	3.61	3.61					3.59
Oklahoma City, OK	3.65	3.76	3.67	3.57	3.58	3.17	3.62	3.67					3.59
Philadelphia, PA	4.09	3.97	4.00	3.92	3.86	3.86	3.96	3.96					3.95
Phoenix, AZ	2.76	2.76	2.69	2.69	2.69	2.69	2.69	2.69					2.71
Pittsburgh, PA	3.94	3.84	3.76	3.72	3.67	3.68	3.75	3.75					3.76
Portland, OR	3.46	3.46	3.46	3.39	3.32	3.29	3.29	3.32					3.37
Seattle, WA	3.49	3.49	3.49	3.49	3.49	3.36	3.36	3.36					3.44
St Louis, MO	3.69	3.65	3.65	3.65	3.65	3.72	3.72	3.56					3.66
Syracuse, NY	3.29	3.29	3.29	3.29	3.29	3.29	3.01	2.66					3.18
Washington, DC	3.79	3.78	3.78	4.12	4.12	4.12	3.92	3.82					3.93
Wichita, KS	2.84	2.98	2.82	2.69	2.45	2.62	2.45	2.64					2.69
Simple Average	3.47	3.46	3.40	3.40	3.38	3.36	3.37	3.37					3.40

1/ As collected by Federal milk order market administrators based on a survey conducted one day between the 1st and 10th of each month (excluding Fridays and weekends) in selected cities or metropolitan areas. One outlet of the largest and second largest food store chains and the largest convenience store chain are surveyed. The price represents the most common brand in nonreturnable plastic containers. 2/ Simple average of monthly prices. 3/ City located in the metropolitan area of New York City.

Table 3--Retail prices for conventional reduced fat (2%) milk, average of three outlets, selected cities, by months, 2017 1/

City and State	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg. 2/
	Dollars Per Gallon												
Atlanta, GA	3.86	3.86	3.86	3.76	3.76	3.76	3.76	3.76					3.80
Baltimore, MD	4.11	4.11	4.11	4.11	4.11	4.38	4.38	4.38					4.21
Boston, MA	3.24	3.22	3.19	3.20	3.22	3.22	3.21	3.22					3.22
Chicago, IL	3.49	3.49	3.49	3.49	3.49	3.66	3.66	3.89					3.58
Cincinnati, OH	2.82	2.62	2.02	2.06	2.09	2.06	2.16	2.09					2.24
Cleveland, OH	3.36	3.26	3.19	3.12	3.12	3.12	3.12	3.12					3.18
Dallas, TX	3.28	3.19	2.92	2.99	2.82	2.85	2.82	2.82					2.96
Denver, CO	3.16	3.49	3.42	3.19	3.19	3.19	3.22	3.22					3.26
Detroit, MI	2.92	2.92	2.86	2.96	2.96	2.96	2.96	2.96					2.94
Fort Lee, NJ 3/	3.92	3.92	3.90	3.93	3.97	3.94	3.96	3.93					3.93
Hartford, CT	3.69	3.69	3.68	3.66	3.30	3.63	3.26	3.41					3.54
Houston, TX 4/	2.59	2.39	2.39	2.35	2.35	2.29	2.32	2.45					2.39
Indianapolis, IN	2.42	2.42	2.42	2.39	2.59	2.16	2.26	2.25					2.36
Kansas City, MO	3.95	3.95	3.96	3.85	3.82	3.79	3.85	3.89					3.88
Louisville, KY	2.75	2.85	2.74	2.79	2.79	2.69	2.85	2.75					2.78
Miami, FL	3.75	3.87	3.89	3.89	3.89	3.85	3.98	3.98					3.89
Milwaukee, WI	3.79	3.79	3.79	3.79	3.79	3.79	3.79	3.79					3.79
Minneapolis, MN	3.92	3.99	3.99	3.99	3.99	3.99	4.09	4.09					4.01
New Orleans, LA	3.56	3.63	3.43	3.64	3.64	3.61	3.61	3.61					3.59
Oklahoma City, OK	3.49	3.63	3.53	3.46	3.48	3.47	3.51	3.57					3.52
Philadelphia, PA	3.87	3.72	3.75	3.67	3.62	3.63	3.70	3.71					3.71
Phoenix, AZ	2.76	2.76	2.69	2.69	2.69	2.69	2.69	2.69					2.71
Pittsburgh, PA	3.70	3.61	3.53	3.48	3.44	3.45	3.47	3.47					3.52
Portland, OR	3.26	3.26	3.26	3.16	3.09	3.06	3.06	3.09					3.16
Seattle, WA	3.49	3.49	3.49	3.49	3.49	3.36	3.36	3.36					3.44
St Louis, MO	3.62	3.59	3.55	3.55	3.55	3.62	3.62	3.49					3.57
Syracuse, NY	3.22	3.22	3.22	3.22	3.22	3.22	2.94	2.58					3.11
Washington, DC	3.79	3.78	3.78	4.12	4.12	4.12	3.92	3.82					3.93
Whichita, KS	2.84	2.98	2.82	2.49	2.42	2.42	2.45	2.47					2.61
Simple Average	3.40	3.40	3.34	3.33	3.31	3.31	3.31	3.31					3.34

1/ As collected by Federal milk order market administrators based on a survey conducted one day between the 1st and 10th of each month (excluding Fridays and weekends) in selected cities or metropolitan areas. One outlet of the largest and second largest food store chains and the largest convenience store chain are surveyed. The price represents the most common brand in nonreturnable plastic containers. 2/ Simple average of monthly prices. 3/ City located in the metropolitan area of New York City.

