

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (9/1)**

BUTTER: Grade AA closed at \$2.5075. The weekly average for Grade AA is \$2.5660 (-.0465).

CHEESE: Barrels closed at \$ 1.5200 and 40# blocks at \$ 1.5400. The weekly average for barrels is \$ 1.4995 (-.1625) and blocks, \$1.5325 (-.1695).

NONFAT DRY MILK: Grade A closed at \$0.8625. The weekly average for Grade A is \$0.8550 (+.0160).

BUTTER HIGHLIGHTS: The demand for butter throughout the United States is fairly positive. Educational and retail channels are showing high demand. Some Central market participants report more interest in unsalted butter, as global prices are markedly higher than domestic prices. In the West, a number of dairy contacts report domestic demand is strong, but imports are lower. In the East, many traders and brokers are holding off on spot purchasing and are willing to watch and see where the butter price will go. The cream availability is readily available for contracts. Cream spot loads are limited in the East as there is a high demand for cream. Butter production is active in the Central and West, and has picked up in a few balancing plants in the East. Inventories are balanced in some areas and firming in other areas. Current bulk butter prices range from flat market to 8 cents over the CME average. The market tone is generally steady. Friday's CME Group cash trading saw Grade AA butter close at \$2.5075, down \$0.1200 from last Friday.

CHEESE HIGHLIGHTS: Milk, ahead of the holiday weekend, has been available according to Midwest and West cheese producers. Spot milk prices, reported from Midwestern producers, ranged from \$1 under to \$1 over Class III. Cheese production reports vary by location and style. Some pizza cheese makers in the Midwest report that production capabilities are not meeting demand needs, while Western producers point out that production is lively, as milk continues to flow into cheese vats. Eastern and Western contacts suggest demand is mixed, and food service cheese producers expect an uptick soon as schools open and football season begins. Traditional cheesemakers in the Midwest are in the midst of a seasonal ordering slowdown. Cheese inventories, across the country, are long. July cold storage stock numbers have market participants concerned about the near term market tone, and last week's cautious optimism has taken a hit, as barrel and block prices have plunged on the CME.

CME Group trading Friday, barrels closed at \$1.5200, down \$0.0375 from last Friday. Blocks closed at \$1.5400, down \$0.1100 from last Friday.

FLUID MILK: South Central contacts have relayed that Houston area bottling operations had begun taking on loads of milk midweek, even while evacuations and floods were ongoing. Milk output in most of the Eastern region is steady to lower. However, cool temperatures lead some contacts to suggest there are expectations of an upcoming uptick in milk production. Milk production in the Midwest has been fairly steady, following relatively mild weather conditions. Milk yields over much of the West are steady to lower. School milk intakes are reportedly up across the country. Cheese intakes have been steady in the Midwest and some areas in the West, as the pre-holiday week has some cheesemakers taking advantage of relatively available spot milk. Cream availability varies region to region. In the East, cream access is steady. In the Midwest, cream prices decreased ahead of the long weekend. In Texas, the storms have created some cream shortages, but in most of the West, cream remains available. F.O.B. cream multiples for various uses range from 1.30 to 1.38 in the East, 1.20 to 1.28 in the Midwest, and 1.06 to 1.26 in the West.

DRY PRODUCTS: The nonfat dry milk (NDM) market is mixed in what is considered an overall weak market. Throughout the country in the low/medium heat NDM mostly series, prices are steady to lower. The market expects consistent production and sluggish demand to ease prices more. The price for high heat NDM is steady to higher in the Central/East and West regions, respectively. Dry buttermilk prices in the Central and East regions are steady. However, the West market price inched higher to steady in the range and mostly series. As supplies tighten, with increased demand, a few traders are willing to purchase loads at higher pricing. The dry whey price remains weak. Production is ongoing, but below levels prior to the restart of school. With generally light spot demand, dry whey supplies are readily available at the manufacturing level, as surpluses build in some channels. Whey protein concentrate (WPC) 34% prices are unchanged to lower. In the range, as the market continues steady in the mostly series. Domestic interest is mixed. Lactose prices in domestic markets are unchanged from the previous week, in the range, but the bottom of the mostly series realized a marginal decline. Production is

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NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY AUG 28	TUESDAY AUG 29	WEDNESDAY AUG 30	THURSDAY AUG 31	FRIDAY SEP 01	:: ::	WEEKLY CHANGE*	:: ::	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4875 (-.0700)	\$1.5000 (+.0125)	\$1.5000 (N.C.)	\$1.4900 (-.0100)	\$1.5200 (+.0300)	:: ::	(-.0375)	:: ::	\$1.4995 (-.1625)
40# BLOCKS	\$1.5650 (-.0850)	\$1.5275 (-.0375)	\$1.5200 (-.0075)	\$1.5100 (-.0100)	\$1.5400 (+.0300)	:: ::	(-.1100)	:: ::	\$1.5325 (-.1695)
NONFAT DRY MILK GRADE A	\$.8450 (N.C.)	\$.8450 (N.C.)	\$.8600 (+.0150)	\$.8625 (+.0025)	\$.8625 (N.C.)	:: ::	(+.0175)	:: ::	\$.8550 (+.0160)
BUTTER GRADE AA	\$2.5925 (-.0350)	\$2.5550 (-.0375)	\$2.5950 (+.0400)	\$2.5800 (-.0150)	\$2.5075 (-.0725)	:: ::	(-.1200)	:: ::	\$2.5660 (-.0465)

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

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steady. Global markets are holding out, while waiting to see if prices move lower. Casein prices are stable.

INTERNATIONAL DAIRY MARKET NEWS: WESTERN OVERVIEW: EU milk production is still down by -0.5 percent for the year to June, compared with one year earlier. The large milk producing nations of Germany and France recorded June production compared with June last year, down -0.4 percent and -1.3 percent respectively. In contrast, June on June increases were recorded in Ireland (+6.1 percent), and Italy (+3.6 percent). The Netherlands posted a slight -0.4 percent decline. A number of observers believe that current high prices for butter and strength in cheese markets may lead to more milk production in coming months.

EASTERN OVERVIEW: Poland milk production in July increased 6.6 percent from June, according to AMI. Eurolait reports that Russian dairy imports through June are: butter, +21.3 percent, 51,866 MT; SMP, +5.6 percent, 64,017 MT; WMP, +10.4 percent, 22,455 MT; whey powder, -34.7 percent, 45,945 MT; and cheese, -3.2 percent, 105,751 MT.

AUSTRALIA: Recently improved farm gate milk processing volumes in Australia are driving some projections of growth on milk production this season of between 2 and 3 percent. Additional factors which underlie the projection are reasonable dairy input prices and weather holding good. There is some confidence that these factors can override some potential mitigating factors, which include continuing low confidence by dairy producers after some rough periods which led to herd reductions. Also weighing on the potential for increased production is continuing debt obligations which make using new credit to expand operations or improve machinery more difficult. There has been some firming of grain prices, which is also a risk factor weighing on production if prices should increase further.

Ownership changes in some dairy processing facilities, previously reported here, continue following shifting by some dairy producers in what processor they contract with.

NEW ZEALAND: Milk production in New Zealand for the new season is improved over the last season, comparing this July with one year earlier. July 2017 New Zealand milk production was 0.248 million MT, up from 0.178 million MT in June, according to DCANZ. During July 2016, milk production was 0.231 million MT. July milk solids, 21.5 million kg, are up from 15.7 million kg in June. During July 2016, milk solids were 19.9 million kg.

Rains of recent weeks have ended, bringing mostly sunny weather during the last week. It is hoped that as pastures begin to dry somewhat, improved conditions will support continued increases in milk production.

Recent increases in imports by China of various New Zealand dairy products are welcome. China's typical position as the largest single customer for New Zealand dairy products makes recent increases in purchases even more significant vis-à-vis the dairy economy.

There are no GDT event results this week as this is one of the occasional periods with three weeks between events. The next event will be September 5.

SOUTH AMERICA OVERVIEW: In **Argentina** and **Uruguay**, dairy herds continue producing enough milk with adequate protein/fat levels to satisfy most manufacturing needs. Many farm operations (tambos) have plenty of quality feed, which is expected to boost milk yields throughout the winter and spring seasons. Dry climate in both countries sustained the final stages of corn harvesting. Meanwhile, many educational institutions and retailers, continue requesting large bottled milk quantities. Cream

supplies are becoming more available and butter churning more active, especially in Uruguay.

According to the National Institute of Milk (INALE), July 2017, Uruguay farm milk volumes sent to processors were 160.6 million liters, 10 percent above the previous month, and 15.9 percent higher than a year ago. From January to July, milk shipments totaled 969.7 million liters, up 6.9 percent from the same period in 2016.

Farm milk outputs are improving across the main dairy states of **Brazil**. The large supply of low-priced corn is helping several milk producers to reduce feed costs, promoting higher milk yields. Consequently, milk/cream volumes are adequate to cover most manufacturing needs within the dairy processing industry. The bulk of milk volumes is clearing into bottled milk, including UHT. At this point, there is an oversupply of UHT in the Brazilian market, which is pushing some processors to sell at lower prices. Meanwhile, mozzarella cheese production is very active while supply is in balance with the current demands from several market channels. With lower requests for milk powders, production is declining.

JULY AGRICULTURAL PRICES HIGHLIGHTS: The All Milk price received by farmers was \$17.30 in July, up \$1.20 from July 2016. Milk Cows price was \$1,620 in July, down \$110 from July 2016. Alfalfa hay price was \$152.00 in July, up \$14.00 from July 2016. Corn price was \$3.49 in July, down \$.11 from July 2016. Soybean price was \$9.42 in July, down \$.78 from July 2016. The milk-feed price ratio was 2.29 in July, up 0.13 from July 2016.

The index of prices received by farmers for dairy products during the month of July 2017 was unchanged at 86.1. Compared to July 2016, the index was up 6 points (+7.5 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in July 2017 was unchanged at 107. Compared with July 2016, the index was up 1.5 points (+1.4 percent).

AUGUST FEDERAL MILK ORDER CLASS AND COMPONENT PRICES: Class Prices: The following are the August 2017 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$17.56 (+\$0.08), Class III: \$16.57 (+\$1.12), and Class IV: \$16.61 (+\$0.01). Under the Federal milk order pricing system, the butterfat price for August 2017 is \$3.0109 per pound. Thus, the Class II butterfat price is \$3.0179 per pound. The protein and other solids prices for August 2017 are \$1.5536 and \$0.2425 per pound, respectively. These component prices set the Class III skim milk price at \$6.25 per cwt. The August 2017 Class IV skim milk price is \$6.29, which is derived from the nonfat solids price of \$0.6984 per pound. The product price averages for August 2017 are: butter: \$2.6578, nonfat dry milk: \$0.8733, cheese: \$1.6664, and dry whey: \$0.4345.

NATIONAL RETAIL REPORT-DAIRY (DMN): The Labor Day holiday weekend is here and retail supermarket outlets total conventional dairy advertisements increased 7 percent, but organic ads dipped 27 percent. Conventional 1 pound butter advertised price is \$3.56, up 4 cents from last week. Organic 1 pound butter advertised price averaged \$4.49, down 13 cents from the previous week. The organic price premium is \$0.93. The conventional 1 # butter ad numbers increased 78 percent, but organic 1 # butter ads decreased 64 percent. Conventional 48-64 ounce ice cream advertised price is \$3.07, up 5 cents from the previous week. The organic 48-64 ounce ice cream weighted advertised price is \$4.97, down \$1.02 from last week, but ads increased 27 percent. The organic premium price is \$1.90.

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

The advertised price for 8 ounce conventional cheese blocks averaged \$2.11, down 23 cents from the previous week. The conventional 8 ounce cheese shreds advertised price is \$2.29, down 6 cents from last week. Conventional 8 ounce block ads decreased 16 percent, but 8 ounce shred ads increased 9 percent. There were no reported advertised cheese advertisements this week.

Conventional 4-6 ounce Greek yogurt weighted average price is \$0.94, down 4 cents from last week. Organic 4-6 ounce Greek yogurt weighted average price is \$1.00, down 15 cents from the previous week, but an organic premium price of \$0.06. Conventional 4-6 ounce yogurt ads decreased 28 percent and organic 4-6 ounce yogurt ads decreased 69 percent.

The weighted average price for conventional half-gallon milk is \$2.93. The weighted average price for organic half-gallon milk is \$3.63, an organic price premium of \$0.70. Conventional half-gallon milk ad numbers decreased 94 percent, but organic half-gallon milk ads increased 158 percent.

MONDAY, AUGUST 28, 2017

CHEESE -- SALES: 13 CARS BARRELS: 1 @ \$1.5475, 1 @ \$1.5375, 1 @ \$1.5275, 1 @ \$1.5175, 1 @ \$1.5075, 1 @ \$1.4900, 1 @ \$1.4975, 2 @ \$1.4900, 2 @ \$1.4875, 1 @ \$1.4900, 1 @ \$1.5000; 4 CARS 40# BLOCKS: 2 @ \$1.5675, 2 @ \$1.5650; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4800; 1 CAR 40# BLOCKS @ \$1.5550; LAST OFFER UNCOVERED: 2 CARS BARRELS: 1 @ \$1.5200, 1 @ \$1.4875; 1 CAR 40# BLOCKS @ \$1.5700
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 4 CARS GRADE A: 1 @ \$0.8250, 1 @ \$0.8300, 1 @ \$0.8250, 1 @ \$0.8275; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8500
 BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$2.5950, 2 @ \$2.5925; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE AA: 1 @ \$2.6375, 1 @ \$2.5975

TUESDAY, AUGUST 29, 2017

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.4875, 1 @ \$1.4900, 1 @ \$1.5000, 1 @ \$1.5075, 1 @ \$1.5000; 7 CARS 40# BLOCKS: 2 @ \$1.5650, 1 @ \$1.5475, 1 @ \$1.5500, 1 @ \$1.5425, 1 @ \$1.5375, 1 @ \$1.5300; LAST BID UNFILLED: 3 CARS BARRELS @ \$1.4300; 1 CAR 40# BLOCKS @ \$1.5150; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5300; 2 CARS 40# BLOCKS: 1 @ \$1.5500, 1 @ \$1.5275
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8350; LAST OFFER UNCOVERED: 2 CARS GRADE A: 1 @ \$0.8600, 1 @ \$0.8500
 BUTTER -- SALES: 4 CARS GRADE AA @ \$2.5550; LAST BID UNFILLED: 4 CARS GRADE AA: 1 @ \$2.4900, 1 @ \$2.5500, 1 @ \$2.5000, 1 @ \$2.5425; LAST OFFER UNCOVERED: 4 CARS GRADE AA: 1 @ \$2.5675, 1 @ \$2.5650, 1 @ \$2.5600, 1 @ \$2.5575

WEDNESDAY, AUGUST 30, 2017

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.5200; LAST BID UNFILLED: 2 CARS BARRELS: 1 @ \$1.4000, 1 @ \$1.4500; 1 CAR 40# BLOCKS @ \$1.4500; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5200; 2 CARS 40# BLOCKS: 1 @ \$1.5400, 1 @ \$1.5200
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.8575, 2 @ \$0.8600; LAST BID UNFILLED: 3 CARS GRADE A: 1 @ \$0.8525, 1 @ \$0.8475, 1 @ \$0.8450; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.8600
 BUTTER -- SALES: 4 CARS GRADE AA: 2 @ \$2.5800, 1 @ \$2.5900, 1 @ \$2.5950; LAST BID UNFILLED: 8 CARS GRADE AA: 5 @ \$2.5000, 1 @ \$2.5800, 1 @ \$2.5700, 1 @ \$2.5500; LAST OFFER UNCOVERED: 7 CARS GRADE AA: 5 @ \$2.6300, 2 @ \$2.6100

