

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (9/8)**

BUTTER: Grade AA closed at \$2.4575. The weekly average for Grade AA is \$2.4575 (-.1085).

CHEESE: Barrels closed at \$1.5400 and 40# blocks at \$1.6425. The weekly average for barrels is \$1.5569 (+.0574) and blocks, \$1.6300 (+.0975).

NONFAT DRY MILK: Grade A closed at \$0.8250. The weekly average for Grade A is \$0.8438 (-.0112).

BUTTER HIGHLIGHTS: Butter is moving strongly within the domestic market as orders into educational institutions are active. Contracts into retail channels are stable to increasing. Some buyers/sellers are refraining from purchasing butter, hoping to see a further decrease in prices. Others are trying to lock in current low prices. In some areas, manufacturers are negotiating contracts for 2018. Spot market activity is steady to lower. Butter production is strong to limited in plants throughout the United States. Inventories are sufficient to limited, overall able to meet the needs of contracts and end-users. Present bulk butter prices range from flat market to 8 cents over the CME average. The market undertone is steady to lower as spot sales and demand have weakened. Friday's CME Group cash trading saw Grade AA butter close at \$2.4575, down \$0.0500 from last Friday.

CHEESE HIGHLIGHTS: Reports of milk headed into cheese production are mixed across the country. Eastern spot milk intakes are steady, milk loads into Midwestern cheese plants vary by locale. Western contacts continue to report plentiful milk intakes. Cheese production mirrors spot milk intakes. In areas in the Midwest where bottlers have cut into milk supplies as schools open their doors, production has eased back. Eastern contacts report steady cheese production. Cheese demand also varies by region. East and West food service orders are picking up. Some Western and Midwestern cheese producers relay post-holiday sales lulls. Midwest contacts also point out that buyers are waiting to see if last week's falling market prices would continue. This week, however, market prices have steadily increased. Barrel cheese inventories are generally long. CME Group trading Friday, barrels closed at \$1.5400, up \$0.0200 from last Friday. Blocks closed at \$1.6425, up \$0.1025 from last Friday.

FLUID MILK: Milk yield in the nation is steady to lower depending on the area. Milk production in the Northeast, Mid-Atlantic, and Florida is declining while output in the Southeast, upper Midwest,

California, Arizona, and the mountain states of Idaho, Utah, and Colorado is steady. Although farm milk sales are up in Florida, manufacturing milk supplies increased substantially due to plants closing for Hurricane Irma. In the mountain states of Idaho, Utah, and Colorado, some handlers are finding it difficult to market their milk. As the result, they are moving milk to neighborhood states at discounted prices, ranging \$2 to \$4 under Class. Class I demand is mixed. In the Pacific Northwest and New Mexico, schools are taking more bottled milk. In the Midwest, Class III milk is priced at \$1.50 under to \$1 over Class III and cheese makers report having a hard time finding the volume of milk needed in the spot market. Class III intakes saw a decrease in New Mexico. The cream market is steady in the East, and stocks are available for processing needs in the Midwest. In the West, more cream went to butter churning on the holiday weekend. This week, cream multiples are **1.29-1.38** in the East, **1.20-1.28** in the Midwest, and **1.06-1.25** in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk (NDM) prices are steady to slightly decreased across the regions. Spot sale activity is steady to light as buyers/end-users are only buying what they need. Many market participants are actively bidding on spot sales, but at prices lower than offered prices. The demand is steady to stagnate, although, competition with the European skim milk market is intense. Also, sales into Mexico are strong. The market undertone is somewhat steady to unsettled as stocks have the upper hand on current interest. High heat NDM prices are mixed. Spot sales have been quiet. Production is steady to slightly increased as some plants have freed up drying schedules for high heat NDM. Inventories are tight to marginally growing. The market undertone for high heat NDM is stable. Dry buttermilk prices are steady. Spot sales are minimal, although some activity picked up slightly as some producers were able to offer a few more spot loads. The demand is steady to sluggish as many market participants are holding off on purchases. The market undertone is stable to firm. Dry whole milk prices are unchanged. Activity was a bit heavier than in previous weeks. Orders from industrial bakeries have increased. The market tone is fairly steady. Dry whey prices are mixed. Spot sales are minimal to a little heavier this week. Some buyers are in no rush to purchase whey, knowing whey is readily available. The demand is fairly light outside of current contracts. The market tone is weak to unsettled. Whey protein

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DAIRY GRAPHS (G1-G4)

NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY SEP 04	TUESDAY SEP 05	WEDNESDAY SEP 06	THURSDAY SEP 07	FRIDAY SEP 08	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	CME	\$1.5575 (+.0375)	\$1.5800 (+.0225)	\$1.5500 (-.0300)	\$1.5400 (-.0100)	:: (+.0200)	:: \$1.5569 (+.0574)
40# BLOCKS	CLOSED	\$1.5975 (+.0575)	\$1.6400 (+.0425)	\$1.6400 (N.C.)	\$1.6425 (+.0025)	:: (+.1025)	:: \$1.6300 (+.0975)
NONFAT DRY MILK GRADE A	NO	\$.8550 (-.0075)	\$.8525 (-.0025)	\$.8425 (-.0100)	\$.8250 (-.0175)	:: (-.0375)	:: \$.8438 (-.0112)
BUTTER GRADE AA	TRADES	\$2.4375 (-.0700)	\$2.4400 (+.0025)	\$2.4950 (+.0550)	\$2.4575 (-.0375)	:: (-.0500)	:: \$2.4575 (-.1085)

CHEESE: carlot = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.

Computed by Dairy Market News for international purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY

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

concentrate 34% (WPC34%) prices moved lower on the mostly price series, but are unchanged on the range. Contracted agreements are moving through well, but spot sales are minimal. Demand for favored brands and WPC34% that meet tight requirements are stable. WPC34% that is interchangeable with other protein sources run into pricing pressures. Lactose prices are unchanged to lower. Spot market activity is irregular. Some contacts report hearing spot sales at below published prices. Domestic demand is solid, although demand from Southeast Asia is decreased and market activity is very slow. Casein prices are stronger. Buyers' interest in contracting has increased overall, helping move prices up.

ORGANIC DAIRY MARKET NEWS: The last two years in the organic dairy sector have moved from organic milk shortages, to surpluses. This fall, organic dairy producers and processors generally look ahead to next season being similar to this season in terms of oversupply of organic milk exerting downward pressure on organic milk pay prices. The oversupply of organic milk into processing and distribution is not expected to end soon. Some industry officials project oversupply may be a problem through 2018.

Subsequent to the Labor Day holiday, organic ad percentages by commodity show organic milk advertisements accounting for 44 percent of commodities surveyed, a very significant drop compared to the previous week when milk ads were 84 percent of the total. Organic yogurt improved to 26 percent of total ads by commodity. Organic cream cheese and organic cheese ads emerged at 11 and 8 percent, respectively, contrasting with the previous week's report of no surveyed retail advertisements.

Regionally, the Northwest posted a noteworthy jump in organic ads, 2,179 percent over the previous week, with the Southeast following as ads increased 113 percent. The number of organic milk ads were greater in the Southeast, Northeast, and Northwest markets, as each displayed an upsurge over the last report period.

JULY DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 137 million pounds, 1.6 percent above July 2016, but 2.0 percent below June 2017. American type cheese production totaled 402 million pounds, 0.2 percent above July 2016, but 0.4 percent below June 2017. Total cheese output (excluding cottage cheese) was 1.03 billion pounds, 1.0 percent above July 2016, but 0.3 percent below June 2017. Nonfat dry milk production, for human food, totaled 148 million pounds, 1.6 percent below July 2016, and 9.1 percent below June 2017. Dry whey production, for human food, was 97 million pounds, 21.6 percent above July 2016, and 11.9 percent above June 2017. Ice cream, regular hard production totaled 70.6 million gallons, 1.7 percent below July 2016, and 6.3 percent below June 2017.

NATIONAL RETAIL REPORT-DAIRY (DMN): The week following Labor Day brought decreases in retail ads for conventional butter (-42 percent) and ice cream (-48 percent). Organic butter ad numbers increased 398 percent. Conventional 1 pound butter has an average advertised price of \$3.49, down 7 cents from last week. Organic 1 pound butter averages \$5.43, up 94 cents from last week, an organic price premium of \$1.94. Conventional 48-64 ounce ice cream's advertised price is \$2.96, down 11 cents from the previous week. Organic 48-64 ounce ice cream has a weighted average advertised price of \$5.49, up \$0.52 from last week, a \$2.53 organic price premium. The advertised price for 8 ounce conventional cheese blocks averaged \$2.20, while 8 ounce organic cheese averaged \$3.49, an organic premium of \$1.29. Conventional 8 ounce cheese shreds average \$2.26, while organic 8 ounce cheese shreds average \$3.49, an organic premium of \$1.23. Conventional 4-6 ounce Greek yogurt has

a weighted average price of \$0.98, up 4 cents from last week. Organic 4-6 ounce Greek yogurt has a weighted average price of \$1.19, up 19 cents from the previous week, yielding an organic premium of \$0.21. Conventional 4-6 ounce yogurt ads decreased 41 percent and organic 4-6 ounce yogurt has no ads for this week. The weighted average price for conventional half-gallon milk is \$2.43. The weighted average price for organic half-gallon milk is \$3.87, an organic price premium of \$1.44. Conventional half-gallon milk ad numbers increased 506 percent, but organic half-gallon milk ads decreased 18 percent.

