

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (8/25)**

BUTTER: Grade AA closed at \$2.6275. The weekly average for Grade AA is \$2.6125 (-.0480).

CHEESE: Barrels closed at \$ 1.5575 and 40# blocks at \$ 1.6500. The weekly average for barrels is \$ 1.6620 (-.0185) and blocks, \$1.7020 (-.0390).

NONFAT DRY MILK: Grade A closed at \$0.8450. The weekly average for Grade A is \$0.8390 (-.0040).

BUTTER HIGHLIGHTS: The United States butter demand is steady to strong as sales into educational and retail channels are active. Spot sales activity is mixed. A number of manufacturers report sales are good and growing. However, some market participants report seeing minimal sales as buyers and end users are waiting to see near term price direction. Throughout the regions, cream supplies are available for contractual needs. In the Northeast, cream availability outside of commitments is slim as the demand for cream is high. Butter production is mixed as butter makers are working hard to find the right economic balance for their production. A number of producers are pushing ahead to prepare production for Q4. On the other hand, many butter makers have stopped churning and are opting to sell off cream. Inventories are manageable to short; overall, manufacturers have been able to keep inventories in good balance with current needs. Bulk butter prices range from flat market to 8 cents over the CME average. The market undertone is fairly stable. Friday's CME Group cash trading saw Grade AA butter close at \$2.6275, down \$0.0175 from last Friday.

CHEESE HIGHLIGHTS: Milk availability into cheese vats is experiencing a seasonal decline across the nation. Even so, Midwestern cheesemakers did report some discounted spot milk prices. Spot milk prices ranged from \$1 under to \$1 over Class III. Eastern cheese production has slowed, while Midwestern production rates vary, but generally remain steady. Western contacts report active production rates as available milk, although seasonally down, is flowing to cheese production first. Eastern food service and retail cheese demand is fair to good. In the Midwest, curd and pizza cheese producers are seeing a strong demand push. Western cheese producers report solid to improving demand, both domestically and internationally. Western reports of cheese inventories point to growing stores. Some Midwestern contacts suggest changes in production and demand have alleviated some of the continually reported long

inventories. Late last week and early this week, barrel prices caught up and briefly surpassed block prices on the CME. However, prices have since dropped for both types. Many market participants expected a correction from Monday's peak and remain cautiously optimistic about the market tone. CME Group trading Friday, barrels closed at \$1.5575, down \$0.1925 from last Friday. Blocks closed at \$1.6500, down \$0.1050 from last Friday.

FLUID MILK: Cows' milk production is mixed across the country depending on varying climatic conditions in each region. However, farm milk intakes are expected to seasonally improve throughout the fall season. Bottled milk requests from schools are strong as most educational institutions are reopening. Compared to the past few weeks, condensed skim volumes are less available while demands from NDM/SMP and ice cream processors are fair to good. In the same way, cream sales to ice cream manufacturers are active, but are less intense compared to the previous month. Cream is relatively available for butter churning. Cream multiples for various uses range from 1.25-1.39 in the East, 1.24-1.34 in Midwest, 1.07-1.27 (Class II) in the West. NASS *Milk Production* report noted July 2017 milk production in the 23 selected states was 17.2 billion pounds, 1.9 percent above a year ago. Milk cows in the 23 selected states totaled 8.7 million head, 72,000 head more than a year ago.

DRY PRODUCTS: Low/medium heat nonfat dry milk (NDM) prices are steady on the range and mostly price series in the Central and East, while the range and the mostly price series in the West were mixed. Low/medium heat NDM demand was light and the spot market was fairly quiet. Low/medium heat NDM production is mixed from region to region, while inventories are adequate to long. High heat NDM prices are lower on the range in all regions. High heat NDM production is based primarily on contractual obligations. Dry buttermilk prices held steady across the nation. Dry buttermilk production and inventories are limited in the Central/East regions. Dry whole milk prices are steady on light trading. Dry whole milk demand is fair to good as baking season approaches. Dry whey prices have declined across the country. Dry whey inventories are generally available. Whey production is steady to higher in the West, but Central production varies as Class III milk intake varies from plant to plant. Whey protein concentrate (WPC) 34% prices are steady to lower.

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CME GROUP CASH TRADING

| COMMODITY | MONDAY AUG 21 | TUESDAY AUG 22 | WEDNESDAY AUG 23 | THURSDAY AUG 24 | FRIDAY AUG 25 | :: WEEKLY CHANGE* | :: WEEKLY AVERAGE# |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------------|
| CHEESE BARRELS | \$1.7600 (+.0100) | \$1.7200 (-.0400) | \$1.6550 (-.0650) | \$1.6175 (-.0375) | \$1.5575 (-.0600) | :: (-.1925) | :: \$1.6620 (-.0185) |
| 40# BLOCKS | \$1.7425 (-.0125) | \$1.7200 (-.0225) | \$1.7000 (-.0200) | \$1.6975 (-.0025) | \$1.6500 (-.0475) | :: (-.1050) | :: \$1.7020 (-.0390) |
| NONFAT DRY MILK GRADE A | \$.8325 (N.C.) | \$.8275 (-.0050) | \$.8450 (+.0175) | \$.8450 (N.C.) | \$.8450 (N.C.) | :: (+.0125) | :: \$.8390 (-.0040) |
| BUTTER GRADE AA | \$2.6275 (-.0175) | \$2.5700 (-.0575) | \$2.6100 (+.0400) | \$2.6275 (+.0175) | \$2.6275 (N.C.) | :: (-.0175) | :: \$2.6125 (-.0480) |

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 -**

WPC 34% inventories are more than adequate. Demand, for easily interchangeable WPC 34%, is weaker. Lactose prices are unchanged on the price range, but moved lower on the mostly price series. Lactose producers, for preferred brands, are seeing steady demand and reporting that inventories are heavy. Casein prices, for both rennet and acid, were unchanged.

ORGANIC DAIRY MARKET NEWS (DMN): This week begins the new Dairy Market News *Direct to Consumer Organic Dairy Products Prices* report, numbered MD_DA920. The report is available by number and is also included in the PDF Organic Report. Each month this new report will identify U.S. price range results for organic cheese and butter available from farmstead outlets and online. In New England, Federal Milk Market Order 1 reports utilization of types of organic milk by pool plants. During July 2017, organic whole milk utilization totaled 14.1 million pounds, up from 12.3 million pounds one year earlier. The July, 2017 butterfat content was 3.28 percent, down from 3.29 percent in 2016. Organic reduced fat milk utilization for July this year, 18.4 million pounds, was down from 18.5 million pounds one year earlier. Butterfat this July was 1.28 percent, up from 1.22 percent last year. Organic milk leads the way with 47 percent of total organic dairy retail ad numbers by commodity, followed by organic yogurt at 30 percent. Although down 56 percent from the previous period, organic milk in the half gallon packaging had the highest volume of ads reported. The region with the highest volume of organic milk ads was the Northeast. The Northwest posted the largest percentage change in organic ads, up 163 percent over the previous week, while the Southeast reported the biggest decline in organic milk ads at 70 percent.

AUGUST DANE COUNTY FARMERS MARKET: The Dane County Farmers' Market is a large, urban market located on the Capitol Square in Madison, Wisconsin. The market has a wide range of agricultural products available. It is reportedly the largest producer-only market in the country. This month, conventional 1- pound mild-sharp cheddar cheese prices ranged \$5.95-\$7.25. For organic, prices ranged \$9.50-\$11.00. Conventional 1-pound Muenster cheese prices ranged \$5.95-\$7.00. Organic is priced at \$11.00. Conventional 1-pound Swiss cheese prices ranged \$7.95-\$9.50.

NATIONAL RETAIL REPORT-DAIRY (DMN): As the Labor Day holiday approaches, total conventional dairy advertisements climbed 12 percent, but organic dairy ads slipped 17 percent. Conventional ice cream ads are the single most advertised item, with ad numbers up 25 percent from last week. However, the U.S. weighted average advertised price for 48-64 ounce containers edged lower from \$3.04 to \$3.02. Organic ice cream ads grew by 4 percent, with prices unchanged, \$5.99, for 48-64 ounce containers. Conventional 1 # butter ad numbers increased 1 percent, with an average price of \$3.52, up 3 cents. Organic 1 # butter has an average price of \$4.62, an organic price premium of \$1.10. Conventional cheese ad numbers increased 39 percent this week, as the U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.34, down 3 cents from last week. In addition, the advertised price for conventional 8 ounce shred cheese averaged \$2.35, up 7 cents from last week, as ads increased 28 percent. Retail stores posting organic 8 ounce block ads increased to 304 throughout major supermarket outlets, while the U.S. advertised price for 8 ounce organic cheese block averaged \$3.99. Organic ads for 8 ounce shreds increased to 667 throughout major supermarket outlets as U.S. advertised prices averaged \$4.08. Conventional yogurt ads decreased 13 percent, while organic yogurt ads grew 2 percent. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.98, up 4 cents.

Organic 4-6 ounce Greek yogurt has an average price of \$1.15, down 10 cents, resulting in an organic premium this week of 17 cents. The average sale price for 4-6 ounce conventional yogurt is \$0.56, up 4 cents. Organic 4-6 ounce yogurt has an average price of \$0.80, down 54 cents, resulting in an organic premium this week of 24 cents. The price premium for organic half gallon milk this week is \$0.92. Price premium is the difference between the weighted average price for conventional half-gallon milk, \$2.53, and the weighted average price for organic half gallon milk, \$3.45. Organic milk advertisement numbers decreased 13 percent, while ad numbers for conventional milk declined 7 percent.

JULY MILK PRODUCTION (NASS): Milk production in the 23 major States during July totaled 17.2 billion pounds, up 1.9 percent from July 2016. June revised production, at 16.9 billion pounds, was up 1.7 percent from June 2016. The June revision represented an increase of 5 million pounds or less than 0.1 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,969 pounds for July, 21 pounds above July 2016. This is the highest production per cow for the month of July since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.73 million head, 72,000 head more than July 2016, but 1,000 head less than June 2017.

JULY COLD STORAGE (NASS): On July 31, U.S. cold storage holdings of butter totaled 307.7 million pounds, down 1 percent from the previous month, and down 8 percent from July 2016. Natural American cheese holdings total 837.6 million pounds, 3 percent higher than the previous month, and 9 percent more than July 2016. Total natural cheese stocks were 1.375 billion pounds, 4 percent above the previous month, and 8 percent higher than July 2016.

JULY CONSUMER PRICE INDEX (BLS): The July CPI for all food is 250.2, up 1.1 percent from 2016. The dairy products index is 216.4, up 0.9 percent from a year ago. The following are the July to July changes for selected products: fresh whole milk is +1.2 percent; cheese, +0.5 percent; and butter, +3.7 percent.

SEPTEMBER FEDERAL MILK ORDER ADVANCE CLASS PRICES (FMMO): Under the Federal milk order pricing system, the base Class I price for September 2017 is \$16.71 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of \$6.33 and the advanced butterfat pricing factor of \$3.0291. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price. The base Class I price decreased \$0.01 per cwt when compared to the previous month of August 2017. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$0.03 per cwt, -\$0.003 per gallon; reduced fat milk (2%), -\$0.10 per cwt, -\$0.009 per gallon; fat-free (skim milk), -\$0.19 per cwt, -\$0.016 per gallon. The advanced Class IV skim milk pricing factor is \$6.33. Thus, the Class II skim milk price for September 2017 is \$7.03 per cwt, and the Class II nonfat solids price is \$0.7811. The two-week product price averages for September 2017 are: butter \$2.6728, nonfat dry milk \$0.8785, cheese \$1.6698 and dry whey \$0.4324.

MONDAY, AUGUST 21, 2017

CHEESE – SALES: 2 CARS 40# BLOCKS: 1 @ \$1.7400, 1 @ \$1.7425; LAST BID UNFILLED: 2 CARS BARRELS: 1 @ \$1.7600, 1 @ \$1.7550; LAST OFFER UNCOVERED: 2 CARS 40# BLOCKS @ \$1.7500
 NONFAT DRY MILK – SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE A @ \$0.8275; LAST OFFER UNCOVERED: NONE
 BUTTER – SALES: 1 CAR GRADE AA @ \$2.6275; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 3 CARS GRADE AA: 1 @ \$2.6325, 1 @ \$2.6400, 1 @ \$2.6350

TUESDAY, AUGUST 22, 2017

CHEESE – SALES: 23 CARS BARRELS: 18 @ \$1.7600, 1 @ \$1.7550, 1 @ \$1.7500, 1 @ \$1.7475, 1 @ \$1.7175, 1 @ \$1.7200; 1 CAR 40# BLOCKS @ \$1.7200; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7700; 1 CAR 40# BLOCKS @ \$1.7400
 NONFAT DRY MILK – SALES: NONE; LAST BID UNFILLED: 5 CARS GRADE A: 1 @ \$0.8125, 1 @ \$0.7975, 1 @ \$0.8100, 1 @ \$0.8050, 1 @ \$0.8225; LAST OFFER UNCOVERED: 10 CARS GRADE A: 5 @ \$0.8500, 3 @ \$0.8450, 1 @ \$0.8400, 1 @ \$0.8275
 BUTTER – SALES: 1 CAR GRADE AA @ \$2.5700; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.5300; LAST OFFER UNCOVERED: 7 CARS GRADE AA: 1 @ \$2.6100, 5 @ \$2.6275, 1 @ \$2.5750

WEDNESDAY, AUGUST 23, 2017

CHEESE – SALES: 4 CARS BARRELS: 1 @ \$1.6900, 1 @ \$1.6800, 1 @ \$1.6625, 1 @ \$1.6650; 3 CARS 40# BLOCKS: 1 @ \$1.7150, 1 @ \$1.6900, 1 @ \$1.7000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS BARRELS: 1 @ \$1.7600, 1 @ \$1.6550
 NONFAT DRY MILK – SALES: 1 CAR GRADE A @ \$0.8450; LAST BID UNFILLED: 15 CARS GRADE A: 1 @ \$0.8175, 1 @ \$0.8375, 1 @ \$0.7975, 1 @ \$0.8200, 5 @ \$0.8300, 5 @ \$0.8325, 1 @ \$0.8350; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8500
 BUTTER – SALES: 2 CARS GRADE AA: 1 @ \$2.6075, 1 @ \$2.6100; LAST BID UNFILLED: 2 CARS GRADE AA: 1 @ \$2.5875, 1 @ \$2.6000; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.6175