THURSDAY, AUGUST 31, 2017

CHEESE -- SALES: 1 CAR BARRELS @ \$1.4900; 6 CARS 40# BLOCKS: 1 @ \$1.5150, 1 @ \$1.5025, 3 @ \$1.5050, 1 @ \$1.5100; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.4600; 3 CARS 40# BLOCKS: 2 @ \$1.4700, 1 @ \$1.5000; LAST OFFER UNCOVERED: 26 CARS BARRELS: 5 @ \$1.5200, 5 @ \$1.5300, 5 @ \$1.5400, 5 @ \$1.5500, 5 @ \$1.5600, 1 @ \$1.5175; 2 CARS 40# BLOCKS: 1 @ \$1.5250, 1 @ \$1.5200
 NONFAT DRY MILK -- SALES: 4 CARS GRADE A: 3 @ \$0.8600, 1 @ \$0.8625; LAST BID UNFILLED: 6 CARS GRADE A: 1 @ \$0.8475, 1 @ \$0.8550, 1 @ \$0.8575, 2 @ \$0.8450, 1 @ \$0.8600; LAST OFFER UNCOVERED: 7 CARS GRADE A: 5 @ \$0.8700, 1 @ \$0.8650, 1 @ \$0.8675
 BUTTER -- SALES: 3 CARS GRADE AA @ \$2.5800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 6 CARS GRADE AA: 1 @ \$2.6200, 2 @ \$2.5800, 1 @ \$2.5875, 1 @ \$2.5975, 1 @ \$2.5900

FRIDAY, SEPTEMBER 1, 2017

CHEESE -- SALES: 2 CARS BARRELS @ \$1.5200; 2 CARS 40# BLOCKS: 1 @ \$1.5200, 1 @ \$1.5400; LAST BID UNFILLED: 2 CARS BARRELS: 1 @ \$1.4500, 1 @ \$1.5150; 3 CARS 40# BLOCKS: 1 @ \$1.5150, 1 @ \$1.5350, 1 @ \$1.5300; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5300; 1 CAR 40# BLOCKS @ \$1.5600
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 7 CARS GRADE A: 3 @ \$0.8350, 1 @ \$0.8475, 1 @ \$0.8450, 1 @ \$0.8500, 1 @ \$0.8575; LAST OFFER UNCOVERED: 6 CARS GRADE A: 1 @ \$0.8700, 5 @ \$0.8900
 BUTTER -- SALES: 14 CARS GRADE AA: 2 @ \$2.5500, 1 @ \$2.5250, 3 @ \$2.5325, 1 @ \$2.5375, 1 @ \$2.5275, 1 @ \$2.5100, 1 @ \$2.5075, 1 @ \$2.5125, 2 @ \$2.5100, 1 @ \$2.5075; LAST BID UNFILLED: 2 CARS GRADE AA: 1 @ \$2.5075, 1 @ \$2.5025; LAST OFFER UNCOVERED: 9 CARS GRADE AA: 1 @ \$2.5375, 1 @ \$2.5800, 1 @ \$2.5325, 1 @ \$2.5725, 2 @ \$2.5250, 3 @ \$2.5600

BUTTER MARKETS

NORTHEAST

Many Eastern manufacturers' butter orders are steady to strong as schools start to reopen for the year. Traders and brokers communicate spot market prices are steady to lower. The current demand is mixed as retail and educational channels are in high demand for butter. However, a number of market participants are holding off on purchasing, and are willing to watch and see where the butter price will go. Balancing plants are taking in steady to tight milk intakes, as bottling facilities are filling pipelines. Cream availability for contracts is steady, but spot availability has been limited. Production has picked up in some balancing operations for packaged and bulk butter. Inventories are adequate to short. Bulk butter price is 5 to 8 cents over the market of the CME Group, with various time frames and averages used. The market undertone is generally stable. Tuesday's CME Group daily cash trading saw Grade AA butter prices close at \$2.5550, down \$0.0150 from the previous week. According to the *DMN National Retail Report-Dairy*, for August 25-31, 2017, the Northeast weighted average retail price for 1-pound butter was \$3.65, 13 cents higher than the national price, but down 18 cents from last week's Northeast butter price. Retail butter markets reported prices ranging \$2.50-\$4.49 in the Northeast. The surveyed average price in the Southeast is \$3.77, up 58 cents from last week, with prices ranging \$3.00-\$3.99.

CENTRAL

Butter demand reports continue to be positive. Producers are reporting more interest in unsalted butter, as global prices are

markedly higher than domestic rates. Butter production remains active, as print butter preparations are underway for the upcoming peak ordering season. Bulk butter prices held steady at 2.5 to 7 cents over the CME average. Pre-holiday cream multiples are available for Class IV production, as Central region butter producers reported multiples at/around 1.18 f.o.b. The butter market tone has been fairly steady. Even so, contacts who thought the \$3.00 CME market price was a near term possibility have tempered their expectations. *DMN National Retail Report-Dairy* for August 25-31 noted the national weighted average advertised price for a 1 pound package of butter is \$3.52, \$0.03 above one week ago and \$0.52 higher than one year ago. The weighted average regional price in both the Midwest and South Central was \$3.19. Wednesday at the CME Group, Grade AA butter closed at \$2.5950, down \$0.0150 from last Wednesday.

WEST

In the western region, processors report that there is enough cream available for butter manufacturing. Butter production is the same as last week. Churns are currently working at or near full capacity. Some butter producers are selling their cream to Class II processors to take advantage of higher cream premiums. In the domestic market, demand for butter is strong while imports are lower. As a result, inventories are firming in some areas. However, they remain in good balance in other areas. Some contacts believe that cream availability will increase as more milk goes into bottling to fulfill schools' orders. Consequently, butter production will pick up as well. This week, bulk butter pricing is flat to 6 cents over the market. The *DMN National Retail Report-Dairy* for the week of

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NATIONAL DAIRY PRODUCTS SALES REPORT

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
August 26, 2017	2.6317 4,125,434	1.7551 12,341,407	1.6362 10,232,534	0.4419 7,067,740	0.8829 14,153,562

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August 25-31 found that the U.S. weighted average advertised price of 1 pound butter is \$3.52, up \$.03 from last week. The U.S. weighted average price was \$3.00 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.68, with a range of \$3.29-\$3.99. In the Northwest, the weighted average advertised price of 1 pound butter is \$3.49, with a range of \$2.99-\$4.50. The Grade AA butter price at the CME Group on Wednesday closed at \$2.5950, down \$.0150 from a week ago.

CHEESE MARKETS

NORTHEAST

Overall, cheese output in the Northeast is moderate to lighter. Nonetheless, national cheese stocks continue to advance, adding to the unexpected year over year ending stocks, based on the recent July cold storage figure. However, market demand appears mixed, at this point. Across the country, retail advertisements display upsurges for block and shredded cheeses. Commencement of the fall school year and football season, with holidays on the horizon, are expected to boost cheese demand. Food service orders are slightly off with the distribution of most Labor Day needs. Export interest is light. This week, a cooperative export assistance program got requests for assistance in selling 487,222 pounds (221 metric tons) of cheddar cheese. At the CME Group, 40# blocks retreated \$.0400 as barrels also moved backwards, \$.0175, based on last week's average cheese priced. Accordingly, wholesale prices are lower on most natural and process transactions in the region. The Grade A Swiss price continues steady. With the announcement of September 2017 Advanced Prices and Pricing Factors, the Class III skim milk prices increased \$1.14 per hundredweight compared to the previous month. The *DMN National Retail Report-Dairy*, for August 25-31, 2017, notes the Northeast advertised weighted average price for 8 oz. cheese blocks was \$2.27, 7 cents below the U.S. average, with a regional price range of \$1.66-\$2.99. In the Southeast, 8 oz. blocks averaged \$2.54, 20 cents above the national retail average, with a price range of \$1.99-\$3.50. The Northeast advertised average price for 8 oz. cheese shreds was \$2.38, 3 cents above the U.S. average, with a regional price range of \$1.66-\$3.49. In the Southeast region, 8 oz. cheese shreds averaged \$2.35, equivalent to the national average, with retail prices ranging \$1.99-\$2.50.

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

Cheddar 40# Block	:	2.1400-2.4250
Process 5# Sliced	:	1.8200-2.3000
Muenster	:	2.1250-2.4750
Grade A Swiss Cuts 10 - 14#	:	3.1725-3.4950

MIDWEST

Milk is fairly available for cheese processing in the Midwest. Spot milk prices held steady at \$1 under to \$1 over Class, as processors are reporting pre-holiday spot milk availability, which is expected to reduce following the long weekend. Cheese orders are mixed for cheesemakers. Traditional style cheesemakers report a seasonal slowdown in demand, whereas pizza cheese producers are continuing to experience upticks. Some mozzarella/provolone producers have reported that orders are outpacing production capabilities, and in some cases they are forced to push back or delay larger shipments. Cheese contacts expect with current market prices experiencing downtrends, some buyers are waiting for further declines. The optimism of the cheese markets has diminished since early last week, as both barrel and block prices have spiraled downward. Even with shifts in production and fairly bullish demand reports, contacts suggest market prices will be negatively affected by the current inventory levels of barrel cheese. The *DMN National Retail Report-Dairy* shows that August 25-31 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.16, 19 cents below the national average. Midwest prices range from \$1.88-\$2.50. One year ago, the national price was \$2.30. For 8 ounce blocks, the Midwest average price is \$2.13, 21 cents below the national average price. Midwest ads are priced from \$1.88-\$2.50. Last year, the national price was \$2.17. Midwestern wholesale prices are unchanged for Swiss cuts, down \$.0175 for pro-

cess and down \$.0400 for all other types. In CME Group trading Wednesday, barrels closed at \$1.5000, down \$.1550 from last Wednesday and blocks closed at \$1.5200, down \$.1800 from last Wednesday.

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

Process American 5# Loaf	:	1.7575-2.1175
Brick And/Or Muenster 5#	:	2.0650-2.4900
Cheddar 40# Block	:	1.7925-2.1875
Monterey Jack 10#	:	2.0400-2.2450
Blue 5#	:	2.3325-3.3200
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8650-2.8050
Grade A Swiss Cuts 6 - 9#	:	2.6900-2.8075

WEST

Western cheese producers are not having any trouble finding the milk needed to meet their processing needs. Cheese production is robust. Cheese demand is mixed and inventories are building slightly. With school startups and the unofficial end of summer at hand, consumer grilling demand is slowing, but cut and wrap demand is solid. Industry contacts suggest some requests for mozzarella and other pizza cheeses have yet to develop, leading a few contacts to speculate that end users bought supplies earlier in the summer and placed those stocks into storage. Cheese inventories are long, especially for other natural cheese types, including mozzarella. A few manufacturers say buyers seem to be waiting to see what prices do before making any further buying decisions. The *DMN National Retail Report-Dairy* for the week of August 25-31 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.35, up \$.07 from last week. Packs average \$2.65 in the Southwest and \$2.20 in the Northwest. One year ago, the national price was \$2.30. For 8 ounce blocks, the U.S. price is \$2.34, down \$.03 from last week. Blocks average \$2.28 in the Southwest and \$2.38 in the Northwest. One year ago, the national price was \$2.17. In the West, wholesale prices were down \$.0175 for process, and down \$.0400 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 487,222 pounds (221 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 47.5 million pounds of cheese in export markets. According to the California Department of Food and Agriculture, July 2017 cheese production was 213.1 million pounds, down 0.3 percent from a year ago. California year-to-date cheese production through July is 1.470 billion pounds, up 0.3 percent from 2016 cheese production through July. In CME Group trading Wednesday, barrels closed at \$1.5000, down \$.1550 from a week ago and blocks closed at \$1.5200, down \$.1800.

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

Process 5# Loaf	:	1.7450-2.0025
Cheddar 40# Block	:	1.8250-2.2700
Cheddar 10# Cuts	:	2.0050-2.2250
Monterey Jack 10#	:	2.0150-2.1750
Grade A Swiss Cuts 6 - 9#	:	2.7500-3.1800

CHEESE MARKETS

CONTINUED FROM PAGE 3

FOREIGN TYPE CHEESE

The European Union (EU) is characterized by a stable cheese market. In general, domestic demand is unchanged compared to a week ago. Southern Europe demand for cut cheese remains higher and harder to cover. As the euro continues to be stronger and competition from the USA grows, EU cheese exports to other countries are decreasing. Production is ongoing and mostly used to fulfill current demand. As the result, inventories stay at low levels. Cheese prices are steady at the same levels as the last few weeks. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices decreased \$0.0400. All other prices are steady.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	2.6400-5.2300	2.2100-3.6975*
Gorgonzola	3.6900-5.7400	2.7175-3.4350*
Parmesan (Italy)	-0-	3.6000-5.6900*
Romano (Cows Milk)	-0-	3.4000-5.5500*
Sardo Romano (Argentine)	2.8500-4.7800	-0-
Reggianito (Argentine)	3.2900-4.7800	-0-
Jarlsberg-(Brand)	2.9500-6.4500	-0-
Swiss Cuts Switzerland	-0-	3.2100-3.5325
Swiss Cuts Finnish	2.6700-2.9300	-0-

* = Price change.

COLD STORAGE

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

	BUTTER	CHEESE
08/28/17	33,654	110,420
08/01/17	35,378	107,200
CHANGE	-1,724	3,220
% 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	80	0	10	0	95	0
SOUTHEAST STATES	0	0	0	0	0	0

It is necessary to mention, in the East fluid milk and cream report, that milk producers in the Southwest worked in advance to restrict the risk of loss, due to Hurricane Harvey, relative to weekly milk volumes moving out of the area into the Eastern region. Eastern school lunch pipelines continue to be filled as more schools are re-opening. In general, milk production in the East is steady to lower. Northeast and Mid-Atlantic handlers are identifying milk output as mostly flat. Meanwhile, intermittent cool conditions covered a few areas. With that in mind, handlers expect to log a marginal bump in milk output. At this point, intakes for manufacturers are adequate. However, balancing plant managers report lower to tight supplies into processing. In the Southeast, milk from the farm is stable. Sources note that loads out of the Southwest, which have in past weeks supported milk deficits in the area, are still available. Hurricane Harvey did not disrupt this pipeline. In addition, Southeast milk handlers have access to added supplies for strong bottling demand with a few loads transferring from a Mid-East plant that is down. Production from manufacturing is sluggish, as limited milk volumes move into plants. Florida's need for milk continues to grow, as production is declining to steady in some areas. Import volumes are lower than a year ago at this time. This week, the state imported 80 f.o.b. spot loads of milk. Class I demand is showing signs of some weakness. **Condensed skim** markets are a little unsettled as September brings a lower Class II milk price. With the announcement of September 2017 Advanced Prices and Pricing Factors, the Class II Nonfat Solids price declined \$0.0245 compared to the previous month. Lighter milk receipts at some plants are reducing condensed skim offerings. **Cream** availability is steady. However, some contacts feel that there will be some extra volumes on hand during the approaching Labor Day holiday weekend. Demand for cream is fairly good, as **cream multiples** for all Classes range **1.30 to 1.38**. Prices for most transactions are somewhat stable to lower as the CME butter price withdrew slightly last week. According to the DMN *National Retail Report-Dairy*, for August 25-31, 2017, the U.S. weighted average advertised price for a gallon of milk was \$2.36, up 12 cents compared to last week, but down 1 cent from a year ago. In the Northeast, the weighted average price for a gallon of milk is \$2.99, up 63 cents from the U.S. average, with most prices at \$2.99 based on the most recent retail market survey.