MONDAY, SEPTEMBER 4, 2017
CME CLOSED

TUESDAY, SEPTEMBER 5, 2017

CHEESE -- SALES: 20 CARS BARRELS: 1 @ \$1.5100, 3 @ \$1.5400, 1 @ \$1.5475, 5 @ \$1.5500, 1 @ \$1.5550, 1 @ \$1.5475, 2 @ \$1.5400, 2 @ \$1.5550, 1 @ \$1.5525, 1 @ \$1.5550, 2 @ \$1.5525; 3 CARS 40# BLOCKS: 1 @ \$1.5600, 1 @ \$1.5900, 1 @ \$1.5975; LAST BID UNFILLED: 12 CARS BARRELS: 6 @ \$1.4300, 1 @ \$1.5300, 4 @ \$1.5500, 1 @ \$1.5575; 3 CARS 40# BLOCKS: 1 @ \$1.5000, 1 @ \$1.5850, 1 @ \$1.5950; LAST OFFER UNCOVERED: 20 CARS BARRELS: 5 @ \$1.5600, 5 @ \$1.5700, 5 @ \$1.5800, 5 @ \$1.5900
NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.8450; LAST BID UNFILLED: 3 CARS GRADE A: 1 @ \$0.8500, 2 @ \$0.8550; LAST OFFER UNCOVERED: 6 CARS GRADE A: 5 @ \$0.8675, 1 @ \$0.8575
BUTTER -- SALES: 12 CARS GRADE AA: 1 @ \$2.4800, 1 @ \$2.4500, 2 @ \$2.4100, 1 @ \$2.4175, 1 @ \$2.4200, 1 @ \$2.4300, 1 @ \$2.4325, 1 @ \$2.4400, 1 @ \$2.4375, 1 @ \$2.4400, 1 @ \$2.4375; LAST BID UNFILLED: 4 CARS GRADE AA: 1 @ \$2.4000, 1 @ \$2.4100, 1 @ \$2.3950, 1 @ \$2.4350; LAST OFFER UNCOVERED: 4 CARS GRADE AA: 1 @ \$2.4900, 1 @ \$2.4725, 1 @ \$2.4475, 1 @ \$2.4400

WEDNESDAY, SEPTEMBER 6, 2017

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.5800, 1 @ \$1.5850; 5 CARS 40# BLOCKS: 1 @ \$1.5975, 1 @ \$1.6025, 1 @ \$1.6200, 1 @ \$1.6225, 1 @ \$1.6400; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6325; LAST OFFER UNCOVERED: 4 CARS BARRELS: 1 @ \$1.5800, 2 @ \$1.6000, 1 @ \$1.5925; 2 CARS 40# BLOCKS: 1 @ \$1.6500, 1 @ \$1.6600
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 14 CARS GRADE A: 10 @ \$0.8100, 1 @ \$0.8350, 1 @ \$0.8450, 1 @ \$0.8425, 1 @ \$0.8475; LAST OFFER UNCOVERED: 6 CARS GRADE A: 5 @ \$0.8600, 1 @ \$0.8525
BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$2.4450, 1 @ \$2.4400; LAST BID UNFILLED: 3 CARS GRADE AA: 1 @ \$2.4275, 1 @ \$2.4375, 1 @ \$2.4350; LAST OFFER UNCOVERED: 3 CARS GRADE AA: 2 @ \$2.4550, 1 @ \$2.4500

THURSDAY, SEPTEMBER 7, 2017

CHEESE -- SALES: 14 CARS BARRELS: 1 @ \$1.6000, 1 @ \$1.6050, 9 @ \$1.6075, 1 @ \$1.5900, 1 @ \$1.5600, 1 @ \$1.5500; 7 CARS 40# BLOCKS: 4 @ \$1.6400, 2 @ \$1.6500, 1 @ \$1.6400; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6300; LAST OFFER UNCOVERED: 8 CARS BARRELS: 1 @ \$1.5700, 1 @ \$1.5800, 1 @ \$1.6000, 4 @ \$1.6400, 1 @ \$1.6200
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 6 CARS GRADE A: 3 @ \$0.8000, 1 @ \$0.8400, 1 @ \$0.8325, 1 @ \$0.8300; LAST OFFER UNCOVERED: 4 CARS GRADE A: 1 @ \$0.8425, 1 @ \$0.8450, 1 @ \$0.8500, 1 @ \$0.8450
BUTTER -- SALES: 6 CARS GRADE AA: 1 @ \$2.4800, 1 @ \$2.4900, 1 @ \$2.4950, 1 @ \$2.5000, 1 @ \$2.4925, 1 @ \$2.4950; LAST BID UNFILLED: 7 CARS GRADE AA: 1 @ \$2.4700, 1 @ \$2.4725, 5 @ \$2.4500; LAST OFFER UNCOVERED: 8 CARS GRADE AA: 6 @ \$2.5000, 1 @ \$2.4975, 1 @ \$2.4950