Table 4--Retail prices for organic whole milk, average of two outlets, selected cities, by months, 2017 1/

City and State	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg. 2/
	Dollars Per Half-Gallon												
Atlanta, GA	3.97	3.97	3.97	3.97	3.72	3.72	3.72	3.72					3.85
Baltimore, MD	4.94	4.94	4.94	4.94	4.94	4.69	4.69	4.69					4.85
Boston, MA	4.14	4.14	4.14	4.14	4.14	4.14	4.11	4.11					4.13
Chicago, IL	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.99					4.99
Cincinnati, OH	3.59	3.59	3.34	3.59	3.37	3.37	3.19	3.44					3.44
Cleveland, OH	3.99	3.99	3.99	3.99	3.99	3.99	3.99	3.99					3.99
Dallas, TX	3.94	3.94	3.94	3.69	3.69	3.69	3.69	3.69					3.78
Denver, CO	3.54	3.69	3.14	3.39	3.49	3.34	3.49	3.24					3.42
Detroit, MI	3.64	3.59	3.59	3.59	3.54	3.70	3.44	3.44					3.57
Fort Lee, NJ 3/	3.99	3.99	3.99	3.99	3.99	3.99	4.05	4.05					4.01
Hartford, CT	4.09	4.09	4.39	4.44	4.44	4.44	4.34	4.34					4.32
Houston, TX	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98					2.98
Indianapolis, IN	4.44	4.44	4.44	3.89	3.89	3.44	3.44	3.44					3.93
Kansas City, MO	4.99	5.34	5.24	5.24	5.39	5.24	5.24	5.24					5.24
Louisville, KY	3.39	3.39	3.39	3.69	3.69	3.44	3.44	3.44					3.48
Miami, FL	4.64	4.24	4.24	4.24	4.64	4.24	4.24	4.24					4.34
Milwaukee, WI	4.44	4.99	4.69	4.69	4.99	4.99	4.99	4.99					4.85
Minneapolis, MN	4.84	4.84	4.84	4.84	4.84	4.84	4.84	4.99					4.86
New Orleans, LA	5.07	5.07	5.07	5.07	5.07	5.07	5.07	5.07					5.07
Oklahoma City, OK	4.88	4.98	4.53	4.73	4.93	4.85	4.68	4.68					4.78
Philadelphia, PA	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69					4.69
Phoenix, AZ	3.99	3.99	4.09	4.09	4.09	4.09	4.09	4.09					4.07
Pittsburgh, PA	5.39	5.39	5.39	5.39	5.39	5.39	5.04	5.39					5.35
Portland, OR	4.64	4.64	4.84	4.79	4.79	4.79	4.79	4.79					4.76
Seattle, WA	3.69	3.69	3.69	3.69	3.69	3.54	3.59	3.69					3.66
St Louis, MO	4.99	4.49	3.99	3.99	3.99	3.99	4.24	3.99					4.21
Syracuse, NY	4.34	4.34	4.34	4.34	4.34	4.34	4.34	4.34					4.34
Washington, DC	5.06	5.07	5.07	5.07	5.05	5.02	5.02	4.99					5.04
Wichita, KS	3.59	3.59	3.59	3.44	3.44	3.44	3.44	3.44					3.50
Simple Average	4.31	4.31	4.26	4.26	4.28	4.22	4.20	4.21					4.26

1/ As collected by Federal milk order market administrators based on a survey conducted one day between the 1st and 10th of each month (excluding Fridays and weekends) in selected cities or metropolitan areas. One outlet of the largest and second largest food store chains are surveyed. The price represents the most common brand in nonreturnable paper cartons. 2/ Simple average of monthly prices. 3/ City located in the metropolitan area of New York City.

Table 5--Retail prices for organic reduced fat (2%) milk, average of two outlets, selected cities, by months, 2017 1/