THURSDAY, AUGUST 24, 2017

CHEESE – SALES: 1 CAR BARRELS @ \$1.6175; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6750; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6550; 3 CARS 40# BLOCKS: 2 @ \$1.7000, 1 @ \$1.6975
 NONFAT DRY MILK – SALES: 1 CAR GRADE A @ \$0.8375; LAST BID UNFILLED: 8 CARS GRADE A: 1 @ \$0.8450, 1 @ \$0.8250, 5 @ \$0.8300, 1 @ \$0.8350; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8500
 BUTTER – SALES: 1 CAR GRADE AA @ \$2.6275; LAST BID UNFILLED: 4 CARS GRADE AA: 1 @ \$2.6200, 1 @ \$2.6175, 1 @ \$2.6125, 1 @ \$2.6250; LAST OFFER UNCOVERED: 12 CARS GRADE AA: 10 @ \$2.6500, 1 @ \$2.6400, 1 @ \$2.6375

FRIDAY, AUGUST 25, 2017

CHEESE – SALES: 9 CARS BARRELS: 1 @ \$1.6075, 1 @ \$1.5975, 1 @ \$1.5875, 1 @ \$1.5775, 1 @ \$1.5825, 1 @ \$1.5700, 1 @ \$1.5675, 1 @ \$1.5700, 1 @ \$1.5675; 5 CARS 40# BLOCKS: 1 @ \$1.6800, 2 @ \$1.6700, 1 @ \$1.6450, 1 @ \$1.6500; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS BARRELS: 1 @ \$1.5575, 1 @ \$1.5800; 2 CARS 40# BLOCKS @ \$1.6700
 NONFAT DRY MILK – SALES: NONE; LAST BID UNFILLED: 3 CARS GRADE A: 1 @ \$0.8350, 1 @ \$0.8250, 1 @ \$0.8300; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8550
 BUTTER – SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.6000; LAST OFFER UNCOVERED: 3 CARS GRADE AA: 1 @ \$2.6400, 1 @ \$2.6375, 1 @ \$2.6350

BUTTER MARKETS

NORTHEAST

Butter demand in the East is stable as sales into educational and retail channels are good. Sales activity is mixed as some manufacturers communicate sales are strong. On the other hand, a handful of market participants are currently seeing minimal butter sales as buyers and end users are waiting to see where the price will fall. Many balancing operations took on extra milk intakes this week than in previous weeks. Cream supplies for routine contracts have been steady. Cream availability outside of commitments is slim as the demand for cream is high. Butter production continues to be mixed as some operations are churning butter actively. However, many butter makers have stopped churning and are selling cream. Inventories are manageable to short. Bulk butter price is 5 to 8 cents over the market of the CME Group, with various time periods and averages used. Some dairy individuals have anticipations of butter prices staying around the \$2.55-\$2.70 mark, as prices for butter in global markets are higher than domestic prices. Tuesday's CME Group daily cash trading saw Grade AA butter prices close at \$2.5700, down \$0.1000 from the previous week. According to the DMN *National Retail Report-Dairy*, for August 18-24, 2017, the Northeast weighted average retail price for 1-pound butter was \$3.83, 34 cents higher than the national price, but down 57 cents from last week's Northeast butter price. Retail butter markets reported prices ranging \$2.99-\$4.99 in the Northeast. The surveyed average price in the Southeast is \$3.19, down 24 cents from last week. According to NASS *Cold Storage*, U.S. butter in storage on July 31, 2017 totaled 307.7 million pounds, 8 percent below a year ago and 1 percent less than last month. Public warehouse stocks totaled 285.0 million pounds.

CENTRAL

Overall demand for butter continues to compare to previous years' figures. Butter churning is active. Producers are pushing ahead to prepare production for Q4, as print butter manufacturing is increasing. The NASS *Cold Storage* report pointed out that butter stocks, at the end of July, were down relative to both last year and last month. Contacts suggest that last month's NASS *Cold Storage* report did not spur on the market as expected, so forecasts are mixed regarding the outcome of bullish movements from this month's report. Bulk butter prices were reported from 2.5 to 7 cents over the CME average. Cream is available for butter makers in the Central region. Class IV multiples were reported at/around 1.21 f.o.b. DMN *National Retail Report-Dairy* for August 18-24 noted the national weighted average advertised price for a 1 pound package of butter is \$3.49, \$0.21 below one week ago, but \$0.08 higher than one year ago. The weighted average regional prices in the Midwest and South Central were \$2.83 and \$2.99, respectively. The NASS *Cold Storage* report noted U.S. butter stocks as of July 31, 2017 were 307.7 million pounds, down 8 percent from last year and down 1 percent from last month. Bulk stocks in all warehouses were 332.8 million pounds last year at this time. Wednesday at the CME Group, Grade AA butter closed at \$2.6100, down \$0.0525 from last Wednesday.

WEST

Western butter production is generally steady. Butter makers are working hard to find the right economic balance for their production. Cream is readily available, but current multiples curb processors' enthusiasm for putting higher cost milkfat into storage.

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

| WEEK ENDING | BUTTER | CHEESE 40# BLOCKS | CHEESE BARRELS 38% MOISTURE | DRY WHEY | NDM |
|-----------------|---------------------|----------------------|--------------------------------|---------------------|----------------------|
| August 19, 2017 | 2.6750 4,468,955 | 1.7429 12,414,048 | 1.5738 11,131,479 | 0.4317 6,587,954 | 0.8749 12,996,765 |

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

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A few manufacturers continue to slow their churns, opting to sell off cream as opposed to making butter. Strong domestic demand and reduced imports have helped draw down butter inventories. With an eye toward the fall holiday season, manufacturers have been able to keep inventories in good balance with current needs. Bulk butter pricing in the West this week is flat to 6 cents above the market, based on the CME Group with various periods and averages used. The DMN *National Retail Report-Dairy* for the week of August 18-24 found that the U.S. weighted average advertised price of 1 pound butter is \$3.49, down \$.21 from last week. The U.S. weighted average price was \$3.41 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.86, with a range of \$2.99-\$4.49. In the Northwest, the weighted average advertised price of 1 pound butter is \$2.49. The NASS *Cold Storage* report noted U.S. butter stocks as of July 31, 2017, were 307.7 million pounds, down 1 percent from last month, and down 8 percent from last year. Butter stocks in all warehouses were 332.8 million pounds last year at this time. The Grade AA butter price at the CME Group on Wednesday closed at \$2.6100, down \$.0525 from a week ago.

CHEESE MARKETS

NORTHEAST

With drops in available milk supplies, production rates have declined at most cheese plants. Hence, there is little extra cheese clearing into inventories. Consumer retail demand is moderate; advertisement volumes appear mixed, depending on the area of the region. Institutional and restaurant interest ranges fair to good, from the influence of schools moving back in session. This week, a cooperative export assistance program accepted requests to sell 88,185 pounds (40 metric tons) of cheese. Last week concluded with stronger CME Group weekly average prices for both block and barrel. As such, this week 40# block and Muenster adjusted higher \$0.0475. Process 5# sliced climbed \$0.1250. The Grade A Swiss price is unchanged. Tuesday, in CME Group trading, barrel cheese exchanged hands at a high rate, 23 lots. Sellers cleared stocks with 20 lots transacted through offers. The DMN *National Retail Report-Dairy*, for August 18-24, 2017, notes the Northeast advertised weighted average price for 8 oz. cheese blocks was \$2.23, 14 cents below the national average, with a regional price range of \$1.50-\$3.99. In the Southeast, 8 oz. blocks averaged \$2.58, 21 cents above the national retail average, with a price range of \$2.00-\$2.78. The Northeast advertised average price for 8 oz. cheese shreds was \$2.09, 19 cents below the national average, with a regional price range of \$1.50-\$3.49. In the Southeast region, 8 oz. cheese shreds averaged \$2.44, 16 cents above the national average with a range of \$1.99-\$3.99.

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

| | | |
|-----------------------------|---|---------------|
| Cheddar 40# Block | : | 2.1800-2.4650 |
| Process 5# Sliced | : | 1.8375-2.3175 |
| Muenster | : | 2.1650-2.5150 |
| Grade A Swiss Cuts 10 - 14# | : | 3.1725-3.4950 |

MIDWEST

Central region discounted milk for cheese production, in some areas within the region, remains available. Reported spot milk prices ranged from \$1 under to \$1 over Class III. With schools opening, some of the previously available spot milk supplies are being diverted to states outside of the Central region. Curd producers are experiencing a record setting season in demand. Both curd and pizza cheese producers have started to limit orders, as production capabilities cannot keep up with requests. Traditional cheese manufacturers have slowed production, as demand is in a seasonal slowdown. Although NASS *Cold Storage* reports point to generally higher cheese stocks, recent shifts in production/demand have some contacts relaying that long barrel inventories are not as troubling as they were earlier in the summer. Barrel prices briefly shot up to meet block prices early in the week. Cheese contacts are cautiously optimistic about the current market tones. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of July 2017 were 1.375 billion pounds, 4 percent above June 2017 and up 8 percent from July 2016. American stocks were 9 percent more, other natural stocks were 6 percent more, and Swiss stocks were 5 percent higher than last year. In the East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio), American cheese stocks at the end of July 2017, were 22 percent higher than last year, and up 5 percent from last month. Other cheese stocks in the East North Central region were 12 percent higher than June 2016 and 7 percent more than last month. In the West North Central region (Minnesota, Iowa, Missouri, Kansas, Nebraska, South Dakota and North Dakota), American cheese stocks at the end of July 2017, were 2 percent lower than last year and 1 percent lower than last month. Other cheese stocks in the West North Central region were 1 percent lower

than July 2016, but 2 percent above June 2017. The DMN *National Retail Report-Dairy* shows that August 18-24 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.24, 4 cents below the national average. Midwest prices range from \$1.99-\$2.99. One year ago, the national price was \$2.29. For 8 ounce blocks, the Midwest average price is \$2.29, 8 cents below the national average price. Midwest ads are priced from \$2.00-\$3.00. Last year, the national price was \$2.12. In CME Group trading Wednesday, barrels closed at \$1.6550, down \$.0150 from last Wednesday and blocks closed at \$1.7000, down \$.0350 from last Wednesday. Midwestern wholesale prices are unchanged for Swiss cuts, up \$.1250 for process and up \$.0475 for all other types.

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

| | | |
|---|---|---------------|
| Process American 5# Loaf | : | 1.7750-2.1350 |
| Brick And/Or Muenster 5# | : | 2.1050-2.5300 |
| Cheddar 40# Block | : | 1.8325-2.2275 |
| Monterey Jack 10# | : | 2.0800-2.2850 |
| Blue 5# | : | 2.3725-3.3600 |
| Mozzarella 5 - 6# (Low Moisture, Part Skim) | : | 1.9050-2.8450 |
| Grade A Swiss Cuts 6 - 9# | : | 2.6900-2.8075 |

WEST

Western cheese production is active. Although parts of the region are seeing seasonal declines in milk production, available milk supplies often fill cheese vats first. Overall, cheese inventories have grown somewhat. However, solid domestic cheese demand and slightly improved export opportunities have allowed manufacturers to ship cheese and keep stocks in check. A few contacts suggest demand for fresh cheese barrels has increased, tightening supplies of young cheese barrels and narrowing the price spread between blocks and barrels in cash markets. The DMN *National Retail Report-Dairy* for the week of August 18-24 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.28, up \$.13 from last week. Packs average \$2.35 in the Southwest and \$2.14 in the Northwest. One year ago, the national price was \$2.29. For 8 ounce blocks, the U.S. price is \$2.37, up \$.02 from last week. There were no reported sales prices for 8 ounce block cheese in either the Southwest or Northwest this week. One year ago, the national price was \$2.12. In the West, wholesale prices were up \$.1250 for process, and up \$.0475 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged. This week, a cooperative export assistance program accepted requests for export assistance on contracts to sell 88,185 pounds (40 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 47.1 million pounds of cheese in export markets. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of July 2017 were 1.375 billion pounds, up 4 percent from June 2017 holdings, and up 8 percent from July 2016. American stocks were 9 percent more, Swiss stocks were up 5 percent, and other natural stocks were up 6 percent compared to last year. Current stocks of total natural cheese and other natural cheese are at record high levels. In the Mountain Region, American cheese stocks were 11 percent higher than one year earlier, but unchanged from one month earlier. Pacific Region American cheese stocks were 16 percent more than one year earlier, and 6 percent more than the previous month. Also in the Pacific Region, other natural cheese stocks were 4 percent below a year ago, but 13 percent higher than a month ago. In CME Group trading Wednesday, barrels closed at \$1.6550, down \$.0150 from a week ago and blocks closed at \$1.7000, down \$.0350.

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CHEESE MARKETS

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

| | | |
|---------------------------|---|---------------|
| Process 5# Loaf | : | 1.7625-2.0200 |
| Cheddar 40# Block | : | 1.8650-2.3100 |
| Cheddar 10# Cuts | : | 2.0450-2.2650 |
| Monterey Jack 10# | : | 2.0550-2.2150 |
| Grade A Swiss Cuts 6 - 9# | : | 2.7500-3.1800 |

FOREIGN TYPE CHEESE

Cheese production in Europe is focused on meeting current demand, both within Europe, and export. European buyers are straining production. Milk production volumes are limiting what cheesemakers can produce. January-June exports of cheese from the EU, 421,515 MT, are 7.6 percent ahead of year earlier. Stronger exports this year further strain productive capacity. The main destinations for EU cheese exports January-June according to Eurolait, are: U.S.A, 15.8 percent; Japan, 11.5 percent; and Switzerland, 7.2 percent. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices increased \$0.0475. All other prices are steady.

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

| VARIETY | NEW YORK | |
|--------------------------|-----------------|------------------|
| | IMPORTED | DOMESTIC |
| Blue | : 2.6400-5.2300 | : 2.2500-3.7375* |
| Gorgonzola | : 3.6900-5.7400 | : 2.7575-3.4750* |
| Parmesan (Italy) | : -0- | : 3.6400-5.7300* |
| Romano (Cows Milk) | : -0- | : 3.4400-5.5900* |
| Sardo Romano (Argentine) | : 2.8500-4.7800 | : -0- |
| Reggianito (Argentine) | : 3.2900-4.7800 | : -0- |
| Jarlsberg-(Brand) | : 2.9500-6.4500 | : -0- |
| Swiss Cuts Switzerland | : -0- | : 3.2100-3.5325 |
| Swiss Cuts Finnish | : 2.6700-2.9300 | : -0- |

* = Price change.