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

F.O.B. producing plants: Northeast -	3.3963-3.6053
F.O.B. producing plants: Upper Midwest -	3.1350-3.3440

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

PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	.60-.81
Northeast - Class III - spot prices -	.59-.74

MIDWEST

Following days of transportation and production delays caused by Hurricane/Tropical Storm Harvey, by Wednesday evening some Houston area bottling plants had begun resuming milk intakes. More

bottlers are scheduled to begin production on Thursday, even as flooding and evacuations continue in the area. In the North Central region, educational institutions' milk orders have begun to pick up for suppliers. Milk output has generally been consistent with the past few weeks. Relatively cool temperatures and sufficient feed rations have kept fat and protein content levels at or above expectations. With the upcoming holiday weekend, discounted milk has found its way into some cheese plants in the upper Midwest. Spot milk prices remained at \$1 under to \$1 over Class. The holiday has also created an uptick in **cream** availability, as **multiples** decreased, and were reported from **1.20 to 1.28** f.o.b. Ice cream manufacturers' intakes of cream are mixed, as some hard pack ice cream producers are not taking in as much. Soft serve ice cream producers, on the other hand, are still taking in a notable amount of cream. The DMN *National Retail Report-Dairy* for August 25-31 noted the national weighted average advertised price for one gallon of milk was \$2.36, up 12 cents from last week, but 1 cent lower than a year ago. The weighted average regional prices in the Midwest and South Central were \$1.88 and \$1.87, respectively.

WEST

Farm milk output is steady this week in **California**. Milk volumes into manufacturing plants are sufficient to meet processing needs. Bottled milk demand from schools is unchanged from last week. Milk requests from restaurant and grocery stores are even. Milkfat components continue to be steady at lower levels. According to CDFA, July 2017 Class 1 sales in California totaled 47.9 million gallons, down 1.8 percent from last month, and down 3.3 percent from the previous year. From January through July 2017, Class 1 sales totaled 358.3 million gallons, down 3.4 percent from the comparable period in 2016. Milk production in **Arizona** is steady. Last week, temperatures were above normal in many parts of the state. The monsoon season has been mild compared to previous years. Handlers report heavier milk intakes from retail stores. Demand for Class I is steady due to schools' pipelines being full. Demand for Class II remains strong. With the upcoming Labor Day holiday, manufacturers expect milk and cream to be redistributed differently as some processing plants as well as schools will be closed. This week, topsoil and subsoil moistures are one hundred percent adequate. Sixty percent of alfalfa hay is rated good to excellent and about three quarters of alfalfa acreage is being harvested across the state. In **New Mexico**, milk production is steady to slightly lower this week. Class I demand from educational institutions is up as they fill their pipelines for the new school year. Bottled milk requests from retailers and food service are even. Demand from ice cream manufacturers is trending slightly down. Class III intakes increased although some plants were down for repair/maintenance works. Industry contacts report that some processing plants in New Mexico might have to take extra loads of milk to help the plants affected by Hurricane Harvey in Texas. Milk is flowing in the **Pacific Northwest** as planned. Industry contacts say milk intakes are in balance with processing needs. Bottling demand is picking up as remaining schools begin fall terms. Hot weather is building into the region for the holiday weekend, but cooler nights should allow the cows to recharge. Milk production in the mountain states of **Idaho**, **Utah** and **Colorado** is steady. Heavy volumes of milk in Idaho are still searching out homes within the region and there are discounted loads of milk available. The holiday weekend may complicate things a little for milk handlers as some processors would prefer to slow their

-CONTINUED ON PAGE 4A-

FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

intakes, even in the face of strong supplies. Contacts report that sales of **condensed skim** into Class III production is strong. Ice cream manufacturers continue a steady intake of condensed skim. **Cream** sales for Class II and IV processing are active in the West. Some processors said that they might be moving additional cream loads into Texas next week as in some parts of Texas, they are running a bit short of cream due to the Hurricane Harvey. Although cream is slightly firming, it is still easy to find in most regions. **Cream multiples** for all usages are **1.06-1.26**. According to the DMN *National Retail Report-Dairy* for the week of August 25-31, the national weighted average advertised price for one gallon of milk is \$2.36, up \$0.12 from last week, but \$0.01 lower from a year ago. The weighted average regional price in the Southwest is \$2.56, with a price range of \$2.39-\$2.69. The weighted average regional price in the Northwest is \$1.69, with no price range reported. According to California Department of Food and Agriculture, July 2017 pool receipts of milk in the state total 3.19 billion pounds. This is 1.3 percent lower compared to the same month a year ago. From January through July 2017, receipts are 2.8 percent lower from the comparable period in 2016. The Value at Test price is \$16.36, \$0.11 lower than the previous month, but \$1.54 above a year ago. The percentage of receipts used in Class 1 products is 12.29 percent. The July quota price is \$17.12 and the over quota price is \$15.42. These prices are \$0.04 above last month, and \$1.46 higher from a year ago.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Low/medium heat nonfat dry milk (NDM) prices in the Central region decreased on the top of the range and slipped on the top of the mostly price series. Spot trading activity was quiet, as producers report that buyers are exercising patience during the recent dip in prices. Low/medium heat NDM inventories are available. Low/medium heat NDM production reports vary by plant, but milk supplies have not declined enough to noticeably diminish fairly sufficient dryer time. The low/medium heat NDM market undertone is mixed, but some contacts suggest that relative steadiness throughout recent bearish news is a good sign for the near term. High heat NDM prices remained steady. Spot sale activity of high heat NDM echoed that of low/medium heat NDM and was fairly quiet. Inventories and production of high heat NDM are primarily based on contractual needs.

EAST: In the East region, low/medium heat NDM prices slid down on the tops of both the range and mostly price series this week. Manufacturers are actively offering spot loads in the market. Spot sale pricing has been dipping recently as traders and brokers are bidding on loads at lower prices. Production is steady to decreased, as many manufacturing plants are taking in less milk volumes. Inventories are available and the demand is steady to sluggish. A number of market participants are purchasing spot loads regularly. However, many dairy individuals are not buying routinely and want to wait and see what happens to the price. The market tone is generally bearish as supplies overpower current demand. High heat NDM prices held steady this week. Spot trading is minimal as offers are currently infrequent. With low/medium heat NDM taking the majority of drying time, high heat NDM production has been quiet, although a couple of balancing plants recently dried high heat for contractual needs. Inventories are short to slightly increasing. The undertone for high heat NDM is steady with signs of the market firming in the near future.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .8500 - 0.9200 MOSTLY: .8700 - .9150
 HIGH HEAT: .9800 - 1.0500

NONFAT DRY MILK - WEST

F.O.B prices for western low/medium heat nonfat dry milk (NDM) are mixed on the range and lower at the bottom of the mostly price series. Reports suggest that sellers are doing their best to hold prices up. They are also trying to determine the current direction of the market. On the other hand, buyers/end-users are waiting on the market. They are only buying NDM as needed. Domestic sales are less active. It was reported that most sales are made on contracts, and some people believe that NDM is over contracted. As the baking season approaches, demand is expected to improve soon. Requests from the Mexican market are strong. The competition between European skim milk powder merchants and domestic NDM sellers is intense. Production is active as more condensed skim goes to the dryers. NDM inventories are large, and some manufacturers are running out of storage spaces. High heat nonfat dry milk demand is strong while production is irregular. As the result, prices increased this week. Sales are mostly based on contractual obligations. Demand in the spot market is harder to fulfill.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .7950 - 0.9200 MOSTLY: .8600 - .9000
 HIGH HEAT: 1.0000 - 1.0700

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
August 25	\$.9338	4,420,942
August 18	\$.9145	4,723,943

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. Spot sale activity was moderate, as producers point out that interest in Q3 dry buttermilk is outpacing production capabilities. Dry buttermilk production is steady, but much of the production remains contractually based, leaving extra spot loads harder to obtain. The dry buttermilk market tone is firm.

EAST: Prices for dry buttermilk are steady in the East. Spot sales activity is steady to slim, as there have been limited offers from manufacturers in the market. Dry buttermilk drying time schedules are active in some plants and quiet in other plants. With mixed output, inventories are adequate for contract needs, but tight to limited for spot sales. The demand is steady from a number of traders who are willing to purchase loads at higher prices. On the other hand, the demand from many market participants is somewhat bearish as they do not need dry buttermilk currently and are waiting to see what happens to the price. The market undertone is moderate and the demand is stable to stagnant.

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

DRY BUTTERMILK - WEST

F.O.B prices for western dry buttermilk moved up at the bottom of the range and the top of the mostly price series. Contacts report a strong demand in a tight market. Sales outside of contracts are limited due to restricted supplies of dry buttermilk. Many buyers/end-users are looking to buy dry buttermilk, but can't seem to find available supplies in the spot market. Production is lower as higher cream demand for other dairy processing activities instead of butter churning is restraining the production of buttermilk powder. The market undertone is unsettled.

F.O.B. WEST: .8300 - .9600 MOSTLY: .9100 - .9400

DRY WHOLE MILK - NATIONAL

National dry whole milk prices are steady to lower this week. A few spot sales throughout different regions of the country pulled down the top of the range. Demands from the bakery and confectionary sectors are fair to good ahead of the upcoming baking and holiday seasons. Dry whole milk production is trending lower as less condensed milk volumes are available to dry. Overall, the market is mostly stable while inventories are in balance with spot and contract's needs.

F.O.B. PRODUCING PLANT: 1.4000 - 1.6500

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 remained steady on the range, while dipping slightly on the top of the mostly price series. Spot trading picked up a bit from previous weeks. Multiple large volume loads traded hands at or near the bottom of the mostly price series, while some index-based spot trades are maintaining the top of the range and mostly price series. Dry whey production is ongoing. Milk supplies into Class III facilities, in some areas within the region, have not noticeably declined. Feed whey spot market prices remained steady. Feed whey spot activity was less active this week, as throughout most of August feed whey spot exchanges were reportedly lively. Feed whey inventories are available.

F.O.B. CENTRAL: .3100 - .4500 MOSTLY: .3400 - .4300
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2600 - .4200

DRY WHEY - NORTHEAST

Northeast dry whey prices continue to decline with light to moderate market activity. Production has moved well below quantities realized before milk intakes into cheese manufacturing plants declined. Dry whey sources indicate that some processors' inventories have been considerably reduced and traders are working off dry whey stocks, with limited spot purchases. Brokers report fair export interest, with resistance from some global customers wanting lower pricing.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3375 - .4625

DRY WHEY - WEST

Western whey prices moved lower at the bottom of both the range and mostly price series. Whey is moving through current contracts and a few spot sales, but market activity is mainly slow. Demand is light outside of contracts, especially in international markets. Some manufacturers report shifting more liquid whey into sweet whey powder processing as a measure to control the production of lactose and higher whey protein concentrations. Industry contacts say whey inventories are backing up and expect stocks to rise unless demand improves.

NONHYGROSCOPIC: .3400 - .4525 MOSTLY: .3600 - .4200

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are mostly unchanged, edging slightly lower on the bottom of the range. WPC34% is moving steadily through contracts and the occasional spot sale. Production is steady and inventories vary from a little tight for preferred brands and WPC34% that meets infant formula requirements, to a little long for WPC34% that is interchangeable with other protein sources. Demand is also the tale of two markets, weak for those markets that can reformulate, but solid and strong for those markets that cannot.

F.O.B. EXTRA GRADE 34% PROTEIN: .7000 - 1.1000 MOSTLY: .7500 - .9200

LACTOSE - CENTRAL AND WEST

Lactose prices remain unchanged on the range, but moved lower at the bottom of the mostly prices series. Domestic demand is fairly solid, but some international buyers are holding out, waiting to see if prices move lower. Meanwhile, some manufacturers are selling large blocks of lactose in efforts to reduce inventories prior to year-end accounting and contracting for Q4 and 2018. Many contacts suggest inventories are heavier than preferred. Some processors are working on Q4 contracting. Production is generally steady, however a few manufacturers say they are reworking production schedules to try to reduce the amount of lactose produced.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2200 - .4700 MOSTLY: .2600 - .3800

CASEIN - NATIONAL

Casein prices are stable this week, a week of slow trading. Slowness in the EU relates to the gradual ending of the holiday period, when many participants were taking time off. Slowness in New Zealand relates to the early dairy production season when milk volumes are relatively low. Most observers expect activity to pick up as September arrives. CLAL reports that January-July casein exports from New Zealand, 36,000 MT, were 15.7 percent lower than the same period last year. Caseinate exports for the same period, 20,000 MT, were 5.6 percent lower than last year.

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
08/12/2017	57.3	1,826.0	53.3	1,807.3

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

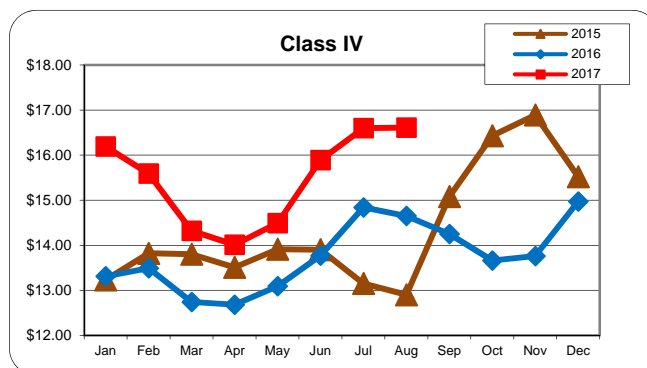
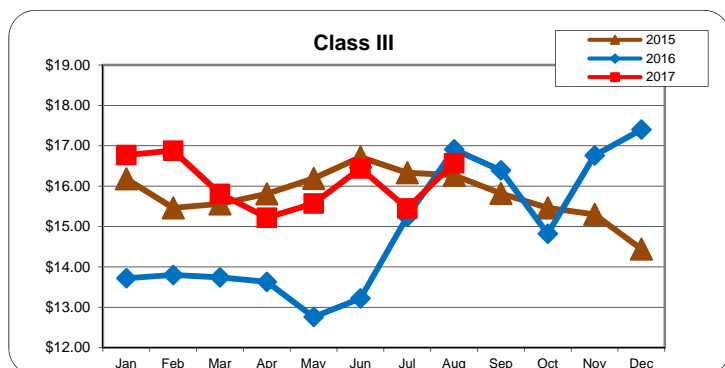
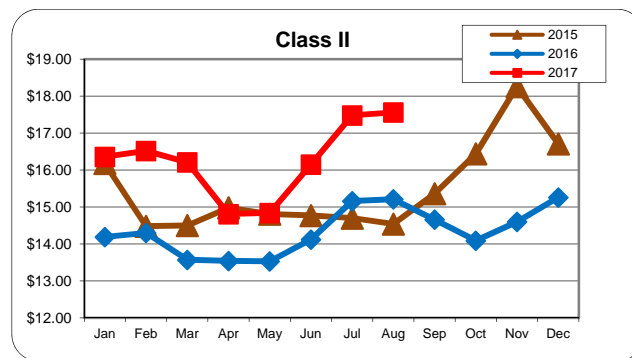
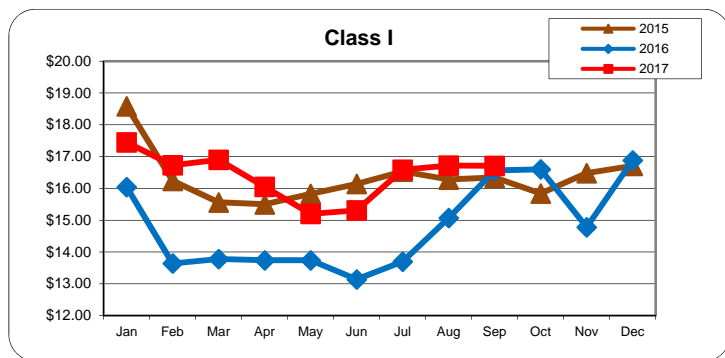
CLASS IV MILK PRICES (3.5% Butterfat)

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	17.56				
III	16.77	16.88	15.81	15.22	15.57	16.44	15.45	16.57				
IV	16.19	15.59	14.32	14.01	14.49	15.89	16.60	16.61				

1/ Specific order differentials to be added to this base price can be found by going to: www.ams.usda.gov/DairyMarketingStatistics; then select "Prices"; and then select "Principal Pricing Points."



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered August 21 - September 1, 2017

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

WESTERN OVERVIEW: EU milk production is still down by -0.5 percent for the year to June, compared with one year earlier. The large milk producing nations of Germany and France recorded June production compared with June last year, down -0.4 percent and -1.3 percent respectively. In contrast, June on June increases were recorded in Ireland (+6.1 percent), and Italy (+3.6 percent). The Netherlands posted a slight -0.4 percent decline. A number of observers believe that current high prices for butter and strength in cheese markets may lead to more milk production in coming months.