City and State	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg. 2/
	Dollars Per Half-Gallon												
Atlanta, GA	3.97	3.97	3.97	3.97	3.72	3.72	3.72	3.72					3.85
Baltimore, MD	4.94	4.94	4.94	4.94	4.94	4.69	4.69	4.69					4.73
Boston, MA	4.14	4.14	4.14	4.14	4.14	4.14	4.11	4.11					4.23
Chicago, IL	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.99					4.88
Cincinnati, OH	3.59	3.59	3.34	3.59	3.37	3.37	3.19	3.44					3.61
Cleveland, OH	3.99	3.99	3.99	3.99	3.99	3.99	3.99	3.99					3.94
Dallas, TX	3.94	3.94	3.94	3.69	3.69	3.69	3.69	3.69					3.79
Denver, CO	3.54	3.69	3.14	3.39	3.49	3.34	3.49	3.24					3.45
Detroit, MI	3.64	3.59	3.59	3.59	3.54	3.70	3.44	3.44					3.58
Fort Lee, NJ 3/	3.99	3.99	3.99	3.99	3.99	3.99	4.02	4.05					3.95
Hartford, CT	4.09	4.09	4.39	4.44	4.44	4.44	4.34	4.34					4.31
Houston, TX	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98					3.12
Indianapolis, IN	4.44	4.44	4.44	3.89	3.89	3.44	3.44	3.44					3.75
Kansas City, MO	4.99	5.34	5.24	5.24	5.39	5.24	5.24	5.24					5.13
Louisville, KY	3.39	3.39	3.39	3.69	3.69	3.44	3.44	3.44					3.73
Miami, FL	4.64	4.24	4.24	4.24	4.64	4.24	4.24	4.24					4.23
Milwaukee, WI	4.39	4.99	4.69	4.69	4.99	4.99	4.99	4.99					4.75
Minneapolis, MN	4.84	4.84	4.84	4.84	4.84	4.84	4.84	4.99					4.88
New Orleans, LA	5.07	5.07	5.07	5.07	5.07	5.07	5.07	5.07					5.04
Oklahoma City, OK	4.88	4.98	4.53	4.73	4.93	4.88	4.68	4.68					4.80
Philadelphia, PA	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69					4.73
Phoenix, AZ	3.99	3.99	4.09	4.09	4.09	4.09	4.09	4.09					4.15
Pittsburgh, PA	5.39	5.39	5.39	5.39	5.39	5.39	5.04	5.39					5.17
Portland, OR	4.64	4.64	4.84	4.79	4.79	4.79	4.79	4.79					4.85
Seattle, WA	3.69	3.69	3.69	3.69	3.69	3.54	3.59	3.69					3.78
St Louis, MO	4.99	4.49	3.99	3.99	3.99	3.99	4.24	3.99					4.11
Syracuse, NY	4.49	4.49	4.49	4.34	4.34	4.34	4.34	4.34					4.40
Washington, DC	5.06	5.07	5.07	5.07	5.05	5.02	5.02	4.99					4.97
Whichita, KS	3.59	3.59	3.59	3.44	3.44	3.44	3.44	3.44					3.68
Simple Average	4.31	4.32	4.26	4.26	4.28	4.22	4.20	4.21					4.26

1/ As collected by Federal milk order market administrators based on a survey conducted one day between the 1st and 10th of each month (excluding Fridays and weekends) in selected cities or metropolitan areas. One outlet of the largest and second largest food store chains are surveyed. The price represents the most common brand in nonreturnable paper cartons. 2/ Simple average of monthly prices. 3/ City located in the metropolitan area of New York City.

Retail Prices for Organic Whole and 2% Milk, Average of Two Outlets, by Months, 2017 ¹

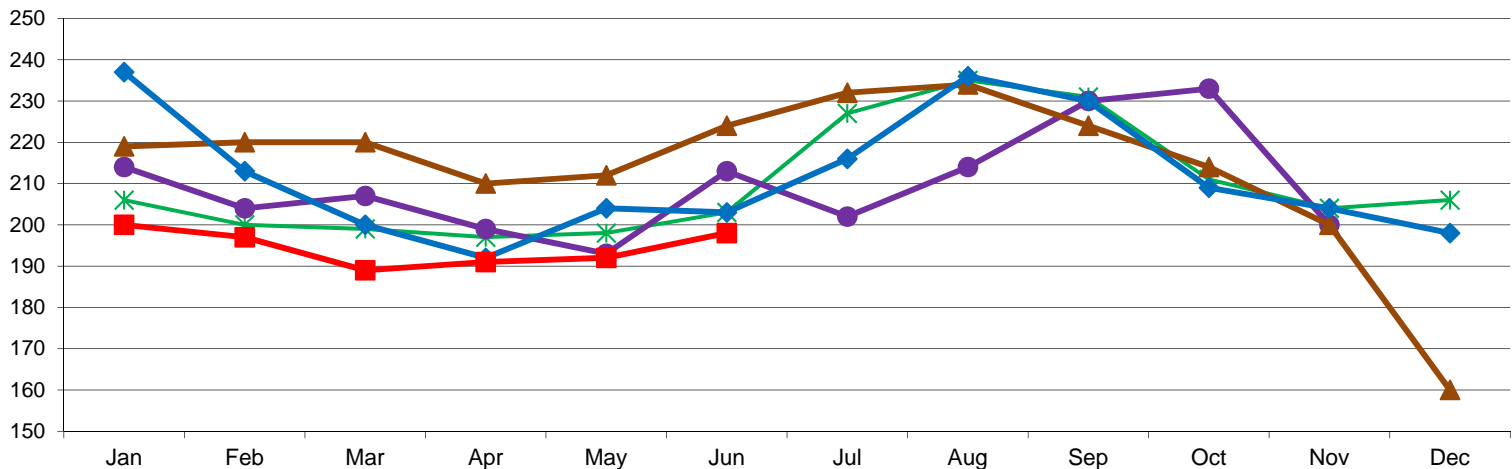
Products	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg. ²
	<i>(dollars per half gallon)</i>												
Organic Whole Milk	4.31	4.31	4.26	4.26	4.28	4.22	4.20	4.21					4.26
Organic 2% Milk	4.31	4.32	4.26	4.26	4.28	4.22	4.20	4.21					4.26