FRIDAY, SEPTEMBER 8, 2017

CHEESE -- SALES: 26 CARS BARRELS: 1 @ \$1.5700, 3 @ \$1.6000, 1 @ \$1.5925, 1 @ \$1.5900, 1 @ \$1.5875, 1 @ \$1.5800, 10 @ \$1.5925, 1 @ \$1.5875, 1 @ \$1.5800, 1 @ \$1.5700, 1 @ \$1.5600, 1 @ \$1.5525, 1 @ \$1.5500, 2 @ \$1.5400; 7 CARS 40# BLOCKS: 2 @ \$1.6350, 4 @ \$1.6400, 1 @ \$1.6425; LAST BID UNFILLED: 5 CARS 40# BLOCKS @ \$1.6000; LAST OFFER UNCOVERED: 3 CARS BARRELS @ \$1.6100; 1 CAR 40# BLOCKS @ \$1.6500
NONFAT DRY MILK -- SALES: 6 CARS GRADE A: 2 @ \$0.8325, 1 @ \$0.8250, 1 @ \$0.8150, 1 @ \$0.8200, 1 @ \$0.8250; LAST BID UNFILLED: 6 CARS GRADE A: 1 @ \$0.8175, 5 @ \$0.8100; LAST OFFER UNCOVERED: 2 CARS GRADE A: 1 @ \$0.8250, 1 @ \$0.8300
BUTTER -- SALES: 12 CARS GRADE AA: 1 @ \$2.5000, 2 @ \$2.4900, 1 @ \$2.4800, 2 @ \$2.4750, 1 @ \$2.4700, 2 @ \$2.4550, 3 @ \$2.4575; LAST BID UNFILLED: 8 CARS GRADE AA: 2 @ \$2.4400, 2 @ \$2.4300, 2 @ \$2.4500, 2 @ \$2.4525; LAST OFFER UNCOVERED: 12 CARS GRADE AA: 10 @ \$2.5500, 1 @ \$2.4575, 1 @ \$2.4600

BUTTER MARKETS

NORTHEAST

Butter orders into educational institutions are active, as schools have opened for the year. Butter contracts into retail channels are strong and some manufacturers are negotiating agreements for 2018. Spot sales activity is steady to lower as spot prices have been decreasing. A number of traders communicate the spot demand is weakening and many market participants are willing to hold off on buying to see what happens to the price. This week, Eastern balancing plants took in steady to heavier milk volumes. The cream demand is fairly good. Cream availability is steady into contracts and a little more available in the spot market. Butter churning is strong in some plants and turned off in other plants. With mixed output, inventories are sufficient to limited. Bulk butter price is 5 to 8 cents over the market of the CME Group, with various time periods and averages used. The market tone is steady to lower as spot prices and demand are weakening. The CME Group monthly average price for Grade AA butter during August 2017 was \$2.6473, compared to \$2.1776 a year ago.

Tuesday's CME Group daily cash trading saw Grade AA butter prices close at \$2.4375, down \$0.1175 from the previous week. According to the DMN *National Retail Report-Dairy*, for September 1-7, 2017, the Northeast weighted average retail price for 1-pound butter was \$3.58, 2 cents higher than the national price, but down 7 cents from last week's Northeast butter price. Retail butter markets reported prices ranging \$2.99-\$4.99 in the Northeast. The surveyed average price in the Southeast is \$3.67, down 10 cents from last week, with prices ranging \$3.00-\$4.00. DAIRY PRODUCTS: According to NASS, U.S. butter production for July 2017, totals 137.3 million pounds, up 1.6 percent from last year, but down 2.0 percent from June 2017. Cumulative 2017 butter production through July 2017 totals 1.12 billion pounds, 1.4 percent below the same

period for 2016. July 2017 butter production in the Atlantic region totaled 13.6 million pounds, up 20.4 percent from last year, but down 3.3 percent from June 2017.