BUTTER/BUTTEROIL: Butter prices in Western Europe strengthened again. Among some larger butter producing nations, the highest prices registered in Germany and the lowest in Italy. France and Netherlands were in between.

Observers of retail markets in the EU believe that consumers are not showing discernable signs of being price adverse. Consumers generally seem to accept, or at least be resigned to current butter prices and they are not slowing purchases due to price. However, contracting with butter manufacturers is not as often finalized very far ahead, precisely due to price uncertainty.

January-June EU butter exports, 78,342 MT, declined 17.1 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -21.5 percent in February, to -10.5 percent in January. Export volumes and primary destinations are shown in the following table:

EU Butter Exports
Main Three Destinations
January-June 2017

Destination	Quantity(MT)	Percent of Total
U.S.A.	12,802	16.3
Iran	5,263	6.7
Saudi Arabia	5,074	6.5

As any person following EU butter markets would expect, EU butter imports increased this year. January-June, EU butter imports, 3,351 MT, increased 44.8 percent from the same period one year earlier, according to Eurolait. January-June, the range of monthly percentage changes year to date in cumulative import volumes is from +15.7 percent in May, to +44.8 percent in June.

Import volumes and primary origins are shown in the following table:

EU Butter Imports
Main Three Origins
January-June 2017

Origin	Quantity(MT)	Percent of Total
New Zealand	2,369	70.7
Ukraine	815	24.3
Iceland	75	2.2

The Dairy Market News international monthly average price in dollars/metric ton for European butter prices in August, 2017, \$7,800, compares with \$3,853 one year earlier. The Dairy Market news international monthly average price in dollars/metric ton for European

butteroil prices in August, 2017, \$7,883, compares with \$4,139 one year earlier.

82% BUTTERFAT:	7,850 - 8,350
99% BUTTERFAT:	7,050 - 9,350

SKIM MILK POWDER (SMP): Skim milk powder prices in Western Europe are steady to lower on thin trading. Market activity is quiet. The pattern in recent years of increased buying interest following the end of the holiday period has not yet materialized. SMP may be sold into intervention through September under the existing regulations.

January-June 2017 EU SMP exports, 419,906 MT, increased 35.2 percent from the same period one year earlier, according to Eurolait. January-June, the range of monthly percentage changes year to date in cumulative export volumes is from -5.5 percent in January, to +35.2 percent in June. Export volumes and primary destinations are shown in the following table:

EU SMP Exports
Main Three Destinations
January-June 2017

Destination	Quantity(MT)	Percent of Total
Algeria	67,966	16.2
China	43,928	10.5
Indonesia	34,464	8.2

The Dairy Market News international monthly average price in dollars/metric ton for European SMP prices in August, 2017, \$2,107, compares with \$2,062 one year earlier.

1.25% BUTTERFAT:	2,025 - 2,150
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SWEET WHEY POWDER: Sweet whey prices in Western Europe are very slightly lower at the bottom of the price range, but unchanged at the top. Markets were quiet this week. Most buyers are not in any haste to complete transactions. Competition from the U.S. is cited by some participants.

January-June 2017 EU whey powder exports, 293,489 MT, increased 4.6 percent from the same period one year earlier, according to Eurolait. January-June, the range of monthly percentage changes in export volumes varies from -1.6 percent in February, to +7.3 percent in May.

Export volumes and primary destinations are shown in the following table:

EU Whey Powder Exports
Main Three Destinations
January-June 2017

Destination	Quantity(MT)	Percent of Total
China	87,700	29.9
Indonesia	44,066	15.0
Malaysia	28,802	9.8

CONTINUED ON PAGE 8.1A

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered August 21 - September 1, 2017

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

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In contrast with the increase in 2017 exports, EU whey powder imports decreased this year. January-June, EU whey powder imports, 46,589 MT, decreased 2.8 percent from the same period one year earlier, according to Euclait. January-June, the range of monthly percentage changes year to date in cumulative export volumes varies from -2.8 percent in June, to -18.5 percent in January.

The Dairy Market News international monthly average price in dollars/metric ton for European whey prices in August, 2017, \$1,069, compares with \$817 one year earlier.

NONHYGROSCOPIC: 975 - 1,150

WHOLE MILK POWDER (WMP): Whole milk powder prices in Western Europe are steady to higher. Within the EU food industry there has been a need to cover quarter 4 needs, which has led to new contracts and the price strengthening. Most current production is driven by contracts.

This year January-June, EU WMP exports, 205,325 MT, increased 4.1 percent from the same period one year earlier, according to Euclait. January-June, the range of monthly percentage changes year to date in cumulative export volumes varies from +4.1 percent in June, to +19.9 percent in January. Export volumes and primary destinations are shown in the following table:

EU WMP Exports
Main Three Destinations
January-June 2017

Destination	Quantity(MT)	Percent of Total
Algeria	41,063	20.0
Oman	20,901	10.2
China	11,355	5.5

The Dairy Market News international monthly average price in dollars/metric ton for European WMP prices in August, 2017, \$3,808, compares with \$2,657 one year earlier.

26% BUTTERFAT: 3,700 - 4,000

EASTERN OVERVIEW: Poland milk production in July increased 6.6 percent from June, according to AMI. Euclait reports that Russian dairy imports through June are: butter, +21.3 percent, 51,866 MT; SMP, +5.6 percent, 64,017 MT; WMP, +10.4 percent, 22,455 MT; whey powder, -34.7 percent, 45,945 MT; and cheese, -3.2 percent, 105,751 MT.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered August 21– September 1, 2017

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

AUSTRALIA: Recently improved farm gate milk processing volumes in Australia are driving some projections of growth on milk production this season of between 2 and 3 percent. Additional factors which underlie the projection are reasonable dairy input prices and weather holding good. There is some confidence that these factors can override some potential mitigating factors, which include continuing low confidence by dairy producers after some rough periods which led to herd reductions. Also weighing on the potential for increased production is continuing debt obligations which make using new credit to expand operations or improve machinery more difficult. There has been some firming of grain prices, which is also a risk factor weighing on production if prices should increase further.

Ownership changes in some dairy processing facilities, previously reported here, continue following shifting by some dairy producers in what processor they contract with.

NEW ZEALAND: Milk production in New Zealand for the new season is improved over the last season, comparing this July with one year earlier. July 2017 New Zealand milk production was 0.248 million MT, up from 0.178 million MT in June, according to DCANZ. During July 2016, milk production was 0.231 million MT. July milk solids, 21.5 million kg, are up from 15.7 million kg in June. During July 2016, milk solids were 19.9 million kg.

Rains of recent weeks have ended, bringing mostly sunny weather during the last week. It is hoped that as pastures begin to dry somewhat, improved conditions will support continued increases in milk production.

Recent increases in imports by China of various New Zealand dairy products are welcome. China's typical position as the largest single customer for New Zealand dairy products makes recent increases in purchases even more significant vis-à-vis the dairy economy.

There are no GDT event results this week as this is one of the occasional periods with three weeks between events. The next event will be September 5.

BUTTER: Butter prices in Oceania are steady to slightly lower. Buyer resistance to higher prices stepped in to drop upper price range prices. While some smaller spot buyers continue to work to secure stocks, most larger volume buyers are not in urgent need to restock. That, coupled with the absence of any GDT activity this week to influence markets, shaved a bit off the top. Observers do not see this as a trend, only market fluctuation for this period.

New Zealand butter exports January-July, 269,000 MT, decreased 7.6 percent from the same period last year, according to CLAL.

China, historically a significant butter importer from Oceania (two of the top three origin countries), has increased butter imports this year. January-July China butter imports, 41,802 MT, increased 1.3 percent from the same period one year earlier, according to Euclait. January-July, the range of monthly percentage changes year to date in cumulative import volumes is from -29.9 percent in January, to +2.0 percent in June.

Import volumes and primary origins are shown in the following table:

China Butter Imports
Main Three Origins
January-July 2017

Origin	Quantity (MT)	Percent of Total
New Zealand	35,090	83.9
France	3,469	8.3
Australia	1,467	3.5

There are no GDT event results this week as this is one of the occasional periods with three weeks between events. The next event will be September 5.

The Dairy Market News international monthly average price in dollars/metric ton for Oceania butter prices in August, 2017, \$6,101, compares with \$3,183 one year earlier.

82% BUTTERFAT: 5,700 - 6,450

SKIM MILK POWDER (SMP): Oceania skim milk powder prices weakened slightly. Expectations of higher milk supplies in the new season have led to buyers thinking more about the potential downward pressure on prices that might occur. Of course, the uncertainty as to possible sale of heavy intervention stocks in also a factor. Nevertheless, the lower prices are slight changes, reflecting a prevailing impression that stocks and prices are well supported near present prices.

New Zealand SMP exports January-July, 232,000 MT, decreased 10.0 percent from the same period last year, according to CLAL.

China has noticeably increased SMP imports this year. January-July China SMP imports, 158,554 MT, increased 24.9 percent from the same period one year earlier, according to Euclait. January-July, the range of monthly percentage changes year to date in cumulative import volumes varies from -2.0 percent in January, to +24.9 percent in July. Import volumes and primary origins are shown in the following table:

China SMP Imports
Main Three Origins
January-July 2017

Origin	Quantity (MT)	Percent of Total
New Zealand	78,407	49.5
Australia	18,324	11.6
U.S.A.	16,369	10.3

There are no GDT event results this week as this is one of the occasional periods with three weeks between events. The next event will be September 5.

The Dairy Market News international monthly average price in dollars/metric ton for Oceania SMP prices in August, 2017, \$1,972, compares with \$2,018 one year earlier.

1.25% BUTTERFAT: 1,925 - 1,975

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INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered August 21– September 1, 2017

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

CHEDDAR CHEESE: Cheddar prices in Oceania are steady. Stronger pricing in Europe is leading to some consideration of whether that may nudge Oceania pricing higher. At this time, Oceania stocks, production and sales seem in general balance.

New Zealand cheese exports January-July, 214,000 MT, increased 1.7 percent from the same period last year, according to CLAL.

China has increased cheese imports from Oceania this year. January-July China cheese imports, 67,364 MT, increased 20.8 percent from the same period one year earlier, according to Eurolait. January-July, the range of monthly percentage changes year to date in cumulative export volumes varies from -1.2 percent in January, to +28.7 percent in June.

Import volumes and primary origins are shown in the following table:

China Cheese Imports
Main Three Origins
January-July 2017

Origin	Quantity (MT)	Percent of Total
New Zealand	36,022	53.5
Australia	13,246	19.7
U.S.A.	7,222	10.7

There are no GDT event results this week as this is one of the occasional periods with three weeks between events. The next event will be September 5.

The Dairy Market News international monthly average price in dollars/metric ton for Oceania cheddar prices in August, 2017, \$4,010, compares with \$3,239 one year earlier.

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

Import volumes and primary origins are shown in the following table:

China WMP Imports
Main Three Origins
January-July 2017

Origin	Quantity (MT)	Percent of Total
New Zealand	318,121	95.1
France	5,915	1.8
Australia	5,092	1.5

There are no GDT event results this week as this is one of the occasional periods with three weeks between events. The next event will be September 5.

The Dairy Market News international monthly average price in dollars/metric ton for Oceania WMP prices in August, 2017, \$3,170, compares with \$2,601 one year earlier.

26% BUTTERFAT: 3,050 - 3,175

Exchange rates for selected foreign currencies:
August 28, 2017

.0580 Argentina Peso	.0157 India Rupee
.7963 Australian Dollar	.0092 Japan yen
.3157 Brazil Real	.0560 Mexican Peso
.7995 Canadian Dollar	.7256 New Zealand Dollar
.0016 Chile Peso	.2820 Poland Zloty
1.1980 Euro	.0349 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0560) = 17.8571$ Mexican Pesos. Source: "Wall Street Journal"

WHOLE MILK POWDER (WMP): Whole milk powder prices in Oceania are down a bit. This is viewed as more of a trading fluctuation than a trend. In fact, with China being the major customer for New Zealand WMP and with China's imports up, many observers feel that China may continue to be a strong buyer during coming months, which would be expected to contribute to price strength looking ahead.

New Zealand WMP exports January-July, 790,000 MT, increased 2.7 percent from the same period last year, according to CLAL.

China, typically the largest WMP importer from Oceania (two of the top three origin countries), has increased the pace of WMP imports this year. January-July, China WMP imports, 334,633 MT, increased 5.8 percent from the same period one year earlier, according to Eurolait. January-July, the range of monthly percentage changes year to date in cumulative import volumes vary from -10.0 percent in January, to +5.8 percent in July.

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered August 21 - September 1, 2017

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

SOUTH AMERICA OVERVIEW: In Argentina and Uruguay, dairy herds continue producing enough milk with adequate protein/fat levels to satisfy most manufacturing needs. Many farm operations (tambos) have plenty of quality feed, which is expected to boost milk yields throughout the winter and spring seasons. Dry climate in both countries sustained the final stages of corn harvesting. Meanwhile, many educational institutions and retailers continue requesting large bottled milk quantities. Cream supplies are becoming more available and butter churning more active, especially in Uruguay.

According to the National Institute of Milk (INALE), July 2017, Uruguay farm milk volumes sent to processors were 160.6 million liters, 10 percent above the previous month, and 15.9 percent higher than a year ago. From January to July, milk shipments totaled 969.7 million liters, up 6.9 percent from the same period in 2016.

Farm milk outputs are improving across the main dairy states of Brazil. The large supply of low-priced corn is helping several milk producers to reduce feed costs, promoting higher milk yields. Consequently, milk/cream volumes are adequate to cover most manufacturing needs within the dairy processing industry. The bulk of milk volumes is clearing into bottled milk, including UHT. At this point, there is an oversupply of UHT in the Brazilian market, which is pushing some processors to sell at lower prices. Meanwhile, mozzarella cheese production is very active while supply is in balance with the current demands from several market channels. With lower requests for milk powders, production is declining.

SKIM MILK POWDER (SMP): Throughout the past two weeks, f.o.b. export prices for skim milk powder (SMP) moved down in the Southern Cone on light trading. Overall, demand for SMP inside and outside the Mercosur bloc is lower compared to one month ago. SMP production is trending as the bulk of condensed skim volumes have been clearing into cheese, yogurt and other dairy accounts. Although SMP production rates are down, SMP inventories are large and steadily building. This is putting some pressure on processors in order to sell at more competitive prices.

The August 2017 Dairy Market News monthly average price per metric ton for SMP in the southern Cone of South America is \$2,796.

1.25% BUTTERFAT: 2,550– 2,850

WHOLE MILK POWDER (WMP): In the Southern Cone region of South America, f.o.b. export prices for whole milk powder (WMP) are mixed on a narrower range. The market undertone is mixed as the WMP demand within the Mercosur bloc is weak, but fair/good outside the bloc. The bottom price of the range is reflecting steady export trades to Algeria and Russia while the top is mirroring light trading to Brazil. WMP production in the Southern Cone is irregular mostly driven by the demand for milkfat. WMP inventories are in balance in some plants, but are heavy in others.

The August 2017 Dairy Market News monthly average price per metric ton for WMP in the southern Cone of South America is \$3,300.