¹ As collected by Federal milk order market administrators based on a survey conducted one day between the 1st and 10th of each month (excluding Fridays and weekends) in 28 selected cities or metropolitan areas. One outlet of the largest and second largest food store chains are surveyed. The price represents the most common brand in nonreturnable containers. ² Simple average of monthly prices. For more information.

https://www.ams.usda.gov/sites/default/files/media/Retail_Milk_Prices.pdf

Average Somatic Cell Count of Producer Milk in Four Federal Milk Orders Combined

THOUSANDS



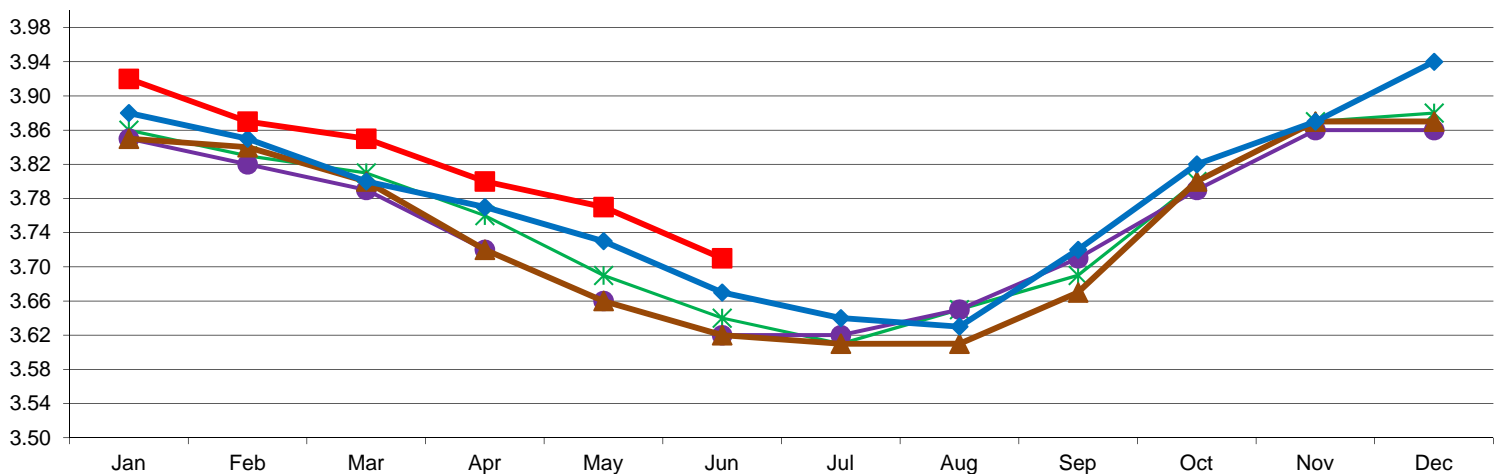
FEDERAL ORDERS INCLUDED ARE: 30, 32, 33, 126

DATA SOURCE, USDA, AMS, DAIRY PROGRAMS, MIB; GRAPH, USDA, AMS, DMN

✱ 2013
● 2014
▲ 2015
◆ 2016
■ 2017

Average Butterfat Test of Producer Milk in All Federal Milk Orders Combined

%



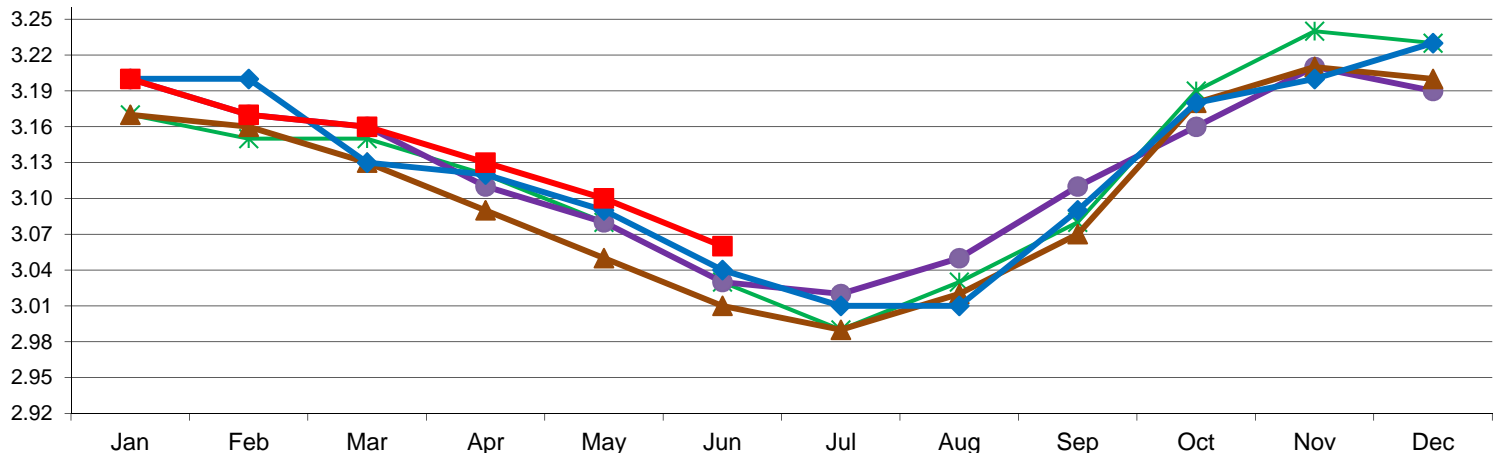
FEDERAL ORDERS INCLUDED ARE: 1, 5, 6, 7, 30, 32, 33, 124, 126, 131