COLD STORAGE

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

| | <u>BUTTER</u> : <u>CHEESE</u> | |
|----------|-------------------------------|-----------|
| | : | : |
| 08/21/17 | 33,723 | : 110,339 |
| 08/01/17 | 35,378 | : 107,200 |
| CHANGE | -1,655 | : 3,139 |
| % CHANGE | -5 | : 3 |

FLUID MILK AND CREAM

EAST

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

| | THIS WEEK | | LAST WEEK | | LAST YEAR | |
|------------------|-----------|-----|-----------|-----|-----------|-----|
| | IN | OUT | IN | OUT | IN | OUT |
| FLORIDA | 10 | 0 | 10 | 0 | 40 | 0 |
| SOUTHEAST STATES | 0 | 0 | 0 | 0 | 0 | 0 |

Eastern region's milk production volumes are mixed when considering the year over year percentage. The region saw milk production grow as much as 2 percent in Florida, but declines extended to 1.4 percent in Virginia. Meanwhile, milk pipelines are being filled throughout the region as educational institutions began fall semester classes. This week, sources noted that milk production in the Northeast and Mid-Atlantic is higher to steady. Production improved slightly with the cooler temperatures. As well, milk supplies into manufacturing plants rebounded at marginal levels. Southeast milk production is steady to lower as temperatures remain seasonally hot, causing milk flows to decline. Fluid milk supplies are very tight, as Class I milk sales increase. Imported loads out of the Southwest are assisting to meet the milk shortage. In Florida, farm milk is mostly steady. Import milk shipments are unchanged from last week. With most of the states' schools reopening, bottlers have filled necessary milk channels. **Condensed skim** is not as available as it has been in past weeks, as some brokers report having fewer loads to move. Relatively, prices are increasing in some markets. The fluid cream market is steady, while the CME butter price inched marginally lower in consecutive weeks. **Multiples** for all Classes range **1.25-1.39**. Demand is moderate to good, although loads can be limited for buyers' immediate needs. Cream clearing to ice cream production is steady and seasonal sales are fair to good. Cream cheese output is quite good. Churning activity is light. According to the *DMN National Retail Report-Dairy*, for August 18-24, 2017, the U.S. weighted average advertised price for a gallon of milk was \$2.24, down 98 cents compared to last week and down 34 cents from a year ago. In the Southeast, the weighted average price for a gallon of milk is \$2.58, down \$1.61 from last week, with a price range of \$2.39-\$2.99.

MILK PRODUCTION: According to NASS, milk production in the 23 major states during July 2017 totaled 17.2 billion pounds, up 1.9% from one year ago. Eastern states' milk production numbers are as follows:

July 2017 Milk Production, (USDA-NASS)

| | (Million Lb.) | % Change From 1 Year Ago |
|--------------|---------------|-----------------------------|
| Florida | 203 | + 2.0 |
| New York | 1,270 | - 0.1 |
| Pennsylvania | 908 | - 0.4 |
| Vermont | 232 | + 0.9 |
| Virginia | 139 | - 1.4 |

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

| | |
|--|---------------|
| F.O.B. producing plants: Northeast - | 3.4587-3.6981 |
| F.O.B. producing plants: Upper Midwest - | 3.2990-3.5651 |

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS, F.O.B.

PRODUCING PLANTS:

| | |
|--|---------|
| Northeast - Class II - includes monthly formula prices - | .60-.80 |
| Northeast - Class III - spot prices - | .59-.74 |

MIDWEST

Central region milk output continues steadily to a little lower. Central contacts view the fairly mild temperatures and improved quality of feedstocks to have lessened the typical summer declines. Bottling production has increased this week as school districts return and/or are nearing their return throughout the region. There are continuing reports that milk is leaving the Central region, bound for the southeast. This leaves certain plants in pockets of the upper Midwest area with noticeably lower milk intakes. Cheese producers' spot milk accessibility varies by locality. There were some discounted milk spots reported, but general spot milk availability into Class III production has declined. Spot milk prices ranged from \$1 under to \$1 over Class. Cream remains in relative balance. Some contacts suggest the peak prices have passed, and cream offers are increasing. That being said, cream is mirroring milk availability, as others report a lack of cream offers in their respective areas. Class II cream multiples ranged from 1.24 to 1.34 f.o.b. The *DMN National Retail Report-Dairy* for August 18-24 noted the national weighted average advertised price for one gallon of milk was \$2.24, down 98 cents from last week and 34 cents lower than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.04 and \$1.99, respectively. The *NASS Milk Production* report noted July 2017 milk production in the 23 selected states was 17.2 billion pounds, 1.9 percent above a year ago. Milk cows in the 23 selected states totaled 8.7 million head, 72,000 head more than a year ago. The following table shows Central states included in the report and the monthly milk production changes compared to a year ago:

July 2017 Milk Production, (USDA-NASS)

| | (Million Lb.) | % Change From 1 Year Ago |
|--------------|---------------|-----------------------------|
| Illinois | 158 | + 1.3 |
| Indiana | 348 | + 1.2 |
| Iowa | 434 | + 2.1 |
| Kansas | 284 | + 4.0 |
| Michigan | 959 | + 2.9 |
| Minnesota | 840 | + 3.1 |
| Ohio | 469 | - 0.4 |
| South Dakota | 224 | + 4.2 |
| Texas | 1,025 | +14.8 |
| Wisconsin | 2,588 | + 0.7 |

WEST

Several dairy operators in **California** are seeing a slight uptick on farm milk output. With many schools reopening, manufacturing milk volumes are less available, but are sufficient to meet Class I processing needs. Consequently, demand for bottled milk is higher. At this point of the year, milk butterfat levels remain low, which is supporting higher cream premiums. Milk requests from retailers and food service are steady while demand from Class 3 (ice cream) makers remains strong. In **Arizona**, milk production is steady as the monsoon season has been less active this week. Compared to the last year, several processors report having more than adequate milk supplies to cover several manufacturing needs. Class I orders from educational institutions are even as pipelines have been filled. However, requests from the retail sector are up as some grocery stores are restocking shelves. Demand for Class II is steady. In **New Mexico**, farm milk output is even from last week as the climate in the main dairy zones has been stable. Bottled milk sales into educational institutions are up. Class I milk demands from retailers

FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

and food service are mostly steady. Class II sales are slightly up as interest for ice cream remains active. Manufacturing milk volumes moving into cheese processing facilities are lower as some plants have repair/maintenance works. **Pacific Northwest** milk production is steady to lower, following typical seasonal patterns. Several days of warm weather have issued into the region, but the temperature swings are not enough to alter milk output much. Milk intakes are generally meeting expectations and are in balance with processing needs. However, dry weather is impacting pastures. Pasture and range conditions are good or excellent in 31 percent of Washington and 37 percent of Oregon. Bottling demand is increasing as some schools have begun fall terms and more will start in the next two weeks. In the mountain states of **Idaho, Utah and Colorado**, milk production is still heavy and manufacturers are having no trouble getting milk to meet processing needs. Some of the issues at several processing facilities have straightened out, but a few manufacturers have scheduled down days this week. Most milk is able to find a home within the region, but it may take a little juggling by handlers. Pasture and range conditions are good or excellent in 66 percent of Idaho and Colorado and 41 percent of Utah. In the West, demands for **condensed skim** from NDM/ice cream processors are fair to good. Regional butter production is generally steady as cream is readily available. However, a few churn operators continue to slow production rates, opting to sell off cream in lieu of making butter. Meanwhile, cream sales to ice cream manufacturers are active, but are less intense compared to the previous month. This week, **cream multiples** for all classes are unchanged, ranging from **1.07 to 1.27**. According to the *DMN National Retail Report-Dairy* for the week of August 18-24, the national weighted average advertised price for one gallon of milk is \$2.24, down \$0.98 from last week, and \$0.34 lower from a year ago. The weighted average regional prices in the Southwest and Northwest are \$2.67 and \$1.83, respectively. The *NASS Milk Production* report noted July 2017 milk production in the 23 selected states was 17.2 billion pounds, 1.9 percent above a year ago. Milk cows in the 23 selected states totaled 8.73 million head, 72,000 head more than a year ago. The following table shows western states included in the report and the monthly milk production changes compared to a year ago:

July 2017 Milk Production, (USDA-NASS)

| | (Million Lb.) | % Change From 1 Year Ago |
|------------|---------------|-----------------------------|
| Arizona | 404 | + 6.3 |
| California | 3,372 | - 0.2 |
| Colorado | 361 | + 6.8 |
| Idaho | 1,295 | - 0.2 |
| New Mexico | 706 | + 8.4 |
| Oregon | 216 | - 3.1 |
| Utah | 194 | + 9.6 |
| Washington | 560 | - 2.1 |

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 region remained steady on the range and mostly price series. Spot trading activity is reportedly light. Low/medium heat NDM inventories are available. Low/medium heat NDM production reports were mixed, as there is less milk in the region. Even so, low/medium heat NDM is the primary focus of dryer time. The low/medium heat NDM market undertone remains fairly steady. Some contacts feel that bearish news regarding global and domestic stocks have had a limited effect on NDM, and the market's reaction is a testament to the stability of low/medium heat NDM. High heat NDM prices slid on the bottom of the range and decreased on the top of the range. Spot sales of high heat NDM trended up again for the second consecutive week. Inventories of high heat are fairly light, as production remains focused on contractual needs.

EAST: Prices in the East for low/medium heat nonfat dry milk (NDM) are steady on the range and mostly price series this week. Sales activity is steady to decreasing. Many traders and end users are bidding lower prices. Manufacturers are offering low/medium heat NDM at steady to lower prices, but a number of market participants are watching to see what happens to market conditions. With schools reopening, milk loads clearing into balancing operations have been lower. However, some plants took in more milk intakes this week than previous weeks. Low/medium heat NDM production is steady to decreasing. Inventories are readily available for contractual needs and spot market requests. The demand is fairly stagnant. High heat NDM prices declined on the bottom half of the range, based on current spot trading. Production mainly consists of drying for contractual needs. With minimal drying time allotted to high heat NDM, inventories are short. The market tone for high heat NDM is weak.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8500 - .9400 MOSTLY: .8700 - .9200
HIGH HEAT: .9800 - 1.0500

NONFAT DRY MILK - WEST

In the West, prices for low/medium heat nonfat dry milk (NDM) are mixed on both the range and mostly series. The current market situation is unsteady. For several industry contacts, there is no expectation of an increase in NDM prices for the rest of the year. In fact, NDM futures settled relatively steady below 90 cents per pound for Q3 and Q4. On the other hand, a few processors think that NDM values will improve in the near term, as the baking season is close. NDM production is ongoing as moderate to heavy condensed skim volumes continue clearing into dryers. NDM inventories are steady to building. Meanwhile, the U.S. SMP/NDM demand from Mexico is strong as manufacturing milk intakes in that country are steadily decreasing. Back to the U.S., high heat NDM manufacturing is irregular, driven by contractual requirements. Prices are steady to lower, following low/medium heat NDM pricing trends.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7725 - .9300 MOSTLY: .8800 - .9000
HIGH HEAT: .9800 - 1.0600

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

| WEEK ENDING | PRICE | TOTAL SALES |
|-------------|----------|-------------|
| August 18 | \$.9145 | 4,723,943 |
| August 11 | \$.9015 | 6,749,566 |

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 remained steady on the range. Spot sale activity was down relative to last week, as spot availability of Q3 dry buttermilk loads is limited. Demand for dry buttermilk is steady, whereas demand for condensed buttermilk is strong. Dry buttermilk production remains short of meeting demand needs, which factors into the recent price increases. The dry buttermilk market tone is steady.

EAST: Dry buttermilk prices in the East region remained unchanged this week. With cream in high demand, many butter makers are not churning, but selling their cream. Dry buttermilk production is steady to stagnate as a number of manufacturers are not making butter and drying time is mainly consumed by low/medium heat nonfat dry milk. Inventories are manageable in a few plants and limited in other plants. Sales activity has been steady to light as spot availability is limited. The demand is steady to irregular, as some market participants are willing to purchase dry buttermilk at higher prices. However, many dairy individuals are anticipating the market to change as the low/medium heat nonfat dry milk price is adjusting. The market tone is steady to uncertain.

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

DRY BUTTERMILK - WEST

Dry buttermilk prices in the West region are unchanged from last week on very light trading. Dry buttermilk production is steady to lower as the bulk of condensed buttermilk supplies have been sold to ice cream makers. Outside of contracts, dry buttermilk demand is fair. In general, inventories are balanced with contract/spot buyers' needs.

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

DRY WHOLE MILK - NATIONAL

In the United States, dry whole milk f.o.b. prices are steady on light trading. Drying schedules for condensed milk are limited as most processors are focusing on converting moderate to large condensed skim volumes into NDM/SMP. The national demand for dry whole milk is fair to good and expected to improve as the baking season approaches. Inventories are steady to lower.

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 spot prices declined on the range and decreased on the top of the mostly price series. Continuing the recent trend, spot trading has been fairly quiet. Producers have reported that moving contracted inventories has become a little smoother than it was earlier in the summer. Dry whey production and inventories are mixed, as milk availability into Class III production varies plant to plant. Feed whey spot market prices increased on the top of the range. Feed whey spot activity remains fairly active, following a very slow early summer season. Feed whey inventories remain available.

F.O.B. CENTRAL: .3100 - .4500 MOSTLY: .3400 - .4350
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2600 - .4200

DRY WHEY - NORTHEAST

Dry whey f.o.b. sales and index modifications lowered prices in the Northeast range series. Dry whey manufacturers who are looking to minimize inventory are discounting multi-loads. However, some buyers in the market are content to hold off purchases for more desirable offers. Sources indicate that pushback from international outlets support surpluses of some domestic suppliers' inventories, which in turn depresses the cash price. Dry whey maintains a weak undertone.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3450 - .4625

DRY WHEY - WEST

Western whey prices moved lower at the top of the range and both ends of the mostly price series. Demand is mixed. Although whey is moving well through existing contracts and domestic market demand is stable, international demand is weaker. Buyers seem hesitant to jump at manufacturers' offers unless prices are favorable. However, some contacts see an increase in inquiries from Mexico due to price concessions. Whey inventories are long. Production is steady to higher as some processors are making a little more whey to offset weaker market conditions for higher protein concentrations.

NONHYGROSCOPIC: .3500 - .4525 MOSTLY: .3700 - .4200

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are lower at the bottom of the range and both ends of the mostly price series. Although a few preferred brands have steady demand and can hold prices in place, WPC34% that is interchangeable with other protein sources continues to have difficulty in gaining any market traction. Demand is lackluster for this type of WPC34% and inventories are more than adequate. Furthermore, a few industry contacts suggest due to weakness in markets for higher protein concentrations and lactose, some manufacturers may shift production of whey derivatives down the complex to WPC34% or sweet whey powder. The market tone is weak for the majority of the whey protein complex and processors are eager to find a balance between production and demand that will help keep whey proteins from building up.