26% BUTTERFAT: 3,200 - 3,400

CME GROUP, INC FUTURES

Selected settling prices

Month	08/18	08/21	08/22	08/23	08/24	08/25	08/28	08/29	08/30	08/31
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
AUG 17	16.51	16.53	16.52	16.53	16.51	16.50	16.51	16.53	16.57	
SEP 17	17.19	17.13	16.92	16.72	16.67	16.64	16.46	16.34	16.27	16.20
OCT 17	17.11	17.00	16.79	16.63	16.53	16.54	16.37	16.45	16.55	16.43
NOV 17	16.98	16.90	16.68	16.59	16.48	16.49	16.29	16.35	16.40	16.23
DEC 17	16.80	16.73	16.60	16.54	16.37	16.39	16.23	16.22	16.26	16.07
JAN 18	16.61	16.52	16.45	16.37	16.28	16.26	16.18	16.15	16.17	16.03
FEB 18	16.62	16.55	16.48	16.46	16.36	16.35	16.27	16.20	16.20	16.11
MAR 18	16.60	16.60	16.52	16.47	16.41	16.40	16.32	16.27	16.25	16.16
APR 18	16.55	16.55	16.50	16.49	16.44	16.44	16.39	16.27	16.27	16.20
MAY 18	16.61	16.61	16.58	16.56	16.52	16.52	16.50	16.39	16.38	16.25
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
AUG 17	16.60	16.60	16.58	16.58	16.58	16.58	16.58	16.63	16.61	
SEP 17	16.65	16.52	16.20	16.40	16.42	16.45	16.24	16.10	16.25	16.25
OCT 17	16.63	16.51	16.33	16.54	16.54	16.54	16.36	16.24	16.30	16.30
NOV 17	16.65	16.50	16.41	16.56	16.56	16.56	16.38	16.26	16.34	16.34
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
AUG 17	265.28	264.80	264.45	265.00	265.53	265.53	265.53	266.25	265.78	
SEP 17	265.65	262.53	257.55	262.35	263.00	263.45	258.48	255.03	259.00	258.83
OCT 17	266.00	263.85	258.90	263.45	263.00	263.00	258.00	255.00	258.00	256.50
NOV 17	266.03	263.75	259.48	264.45	264.75	263.75	258.75	255.25	257.88	255.38
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
AUG 17	87.20	87.20	87.20	87.50	87.10	87.13	87.13	87.20	87.33	
SEP 17	86.93	86.95	86.75	87.53	86.10	86.68	86.23	86.90	87.48	87.48
OCT 17	87.00	86.68	87.43	88.38	87.00	87.38	86.35	87.33	87.63	87.80
NOV 17	87.00	86.70	87.90	88.50	87.78	88.03	87.00	88.20	88.48	88.48
WHEY (Electronic-Traded) (¢/lb)										
AUG 17	43.10	43.10	43.10	42.90	43.13	43.13	43.13	43.00	43.45	
SEP 17	41.55	41.45	41.75	41.75	41.33	41.00	41.40	41.25	41.25	42.00
OCT 17	39.88	39.45	39.73	39.53	39.78	39.50	39.80	39.75	39.75	40.40
NOV 17	38.75	38.50	38.75	38.40	38.40	38.40	38.60	38.60	38.60	38.53
CHEESE CSC (Electronic-Traded) (\$/lb)										
AUG 17	1.66	1.66	1.66	1.67	1.66	1.66	1.66	1.67	1.67	
SEP 17	1.75	1.74	1.72	1.70	1.69	1.69	1.67	1.66	1.65	1.64
OCT 17	1.75	1.74	1.72	1.70	1.69	1.69	1.67	1.68	1.69	1.67
NOV 17	1.74	1.73	1.71	1.70	1.69	1.69	1.67	1.67	1.68	1.66
DEC 17	1.73	1.72	1.71	1.69	1.69	1.69	1.67	1.67	1.67	1.66

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

DAIRY MARKET NEWS DOMESTIC MONTHLY SUMMARY AND AVERAGES FOR AUGUST 2017¹ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 31 ::	REPORT NUMBER 32 ::	REPORT NUMBER 33 ::	REPORT NUMBER 34 ::	REPORT NUMBER 35 ::	2017	2016
	::-----::	-----::	-----::	-----::	-----::	Monthly	Monthly
	:: AUG 1 - 4 ::	AUG 7 - 11 ::	AUG 14 - 18 ::	AUG 21 - 25 ::	AUG 28 - 31 ::	Average	Average
CHEESE							
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	:: 1.5625 - 1.9225 ::	1.6675 - 2.0275 ::	1.6500 - 2.0100 ::	1.7750 - 2.1350 ::	1.7575 - 2.1175 ::	1.8645	: 2.1013
-- Brick And/Or Muenster 5#	:: 2.0825 - 2.5075 ::	2.1050 - 2.5300 ::	2.0575 - 2.4825 ::	2.1050 - 2.5300 ::	2.0650 - 2.4900 ::	2.2963	: 2.3620
-- Cheddar 40# Block	:: 1.8100 - 2.2050 ::	1.8325 - 2.2275 ::	1.7850 - 2.1800 ::	1.8325 - 2.2275 ::	1.7925 - 2.1875 ::	2.0088	: 2.0745
-- Monterey Jack 10#	:: 2.0575 - 2.2625 ::	2.0800 - 2.2850 ::	2.0325 - 2.2375 ::	2.0800 - 2.2850 ::	2.0400 - 2.2450 ::	2.1613	: 2.2270
-- Blue 5#	:: 2.3500 - 3.3375 ::	2.3725 - 3.3600 ::	2.3250 - 3.3125 ::	2.3725 - 3.3600 ::	2.3325 - 3.3200 ::	2.8451	: 2.9107
-- Mozzarella 5 - 6#	:: 1.8825 - 2.8225 ::	1.9050 - 2.8450 ::	1.8575 - 2.7975 ::	1.9050 - 2.8450 ::	1.8650 - 2.8050 ::	2.3538	: 2.4195
-- Grade A Swiss Cuts 6 - 9#	:: 2.6500 - 2.7675 ::	2.6900 - 2.8075 ::	2.6900 - 2.8075 ::	2.6900 - 2.8075 ::	2.6900 - 2.8075 ::	2.7418	: 2.4630
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 40# Block	:: 2.1575 - 2.4425 ::	2.1800 - 2.4650 ::	2.1325 - 2.4175 ::	2.1800 - 2.4650 ::	2.1400 - 2.4250 ::	2.3013	: 2.3220
-- Process 5# Sliced	:: 1.6250 - 2.1050 ::	1.7300 - 2.2100 ::	1.7125 - 2.1925 ::	1.8375 - 2.3175 ::	1.8200 - 2.3000 ::	1.9870	: 2.2688
-- Muenster	:: 2.1425 - 2.4925 ::	2.1650 - 2.5150 ::	2.1175 - 2.4675 ::	2.1650 - 2.5150 ::	2.1250 - 2.4750 ::	2.3188	: 2.3634
-- Grade A Swiss Cuts 10 - 14#	:: 3.1325 - 3.4550 ::	3.1725 - 3.4950 ::	3.1725 - 3.4950 ::	3.1725 - 3.4950 ::	3.1725 - 3.4950 ::	3.3268	: 3.0480
WEST COAST (WSP, Delivered, LTL)							
-- Process 5# Loaf	:: 1.5500 - 1.8075 ::	1.6550 - 1.9125 ::	1.6375 - 1.8950 ::	1.7625 - 2.0200 ::	1.7450 - 2.0025 ::	1.8007	: 2.0651
-- Cheddar 40# Block	:: 1.8425 - 2.2875 ::	1.8650 - 2.3100 ::	1.8175 - 2.2625 ::	1.8650 - 2.3100 ::	1.8250 - 2.2700 ::	2.0663	: 2.1045
-- Cheddar 10# Cuts	:: 2.0225 - 2.2425 ::	2.0450 - 2.2650 ::	1.9975 - 2.2175 ::	2.0450 - 2.2650 ::	2.0050 - 2.2250 ::	2.1338	: 2.1720
-- Monterey Jack 10#	:: 2.0325 - 2.1925 ::	2.0550 - 2.2150 ::	2.0075 - 2.1675 ::	2.0550 - 2.2150 ::	2.0150 - 2.1750 ::	2.1138	: 2.1520
-- Grade A Swiss Cuts 6 - 9#	:: 2.7100 - 3.1400 ::	2.7500 - 3.1800 ::	2.7500 - 3.1800 ::	2.7500 - 3.1800 ::	2.7500 - 3.1800 ::	2.9580	: 2.6792
FLUID PRODUCTS							
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)							
-- Northeast - f.o.b	:: 3.4249 - 3.6093 ::	3.3875 - 3.7127 ::	3.3350 - 3.6555 ::	3.4587 - 3.6981 ::	3.3963 - 3.6053 ::	3.5300	: 2.9757
-- Upper Midwest - f.o.b	:: 3.2141 - 3.4775 ::	3.3875 - 3.6314 ::	3.3350 - 3.5751 ::	3.2990 - 3.5651 ::	3.1350 - 3.3440 ::	3.4054	: 2.8005
PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.							
-- Class II	:: 0.30 - 0.80 ::	0.40 - 0.81 ::	0.30 - 0.80 ::	0.60 - 0.80 ::	0.60 - 0.81 ::	0.6215	: 0.7683
-- Class III	:: 0.30 - 0.75 ::	0.40 - 0.74 ::	0.30 - 0.70 ::	0.59 - 0.74 ::	0.59 - 0.74 ::	0.5841	: 0.6696

DAIRY MARKET NEWS DOMESTIC MONTHLY SUMMARY AND AVERAGES FOR AUGUST 2017¹ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 31	::REPORT NUMBER 32	::REPORT NUMBER 33	::REPORT NUMBER 34	::REPORT NUMBER 35	:: 2017	: 2016
	::-----	::-----	::-----	::-----	::-----	:: Monthly	: Monthly
	:: AUG 1 - 4	:: AUG 7 - 11	:: AUG 14 - 18	:: AUG 21 - 25	:: AUG 28 - 31	:: Average	: Average
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	:: 0.8500 - 0.9500	:: 0.8500 - 0.9500	:: 0.8500 - 0.9400	:: 0.8500 - 0.9400	:: 0.8500 - 0.9200	:: 0.8952	: 0.8732
-- Mostly	:: 0.8800 - 0.9200	:: 0.8700 - 0.9200	:: 0.8700 - 0.9200	:: 0.8700 - 0.9200	:: 0.8700 - 0.9150	:: 0.8954	: 0.8801
-- High Heat	:: 1.0000 - 1.0900	:: 1.0000 - 1.0900	:: 0.9950 - 1.0500	:: 0.9800 - 1.0500	:: 0.9800 - 1.0500	:: 1.0284	: 0.9704
-- West (f.o.b.)							
-- Low/Medium Heat	:: 0.8150 - 0.9600	:: 0.7950 - 0.9300	:: 0.7925 - 0.9300	:: 0.7725 - 0.9300	:: 0.7950 - 0.9200	:: 0.8633	: 0.8609
-- Mostly	:: 0.8700 - 0.9200	:: 0.8800 - 0.9100	:: 0.8800 - 0.9100	:: 0.8800 - 0.9000	:: 0.8600 - 0.9000	:: 0.8913	: 0.8875
-- High Heat	:: 0.9800 - 1.0650	:: 0.9800 - 1.0650	:: 0.9800 - 1.0650	:: 0.9800 - 1.0600	:: 1.0000 - 1.0700	:: 1.0241	: 0.9825
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	:: 0.3200 - 0.5100	:: 0.3200 - 0.4900	:: 0.3200 - 0.4900	:: 0.3100 - 0.4500	:: 0.3100 - 0.4500	:: 0.3970	: 0.3046
-- Mostly	:: 0.3600 - 0.4600	:: 0.3600 - 0.4500	:: 0.3400 - 0.4500	:: 0.3400 - 0.4350	:: 0.3400 - 0.4300	:: 0.3964	: 0.2798
-- West (f.o.b.)	:: 0.3600 - 0.4625	:: 0.3500 - 0.4625	:: 0.3500 - 0.4600	:: 0.3500 - 0.4525	:: 0.3400 - 0.4525	:: 0.4040	: 0.3110
-- Mostly	:: 0.3950 - 0.4450	:: 0.3800 - 0.4400	:: 0.3800 - 0.4400	:: 0.3700 - 0.4200	:: 0.3600 - 0.4200	:: 0.4050	: 0.3020
-- Northeast (f.o.b.)	:: 0.3600 - 0.4700	:: 0.3500 - 0.4700	:: 0.3500 - 0.4675	:: 0.3450 - 0.4625	:: 0.3375 - 0.4625	:: 0.4075	: 0.2921
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 0.7100 - 1.1850	:: 0.7100 - 1.1000	:: 0.7100 - 1.1000	:: 0.7050 - 1.1000	:: 0.7000 - 1.1000	:: 0.9110	: 0.7137
-- Mostly	:: 0.8000 - 0.9425	:: 0.7700 - 0.9425	:: 0.7525 - 0.9425	:: 0.7500 - 0.9200	:: 0.7500 - 0.9200	:: 0.8486	: 0.7151
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.2800 - 0.4550	:: 0.2800 - 0.4100	:: 0.2600 - 0.4100	:: 0.2600 - 0.4200	:: 0.2600 - 0.4200	:: 0.3448	: 0.2123
BUTTERMILK (Min. 30% protein)							
-- Central And East (f.o.b.)	:: 0.8450 - 0.9225	:: 0.8450 - 0.9225	:: 0.8600 - 0.9500	:: 0.8600 - 0.9500	:: 0.8600 - 0.9500	:: 0.8967	: 0.8176
-- West (f.o.b.)	:: 0.8200 - 0.9600	:: 0.8200 - 0.9600	:: 0.8200 - 0.9600	:: 0.8200 - 0.9600	:: 0.8300 - 0.9600	:: 0.8909	: 0.8376
-- Mostly	:: 0.9100 - 0.9200	:: 0.9100 - 0.9200	:: 0.9100 - 0.9200	:: 0.9100 - 0.9200	:: 0.9100 - 0.9400	:: 0.9167	: 0.8404
DRY WHOLE MILK							
-- National (f.o.b.)	:: 1.3000 - 1.7000	:: 1.4000 - 1.7000	:: 1.4000 - 1.7500	:: 1.4000 - 1.7500	:: 1.4000 - 1.6500	:: 1.5478	: 1.3330
LACTOSE							
-- Central And West (f.o.b.)	:: 0.2500 - 0.4900	:: 0.2400 - 0.4700	:: 0.2200 - 0.4700	:: 0.2200 - 0.4700	:: 0.2200 - 0.4700	:: 0.3515	: 0.3045
-- Mostly	:: 0.3100 - 0.4000	:: 0.3100 - 0.4000	:: 0.3100 - 0.4000	:: 0.2800 - 0.3800	:: 0.2600 - 0.3800	:: 0.3435	: 0.2948
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 2.7000 - 2.8000	:: 2.7000 - 2.8000	:: 2.7000 - 2.8500	:: 2.7000 - 2.8500	:: 2.7000 - 2.8500	:: 2.7652	: 2.8583
-- Nonrestricted - Acid	:: 3.4000 - 3.6000	:: 3.4000 - 3.6000	:: 3.4000 - 3.6000	:: 3.4000 - 3.6000	:: 3.4000 - 3.6000	:: 3.5000	: 2.9160

¹ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

DAIRY MARKET NEWS INTERNATIONAL MONTHLY SUMMARY AND AVERAGES FOR AUGUST 2017¹

(UNLESS OTHERWISE NOTED, PRICES ARE U.S.DOLLARS/METRIC TON, F.O.B. PORT)

COMMODITY	::REPORT NUMBER 31 :: AUG 01 - 04	::REPORT NUMBER 33 :: AUG 07 - 18	::REPORT NUMBER 35 :: AUG 21 - 31	:: 2017 * :: Monthly Average	: 2016 * : Monthly Average

BUTTER (82% BUTTERFAT)					
-- OCEANIA	:: 5750 - 6200	:: 5700 - 6650	:: 5700 - 6450	:: 6101	: 3183
-- WESTERN EUROPE	:: 7200 - 7675	:: 7400 - 7950	:: 7850 - 8350	:: 7800	: 3853
BUTTEROIL (99% BUTTERFAT)					
-- WESTERN EUROPE	:: 6400 - 8350	:: 6800 - 8800	:: 7050 - 9350	:: 7883	: 4139
CHEDDAR CHEESE (39% MAXIMUM MOISTURE)					
-- OCEANIA	:: 3975 - 4025	:: 4000 - 4025	:: 4000 - 4025	:: 4010	: 3239
SKIM MILK POWDER (1.25% BUTTERFAT)					
-- OCEANIA	:: 2000 - 2025	:: 1950 - 2000	:: 1925 - 1975	:: 1972	: 2018
-- SOUTH AMERICA	:: 2850 - 3150	:: 2650 - 2950	:: 2550 - 2850	:: 2796	: 2062
-- WESTERN EUROPE	:: 2050 - 2225	:: 2025 - 2200	:: 2025 - 2150	:: 2107	: 2062
WHEY POWDER (NONHYGROSCOPIC)					
-- WESTERN EUROPE	:: 0975 - 1100	:: 1025 - 1150	:: 0975 - 1150	:: 1069	: 817
WHOLE MILK POWDER (26% BUTTERFAT)					
-- OCEANIA	:: 3175 - 3275	:: 3150 - 3250	:: 3050 - 3175	:: 3170	: 2601
-- SOUTH AMERICA	:: 3100 - 3500	:: 3150 - 3450	:: 3200 - 3400	:: 3300	: 2657
-- WESTERN EUROPE	:: 3600 - 3800	:: 3700 - 3925	:: 3700 - 4000	:: 3808	: 2657

1 Prices for all products are issued biweekly and represent a value for the entire biweekly period. Monthly averages are based on biweekly prices and are time-weighted according to the number of workdays in the month—Saturdays and Sundays excluded. No monthly average is computed if one or more biweekly prices are missing.