CENTRAL

Butter makers are continuing to take advantage of favorable cream prices. Cream multiples into Class IV plants were reported at 1.20-1.22 f.o.b. With available cream, butter production continues apace as peak demand season draws near. Central region butter producers report that retail/print sales are strong. Food service has picked up also, as most schools have reopened in the Midwest. Reported bulk butter prices ranged from 1.5 to 7 cents above the CME average. Market undertones are a little less steady. Although the CME butter price is disposed to fluctuations, Tuesday's CME price was the lowest showing since June 1, 2017. The NASS *Dairy Products* report noted U.S. butter production during July 2017 in the Central region totaled 57.6 million pounds, 9.4 percent higher than one year ago. Total U.S. butter production during July 2017 was 137.3 million pounds, 1.6 percent higher than last year. January through July 2017 U.S. butter production totaled 1.118 billion pounds, 1.4 percent lower than the same period in 2016. The CME Group monthly average price for Grade AA butter during August was \$2.6473, up from July's \$2.6195 and up from \$2.1776 a year ago. DMN *National Retail Report-Dairy* for September 1-7 noted the national weighted average advertised price for a 1 pound package of butter is \$3.56, \$0.04 above one week ago, but \$0.28 lower than one year ago. The weighted average regional prices in the Midwest and South Central were \$3.19 and \$3.09, respectively. Wednesday at the CME Group, Grade AA butter closed at \$2.4400, down \$0.1550 from last Wednesday.

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

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
September 2, 2017	2.6505 3,651,637	1.7342 10,933,568	1.6755 11,295,737	0.4280 6,210,831	0.8706 13,264,810

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

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WEST

Western butter production is following the same trend as last week. Print butter output is at a seasonal level. Inventories are currently sufficient to meet the needs of buyers/end-users. In some parts of the West, demand from vegetable processors is strong. Interest from retail buyers is starting to pick up. Overall, butter is moving strongly within the domestic market. Ice cream manufacturers continue to pull a lot of cream. However, cream is still available for butter churning. With the recent drop in butter prices at the CME Group, contacts report that some purchasers' demands are increasing as they try to lock up prices. Some are even willing to contract up to the beginning of next year. Others are refraining from buying, hoping to see further price decreases. This week, bulk butter prices are steady, at flat to 6 cents over the market. The DMN *National Retail Report-Dairy* for the week of September 1-7 found that the U.S. weighted average advertised price of 1 pound butter is \$3.56, up \$.04 from last week. The U.S. weighted average price was \$3.84 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$4.49, with no price range reported. In the Northwest, the weighted average advertised price of 1 pound butter is \$3.59, with a range of \$2.99-\$3.99. According to the NASS *Dairy Products* report, U.S. butter production during July 2017, 137.3 million pounds, was 1.6 percent higher than July 2016, but 2.0 percent lower than June 2017. U.S. cumulative 2017 butter production through July is 1.1 billion pounds, 1.4 percent lower than the same period last year. In the West, total July butter production was 66.1 million pounds, 7.2 percent lower than July 2016 and 4.1 percent lower than June 2017. California July production was 38.2 million pounds, 12.2 percent lower than last year and 6.0 percent lower than last month. The CME Group August 2017 monthly average price for AA butter, \$2.6473, is up from the July monthly average of \$2.6195. One year ago the CME Group monthly average was \$2.1776. The Grade AA butter price at the CME Group on Wednesday closed at \$2.4400, down \$.1550 from a week ago.

CHEESE MARKETS

NORTHEAST

There is not a lot of change from previous weeks' milk intakes, which has led to mostly consistent cheese production at regional manufacturing plants this week. Demand shows signs of picking up, with some outlets purchasing heavier orders as shopping habits adjust back to typical school year levels. Mozzarella sales are active. Swiss cheese prices are somewhat stronger. Cheese stocks are sufficient for near term customer needs. Market participants note a weak to mixed undertone. This week, a cooperative export assistance program got requests for assistance in selling 793,664 pounds (360 metric tons) of cheddar cheese. At the CME Group, cheese prices trended lower with blocks and barrels dipping for the second consecutive week. In succession, the Northeast wholesale market saw reductions for both process and Muenster with shifts of \$0.1625 and \$0.1700, respectively. Grade A Swiss Cuts 10-14# grew \$0.1000, with the Announcement of August 2017 Class and Component Prices, as Class III prices rose \$1.12 per hundredweight compared to the previous month. The DMN August 2017 Northeast monthly average price for cheddar blocks is \$2.3013, compared to \$2.3220 one year ago. Processed 5# sliced average price is \$1.9870, compared to \$2.2688 one year ago. The CME Group August 2017 monthly average price for barrels was \$1.5993, compared to \$1.8110 a year ago; blocks' average price was \$1.6852, down from \$1.7826 a year ago. The DMN *National Retail Report-Dairy*, for September 1-7, 2017, notes the Northeast advertised weighted average price for 8 oz. cheese blocks was \$2.30, 19 cents above the U.S. average, with a regional price range of \$1.79-\$3.00. The Southeast's 8 oz. block price averaged \$2.14, 3 cents above the national retail average, with a price range of \$1.60-\$3.50. The Northeast advertised average price for 8 oz. cheese shreds was \$2.53, 24 cents higher than the national average, with a regional price range of \$1.99-\$3.49. In the Southeast region, 8 oz. cheese shreds averaged \$2.18, 11 below the national average, with retail prices ranging \$1.60-\$3.50. DAIRY PRODUCTS: According to NASS, U.S. total cheese production in July 2017 was 1.03 billion pounds, 1.0 percent higher than a year ago, but 0.3 percent lower than last month. In the Atlantic region, total cheese production was 117.7 million pounds, 0.8 percent below a year ago and 7.8 less than the previous month. Total cheese production and the percentage changes from last year for selected Eastern states are, New Jersey 4.7 million pounds, -4.5 percent; New York 60.0 million pounds, -5.6 percent; Pennsylvania 33.3 million pounds, +1.5 percent; Vermont 11.8 million pounds, +12.0 percent.