F.O.B. EXTRA GRADE 34% PROTEIN: .7050 - 1.1000 MOSTLY: .7500 - .9200

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged on the range, but moved lower at both ends of the mostly price series. Industry contacts report block sales of lactose at lower prices. Lactose stocks are heavy and manufacturers seem to have a desire to clear inventories prior to Q4 contracting and the end of the year accounting. Production is generally steady. However, a few industry contacts suggest processors are trying to adjust the composition of ingredients produced in order to reduce the amount of lactose being made. Domestic lactose demand is steady, but international demand is mixed. The New Zealand milk production season is ramping up, and along with it, the calls for lactose for standardization. Demand within Southeast Asia is slow to develop with buyers waiting for good deals. Some industry contacts say they are seeing an increase of competition from European lactose.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2200 - .4700 MOSTLY: .2800 - .3800

CASEIN - NATIONAL

Casein prices are steady this week. Milk production for the season in New Zealand is still being assessed, as typically trending higher months still lie ahead. This variable is bearing on some buyers as to how far ahead they feel comfortable contracting at this time. Exports of casein(ates) in New Zealand, January-June, 46,481 MT, were 13.1 percent below the same period last year according to Eurolait. Main destinations were: U.S.A., 36.1 percent; China, 13.5 percent; and Japan, 9.9 percent. In the EU for the same period, casein(ate) exports, 55,159 MT, were 12.2 percent below year earlier. Main destinations were: Thailand, 14.9 percent; U.S.A., 14.5 percent; and Mexico, 6.6 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 |
|-------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| 08/05/2017 | 56.7 | 1,768.7 | 52.0 | 1,754.0 |

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 |

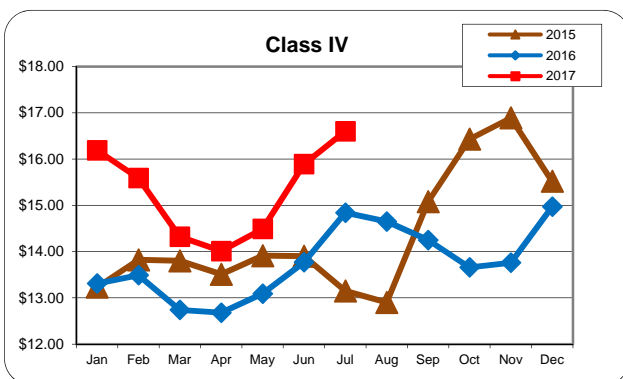
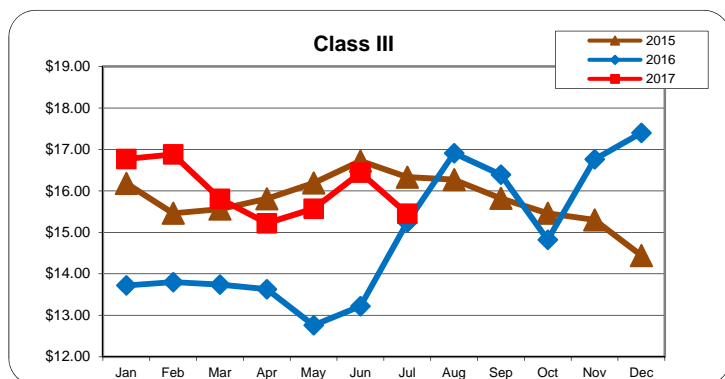
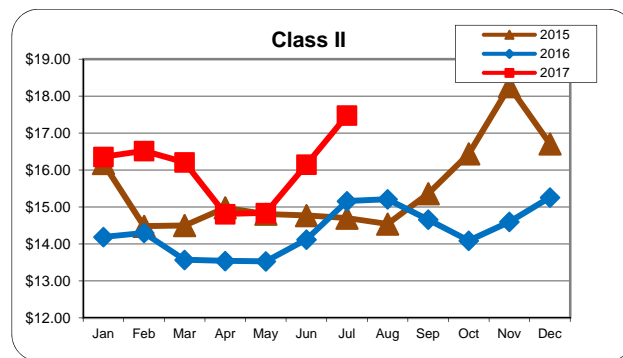
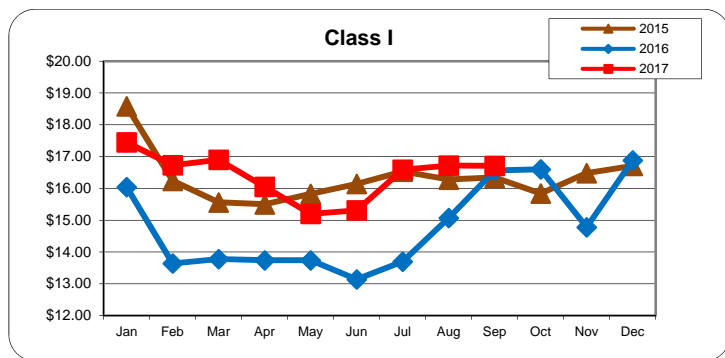
CLASS IV MILK PRICES (3.5% Butterfat)

| 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 | 16.71 | | | |
| 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."



ORGANIC DAIRY MARKET NEWS

Information gathered August 14 - 25, 2017

ORGANIC DAIRY FLUID OVERVIEW

High Organic Milk Supplies Cut Into Organic Processor Profitability. The continuing reality of heavy supplies of organic milk has now been reflected into first half financial results of a large organic cooperative. Higher promotional spending and increased sales of organic milk into conventional markets are attributed as reducing expected first half profitability. This has now led to unspecified internal cost control measures in an effort to end the year with a profit. The cooperative attributes challenging factors as slower sales, bulk and ingredient sales below budget, high inventories, declining conventional milk prices, and an oversupplied conventional milk market, cutting into sales of surplus organic milk into conventional markets.

Organic Slaughter Cow Price Report. At an auction in Oregon August 24, organic cows sold for slaughter at lower prices per hundred pounds than conventional cows. The top ten organic cows auctioned brought an average price of \$66.76 per hundred pounds, compared with a \$78.05 average for the top ten conventional cows. Observers sadly reflected on the price weakness of organic cows as an indicator of increased organic herd culling in the face of lower organic milk pay prices as cash squeezed organic dairy producers seek to both reduce herds and raise additional cash. Producer quotas on volumes of organic milk some organic dairy processors will buy under contracts has also accelerated organic herd reductions, sending more organic cows to auction.

New England Organic Milk Sales and Sourcing. In New England, Federal Milk Market Order 1 reports utilization of types of organic milk by pool plants. During July, 2017, organic whole milk utilization totaled 14.1 million pounds, up from 12.3 million pounds one year earlier. The July, 2017 butterfat content was 3.28 percent, down from 3.29 percent in 2016. Organic reduced fat milk utilization for July this year, 18.4 million pounds, was down from 18.5 million pounds one year earlier. Butterfat this July was 1.28 percent, up from 1.22 percent last year.

During July there were also additions to order pooling of some sources of organic milk produced from outside the order, which had previously not been pooled and sold within Order 1. Organic milk from organic handlers in North Carolina, Indiana, and Michigan began sending organic milk to the pool.

Monthly Retail Organic Milk Price Comparison for Twenty Nine U.S. Cities. In a continuing data series, the August 2017 in store survey of supermarkets in twenty nine U.S. cities as to pricing of organic whole milk in half gallon containers reveals that prices range from \$2.98 in Houston, to \$5.24 in Kansas City.

The July average of pricing for the twenty nine cities, \$4.21, has generally trended lower throughout 2017 but is up 1 cent from last month. If you are reading this in text format, images will not appear. To view all images please go to the PDF version of this report, <https://www.ams.usda.gov/mnreports/dybdairyorganic.pdf>.

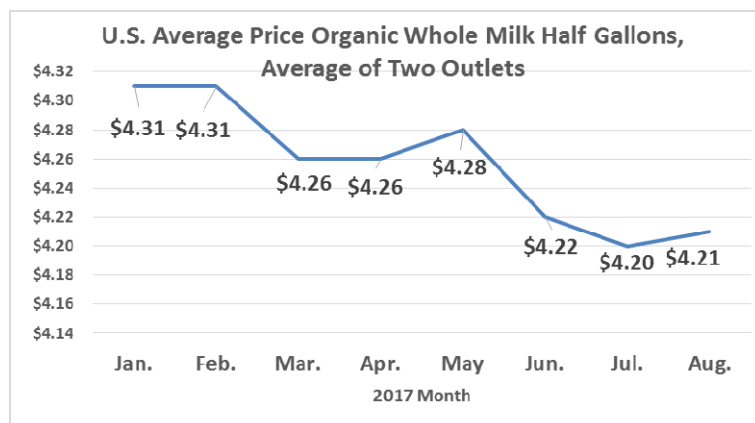


Image: Dairy Market News. Data Source: Federal Milk Market Order Administrators.

City by city, the greatest August organic price premium (the organic milk price minus the conventional milk price) is in Portland, Oregon, \$1.50. The lowest, Fort Lee, New Jersey, \$0.09. Atlanta stands alone as the only city among the twenty nine in which organic whole milk half gallons had a lower price than conventional, \$0.04 lower. The following table provides more detail as to cities with an organic milk price premium.

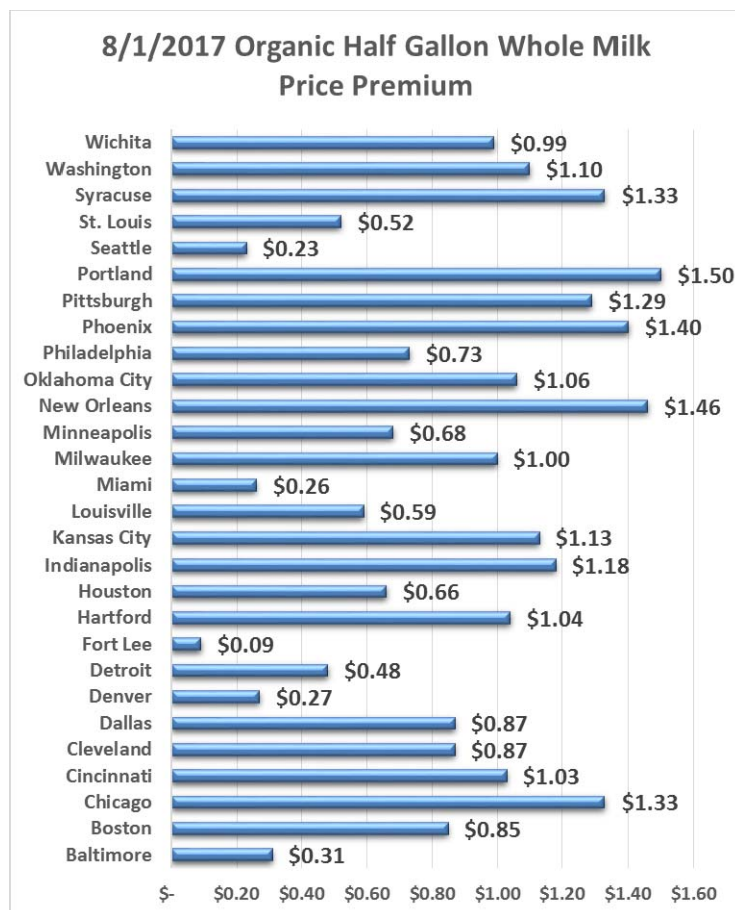


Image: Dairy Market News. Data Source: Federal Milk Market Order Administrators.

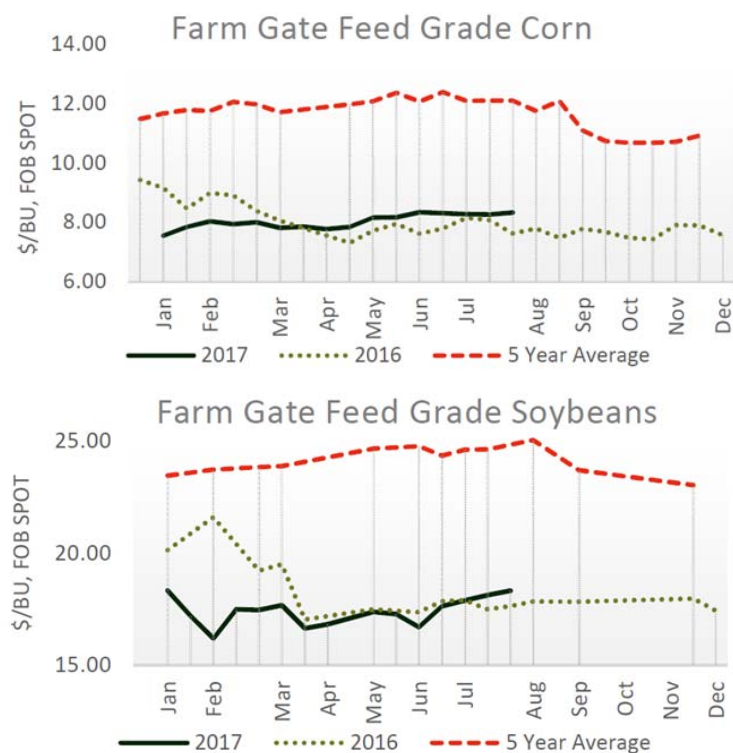
ORGANIC GRAIN AND FEEDSTUFF MARKETS: Organic feed grade corn demand and activity is moderate, trading 6 cents higher, with moderate forward contract activity. Organic feed grade soybean demand and activity is light, trading 20 cents higher. Forward contract activity is light. Spot market organic soybean meal, soybean oil, and feed wheat trading is inactive. Food grade bids are 9.00 delivered for organic SRW, 19.00 delivered for organic HRS, and 21.50 delivered for organic Durum. Demand is very good for food grade organic wheat with protein levels of 12.5 percent and above. There were few spot trades for organic feed oats, feed barley, and feed rye.

-CONTINUED ON PAGE 8A-

ORGANIC DAIRY MARKET NEWS

Information gathered August 14 - 25, 2017

-CONTINUED FROM PAGE 8-



Source: Graphs by Livestock, Poultry and Grain Market News

Additional livestock and grain market news information is available at:
www.ams.usda.gov/LMarketNews

ORGANIC DAIRY RETAIL OVERVIEW

DIRECT TO CONSUMER ORGANIC DAIRY PRODUCTS PRICES.

The following tables identify U.S. price range results from a Dairy Market News national survey of publicly available prices of organic dairy products, available from farmstead outlets and online. There may be prices offered outside of the price range which were not identified by the survey. These are cows' milk products.

Information is for the period August 14 – 25, 2017.