DATA SOURCE, USDA, AMS, DAIRY PROGRAMS, MIB; GRAPH, USDA, AMS, DMN

✱ 2013
● 2014
▲ 2015
◆ 2016
■ 2017

Average Protein (True) Test of Producer Milk in Six Component Pricing Federal Milk Orders Combined

%



FEDERAL ORDERS INCLUDED ARE: 1, 30, 32, 33, 124, 126

DATA SOURCE, USDA, AMS, DAIRY PROGRAMS, MIB; GRAPH, USDA, AMS, DMN

✱ 2013
● 2014
▲ 2015
◆ 2016
■ 2017



Dairy Market News Branch

Agricultural
Marketing
Service

National Retail Report-Dairy

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

Volume 84- Number 33

Issued Weekly

Friday, August 18, 2017

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 08/18/2017 to 08/24/2017

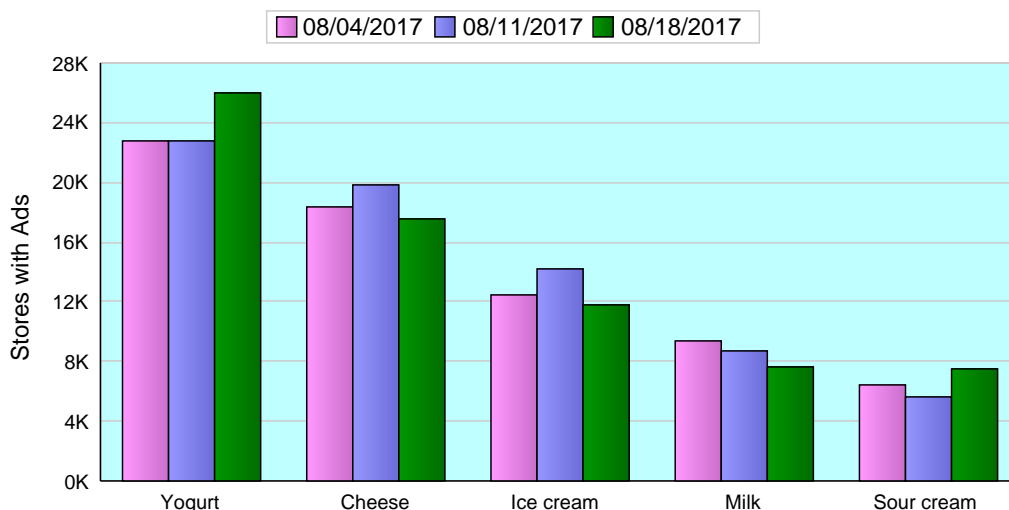
This week, total conventional dairy ads increased 4 percent, and organic dairy ads decreased 25 percent. Ice cream posted the second major number of conventional ads, but decreased 16 percent from the previous survey. The U.S. weighted average advertised price for conventional ice cream in 48-64 oz. containers is \$3.04, down 7 cents from the last period. Meanwhile, reported advertised pricing for organic ice cream in 48-64 oz. containers is \$5.99 for an organic premium of \$2.95.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.37, up 2 cents from last week. The advertised price for conventional 8 ounce shred cheese averaged \$2.28, up 13 cents from last week. Conventional cheese ad numbers decreased 10 percent from the previous week. There were no reported advertised prices for organic cheese this week.

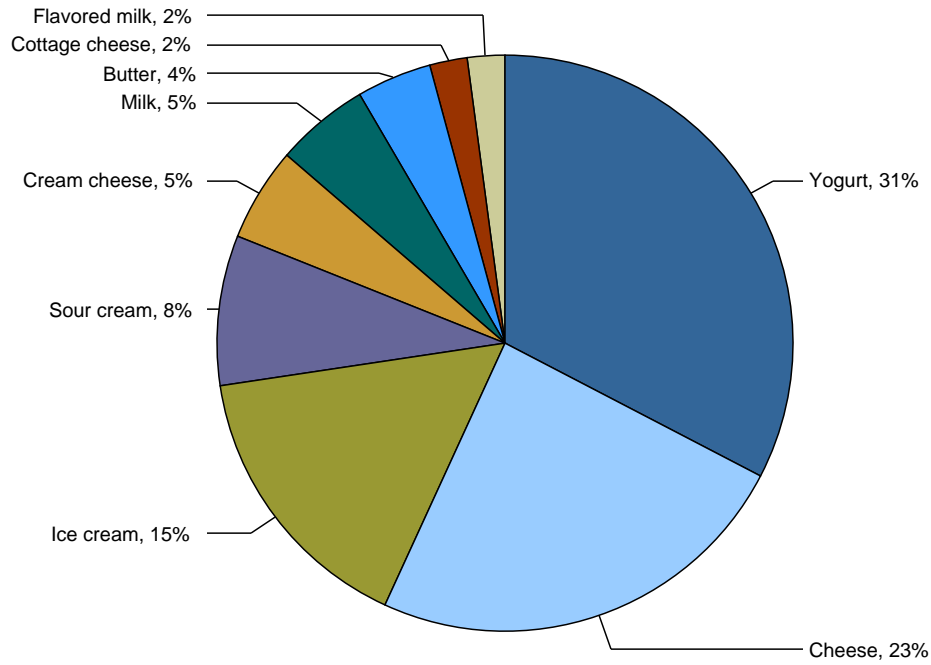
Conventional 4-6 ounce Greek yogurt is the most advertised item this week with an average sale price of \$0.94, down 1 cent from the previous week. Organic 4-6 ounce Greek yogurt has an average price of \$1.25, up 25 cents, resulting in an organic premium of 31 cents. The average price for 4-6 ounce conventional yogurt is \$0.52, while the price for organic yogurt is \$1.34, resulting in an \$0.82 organic premium. Total conventional yogurt ads increased 11 percent while organic yogurt ads increased 54 percent.