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

Cheddar 40# Block	:	1.9700-2.2550
Process 5# Sliced	:	1.6575-2.1375
Muenster	:	1.9550-2.3050
Grade A Swiss Cuts 10 - 14#	:	3.2725-3.5950

MIDWEST

Reports on milk availability for cheese production are mixed in the Central region. Some cheese producers report that late last week, prior to the holiday, expected milk supplies were cut into by bottlers for school intakes. Other Class III plants took in adequate milk supplies for current production schedules. Spot milk prices into Class III ranged from \$1.50 under to \$1 over Class. Generally, cheese sales are slower for cheesemakers in the Midwest. Some cheese producers reported scaling production schedules back, as milk supplies are low-

er and demand has slowed. However, some pizza cheese makers are still reporting heavy orders and have bullish expectations for the upcoming fall season. The cheese market tone is unstable. Contacts report that long barrel inventories are affecting the market tone and giving buyers incentive to wait out sliding market prices. The CME Group August 2017 monthly average price for barrels, \$1.5993, is up from the July average of \$1.4396, but down from the monthly average of a year ago, \$1.8110. Blocks' August average price, \$1.6852, is up from the \$1.6586 July monthly average, but down from \$1.7826 one year ago. The DMN *National Retail Report-Dairy* shows that September 1-7 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.06, 23 cents below the national average. Midwest prices range from \$1.67-\$2.50. One year ago, the national price was \$2.19. For 8 ounce blocks, the Midwest average price is \$1.94, 17 cents below the national average price. Midwest ads are priced from \$1.67-\$2.49. Last year, the national price was \$2.17. In CME Group trading Wednesday, barrels closed at \$1.5800, up \$.0800 from last Wednesday and blocks closed at \$1.6400, up \$.1200 from last Wednesday. Midwestern wholesale prices are up \$.1000 for Swiss cuts, down \$.1625 for process and down \$.1700 for all other types. *Dairy Products* (NASS) reports total U.S. cheese production, for July 2017, was 1.026 billion pounds, 1.0 percent above July 2016. Central total cheese production for July 2017 was 474.1 million pounds, 1.4 percent higher than June 2017. For total cheese and various types of cheese, July 2017 U.S. and Central cheese production percentage changes compared to July 2016 were as follows:

July Production 2017 vs 2016	U.S.	Central
Total Cheese	+ 1.0%	+ 3.1%
American	+ 0.2%	+ 3.4%
Cheddar	+ 0.8%	+ 6.6%
Total Italian	+ 1.2%	+ 3.3%
Mozzarella	+ 1.1%	+ 3.6%

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

Process American 5# Loaf	:	1.5950-1.9550
Brick And/Or Muenster 5#	:	1.8950-2.3200
Cheddar 40# Block	:	1.6225-2.0175
Monterey Jack 10#	:	1.8700-2.0750
Blue 5#	:	2.1625-3.1500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6950-2.6350
Grade A Swiss Cuts 6 - 9#	:	2.7900-2.9075

WEST

Western cheese production is active. Plenty of milk is still finding its way into cheese vats. Industry contacts describe domestic demand as steady or solid, however some seem to indicate a short term lull on either side of the last summertime holiday weekend. Food service demand is picking up slightly as schools resume fall terms. Inventories are larger than typical, but some market participants feel this is a new norm for cheese markets. International buyers are watching U.S. cheese market prices closely. As the price fluctuates, so does their level of interest in making purchases. The DMN *National Retail Report-Dairy* for the week of September 1-7 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.29, down \$.06 from last week. Packs average \$2.45 in the Southwest and \$2.49 in the Northwest. One year ago, the national price was \$2.19. For 8 ounce blocks, the U.S. price is \$2.11, down \$.23 from last week. Blocks average \$2.20 in the Southwest