ORGANIC CHEESE

| Commodity | Variety | Pack Size : Organic | Price Range \$ |
|----------------|-----------------------|---------------------|----------------|
| Organic Cheese | Cheddar - Mild-Medium | 8 oz. | : 3.75 - 6.50 |
| Organic Cheese | Cheddar - Sharp | 8 oz. | : 3.75 - 6.50 |
| Organic Cheese | Colby | 8 oz. | : 3.75 - 5.75 |
| Organic Cheese | Monterey Jack | 8 oz. | : 3.75 - 6.00 |
| Organic Cheese | Mozzarella | 8 oz. | : 5.50 - 6.00 |
| Organic Cheese | Pepper Jack | 8 oz. | : 3.75 - 6.15 |

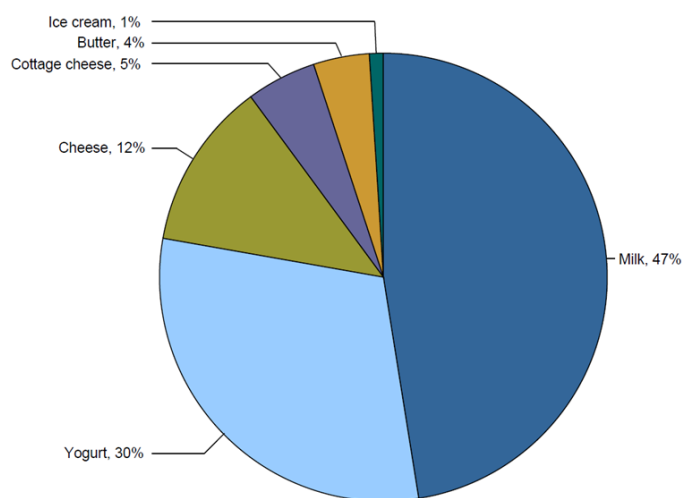
ORGANIC BUTTER

| Commodity | Pack Size : Organic | Price Range \$ |
|----------------|---------------------|----------------|
| Organic Butter | 8 oz. | : 5.00 - 9.00 |
| Organic Butter | 1 lb. | : 6.85 - 12.45 |

Organic Dairy Overview. Organic milk leads the way with 47 percent of total organic dairy retail ad numbers by commodity, followed by organic yogurt at 30 percent. Although down 56 percent from the previous period, organic milk in the half gallon packaging had the highest volume of ads reported. The region with the highest volume of organic milk ads was the Northeast. The Northwest posted the largest percentage change in organic ads, up 163 percent over the previous week, while the Southeast reported the biggest decline in organic milk ads at 70 percent.

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

Percentage of Total Organic Ads by Commodity



Data source: USDA Dairy Market News

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from August 25-31 2017, identifying weekly specials and containing organic dairy content. Retail survey ads reflect "advertised specials" and not the range of non-advertised supermarket cooler prices.

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

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

| Commodity | This Week | Last Week | Last Year |
|----------------|-----------|-----------|-----------|
| Butter | 4.62 | 4.49 | 5.71 |
| Milk | | | |
| Half Gal. | 3.45 | 3.94 | 4.37 |
| Gal. | 6.72 | 5.49 | 5.10 |
| 8 oz. | .91 | .85 | 1.03 |
| Yogurt | | | |
| 4-6 oz. Greek | 1.15 | 1.25 | 1.17 |
| 32 oz. Greek | 4.21 | 6.04 | 3.90 |
| 4-6 oz. Yogurt | .80 | 1.34 | 1.12 |
| 32 oz. Yogurt | 3.35 | 2.95 | 3.48 |

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

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

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

MD_DA 910

Madison, WI Saturday, August 19, 2017 USDA-AMS Market News

The Dane County Farmers' Market is a large, urban market located on the Capitol Square in Madison, Wisconsin. The market has a wide range of agricultural products available. It is reported the largest producer-only market in the country. Dane County Farmers' Market requires [dairy product] vendors to have either made their products with their own animals' milk, have them processed at a licensed dairy facility using only their milk or procured milk from farmers and processed the milk into dairy products.

Data from the Dane County Farmers' Market are listed in the table below. All reported dairy products are local to Wisconsin and sold by producers. These are cows' milk products.

Dane County Farmers' Market, Madison, Wisconsin
Saturday, August 19, 2017
Dairy Products

| Commodity | Type | Pack size | : | Conventional* | : | Organic |
|-----------|----------------------|-----------|---|----------------|---|----------------|
| | | | : | Price Range \$ | : | Price Range \$ |
| Cheese | Blue | Per lb | : | 8.95-11.00 | : | |
| Cheese | Brick | Per lb | : | 5.95- 7.00 | : | |
| Cheese | Butterkase | Per lb | : | 6.50 | : | 10.00-11.00 |
| Cheese | Cheddar Mild-Sharp | Per lb | : | 5.95- 7.25 | : | 9.50-11.00 |
| Cheese | Cheddar 1 year | Per lb | : | 6.50- 8.00 | : | |
| Cheese | Cheddar 2-4 year | Per lb | : | 6.49-11.50 | : | |
| Cheese | Cheddar 5-9 year | Per lb | : | 8.95-20.00 | : | |
| Cheese | Cheddar 10 year | Per lb | : | 15.00-19.95 | : | |
| Cheese | Cheddar 11-14 year | Per lb | : | 20.00-26.95 | : | |
| Cheese | Colby | Per lb | : | 5.95- 8.25 | : | 11.50 |
| Cheese | Farmers | Per lb | : | 5.95- 6.50 | : | |
| Cheese | Havarti | Per lb | : | 7.50- 8.00 | : | |
| Cheese | Jack, Mont. or Flav. | Per lb | : | 5.95-10.00 | : | 11.50 |
| Cheese | Mozzarella | Per lb | : | 10.00 | : | 10.00-11.00 |
| Cheese | Muenster | Per lb | : | 5.95- 7.00 | : | 11.00 |
| Cheese | Swiss | Per lb | : | 7.95- 9.50 | : | |
| Cheese | Swiss, Aged 1-5 year | Per lb | : | 8.95-14.95 | : | |
| Cheese | Curds | 12 oz | : | 4.50- 5.00 | : | 3.00-5.50 |
| Cheese | Curds | Per lb | : | 6.00 | : | |
| Cheese | Gruyere | Per lb | : | 14.00 | : | |
| Cheese | Brie | Per lb | : | 14.00 | : | |
| Cheese | Alpine Renegade | Per lb | : | 20.00 | : | |

* Conventional prices reported may include "grass-fed" or "pasture-grazed" products.

July Milk Production

Milk production in the 23 major States during July totaled 17.2 billion pounds, up 1.9 percent from July 2016. June revised production, at 16.9 billion pounds, was up 1.7 percent from June 2016. The June revision represented an increase of 5 million pounds or less than 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,969 pounds for July, 21 pounds above July 2016. This is the highest production per cow for the month of July since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.73 million head, 72,000 head more than July 2016, but 1,000 head less than June 2017.

July 2017 Milk Cows and Milk Production, by States

| State | Milk Cows ¹ | | Milk per Cow ² | | Milk Production ² | | |
|----------------|------------------------|-------|---------------------------|-------|------------------------------|--------|------------------|
| | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | Change from 2016 |
| | <i>(thousands)</i> | | <i>(pounds)</i> | | <i>(million pounds)</i> | | <i>(percent)</i> |
| AZ | 196 | 203 | 1,940 | 1,990 | 380 | 404 | 6.3 |
| CA | 1,760 | 1,747 | 1,920 | 1,930 | 3,379 | 3,372 | -0.2 |
| CO | 152 | 160 | 2,225 | 2,255 | 338 | 361 | 6.8 |
| FL | 121 | 124 | 1,645 | 1,635 | 199 | 203 | 2.0 |
| ID | 599 | 601 | 2,165 | 2,155 | 1,297 | 1,295 | -0.2 |
| IL | 94 | 93 | 1,660 | 1,700 | 156 | 158 | 1.3 |
| IN | 184 | 186 | 1,870 | 1,870 | 344 | 348 | 1.2 |
| IA | 214 | 217 | 1,985 | 2,000 | 425 | 434 | 2.1 |
| KS | 145 | 151 | 1,880 | 1,880 | 273 | 284 | 4.0 |
| MI | 420 | 427 | 2,220 | 2,245 | 932 | 959 | 2.9 |
| MN | 462 | 458 | 1,765 | 1,835 | 815 | 840 | 3.1 |
| NM | 313 | 332 | 2,080 | 2,125 | 651 | 706 | 8.4 |
| NY | 620 | 624 | 2,050 | 2,035 | 1,271 | 1,270 | -0.1 |
| OH | 266 | 262 | 1,770 | 1,790 | 471 | 469 | -0.4 |
| OR | 125 | 124 | 1,785 | 1,745 | 223 | 216 | -3.1 |
| PA | 530 | 525 | 1,720 | 1,730 | 912 | 908 | -0.4 |
| SD | 115 | 118 | 1,870 | 1,895 | 215 | 224 | 4.2 |
| TX | 480 | 515 | 1,860 | 1,990 | 893 | 1,025 | 14.8 |
| UT | 90 | 96 | 1,970 | 2,020 | 177 | 194 | 9.6 |
| VT | 130 | 129 | 1,770 | 1,800 | 230 | 232 | 0.9 |
| VA | 89 | 87 | 1,585 | 1,600 | 141 | 139 | -1.4 |
| WA | 275 | 273 | 2,080 | 2,050 | 572 | 560 | -2.1 |
| WI | 1,278 | 1,278 | 2,010 | 2,025 | 2,569 | 2,588 | 0.7 |
| 23 State Total | 8,658 | 8,730 | 1,948 | 1,969 | 16,863 | 17,189 | 1.9 |

¹ Includes dry cows. Excludes heifers not yet fresh.

² Excludes milk sucked by calves.

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

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

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

All stocks in thousand pounds except where otherwise indicated

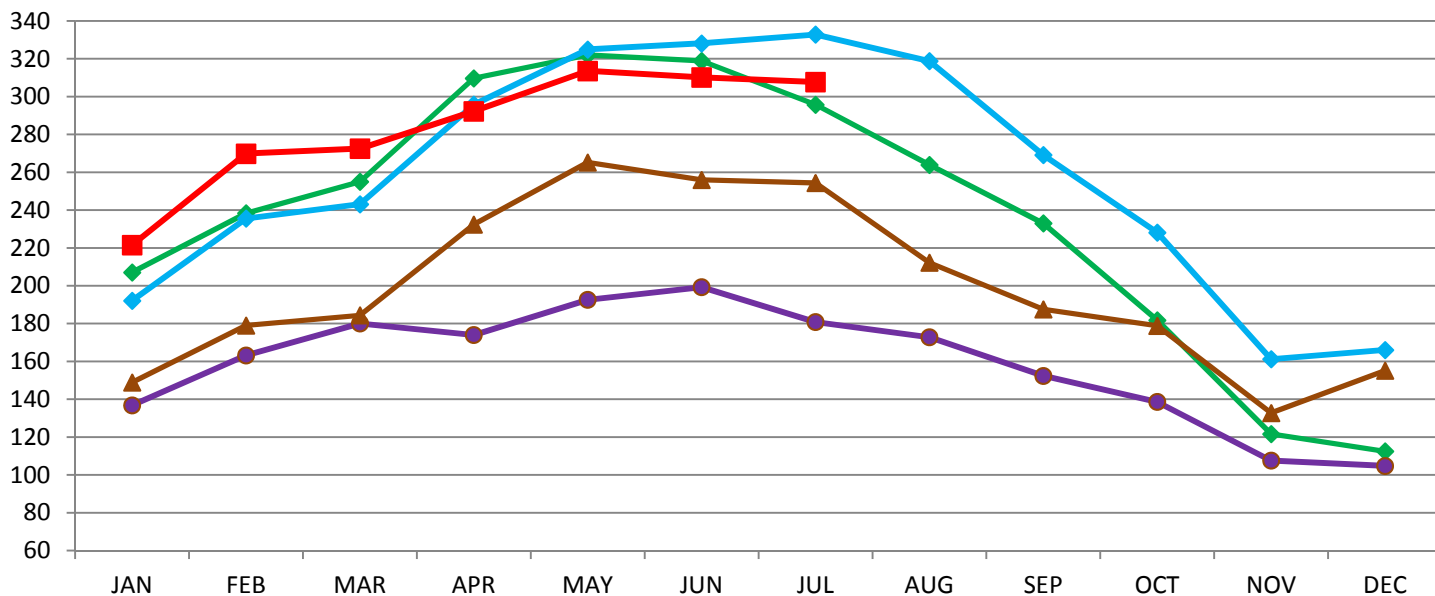
| U.S. HOLDINGS OF DAIRY PRODUCTS | | | | | | |
|---------------------------------|---------------|---------------|--------------------------|---------------|---------------|---------------|
| COMMODITY | JUNE 30, 2015 | JUNE 30, 2016 | REVISED JUNE 30, 2017 | JULY 31, 2015 | JULY 31, 2016 | JULY 31, 2017 |
| Butter | 256,000 | 328,149 | 310,158 | 254,347 | 332,848 | 307,728 |
| Cheese, Natural American | 685,745 | 756,950 | 810,234 | 698,029 | 769,705 | 837,604 |
| Cheese, Swiss | 20,841 | 24,492 | 25,495 | 21,591 | 25,702 | 26,972 |
| Cheese, Other Natural | 435,655 | 468,886 | 481,037 | 442,176 | 480,139 | 510,603 |
| Total Cheese | 1,142,241 | 1,250,328 | 1,316,766 | 1,161,796 | 1,275,546 | 1,375,179 |

| JULY STORAGE HOLDINGS BY REGION | | | | | | | | | |
|---------------------------------|-------------------------|---------|---------|----------|---------|---------|----------------------|---------|---------|
| REGION | Natural American Cheese | | | Butter * | | | Other Natural Cheese | | |
| | 2015 | 2016 | 2017 | 2015 | 2016 | 2017 | 2015 | 2016 | 2017 |
| New England | 63,369 | 63,996 | 66,990 | | | | 780 | 749 | 566 |
| Middle Atlantic | 70,476 | 91,586 | 60,524 | | | | 24,011 | 21,045 | 18,211 |
| East North Central | 275,377 | 302,848 | 369,204 | | | | 283,812 | 300,894 | 336,820 |
| West North Central | 112,230 | 132,666 | 129,715 | | | | 45,810 | 48,706 | 48,191 |
| South Atlantic | 1,029 | 2,202 | 928 | | | | 26,757 | 29,703 | 33,287 |
| East South Central | 6,583 | 7,341 | 15,101 | | | | 13,640 | 23,260 | 15,874 |
| West South Central | 13,038 | 16,453 | 21,027 | | | | 1,195 | 1,319 | 1,484 |
| Mountain | 57,188 | 49,247 | 54,515 | | | | 2,796 | 4,220 | 8,000 |
| Pacific | 98,739 | 103,366 | 119,600 | | | | 43,375 | 50,243 | 48,170 |
| TOTAL | 698,029 | 769,705 | 837,604 | 254,347 | 332,848 | 307,728 | 442,176 | 480,139 | 510,603 |