The weighted average price for conventional half gallon milk is \$3.25. The weighted average price for organic half gallon is \$3.94, resulting in an organic price premium of 69 cents. Organic milk ad numbers decreased 31 percent, but ads for conventional milk increased 38 percent. Half gallons of milk had the largest number of ads for organic dairy items in the survey.

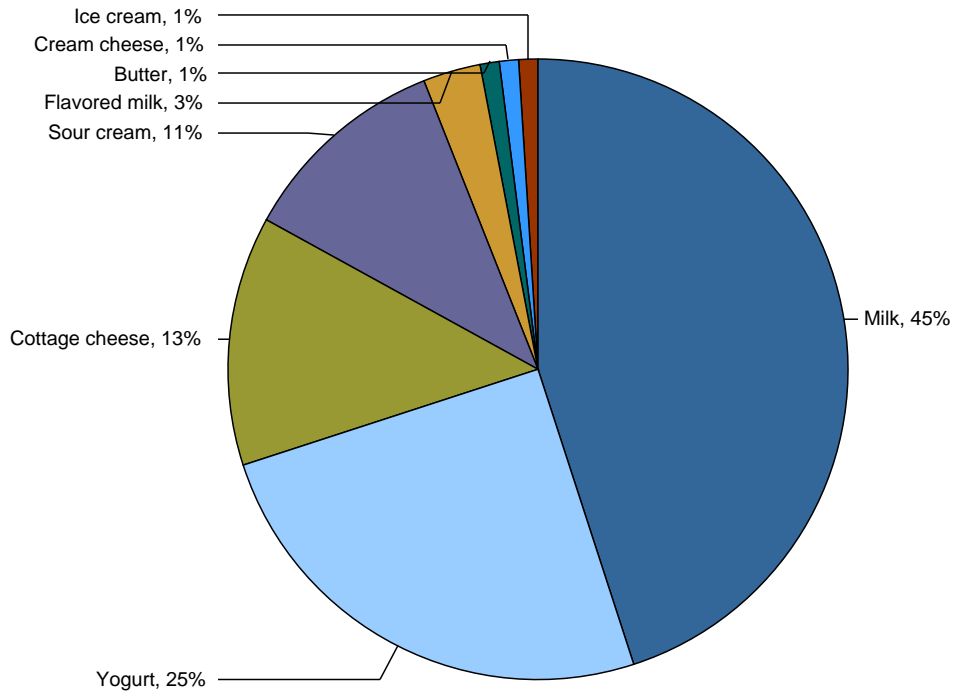
Top 5 Commodities Featured



Percentage of Total Conventional Ads by Commodity



Percentage of Total Organic Ads by Commodity



NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	3233	3.49	1759	3.70	2645	3.41
Cheese	Natural Varieties	8 oz block	3042	2.37	6030	2.35	7662	2.12
Cheese	Natural Varieties	1 # block	2257	3.83	1289	4.15	3145	3.79
Cheese	Natural Varieties	2 # block	1202	6.81	995	6.77	1055	6.36
Cheese	Natural Varieties	8 oz shred	9000	2.28	9847	2.15	8884	2.29
Cheese	Natural Varieties	1 # shred	2006	3.11	1216	4.13	1943	3.82
Cottage cheese		16 oz	1731	1.92	3936	1.99	3767	1.88
Cream cheese		8 oz	4014	1.51	2059	1.88	5445	1.98
Flavored milk	All fat tests	half gallon	1134	3.01	1268	3.02	1913	2.31
Flavored milk	All fat tests	gallon	526	2.52	233	3.09	404	3.48
Ice cream		48-64oz	11643	3.04	13835	3.11	11731	2.90
Milk	All fat tests	half gallon	1076	3.25	444	2.13	433	1.38
Milk	All fat tests	gallon	2342	2.24	2026	3.22	2467	2.58
Sour cream		16 oz	6426	1.84	4121	1.66	5096	1.57
Yogurt	Greek	4-6 oz	13500	.94	10291	.95	14737	.91
Yogurt	Greek	32 oz	2354	4.31	2547	4.61	1687	4.06
Yogurt	Yogurt	4-6 oz	5351	.52	7150	.48	7046	.47
Yogurt	Yogurt	32 oz	2392	2.44	1311	2.23	1153	2.07