CME GROUP AVERAGES FOR AUGUST 2017

COMMODITY	::REPORT NUMBER 31::	REPORT NUMBER 32::	REPORT NUMBER 33::	REPORT NUMBER 34::	REPORT NUMBER 35::	2017 *	2016 *
	::-----::	-----::	-----::	-----::	-----::	Monthly	Monthly
	:: AUG 1 - 4 ::	AUG 7 - 11 ::	AUG 14 - 18 ::	AUG 21 - 25 ::	AUG 28 - 31 ::	Average	Average

BUTTER*							
-- GRADE AA							
--Monday	::	:: 2.6975	:: 2.6700	:: 2.6275	:: 2.5925	::	:
--Tuesday	:: 2.6825	:: 2.6600	:: 2.6700	:: 2.5700	:: 2.5550	::	:
--Wednesday	:: 2.7100	:: 2.6500	:: 2.6625	:: 2.6100	:: 2.5950	::	:
--Thursday	:: 2.7375	:: 2.6500	:: 2.6550	:: 2.6275	:: 2.5800	::	:
--Friday	:: 2.7300	:: 2.6825	:: 2.6450	:: 2.6275	::	:: 2.6473	: 2.1776
--Weekly Average**	:: 2.7100	:: 2.6680	:: 2.6605	:: 2.6125	::	::	:
CHEESE*							
-- BARRELS							
--Monday	::	:: 1.5300	:: 1.6575	:: 1.7600	:: 1.4875	::	:
--Tuesday	:: 1.6600	:: 1.5100	:: 1.6400	:: 1.7200	:: 1.5000	::	:
--Wednesday	:: 1.5900	:: 1.5925	:: 1.6700	:: 1.6550	:: 1.5000	::	:
--Thursday	:: 1.5400	:: 1.5550	:: 1.6850	:: 1.6175	:: 1.4900	::	:
--Friday	:: 1.5300	:: 1.5875	:: 1.7500	:: 1.5575	::	:: 1.5993	: 1.8110
--Weekly Average**	:: 1.5730	:: 1.5550	:: 1.6805	:: 1.6620	::	::	:
-- 40# BLOCKS							
--Monday	::	:: 1.6800	:: 1.7550	:: 1.7425	:: 1.5650	::	:
--Tuesday	:: 1.7875	:: 1.6600	:: 1.7250	:: 1.7200	:: 1.5275	::	:
--Wednesday	:: 1.7400	:: 1.6800	:: 1.7350	:: 1.7000	:: 1.5200	::	:
--Thursday	:: 1.7300	:: 1.7050	:: 1.7350	:: 1.6975	:: 1.5100	::	:
--Friday	:: 1.6975	:: 1.7425	:: 1.7550	:: 1.6500	::	:: 1.6852	: 1.7826
--Weekly Average**	:: 1.7420	:: 1.6935	:: 1.7410	:: 1.7020	::	::	:
NONFAT DRY MILK*							
-- GRADE A							
--Monday	::	:: 0.8500	:: 0.8500	:: 0.8325	:: 0.8450	::	:
--Tuesday	:: 0.8675	:: 0.8500	:: 0.8475	:: 0.8275	:: 0.8450	::	:
--Wednesday	:: 0.8650	:: 0.8500	:: 0.8475	:: 0.8450	:: 0.8600	::	:
--Thursday	:: 0.8625	:: 0.8500	:: 0.8375	:: 0.8450	:: 0.8625	::	:
--Friday	:: 0.8625	:: 0.8500	:: 0.8325	:: 0.8450	::	:: 0.8491	: 0.8454
--Weekly Average**	:: 0.8640	:: 0.8500	:: 0.8430	:: 0.8390	::	::	:

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

July Agricultural Prices Highlights

The All Milk price received by farmers was \$17.30 in July, up \$1.20 from July 2016. Milk Cows price was \$1,620 in July, down \$110 from July 2016. Alfalfa hay price was \$152.00 in July, up \$14.00 from July 2016. Corn price was \$3.49 in July, down \$.11 from July 2016. Soybean price was \$9.42 in July, down \$.78 from July 2016. The milk-feed price ratio was 2.29 in July, up 0.13 from July 2016.

The index of prices received by farmers for dairy products during the month of July 2017 was unchanged at 86.1. Compared to July 2016, the index was up 6 points (+7.5 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in July 2017 was unchanged at 107. Compared with July 2016, the index was up 1.5 points (+1.4 percent).

Selected Milk Prices, Milk Cows, and Feed Prices, Selected States and U.S., July 2017 with Comparisons

State	All-Milk price ^{1,2}		Milk cows ³		Alfalfa hay, baled		Corn for Grain		Soybeans	
	July		July		July		July		July	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
	<i>(dollars per cwt)</i>		<i>(dollars per head)</i>		<i>(dollars per ton)</i>		<i>(dollars per bushel)</i>		<i>(dollars per bushel)</i>	
AZ	15.30	17.20	1,850	1,700	140.00	170.00	---	---	---	---
CA	14.94	16.65	1,700	1,600	145.00	165.00	---	---	---	---
CO	16.20	17.70	1,900	1,850	150.00	170.00	3.64	3.72	---	---
ID	16.20	16.50	1,800	1,700	140.00	140.00	---	---	---	---
IN	15.90	17.30	1,650	1,550	---	---	3.89	3.86	10.70	9.77
IA	16.50	17.20	1,740	1,540	96.00	110.00	3.55	3.40	10.10	9.32
MI	14.80	16.00	1,750	1,600	140.00	140.00	3.77	3.62	10.30	9.61
MN	16.80	16.80	1,650	1,520	73.00	86.00	3.47	3.30	10.00	9.29
NM	15.20	16.20	1,800	1,700	165.00	180.00	---	---	---	---
NY	16.80	18.00	1,590	1,530	195.00	206.00	---	---	---	---
OH	16.50	18.00	1,550	1,550	200.00	160.00	3.81	3.83	10.60	9.62
PA	16.90	18.60	1,550	1,510	163.00	190.00	4.21	4.48	---	---
TX	16.70	18.20	1,850	1,650	176.00	194.00	3.84	3.91	---	---
WA	16.80	18.30	1,800	1,750	140.00	160.00	---	---	---	---
WI	16.70	17.10	1,820	1,650	80.00	103.00	3.52	3.45	10.30	9.41
U.S.	16.10	17.30	1,730	1,620	138.00	152.00	3.60	3.49	10.20	9.42

¹ Prices are shown at reported butterfat test. ² Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies.

³ Animals sold for dairy herd replacement only. Quarterly United States milk cow prices are based on revised milk cow inventory.

Milk-Feed Price Ratio, Selected States and U.S., July 2017 with Comparisons

Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ¹

State ²	July 2016	June 2016	July 2017
IA	2.52	2.82	2.61
MI	1.93	2.05	2.15
MN	2.80	2.88	2.80
OH	2.05	2.34	2.25
WI	2.69	2.69	2.63
U.S.	2.16	2.31	2.29

¹ The price of commercial prepared dairy feed is based on current United States prices received for corn, soybeans, and alfalfa. The modeled feed uses 51 percent corn, 8 percent soybeans, and 41 percent alfalfa hay. ² Available states that provided all necessary data to compute milk feed price ratios.

General Price Measures, U.S., July 2017 with Comparisons

Item	July 2016	June 2017	July 2017
Index Numbers (1990-92=100):			
Prices received by farmers for dairy production	80.1	86.1	86.1
Prices paid by farmers for commodities and services, interest taxes, and wage rates	105.5	107.0	107.0

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Agricultural Prices, August 2017*.

Federal Milk Order Final Class and Component Prices, August 2017

Class Prices: The following are the August 2017 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$17.56 (+\$0.08), Class III: \$16.57 (+\$1.12), and Class IV: \$16.61 (+\$0.01).

Component Price Information: Under the Federal milk order pricing system, the butterfat price for August 2017 is \$3.0109 per pound. Thus, the Class II butterfat price is \$3.0179 per pound. The protein and other solids prices for August 2017 are \$1.5536 and \$0.2425 per pound, respectively. These component prices set the Class III skim milk price at \$6.25 per cwt. The August 2017 Class IV skim milk price is \$6.29, which is derived from the nonfat solids price of \$0.6984 per pound.

Product Price Averages: The product price averages for August 2017 are: butter: \$2.6578, nonfat dry milk: \$0.8733, cheese: \$1.6664, and dry whey: \$0.4345.

Federal Milk Order Minimum Class Prices for Milk of 3.5 Percent Butterfat ^{1,2}						
Federal Milk Order Marketing Areas ³	Order Number	August 2017				September 2017
		Class I	Class II	Class III	Class IV	Class I
		<i>(dollars per 100 pounds)</i>				
Northeast (Boston) ⁴	001	19.97	17.56	16.57	16.61	19.96
Appalachian (Charlotte) ⁵	005	20.12	17.56	16.57	16.61	20.11
Florida (Tampa) ⁶	006	22.12	17.56	16.57	16.61	22.11
Southeast (Atlanta) ⁷	007	20.52	17.56	16.57	16.61	20.51
Upper Midwest (Chicago) ⁸	030	18.52	17.56	16.57	16.61	18.51
Central (Kansas City) ⁹	032	18.72	17.56	16.57	16.61	18.71
Mideast (Cleveland) ¹⁰	033	18.72	17.56	16.57	16.61	18.71
Pacific Northwest (Seattle) ¹¹	124	18.62	17.56	16.57	16.61	18.61
Southwest (Dallas) ¹²	126	19.72	17.56	16.57	16.61	19.71
Arizona (Phoenix)	131	19.07	17.56	16.57	16.61	19.06
All-Market Average	---	19.61	17.56	16.57	16.61	19.60

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 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.

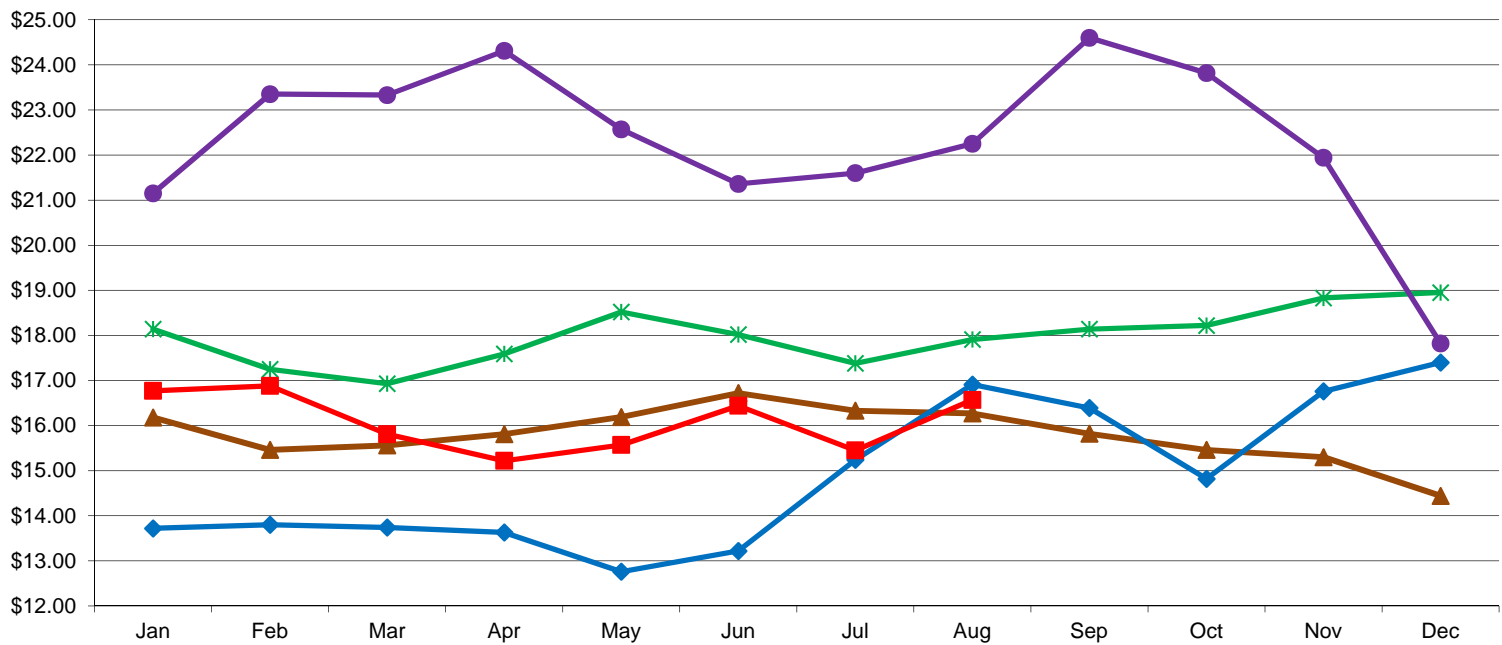
¹⁰ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

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

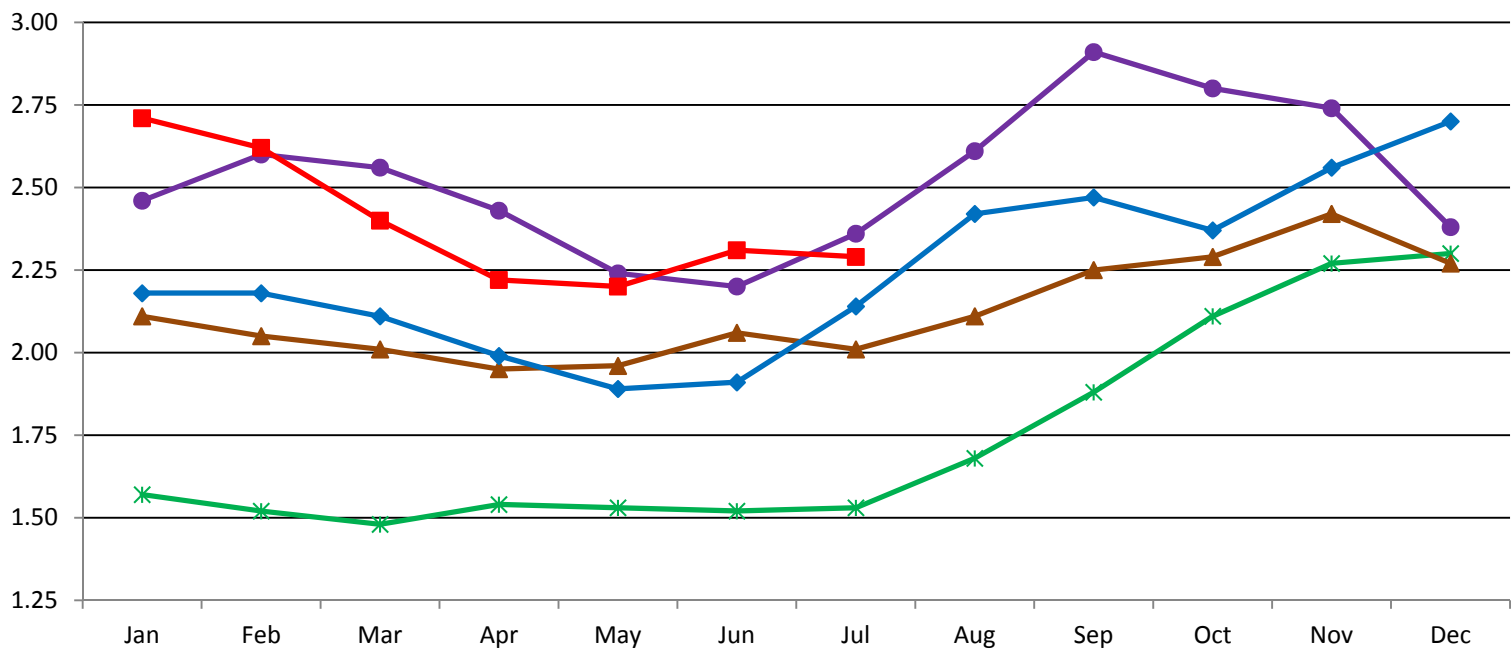
¹² Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