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CHEESE MARKETS

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and \$2.49 in the Northwest. One year ago, the national price was \$2.17. In the West, wholesale prices were down \$.1625 for process, and down \$.1700 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are up \$.1000. This week, a cooperative export assistance program accepted requests for export assistance on contracts to sell 793,664 pounds (360 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 48.3 million pounds of cheese in export markets. *Dairy Products* (NASS) reports July 2017 U.S. total cheese production, 1.03 billion pounds, is 0.3 percent below June 2017. Total 2017 U.S. cheese production, year to date through July is 7.203 billion pounds, 2.5 percent above January through July 2016. In the West, total cheese production for July 2017 was 435.2 million pounds, 0.1 percent more than last month. For total cheese production and various types of cheese, July 2017 U.S. and West cheese production percent changes compared to July 2016 are as follows:

July Production 2017 vs 2016	U.S.	West
Total Cheese	+ 1.0	- 0.8
American	+ 0.2	- 4.3
Cheddar	+ 0.8	- 6.4
Total Italian	+ 1.2	+ 1.4
Mozzarella	+ 1.1	+ 1.4
Swiss	- 2.3	...

The CME Group August 2017 monthly average price for barrels, \$1.5993, is up from the July 2017 monthly average of \$1.4396, but down from the monthly average of a year ago, \$1.8110. Blocks' August average price, \$1.6852, is up from the \$1.6586 July monthly average, but down from \$1.7826 one year ago. In CME Group trading Wednesday, barrels closed at \$1.5800, up \$.0800 from a week ago and blocks closed at \$1.6400, up \$.1200.

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

Process 5# Loaf	:	1.5825-1.8400
Cheddar 40# Block	:	1.6550-2.1000
Cheddar 10# Cuts	:	1.8350-2.0550
Monterey Jack 10#	:	1.8450-2.0050
Grade A Swiss Cuts 6 - 9#	:	2.8500-3.2800

FOREIGN TYPE CHEESE

In the first half of 2017, cheese production has followed a rising trend in the European Union. Eastern European member states saw an above average increase of 5% in their output. Sales of cheese were also larger during the same period, and prices increased. Currently the cheese market is balanced. Domestic demand is steady. Exports to southern European holiday regions are the same as a week ago. However, sales to other countries are difficult due to unfavorable exchange rates. In addition, the USA market is making competitively priced cheese offers. At the moment, inventories are below average levels. Prices are up and slightly firmer. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices decreased \$0.1700 but Swiss cuts Switzerland prices increased \$0.1000. 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	: 2.0400-3.5275*
Gorgonzola	: 3.6900-5.7400	: 2.5475-3.2650*
Parmesan (Italy)	: -0-	: 3.4300-5.5200*
Romano (Cows Milk)	: -0-	: 3.2300-5.3800*
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-	: 3.3100-3.6325*
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
	:	:
09/04/17	33,839	: 112,901
09/01/17	33,802	: 112,405
CHANGE	37	: 496
% CHANGE	0	: 0

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	120	0	80	0	55	0
SOUTHEAST STATES	0	0	0	0	0	0

Northeast and Mid-Atlantic milk production are seeing slight declines along seasonal trends. Class I milk supply and demand are mostly in balance. Limited manufacturing milk supplies offer some the chance to complete maintenance projects. Milk production in the Southeast is mostly steady, with increases in some areas. Fluid milk supplies remain short with the jump in bottle demand from schools reopening. Milk loads continue to be transported in from other areas of the country. Florida still sees declines in milk production in some parts of the state. Milk import shipments jumped to 120 f.o.b. spot loads this week ahead of the hurricane. Sales are up, but many schools are likely to close, offsetting the spike in orders. Several plants in the Florida market will be closing for one or two days this weekend, this will in turn increase manufacturing milk supplies substantially. Supplies of **condensed skim** are sufficient for near term customer needs, as condensed skim interest holds steady. The DMN August 2017 monthly average for Northeast Class II condensed skim was \$0.6215, compared to \$0.7683 a year ago. While additional loads were available during the holiday, the **fluid cream** market is mostly steady. **Cream multiples** changed little from the previous week, as cream loads traded in the **1.29-1.38** range. Ice cream demand is slowing as sales post declines for some manufacturers. The DMN August 2017 monthly average for Northeast Class II cream was \$3.5300, compared to \$2.9757 a year ago. According to the DMN *National Retail Report-Dairy*, for September 1-7, 2017, the U.S. weighted average advertised price for a gallon of milk was \$2.60, up 24 cents compared to last week, but down 20 cents from a year ago. With the Announcement of August 2017 Class and Component Prices, the Class III prices rose \$1.12 per hundredweight compared to the previous month.