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 #	2.99-4.99	1249	3.83	3.19	1002	3.19	1.67-3.50	191	2.83
Cheese	Natural Varieties	8 oz block	1.50-3.99	1586	2.23	2.00-2.78	418	2.58	2.00-3.00	238	2.29
Cheese	Natural Varieties	1 # block	2.99-4.99	730	3.66	2.99	324	2.99	2.99-3.99	570	3.36
Cheese	Natural Varieties	2 # block	4.99-6.99	119	6.00	5.99	64	5.99	7.99	180	7.99
Cheese	Natural Varieties	8 oz shred	1.50-3.49	1966	2.09	1.99-3.99	2845	2.44	1.99-2.99	1472	2.24
Cheese	Natural Varieties	1 # shred				2.99	324	2.99	2.49-4.49	1317	3.07
Cottage cheese		16 oz	1.79-2.69	1025	2.02				1.89	119	1.89
Cream cheese		8 oz	1.50-1.99	862	1.77	1.50	1281	1.50	0.79-1.89	1057	1.15
Flavored milk	All fat tests	half gallon	2.50-3.50	480	2.68	2.50	61	2.50	2.50	180	2.50
Flavored milk	All fat tests	gallon							2.49	138	2.49
Ice cream		48-64oz	1.99-3.99	2801	2.83	2.49-3.50	2932	3.07	1.99-3.99	2201	2.89
Milk	All fat tests	half gallon	4.99	304	4.99	2.50	61	2.50	2.50	180	2.50
Milk	All fat tests	gallon				2.39-2.99	268	2.58	1.69-3.29	642	2.04
Sour cream		16 oz	1.49-2.19	2160	1.78	1.50-2.00	1456	1.92	1.25-1.89	588	1.59
Yogurt	Greek	4-6 oz	0.49-1.25	3418	.98	0.60-1.25	3719	.95	0.49-1.00	1767	.86
Yogurt	Greek	32 oz	3.99	303	3.99	3.00-4.49	1469	4.12			
Yogurt	Yogurt	4-6 oz	0.49-1.25	1897	.66	0.33-0.50	1283	.41	0.40-0.50	1010	.43

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	2.50-3.99	425	2.91	2.00	1002	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 #	2.99	266	2.99	2.99-4.49	426	3.86	2.49	69	2.49
Cheese	Natural Varieties	8 oz block	1.69-2.99	672	2.45						
Cheese	Natural Varieties	1 # block	2.99-3.99	254	3.51	5.99	244	5.99	3.99-6.99	135	5.46
Cheese	Natural Varieties	2 # block	4.99	80	4.99	5.99-8.99	553	6.78	5.99-7.99	171	7.22
Cheese	Natural Varieties	8 oz shred	1.69-2.50	1770	2.22	2.22-2.49	675	2.35	1.68-3.00	199	2.14
Cheese	Natural Varieties	1 # shred	2.99-3.99	260	3.52				2.99	105	2.99
Cottage cheese		16 oz	1.29	141	1.29				1.29-2.00	410	1.79
Cream cheese		8 oz	1.29-1.69	195	1.40	1.99	244	1.99	1.29-2.00	364	1.70
Flavored milk	All fat tests	half gallon	2.29	74	2.29	3.99	246	3.99			
Flavored milk	All fat tests	gallon	1.99	262	1.99				3.79	105	3.79
Ice cream		48-64oz	1.99-5.50	1950	3.26	2.49-3.49	848	3.09	1.99-3.99	706	3.11
Milk	All fat tests	half gallon	2.99	194	2.99	2.50	244	2.50	1.25	66	1.25
Milk	All fat tests	gallon	1.98-1.99	336	1.99	2.59-2.97	522	2.67	1.49-1.99	515	1.83
Sour cream		16 oz	1.25-2.50	567	1.93	1.79-1.99	977	1.89	1.29-2.00	584	1.81
Yogurt	Greek	4-6 oz	0.79-1.00	1805	.93	0.80-1.00	1741	.94	0.80-1.00	884	.90
Yogurt	Greek	32 oz	4.99	194	4.99	4.99	367	4.99			
Yogurt	Yogurt	4-6 oz	0.40-0.79	449	.50	0.39-0.50	394	.46	0.40-0.50	232	.45
Yogurt	Yogurt	32 oz	2.50	72	2.50	2.50	498	2.50	2.49-2.99	358	2.89

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				4.49-4.99	30	4.94
Cheese	Natural Varieties	8 oz block	2.00-3.00	44	2.75	2.50-3.99	84	3.40
Cheese	Natural Varieties	2 # block	6.99-7.98	8	7.36	7.99	27	7.99
Cheese	Natural Varieties	8 oz shred	2.00-3.00	39	2.69	4.00	34	4.00
Cottage cheese		16 oz	3.00-3.28	33	3.24	2.59	3	2.59
Cream cheese		8 oz	1.50	11	1.50			
Flavored milk	All fat tests	half gallon	2.79-3.79	42	3.29	4.49-4.99	51	4.75
Flavored milk	All fat tests	gallon	2.99	21	2.99			
Ice cream		48-64oz	2.50-4.50	39	3.60	3.29-5.99	166	4.54
Milk	All fat tests	half gallon				3.99	27	3.99
Milk	All fat tests	gallon	2.99-3.79	32	3.27	4.99	27	4.99
Sour cream		16 oz	1.50-2.69	16	1.87	2.29-2.69	78	2.50
Yogurt	Greek	4-6 oz	0.99-1.50	44	1.23	0.99-1.25	122	1.18
Yogurt	Greek	32 oz	4.00	21	4.00			
Yogurt	Yogurt	4-6 oz	0.50-1.00	56	.80	0.80-0.99	30	.84