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

PER CWT

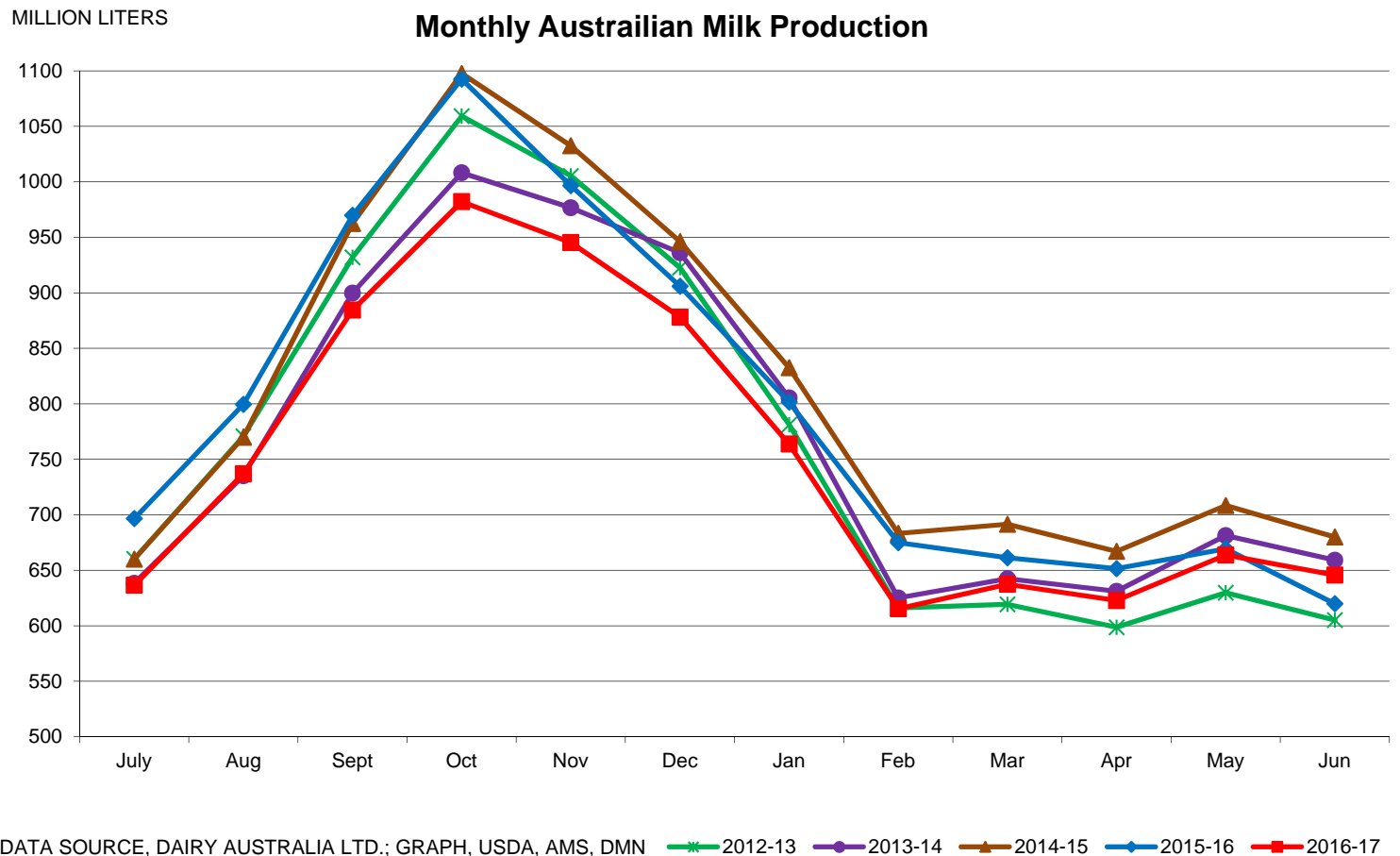
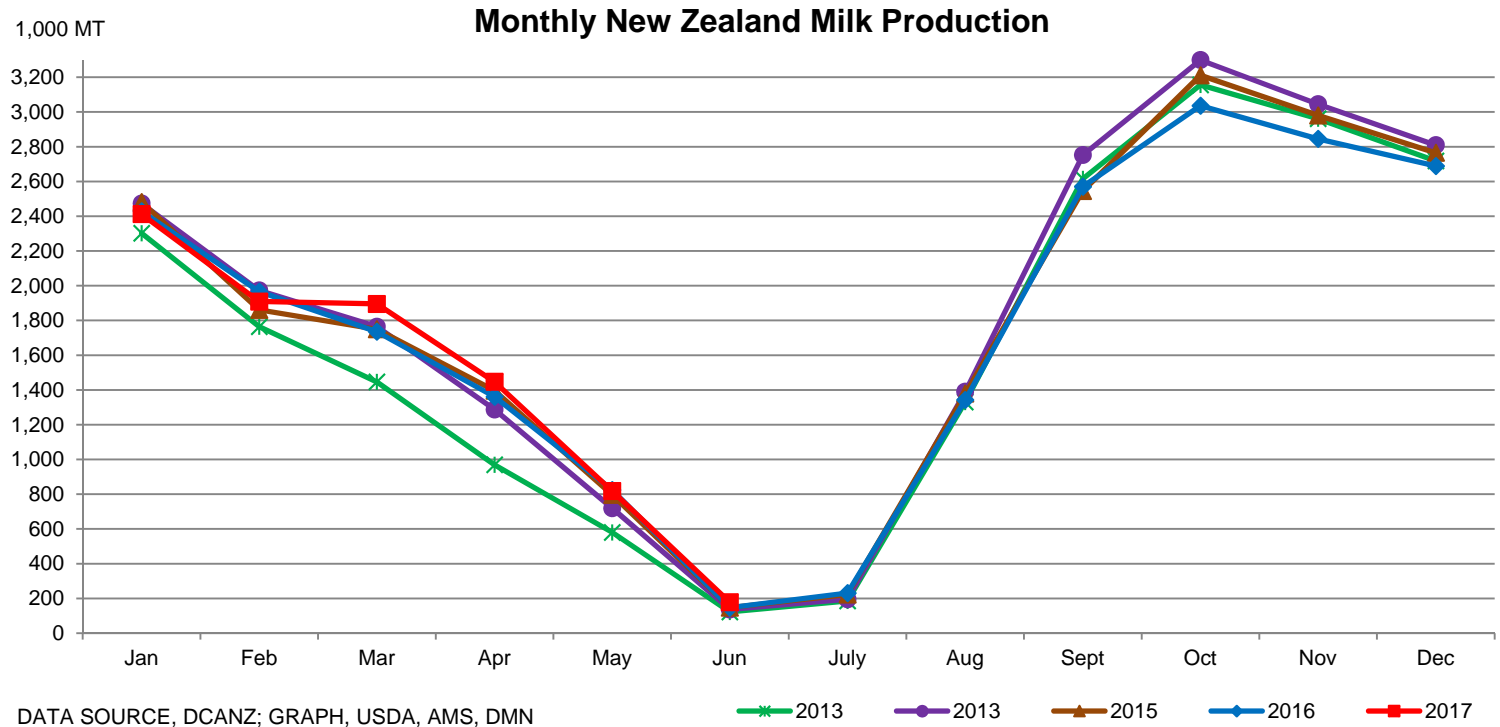
Class III Milk Price at 3.5%Test

SOURCE, USDA, AMS, MIB; GRAPH, USDA, AMS, DMN

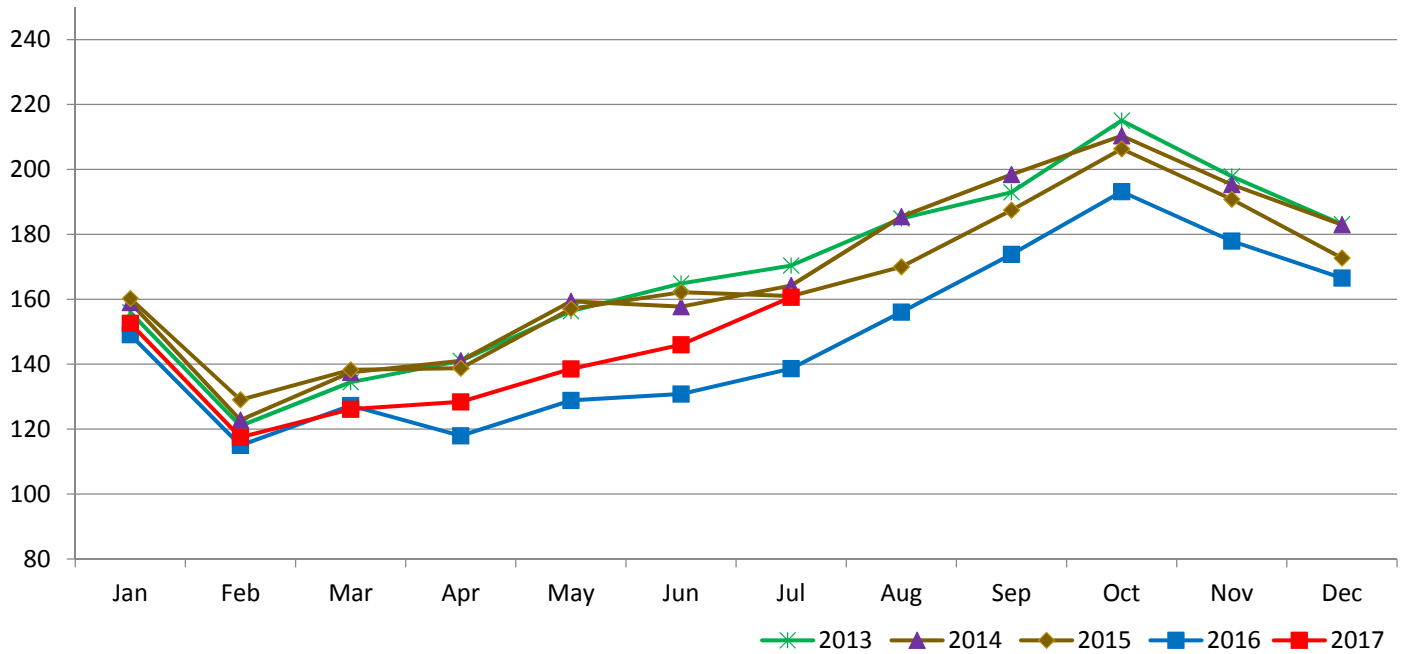
✱ 2013
 ● 2014
 ▲ 2015
 ◆ 2016
 ■ 2017
Milk-Feed Price Ratio Based on the Pounds of 16% Mixed Dairy Feed Equal in Value to 1 Pound of Whole Milk

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

✱ 2013
 ● 2014
 ▲ 2015
 ◆ 2016
 ■ 2017

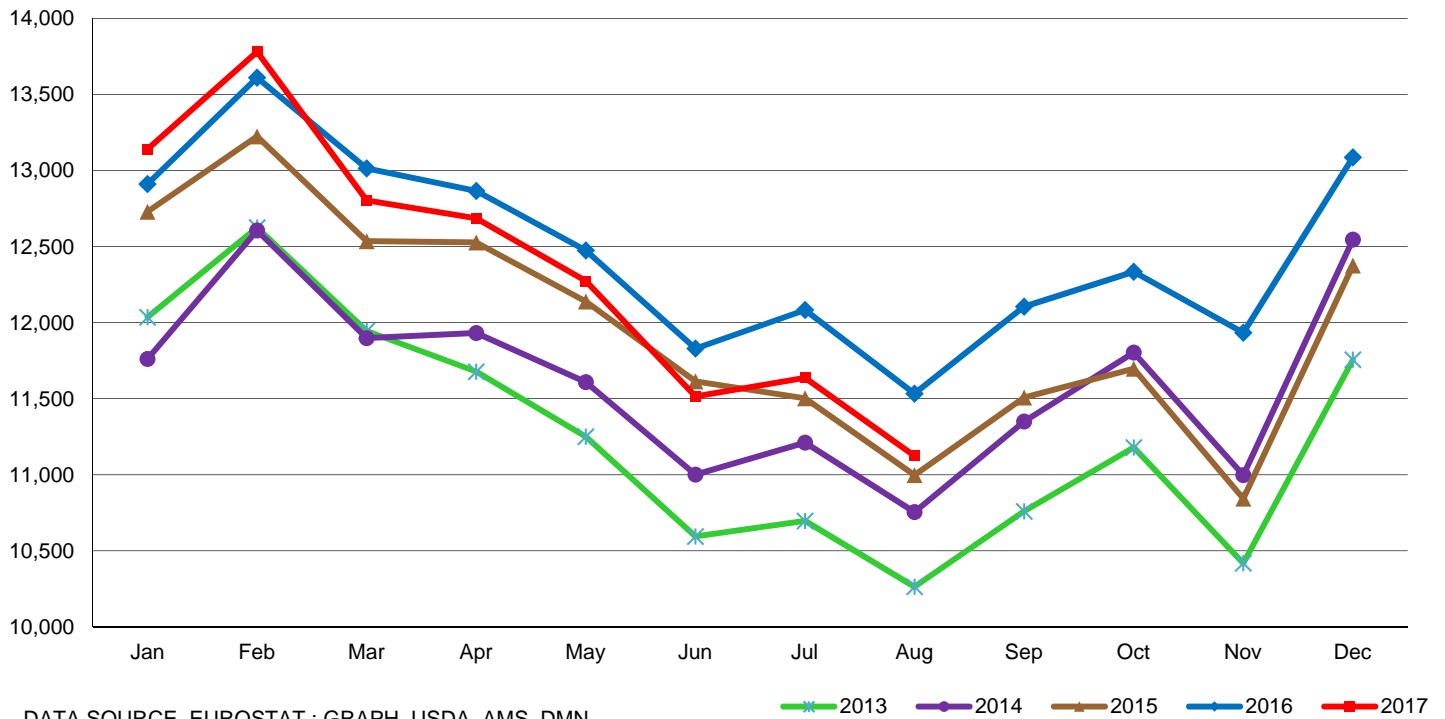


MILLION LITERS

Monthly Uruguay Milk Production

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

MILLION LITERS

Monthly EU-28 Milk Production

DATA SOURCE, EUROSTAT.; GRAPH, USDA, AMS, DMN



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Friday, September 1, 2017

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 09/01/2017 to 09/07/2017

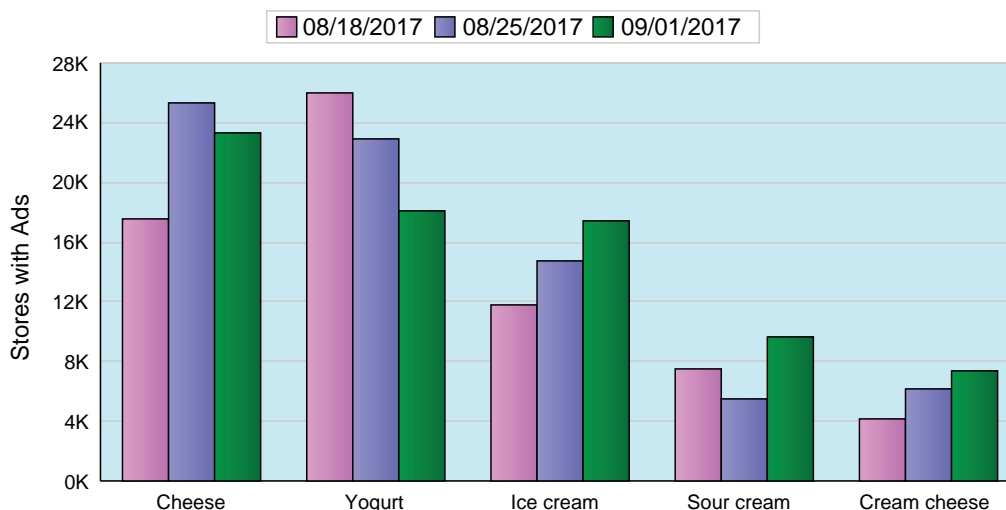
The Labor Day holiday weekend is here and retail supermarket outlets total conventional dairy advertisements increased 7 percent, but organic ads dipped 27 percent. Conventional 1 pound butter advertised price is \$3.56, up 4 cents from last week. Organic 1 pound butter advertised price averaged \$4.49, down 13 cents from the previous week. The organic price premium is \$0.93. The conventional 1 # butter ad numbers increased 78 percent, but organic 1 # butter ads decreased 64 percent. Conventional 48-64 ounce ice cream advertised price is \$3.07, up 5 cents from the previous week. The organic 48-64 ounce ice cream weighted advertised price is \$4.49, down \$1.02 from last week, but ads increased 27 percent. The organic premium price is \$1.90.