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

MILLION POUNDS

Butter Cold Storage Holdings



DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

—●— 2013 —●— 2014 —▲— 2015 —◆— 2016 —■— 2017

Consumer Price Index and Average Retail Prices for Selected Products, U.S. City Average ¹

| Consumer Price Index | | | | | | | | | | | | |
|----------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|-------------------------------|-----------------------|
| Month | All Food | | Dairy Products | | Fresh Whole Milk | | Cheese | | Butter | | Meat, Poultry, Fish, and Eggs | |
| | CPI ² | Pct. Chg ³ | CPI ² | Pct. Chg ³ | CPI ² | Pct. Chg ³ | CPI ² | Pct. Chg ³ | CPI ² | Pct. Chg ³ | CPI ² | Pct. Chg ³ |
| May | 250.0 | 0.9 | 217.0 | 0.4 | 201.3 | 0.4 | 227.0 | -0.7 | 238.6 | 3.9 | 243.8 | -2.1 |
| Jun | 249.7 | 0.9 | 215.2 | 0.2 | 198.5 | -0.3 | 226.5 | 0.6 | 236.3 | 1.2 | 245.8 | -0.9 |
| Jul | 250.2 | 1.1 | 216.4 | 0.9 | 200.2 | 1.2 | 227.8 | 0.5 | 244.5 | 3.7 | 247.8 | 0.4 |

| U.S. City Average Retail Prices | | | | | | | | | | |
|---------------------------------|-------------------------|-------|---------------------|------|-----------------------------|-------|-----------------------------|-------|------------------------|-------|
| Month | Whole Milk ⁴ | | Butter ⁵ | | Process Cheese ⁶ | | Natural Cheese ⁷ | | Ice Cream ⁸ | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| | <i>(dollars)</i> | | | | | | | | | |
| May | 3.242 | 3.157 | N/A | N/A | 4.393 | 4.325 | 4.748 | 5.365 | 4.631 | 4.801 |
| Jun | 3.213 | 3.115 | N/A | N/A | 4.306 | 4.310 | 4.797 | 5.269 | 4.629 | 4.710 |
| Jul | 3.219 | 3.062 | N/A | N/A | 4.282 | 4.373 | 4.851 | 5.184 | 4.606 | 4.691 |

N/A = Not available. ¹ "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ² The standard reference base period for these indexes is 1982-1984 = 100. ³ Percent change over previous year. ⁴ Per gallon. ⁵ Per pound. Grade AA, salted, stick butter. ⁶ Per pound, any size and type of package. ⁷ Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc). ⁸ Per 1/2 gallon prepackaged regular.

FEDERAL MILK ORDER ADVANCE CLASS PRICES, SEPTEMBER 2017

Base Class I Price: Under the Federal milk order pricing system, the base Class I price for September 2017 is \$16.71 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of \$6.33 and the advanced butterfat pricing factor of \$3.0291. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price.

Comparison to Previous Month: The base Class I price decreased \$0.01 per cwt when compared to the previous month of August 2017. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$0.03 per cwt, -\$0.003 per gallon; reduced fat milk (2%), -\$0.10 per cwt, -\$0.009 per gallon; fat-free (skim milk), -\$0.19 per cwt, -\$0.016 per gallon.

Class II Price Information: The advanced Class IV skim milk pricing factor is \$6.33. Thus, the Class II skim milk price for September 2017 is \$7.03 per cwt, and the Class II nonfat solids price is \$0.7811.

Product Price Averages: The two-week product price averages for September 2017 are: butter \$2.6728, nonfat dry milk \$0.8785, cheese \$1.6698 and dry whey \$0.4324.

| FEDERAL MILK ORDER CLASS I PRICE INFORMATION ^{1 2} | | | | |
|---|--------------|----------------------|-------------------------|-------------------------|
| Federal Milk Order Marketing Area ³ | Order Number | September 2017 | | |
| | | Class I Price (3.5%) | Class I Skim Milk Price | Class I Butterfat Price |
| | | <i>\$ per cwt</i> | <i>\$ per cwt</i> | <i>\$ per pound</i> |
| Northeast (Boston) ⁴ | 001 | 19.96 | 9.58 | 3.0616 |
| Appalachian (Charlotte) ⁵ | 005 | 20.11 | 9.73 | 3.0631 |
| Florida (Tampa) ⁶ | 006 | 22.11 | 11.73 | 3.0831 |
| Southeast (Atlanta) ⁷ | 007 | 20.51 | 10.13 | 3.0671 |
| Upper Midwest (Chicago) ⁸ | 030 | 18.51 | 8.13 | 3.0471 |
| Central (Kansas City) ⁹ | 032 | 18.71 | 8.33 | 3.0491 |
| Mideast (Cleveland) ¹⁰ | 033 | 18.71 | 8.33 | 3.0491 |
| Pacific Northwest (Seattle) ¹¹ | 124 | 18.61 | 8.23 | 3.0481 |
| Southwest (Dallas) ¹² | 126 | 19.71 | 9.33 | 3.0591 |
| Arizona (Phoenix) | 131 | 19.06 | 8.68 | 3.0526 |
| All-Market Average | | 19.60 | 9.22 | 3.0580 |

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

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

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

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

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

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

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

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

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

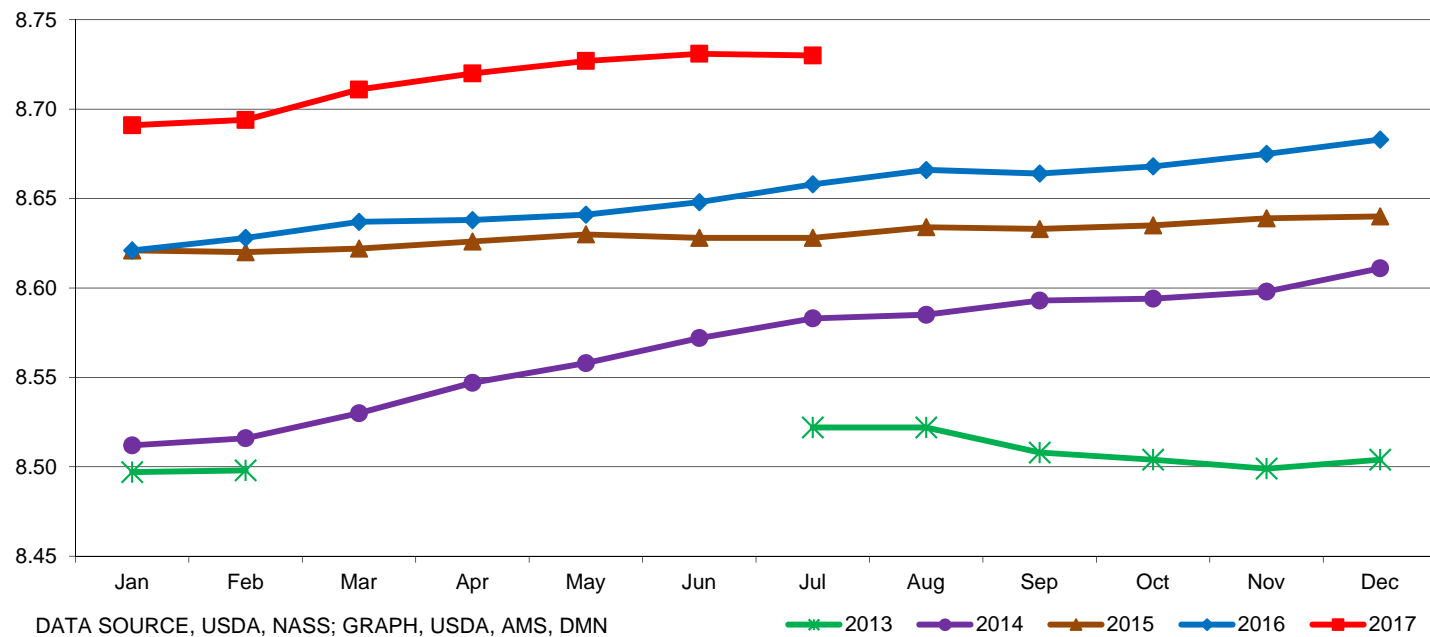
¹⁰ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

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

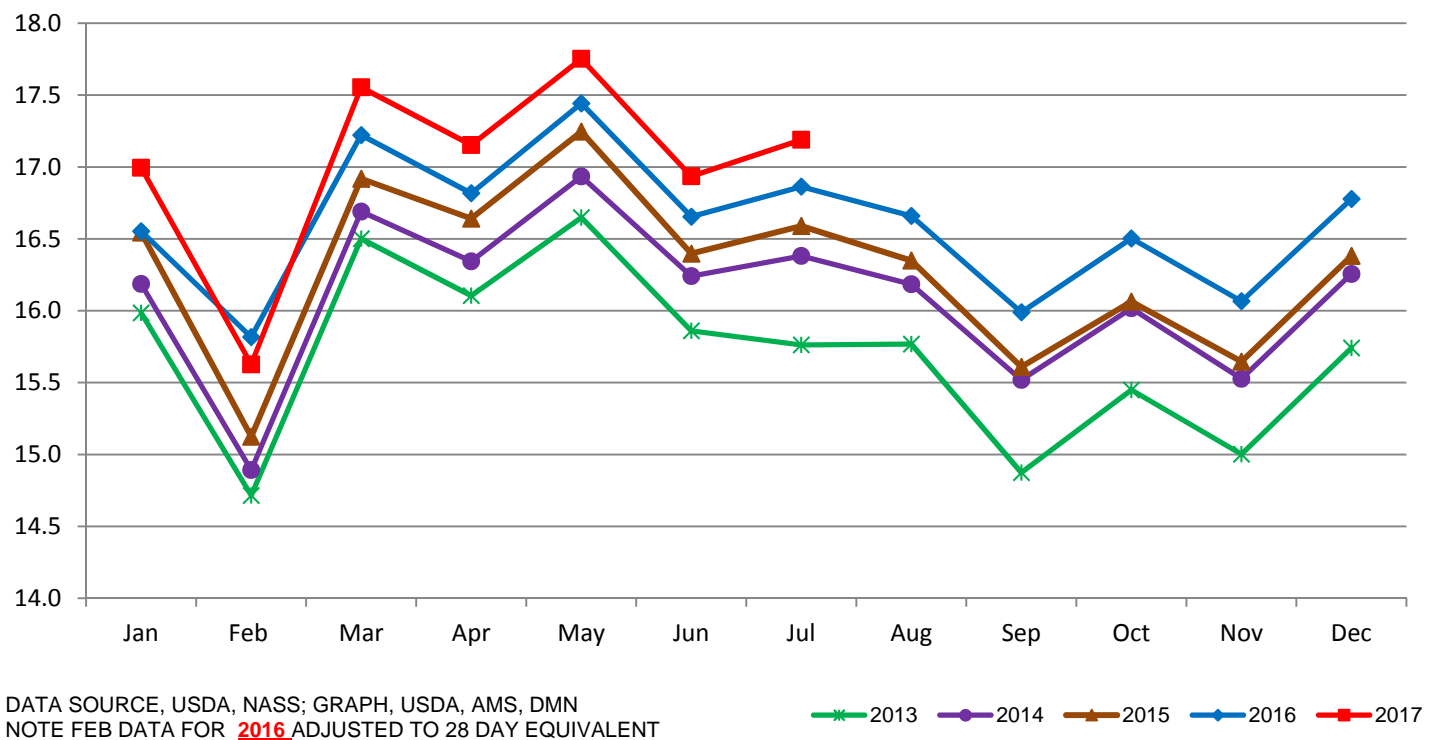
¹² Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