Wtd Avg - Simple weighted average



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
Yogurt	Yogurt	32 oz	3.98	3	3.98	3.50	34	3.50

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	121	4.49	354	4.82	183	4.99
Cheese	Natural Varieties	8 oz block			361	3.59	754	4.15
Cheese	Natural Varieties	8 oz shred			120	3.49	467	3.60
Cottage cheese		16 oz	1202	3.94	1430	3.95	224	3.22
Cream cheese		8 oz	105	2.50	141	2.89	278	2.32
Flavored milk	All fat tests	half gallon	305	2.99	741	4.47	269	4.47
Ice cream		48-64oz	101	5.99	304	3.99		
Milk	All fat tests	half gallon	3833	3.94	5022	4.29	3467	3.75
Milk	All fat tests	gallon	54	5.49	403	4.43	219	4.95
Milk	All fat tests	8 oz UHT	372	.85	773	.88	886	1.00
Sour cream		16 oz	1083	2.99	1533	2.86	244	1.50
Yogurt	Greek	4-6 oz	1153	1.25	225	1.00	1108	1.51
Yogurt	Greek	32 oz	273	6.04	114	5.99	264	2.50
Yogurt	Yogurt	4-6 oz	237	1.34	550	.94		
Yogurt	Yogurt	32 oz	714	2.95	650	3.12	1200	2.69

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
Cottage cheese		16 oz				3.99	1083	3.99	3.49	119	3.49
Ice cream		48-64oz				5.99	101	5.99			
Milk	All fat tests	half gallon	3.69-5.99	490	4.68	3.99	1297	3.99	2.99-4.49	804	3.52
Milk	All fat tests	8 oz UHT				0.80	324	.80			

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
Sour cream		16 oz				2.99	1083	2.99			
Yogurt	Greek	4-6 oz	1.25	422	1.25	1.25	184	1.25	1.25	247	1.25
Yogurt	Yogurt	4-6 oz	1.69	118	1.69				1.00	119	1.00
Yogurt	Yogurt	32 oz							2.99	588	2.99

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.49	121	4.49						
Cream cheese		8 oz							2.50	105	2.50
Flavored milk	All fat tests	half gallon	2.99	305	2.99						
Milk	All fat tests	half gallon	2.99	383	2.99	3.99-4.99	659	4.36	2.99-3.99	135	3.50
Milk	All fat tests	gallon	5.49	54	5.49						
Yogurt	Greek	4-6 oz	1.25	210	1.25	1.25	90	1.25			
Yogurt	Greek	32 oz				5.99	246	5.99			
Yogurt	Yogurt	32 oz							2.49	105	2.49

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	3.29	11	3.29	4.99-5.99	54	5.49
Milk	All fat tests	8 oz UHT	1.25	21	1.25	1.17	27	1.17
Yogurt	Greek	32 oz				6.49	27	6.49
Yogurt	Yogurt	32 oz	3.99	21	3.99			

REGIONAL DEFINITIONS

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

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



Dairy Market News

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

Volume 84, Report 33

August 18, 2017

GENERAL NUMBER

(608) 422-8587

Elizabeth Frederick

(608) 422-8587

Elizabeth.Frederick@AMS.USDA.GOV

STUDENT TRAINEE

Al Yang

(608) 422-8598

Al.Yang@AMS.USDA.GOV

EAST/ ORGANIC

Daniel Johnson

(608) 422-8605

Daniel.Johnson@AMS.USDA.GOV

Jessica Mueller

(608) 422-8589

Jessica.Mueller@AMS.USDA.GOV

CENTRAL

Israel Weber

(608) 422-8601

Israel.Weber@AMS.USDA.GOV

SOUTHWEST/SOUTH AMERICA

AJ (Angel José) Terán

(608) 422-8593

Angel.Teran@AMS.USDA.GOV

Florence Kone-Gonzalez

(608) 422-8594

Florence.KoneGonzalez@AMS.USDA.GOV

NORTHWEST/MOUNTAIN

Mike Bandli

(608) 422-8592

Mike.Bandli@AMS.USDA.GOV

ORGANIC/EUROPE & OCEANIA

Eric Graf

(608) 422-8590

Eric.Graf@AMS.USDA.GOV

NATIONAL SUPERVISOR

Janet Linder

(608) 422-8588

Janet.Linder@AMS.USDA.GOV

BRANCH CHIEF

Butch Speth

(608) 422-8586

Butch.Speth@AMS.USDA.GOV

INTERNET ADDRESS

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

MARKET NEWS PORTAL

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

RECORDED INFORMATION SYSTEM

(608) 422-8602

FAX

(608) 240-6689

USDA, Dairy Market News

4600 American Parkway, STE 106

Madison, WI 53718-8334