The advertised price for 8 ounce conventional cheese blocks averaged \$2.11, down 23 cents from the previous week. The conventional 8 ounce cheese shreds advertised price is \$2.29, down 6 cents from last week. Conventional 8 ounce block ads decreased 16 percent, but 8 ounce shred ads increased 9 percent. There are no reported advertised cheese advertisements this week.

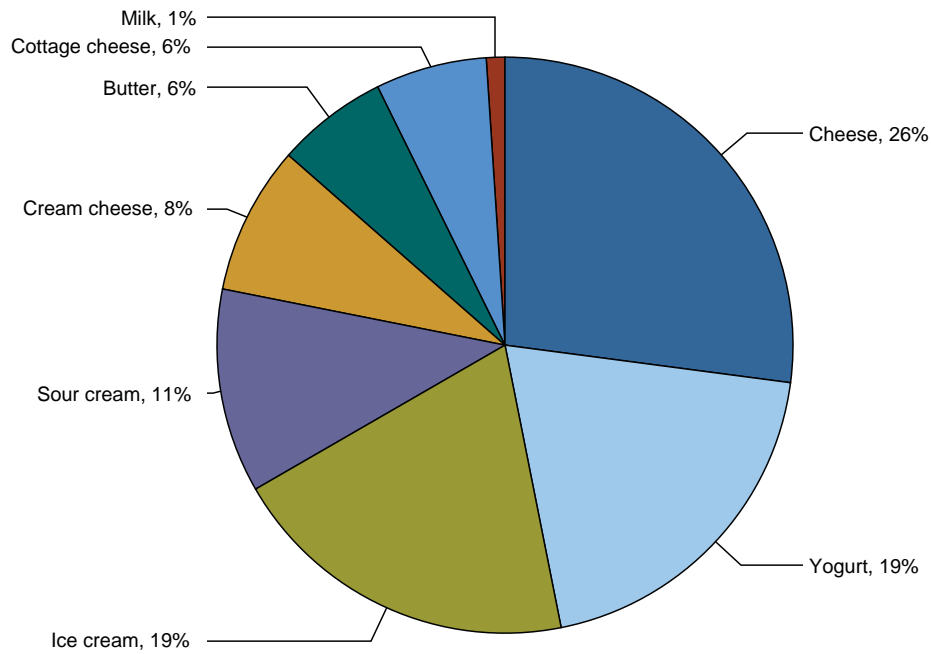
Conventional 4-6 ounce Greek yogurt weighted average price is \$0.94, down 4 cents from last week. Organic 4-6 ounce Greek yogurt weighted average price is \$1.00, down 15 cents from the previous week, but an organic premium price of \$0.06. Conventional 4-6 ounce yogurt ads decreased 28 percent and organic 4-6 ounce yogurt ads decreased 69 percent.

The weighted averaged price from conventional half-gallon milk is \$2.93. The weighted average price for organic half-gallon milk is \$3.63, an organic price premium of \$0.70. Conventional half-gallon milk ad numbers decreased 94 percent, but organic half-gallon milk ads increased 158 percent.

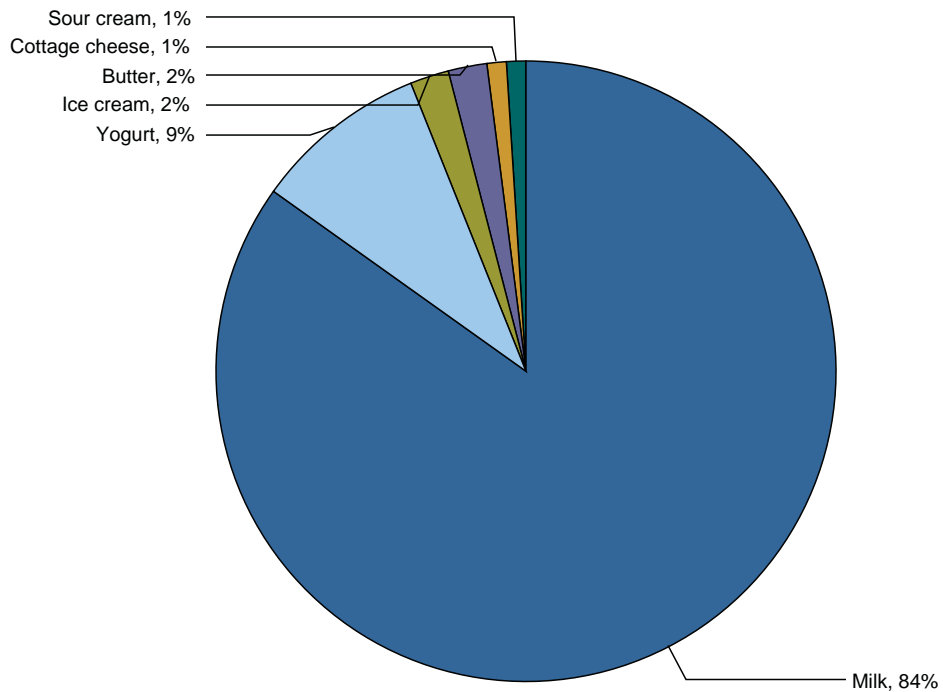
Top 5 Commodities Featured



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 #	5833	3.56	3269	3.52	6045	3.84
Cheese	Natural Varieties	8 oz block	6959	2.11	8273	2.34	9923	2.17
Cheese	Natural Varieties	1 # block	1173	3.77	1745	3.82	1177	3.37
Cheese	Natural Varieties	2 # block	920	5.79	447	6.38	1083	6.22
Cheese	Natural Varieties	8 oz shred	12520	2.29	11523	2.35	10432	2.19
Cheese	Natural Varieties	1 # shred	1688	3.59	2372	3.87	1579	3.09
Cottage cheese		16 oz	5654	2.10	2261	1.88	6064	1.92
Cream cheese		8 oz	7329	1.70	6175	1.89	5392	1.91
Flavored milk	All fat tests	half gallon			1930	3.38	231	2.51
Flavored milk	All fat tests	gallon	198	3.99			461	3.37
Ice cream		48-64oz	17310	3.07	14604	3.02	13879	2.90
Milk	All fat tests	half gallon	126	2.93	2010	2.53	27	3.69
Milk	All fat tests	gallon	691	2.60	1168	2.36	1676	2.80
Sour cream		16 oz	9621	1.77	5499	1.72	9631	3.86
Yogurt	Greek	4-6 oz	8733	.94	12176	.98	10912	.97
Yogurt	Greek	32 oz	1269	4.08	245	4.70	1744	4.44
Yogurt	Yogurt	4-6 oz	7017	.50	7118	.56	8244	.51
Yogurt	Yogurt	32 oz	534	2.73	969	2.65	768	2.20

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.99-4.99	1442	3.58	3.00-4.00	2383	3.67	2.99-3.79	1112	3.19
Cheese	Natural Varieties	8 oz block	1.79-3.00	1334	2.30	1.60-3.50	1683	2.14	1.67-2.49	1388	1.94
Cheese	Natural Varieties	1 # block	3.69-4.99	132	4.28	2.99-3.48	285	3.33	2.99-3.79	340	3.49
Cheese	Natural Varieties	8 oz shred	1.99-3.49	2633	2.53	1.60-3.50	2452	2.18	1.67-2.50	2263	2.06
Cheese	Natural Varieties	1 # shred	4.29	543	4.29	2.99-3.48	285	3.33	2.99-3.79	561	3.29
Cottage cheese		16 oz	1.99-2.99	1434	2.31	1.99-2.99	2242	2.27	1.25-1.89	442	1.49
Cream cheese		8 oz	1.50-2.99	931	1.72	1.49-2.50	1633	1.90	0.79-2.00	1794	1.33
Flavored milk	All fat tests	gallon	3.99	84	3.99						
Ice cream		48-64oz	1.99-3.99	3565	2.78	2.00-3.99	4763	3.11	1.99-3.99	2574	2.94
Milk	All fat tests	half gallon	2.50	72	2.50						
Milk	All fat tests	gallon	2.99	72	2.99				1.99	57	1.99
Sour cream		16 oz	1.29-2.00	2836	1.74	1.29-2.00	2448	1.91	1.25-2.00	1448	1.71
Yogurt	Greek	4-6 oz	0.69-1.00	2059	.94	1.00	2887	1.00	0.59-1.00	1875	.85
Yogurt	Greek	32 oz	3.79-3.99	440	3.89	3.50-5.00	301	4.57	2.99-4.49	286	3.93
Yogurt	Yogurt	4-6 oz	0.39-0.60	1761	.51	0.50-0.55	1144	.55	0.44-0.50	1201	.46
Yogurt	Yogurt	32 oz	2.50	147	2.50				2.00	69	2.00

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 #	3.00-3.50	294	3.09	4.49	244	4.49	2.99-3.99	312	3.59
Cheese	Natural Varieties	8 oz block	1.25-2.50	1361	1.99	1.67-3.00	1083	2.20	2.49	69	2.49
Cheese	Natural Varieties	1 # block	2.99-5.49	247	4.34	3.99	62	3.99	3.69	105	3.69
Cheese	Natural Varieties	2 # block	4.77	235	4.77				4.99-7.99	634	5.87
Cheese	Natural Varieties	8 oz shred	1.66-2.50	2207	2.17	1.67-3.00	2560	2.45	2.22-3.00	334	2.49
Cheese	Natural Varieties	1 # shred	2.50-2.99	194	2.79				3.69	105	3.69
Cottage cheese		16 oz	1.25-2.99	636	1.79	1.25-2.69	817	1.90	1.25	66	1.25
Cream cheese		8 oz	1.49-2.00	736	1.67	1.49-2.50	1460	1.82	1.25-2.69	651	1.72
Flavored milk	All fat tests	gallon				3.99	114	3.99			
Ice cream		48-64oz	1.88-5.99	3704	3.40	1.59-3.99	1924	2.98	1.99-3.49	681	2.89
Milk	All fat tests	half gallon	3.50	51	3.50						
Milk	All fat tests	gallon	2.50-3.49	332	2.88	1.89-2.99	125	2.44	1.99	105	1.99
Sour cream		16 oz	1.25-2.00	981	1.59	1.25-2.69	1550	1.81	1.25-2.50	301	1.65
Yogurt	Greek	4-6 oz	0.79-1.00	588	.93	0.79-1.00	874	.90	0.79-1.00	403	.95
Yogurt	Greek	32 oz	2.99-4.99	242	4.00						
Yogurt	Yogurt	4-6 oz	0.44-0.89	893	.52	0.37-0.60	1459	.48	0.40-0.50	460	.44
Yogurt	Yogurt	32 oz				2.99	246	2.99			

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.99-5.00	8	4.24	3.00-4.29	38	4.15
Cheese	Natural Varieties	8 oz block	2.00-2.79	17	2.28	2.00	24	2.00
Cheese	Natural Varieties	1 # block	5.99	2	5.99			
Cheese	Natural Varieties	2 # block	4.99-10.98	51	9.51			
Cheese	Natural Varieties	8 oz shred	2.22-3.48	20	2.62	2.00-2.99	51	2.52
Cottage cheese		16 oz	1.50-2.48	14	1.71	2.59	3	2.59
Cream cheese		8 oz	2.29-3.98	39	3.59	2.25-2.59	85	2.37
Ice cream		48-64oz	2.97-8.99	62	6.03	3.50-3.99	37	3.54
Milk	All fat tests	half gallon				3.69	3	3.69
Sour cream		16 oz	2.48	3	2.48	2.00-2.59	54	2.28
Yogurt	Greek	4-6 oz	1.00-1.19	20	1.06	0.99	27	.99
Yogurt	Yogurt	4-6 oz	0.60-1.25	8	1.09	0.60-0.79	91	.66
Yogurt	Yogurt	32 oz	2.79	11	2.79	2.69-3.49	61	3.04

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD	LAST WEEK	LAST YEAR
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Wtd Avg - Simple weighted average



			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	114	4.49	319	4.62	423	5.67
Cheese	Natural Varieties	8 oz block			304	3.99	105	4.69
Cheese	Natural Varieties	8 oz shred			667	4.08		
Cottage cheese		16 oz	80	3.50	403	3.70	219	3.39
Flavored milk	All fat tests	half gallon					161	4.99
Ice cream		48-64oz	133	4.97	105	5.99		
Milk	All fat tests	half gallon	4321	3.63	1674	3.45	5255	3.80
Milk	All fat tests	gallon	313	6.77	745	6.72	472	5.47
Milk	All fat tests	8 oz UHT	254	.98	1302	.91	1068	1.01
Sour cream		16 oz	80	2.50			219	2.49
Yogurt	Greek	4-6 oz	403	1.00	1293	1.15	1207	1.11
Yogurt	Greek	32 oz	119	5.49	197	4.21	245	5.65
Yogurt	Yogurt	4-6 oz			504	.80	161	.60
Yogurt	Yogurt	32 oz			423	3.35	2107	3.97

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
Milk	All fat tests	half gallon	3.69-5.99	729	4.33	3.00-4.68	1761	3.46	2.99-3.99	712	3.64
Milk	All fat tests	gallon							5.99	69	5.99
Milk	All fat tests	8 oz UHT							0.92	110	.92
Yogurt	Greek	4-6 oz	1.00	72	1.00	1.00	204	1.00	1.00	127	1.00
Yogurt	Greek	32 oz							5.49	119	5.49

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	114	4.49						
Cottage cheese		16 oz	3.50	80	3.50						
Ice cream		48-64oz	4.97	133	4.97						
Milk	All fat tests	half gallon	2.99-3.99	668	3.35	2.99-3.99	451	3.52			
Milk	All fat tests	gallon				6.99	244	6.99			
Milk	All fat tests	8 oz UHT	0.92	78	.92				1.17	66	1.17
Sour cream		16 oz	2.50	80	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

REGIONAL DEFINITIONS

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

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



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