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

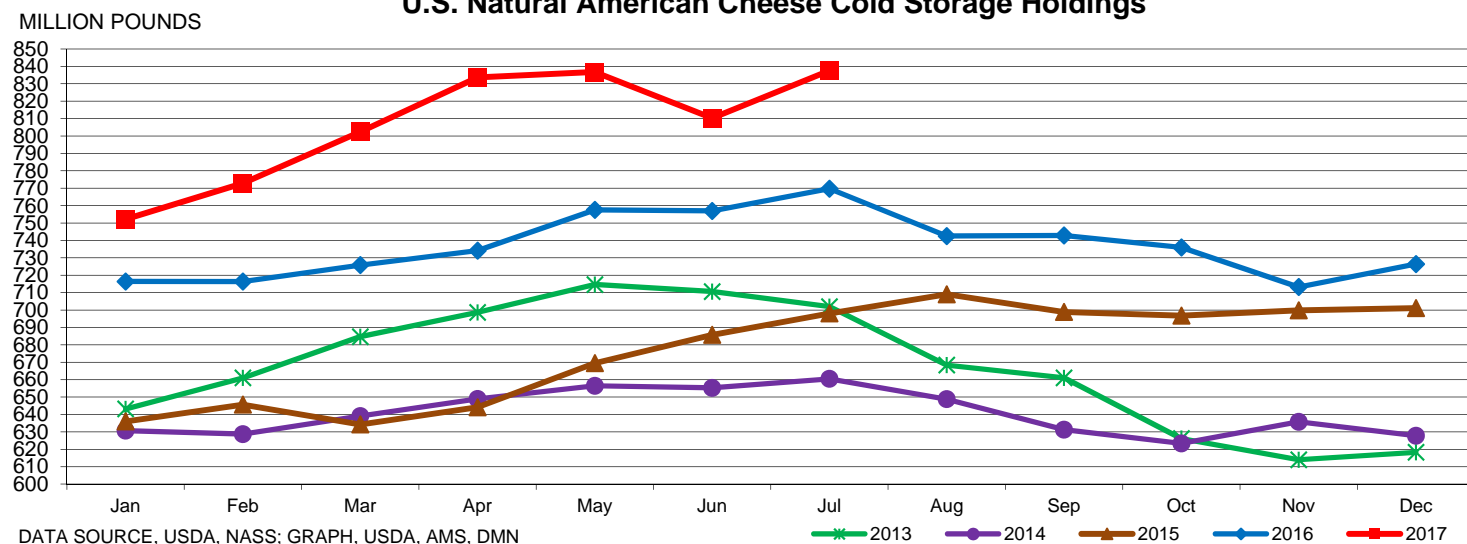
MILLION HEAD

Milk Cow Numbers - 23 Selected States

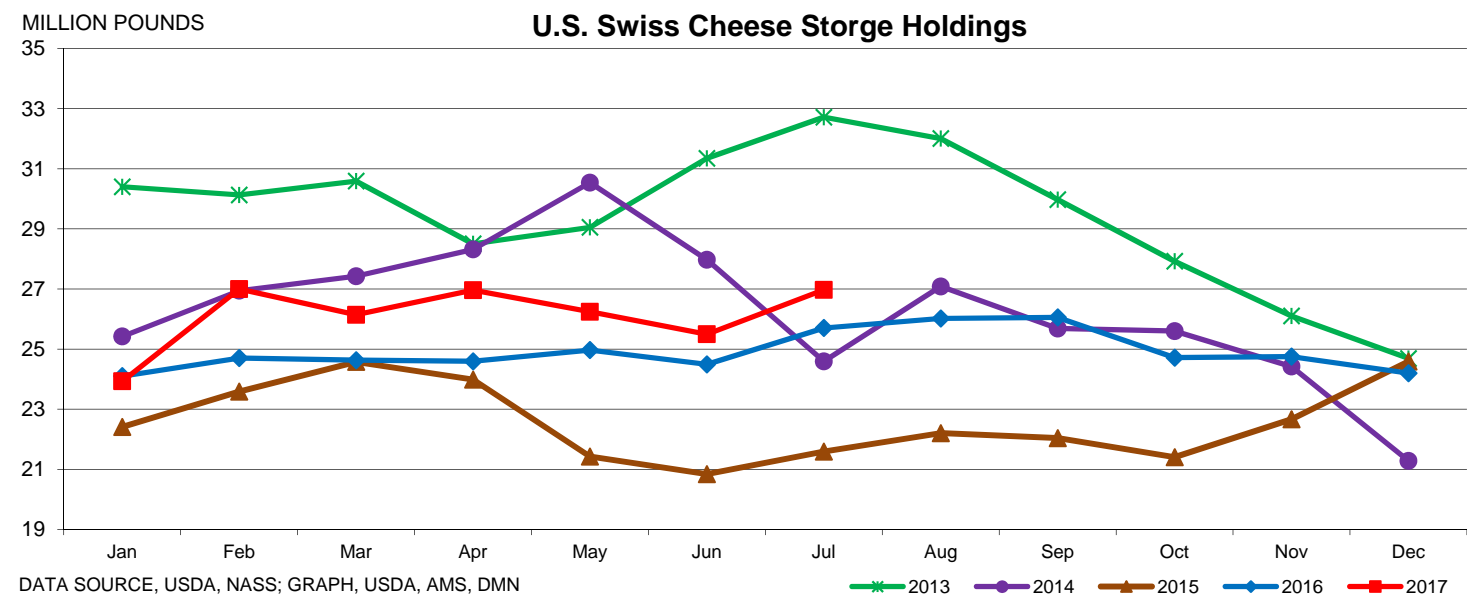
BILLION POUNDS

Milk Production - 23 Selected States

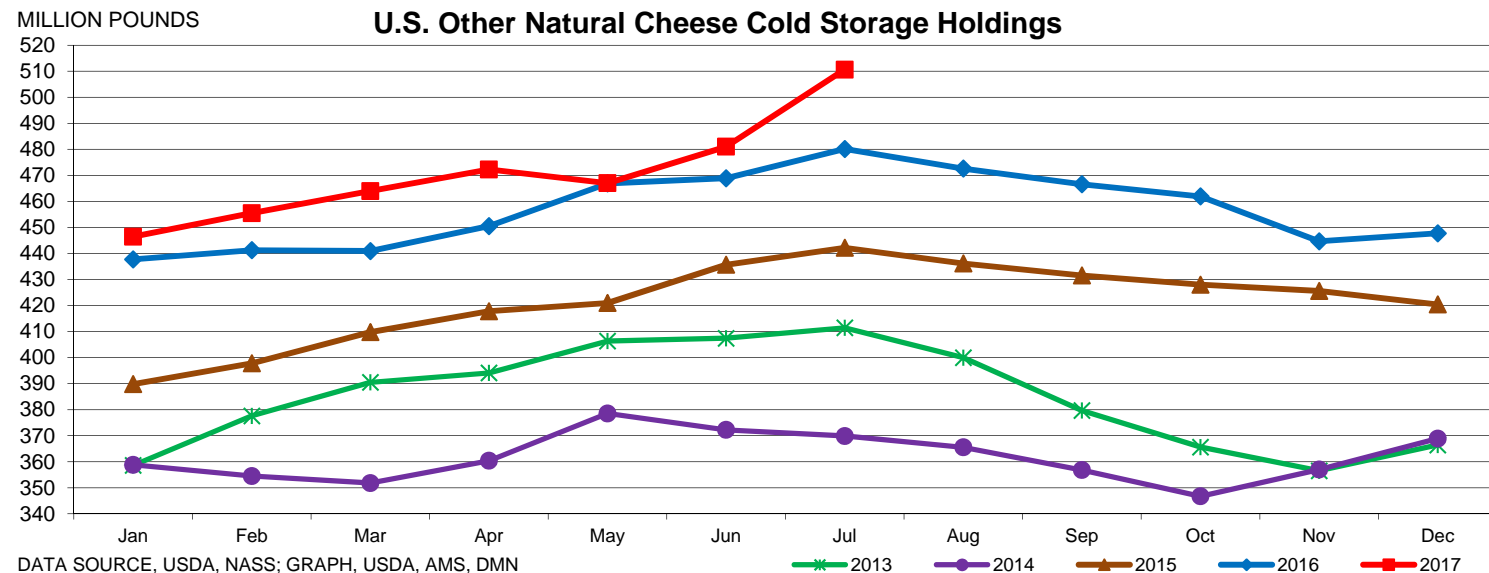
U.S. Natural American Cheese Cold Storage Holdings



U.S. Swiss Cheese Storage Holdings



U.S. Other Natural Cheese Cold Storage Holdings





Dairy Market News Branch

Agricultural
Marketing
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National Retail Report-Dairy

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

Volume 84- Number 34

Issued Weekly

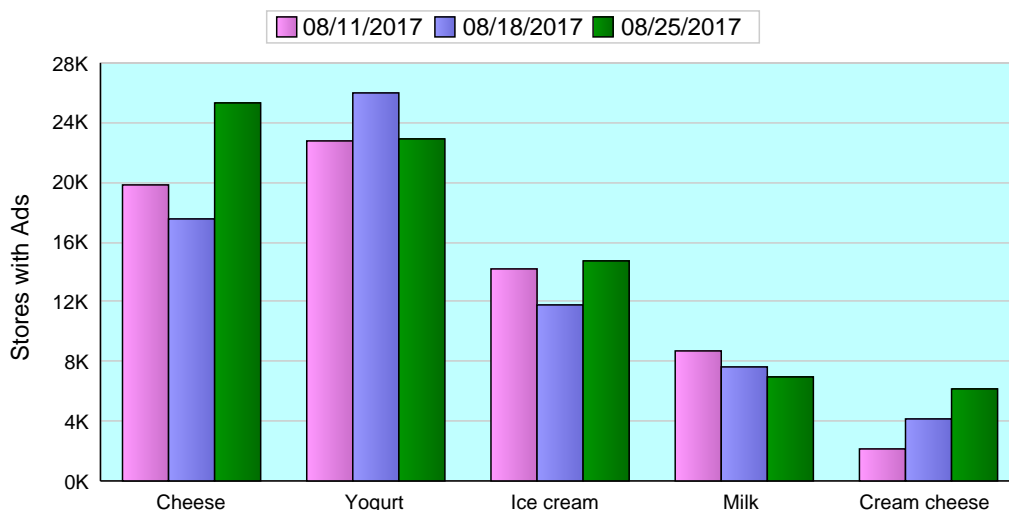
Friday, August 25, 2017

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 08/25/2017 to 08/31/2017

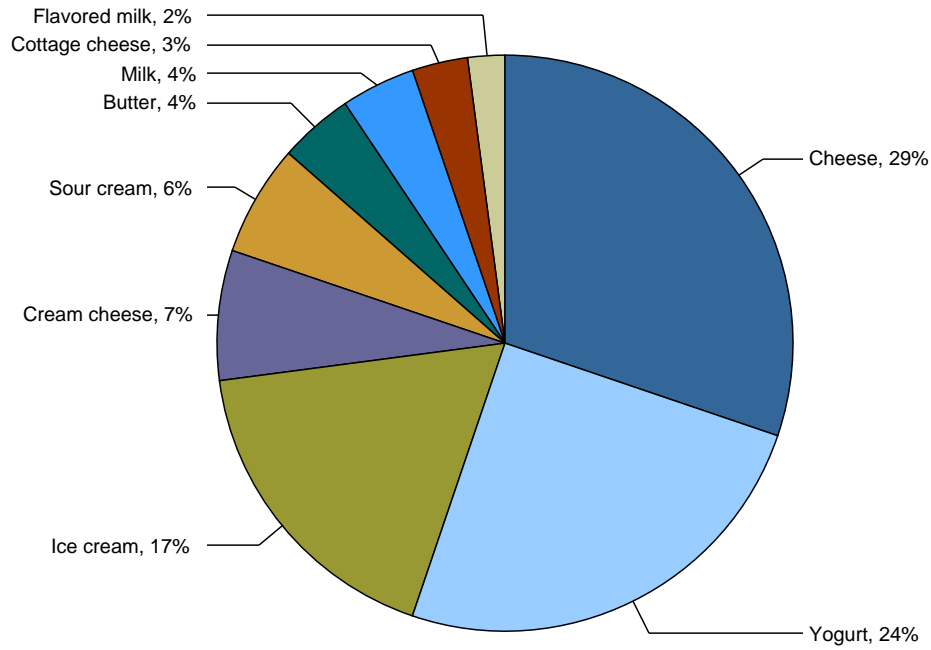
As the Labor Day holiday approaches, total conventional dairy advertisements climbed 12 percent, but organic dairy ads slipped 17 percent. Conventional ice cream ads are the single most advertised item, with ad numbers up 25 percent from last week. However, the U.S. weighted average advertised price for 48-64 ounce containers edged lower from \$3.04 to \$3.02. Organic ice cream ads grew by 4 percent, with prices unchanged, \$5.99, for 48-64 ounce containers. Conventional 1 # butter ad numbers increased 1 percent, with an average price of \$3.52, up 3 cents. Organic 1 # butter has an average price of \$4.62, an organic price premium of \$1.10. Conventional cheese ad numbers increased 39 percent this week, as the U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.34, down 3 cents from last week. In addition, the advertised price for conventional 8 ounce shred cheese averaged \$2.35, up 7 cents from last week, as ads increased 28 percent. Retail stores posting organic 8 ounce block ads increased to 304 throughout major supermarket outlets, while the U.S. advertised price for 8 ounce organic cheese block averaged \$3.99. Organic ads for 8 ounce shreds increased to 667 throughout major supermarket outlets as U.S. advertised prices averaged \$4.08. Conventional yogurt ads decreased 13 percent, while organic yogurt ads grew 2 percent. The average sale price for 4-6 ounce conventional Greek yogurt is \$0.98, up 4 cents. Organic 4-6 ounce Greek yogurt has an average price of \$1.15, down 10 cents, resulting in an organic premium this week of 17 cents. The average sale price for 4-6 ounce conventional yogurt is \$0.56, up 4 cents. Organic 4-6 ounce yogurt has an average price of \$0.80, down 54 cents, resulting in an organic premium this week of 24 cents.

The price premium for organic half gallon milk this week is \$0.92. Price premium is the difference between the weighted average price for conventional half-gallon milk, \$2.53, and the weighted average price for organic half gallon milk, \$3.45. Organic milk advertisement numbers decreased 13 percent, while ad numbers for conventional milk declined 7 percent.

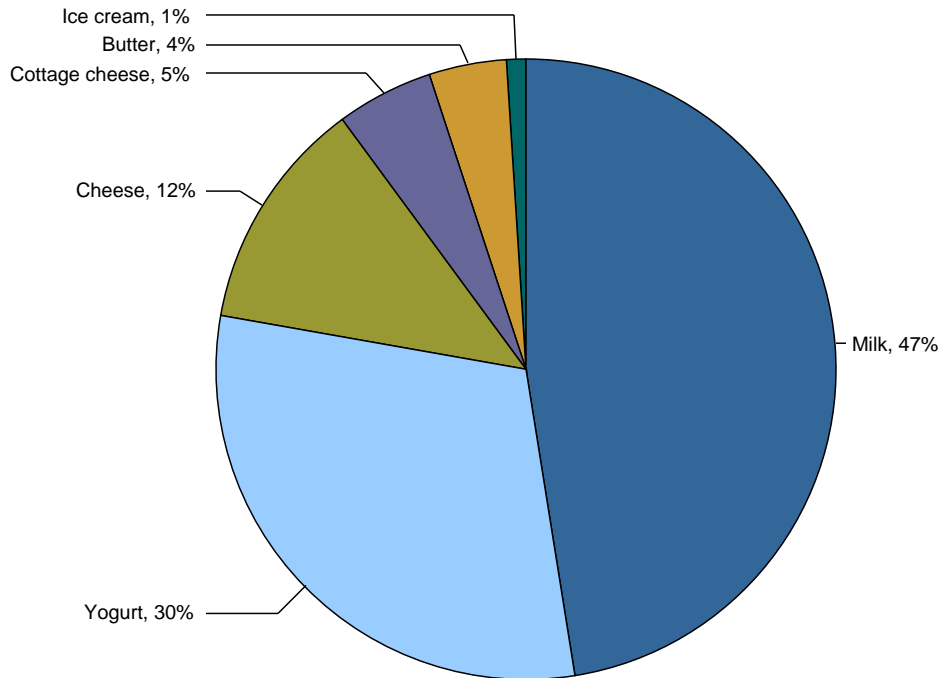
Top 5 Commodities Featured



Percentage of Total Conventional Ads by Commodity



Percentage of Total Organic Ads by Commodity





NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

| Commodity | Type | Pack Size | THIS PERIOD | | LAST WEEK | | LAST YEAR | |
|----------------|-------------------|-------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | | | Stores With Ads | Wtd Avg Price | Stores With Ads | Wtd Avg Price | Stores With Ads | Wtd Avg Price |
| Butter | | 1 # | 3269 | 3.52 | 3233 | 3.49 | 2712 | 3.00 |
| Cheese | Natural Varieties | 8 oz block | 8273 | 2.34 | 3042 | 2.37 | 5730 | 2.17 |
| Cheese | Natural Varieties | 1 # block | 1745 | 3.82 | 2257 | 3.83 | 933 | 4.07 |
| Cheese | Natural Varieties | 2 # block | 447 | 6.38 | 1202 | 6.81 | 1872 | 6.29 |
| Cheese | Natural Varieties | 8 oz shred | 11523 | 2.35 | 9000 | 2.28 | 10103 | 2.30 |
| Cheese | Natural Varieties | 1 # shred | 2372 | 3.87 | 2006 | 3.11 | 171 | 4.39 |
| Cottage cheese | | 16 oz | 2261 | 1.88 | 1731 | 1.92 | 3600 | 1.95 |
| Cream cheese | | 8 oz | 6175 | 1.89 | 4014 | 1.51 | 2950 | 1.79 |
| Flavored milk | All fat tests | half gallon | 1930 | 3.38 | 1134 | 3.01 | 1263 | 2.25 |
| Flavored milk | All fat tests | gallon | | | 526 | 2.52 | 397 | 3.44 |
| Ice cream | | 48-64oz | 14604 | 3.02 | 11643 | 3.04 | 15349 | 3.06 |
| Milk | All fat tests | half gallon | 2010 | 2.53 | 1076 | 3.25 | 1369 | 1.71 |
| Milk | All fat tests | gallon | 1168 | 2.36 | 2342 | 2.24 | 2737 | 2.37 |
| Sour cream | | 16 oz | 5499 | 1.72 | 6426 | 1.84 | 6677 | 1.79 |
| Yogurt | Greek | 4-6 oz | 12176 | .98 | 13500 | .94 | 14067 | .96 |
| Yogurt | Greek | 32 oz | 245 | 4.70 | 2354 | 4.31 | 1982 | 3.96 |
| Yogurt | Yogurt | 4-6 oz | 7118 | .56 | 5351 | .52 | 7131 | .48 |
| Yogurt | Yogurt | 32 oz | 969 | 2.65 | 2392 | 2.44 | 630 | 2.19 |

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

| Commodity | Type | Pack Size | NORTHEAST U.S. | | | SOUTHEAST U.S. | | | MIDWEST U.S. | | |
|----------------|-------------------|-------------|----------------|-----------------|---------------|----------------|-----------------|---------------|--------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Butter | | 1 # | 2.50-4.49 | 1008 | 3.65 | 3.00-3.99 | 275 | 3.77 | 2.50-4.99 | 793 | 3.19 |
| Cheese | Natural Varieties | 8 oz block | 1.66-2.99 | 2481 | 2.27 | 1.99-3.50 | 2275 | 2.54 | 1.88-2.50 | 1080 | 2.13 |
| Cheese | Natural Varieties | 1 # block | | | | 2.99-4.90 | 799 | 4.48 | 2.99 | 247 | 2.99 |
| Cheese | Natural Varieties | 2 # block | | | | | | | 7.99 | 180 | 7.99 |
| Cheese | Natural Varieties | 8 oz shred | 1.66-3.49 | 2014 | 2.38 | 1.99-2.50 | 3689 | 2.35 | 1.88-2.50 | 2006 | 2.16 |
| Cheese | Natural Varieties | 1 # shred | 3.49-4.29 | 329 | 3.75 | 2.99-4.90 | 950 | 4.33 | 2.99 | 247 | 2.99 |
| Cottage cheese | | 16 oz | 1.79-2.49 | 714 | 2.09 | 1.25-2.00 | 972 | 1.91 | 1.25-2.00 | 417 | 1.38 |
| Cream cheese | | 8 oz | 0.79-2.50 | 1281 | 1.65 | 1.25-2.50 | 2136 | 2.09 | 1.49-2.50 | 470 | 1.97 |
| Flavored milk | All fat tests | half gallon | | | | 2.50-3.99 | 1647 | 3.48 | 2.50 | 180 | 2.50 |
| Ice cream | | 48-64oz | 1.99-3.99 | 3787 | 3.01 | 1.99-3.50 | 3831 | 2.86 | 1.99-3.99 | 2383 | 2.83 |
| Milk | All fat tests | half gallon | 2.99 | 304 | 2.99 | 0.99-2.50 | 908 | 2.25 | 2.50 | 180 | 2.50 |
| Milk | All fat tests | gallon | 2.99 | 62 | 2.99 | | | | 1.69-1.99 | 348 | 1.88 |
| Sour cream | | 16 oz | 1.29-2.00 | 1919 | 1.71 | 1.25-2.00 | 1412 | 1.84 | 1.25-2.00 | 950 | 1.56 |
| Yogurt | Greek | 4-6 oz | 0.69-1.25 | 3385 | 1.00 | 0.80-1.25 | 4436 | .96 | 0.89-1.25 | 871 | 1.08 |
| Yogurt | Greek | 32 oz | 3.99-4.99 | 131 | 4.44 | | | | | | |
| Yogurt | Yogurt | 4-6 oz | 0.38-1.25 | 2814 | .63 | 0.40-1.25 | 1378 | .56 | 0.38-0.50 | 1502 | .44 |
| Yogurt | Yogurt | 32 oz | 2.49-3.99 | 387 | 3.20 | 2.79 | 61 | 2.79 | 2.50 | 180 | 2.50 |

Wtd Avg - Simple weighted average



| Commodity | Type | Pack Size | SOUTH CENTRAL U.S. | | | SOUTHWEST U.S. | | | NORTHWEST U.S. | | |
|----------------|-------------------|-------------|--------------------|-----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Butter | | 1 # | 3.19 | 288 | 3.19 | 3.29-3.99 | 558 | 3.68 | 2.99-4.50 | 248 | 3.49 |
| Cheese | Natural Varieties | 8 oz block | 1.67-2.99 | 1030 | 2.22 | 1.67-2.99 | 943 | 2.28 | 1.88-2.50 | 355 | 2.38 |
| Cheese | Natural Varieties | 1 # block | 2.77-3.99 | 395 | 3.25 | 2.99 | 120 | 2.99 | 2.99-5.49 | 182 | 3.83 |
| Cheese | Natural Varieties | 2 # block | | | | | | | 4.99 | 235 | 4.99 |
| Cheese | Natural Varieties | 8 oz shred | 1.66-2.77 | 2113 | 2.28 | 1.99-3.99 | 1376 | 2.65 | 1.88-2.50 | 256 | 2.20 |
| Cheese | Natural Varieties | 1 # shred | 2.77-4.49 | 274 | 3.60 | 2.99-5.99 | 451 | 3.86 | 2.99 | 121 | 2.99 |
| Cottage cheese | | 16 oz | 1.99 | 74 | 1.99 | 2.00 | 63 | 2.00 | | | |
| Cream cheese | | 8 oz | 1.49 | 219 | 1.49 | 1.49-2.49 | 1292 | 1.91 | 1.49-2.69 | 711 | 1.74 |
| Flavored milk | All fat tests | half gallon | 2.50 | 55 | 2.50 | | | | | | |
| Ice cream | | 48-64oz | 1.99-5.50 | 1954 | 3.12 | 1.99-4.99 | 1917 | 3.29 | 1.99-3.99 | 648 | 3.48 |
| Milk | All fat tests | half gallon | 1.59-2.99 | 543 | 2.42 | | | | | | |
| Milk | All fat tests | gallon | 1.87 | 51 | 1.87 | 2.39-2.69 | 611 | 2.56 | 1.69 | 69 | 1.69 |
| Sour cream | | 16 oz | 0.99-2.29 | 947 | 1.63 | 2.00 | 63 | 2.00 | 1.29 | 105 | 1.29 |
| Yogurt | Greek | 4-6 oz | 0.79-1.00 | 899 | .92 | 0.79-1.25 | 1680 | .96 | 0.68-1.00 | 689 | .95 |
| Yogurt | Greek | 32 oz | 4.99 | 114 | 4.99 | | | | | | |
| Yogurt | Yogurt | 4-6 oz | 0.44-1.25 | 354 | .60 | 0.39-0.60 | 714 | .50 | 0.48-0.60 | 296 | .52 |
| Yogurt | Yogurt | 32 oz | 1.50 | 139 | 1.50 | 2.50 | 199 | 2.50 | | | |

| Commodity | Type | Pack Size | ALASKA U.S. | | | HAWAII U.S. | | |
|----------------|-------------------|-------------|-------------|-----------------|---------------|-------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Butter | | 1 # | 3.49-5.00 | 41 | 4.24 | 3.99-4.69 | 58 | 4.28 |
| Cheese | Natural Varieties | 8 oz block | 3.00 | 21 | 3.00 | 3.49-3.99 | 88 | 3.84 |
| Cheese | Natural Varieties | 1 # block | 5.99 | 2 | 5.99 | | | |
| Cheese | Natural Varieties | 2 # block | 4.98-4.99 | 5 | 4.98 | 7.99 | 27 | 7.99 |
| Cheese | Natural Varieties | 8 oz shred | 2.79-3.00 | 42 | 2.90 | 4.49 | 27 | 4.49 |
| Cottage cheese | | 16 oz | 2.50 | 21 | 2.50 | | | |
| Cream cheese | | 8 oz | 1.66-3.00 | 32 | 1.93 | 2.50 | 34 | 2.50 |
| Flavored milk | All fat tests | half gallon | 3.79 | 21 | 3.79 | 4.99 | 27 | 4.99 |
| Ice cream | | 48-64oz | 3.99-4.98 | 30 | 4.09 | 3.00-4.99 | 54 | 3.57 |
| Milk | All fat tests | half gallon | 4.49 | 21 | 4.49 | 4.99 | 54 | 4.99 |
| Milk | All fat tests | gallon | | | | 4.99 | 27 | 4.99 |
| Sour cream | | 16 oz | 2.50-3.00 | 49 | 2.79 | 2.49-2.69 | 54 | 2.59 |
| Yogurt | Greek | 4-6 oz | 1.25 | 50 | 1.25 | 0.99-1.25 | 166 | 1.21 |
| Yogurt | Yogurt | 4-6 oz | 1.25-3.00 | 30 | 1.37 | 0.59-0.60 | 30 | .59 |
| Yogurt | Yogurt | 32 oz | | | | 2.79 | 3 | 2.79 |

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 # | 319 | 4.62 | 121 | 4.49 | 154 | 5.71 |
| Cheese | Natural Varieties | 8 oz block | 304 | 3.99 | | | 351 | 4.90 |
| Cheese | Natural Varieties | 8 oz shred | 667 | 4.08 | | | 229 | 3.83 |
| Cottage cheese | | 16 oz | 403 | 3.70 | 1202 | 3.94 | 1975 | 3.34 |
| Cream cheese | | 8 oz | | | 105 | 2.50 | | |
| Flavored milk | All fat tests | half gallon | | | 305 | 2.99 | 161 | 4.99 |
| Ice cream | | 48-64oz | 105 | 5.99 | 101 | 5.99 | | |
| Milk | All fat tests | half gallon | 1674 | 3.45 | 3833 | 3.94 | 1965 | 4.37 |
| Milk | All fat tests | gallon | 745 | 6.72 | 54 | 5.49 | 189 | 5.10 |
| Milk | All fat tests | 8 oz UHT | 1302 | .91 | 372 | .85 | 1637 | 1.03 |
| Sour cream | | 16 oz | | | 1083 | 2.99 | 1913 | 3.27 |
| Yogurt | Greek | 4-6 oz | 1293 | 1.15 | 1153 | 1.25 | 3044 | 1.17 |
| Yogurt | Greek | 32 oz | 197 | 4.21 | 273 | 6.04 | 301 | 3.90 |
| Yogurt | Yogurt | 4-6 oz | 504 | .80 | 237 | 1.34 | 311 | 1.12 |
| Yogurt | Yogurt | 32 oz | 423 | 3.35 | 714 | 2.95 | 723 | 3.48 |

REGIONAL -- ORGANIC DAIRY PRODUCTS

| Commodity | Type | Pack Size | NORTHEAST U.S. | | | SOUTHEAST U.S. | | | MIDWEST U.S. | | |
|----------------|-------------------|-------------|----------------|-----------------|---------------|----------------|-----------------|---------------|--------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Butter | | 1 # | 5.00 | 84 | 5.00 | | | | | | |
| Cheese | Natural Varieties | 8 oz block | 3.99 | 304 | 3.99 | | | | | | |
| Cheese | Natural Varieties | 8 oz shred | 3.99 | 304 | 3.99 | | | | 3.49 | 119 | 3.49 |
| Cottage cheese | | 16 oz | 3.99 | 108 | 3.99 | 3.49-3.99 | 295 | 3.59 | | | |
| Milk | All fat tests | half gallon | 3.69-4.99 | 440 | 4.45 | 2.99 | 234 | 2.99 | 2.79-3.19 | 749 | 3.00 |
| Milk | All fat tests | gallon | 7.99 | 304 | 7.99 | 5.68 | 195 | 5.68 | | | |
| Milk | All fat tests | 8 oz UHT | 0.83-1.00 | 324 | .89 | 1.00 | 61 | 1.00 | 0.92 | 110 | .92 |
| Yogurt | Greek | 4-6 oz | 1.25 | 304 | 1.25 | 1.25 | 114 | 1.25 | 1.00-1.25 | 458 | 1.19 |
| Yogurt | Yogurt | 4-6 oz | 0.58-1.00 | 394 | .78 | | | | 0.87 | 110 | .87 |
| Yogurt | Yogurt | 32 oz | 3.69 | 304 | 3.69 | | | | 2.49 | 119 | 2.49 |

| 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 | 4.49 | 114 | 4.49 | | | |

Wtd Avg - Simple weighted average



| Commodity | Type | Pack Size | SOUTH CENTRAL U.S. | | | SOUTHWEST U.S. | | | NORTHWEST U.S. | | |
|-----------|-------------------|-------------|--------------------|-----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Cheese | Natural Varieties | 8 oz shred | | | | 4.49 | 244 | 4.49 | | | |
| Ice cream | | 48-64oz | | | | | | | 5.99 | 105 | 5.99 |
| Milk | All fat tests | half gallon | | | | 2.88-3.50 | 224 | 3.18 | | | |
| Milk | All fat tests | gallon | | | | 5.98 | 246 | 5.98 | | | |
| Milk | All fat tests | 8 oz UHT | 0.92 | 141 | .92 | 0.82-0.89 | 234 | .85 | 0.83-1.17 | 355 | .89 |
| Yogurt | Greek | 4-6 oz | 1.00 | 351 | 1.00 | | | | 1.00 | 66 | 1.00 |
| Yogurt | Greek | 32 oz | 5.29 | 63 | 5.29 | 2.99 | 107 | 2.99 | | | |

| Commodity | Type | Pack Size | ALASKA U.S. | | | HAWAII U.S. | | |
|-----------|---------------|-------------|-------------|-----------------|---------------|-------------|-----------------|---------------|
| | | | Price Range | Stores with Ads | Wtd Avg Price | Price Range | Stores with Ads | Wtd Avg Price |
| Milk | All fat tests | half gallon | | | | 5.99 | 27 | 5.99 |
| Milk | All fat tests | 8 oz UHT | 0.87-1.25 | 50 | 1.05 | 1.16 | 27 | 1.16 |
| Yogurt | Greek | 32 oz | | | | 6.49 | 27 | 6.49 |

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 34

August 25, 2017

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