DAIRY PRODUCTS: According to NASS, July 2017 hard ice cream production in the Atlantic region totaled 16.1 million gallons, 5.7 percent less than a year ago and 4.0 percent below last month. Cumulative 2017 production through July totaled 479.8 million gallons, 1.8 percent less than the last year's total through the same month. U.S. Yogurt production (plain and flavored) for July 2017 totaled 341.3 million pounds, down 0.1 percent from last year and down 7.7 percent the previous month.

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

F.O.B. producing plants: Northeast -	3.3101-3.5411
F.O.B. producing plants: Upper Midwest -	3.0792-3.2845

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-.84

MIDWEST

Milk suppliers in the South Central region are reporting that some bottling plants in the areas affected by last week's storms are refilling their pipelines. Milk outputs in the upper Midwest remain fairly steady. Contacts have continued to point out that protein and fat percentages in milk are improving year over year. Bottlers have begun to dip into the supply for some other types of manufacturing,

as most schools have reopened. Some cheese producers reported that spot milk loads were hard to find in their respective areas. Milk into Class III production ranged from \$1.50 under to \$1 over Class III. Cream supplies were reportedly available early in the week. This week, **cream multiples** ranged from **1.20 to 1.28** f.o.b. The DMN *National Retail Report-Dairy* for September 1 noted the national weighted average advertised price for one gallon of milk was \$2.60, up 24 cents from last week, but 20 cent lower than a year ago. The weighted average regional prices in the Midwest and South Central were \$1.99 and \$2.88, respectively. The NASS *Dairy Products* report noted July U.S. regular (hard) ice cream production totaled 70.6 million gallons, down 1.7 percent from last year. January-July U.S. production totals 479.8 million gallons, 1.8 percent below 2016 during the same period. July production in the Central region totaled 38.3 million gallons, 0.2 percent below a year ago. The DMN monthly average of the range price series for Upper Midwest Class II cream during August 2017 was \$3.4054, compared to \$2.8005 a year ago.

WEST

In **California**, milk output is steady, following normal seasonal production schedules. Currently, milk supplies are adequate for post-holiday orders. Bottling demand from educational institutions has plateaued as their pipelines are full. Intakes from restaurants and grocery stores remain stable. Milkfat components are steady this week. The August 4a price (butter/powder) in California is \$16.68, up \$0.27 from the previous month, and \$2.69 higher from a year ago. This compares to the Federal Order Class IV price of \$16.61 for August. The August 4b price (cheese) is \$16.26, up \$0.97 from the previous month, but \$0.08 below a year ago. This compares to the Federal Order Class III price for August at \$16.57. In **Arizona**, milk production is unchanged from last week. Contacts report that milk supplies are in balance with processing needs. Milk intakes from grocery stores are trending higher. However, requests from schools are stable. Milk going into ice cream manufacturing continues to move strongly. Milk production in **New Mexico** is steady to decreasing. Intakes for some Classes were higher this week. Fluid milk demand from schools increased as they prepare for the fall session. Class I intakes by the food services and retailers are up. Ice cream manufacturers are showing a great interest for Class II. Class III demand is rapidly trending down. Contacts report that manufacturing plants in the area where Hurricane Harvey took place reopened and are taking milk from New Mexico to fill their current orders. **Pacific Northwest** milk production is edging back along seasonal trends. Parts of the region have had serious wildfires resulting in the diversion of milk loads, but little disruption to production or processing. School pipelines are getting filled and have taken some pressure off of dairy processing. Manufacturers report no trouble getting the milk wanted for most processing needs. The region has had warm temperatures and continued dry conditions. Pasture and rangeland are in good or excellent condition in only 8 percent of Oregon and 9 percent of Washington. Milk production in the mountain states of **Idaho, Utah and Colorado** is steady. Although the region has had warm weather, the higher temperatures have done little to slow the heavy flow of milk. Handlers are struggling to find a home for all of the milk. Some milk is moving into neighboring states, but often at discounted prices of \$2 to \$4 under Class. Industry contacts suggest with cooler temperatures in the next few weeks and plenty of good quality feedstocks, it may be some time before the

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FLUID MILK AND CREAM

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milk volumes diminish. Pasture and rangeland are in good or excellent condition in 63 percent of Colorado, 57 percent of Utah and 47 percent of Idaho. **Condensed skim** demand continues to be active in the West. Class II and Class III processors are taking in steady volumes. In the West, **cream** continues to move strongly into ice cream manufacturing. Some contacts report that a lot of cream moved to the churn this week due to many plants being closed on Labor Day. As the initial start of the baking season approaches, processors expect cream demand to increase. **Cream multiples** for all Classes are **1.06-1.25**. According to the DMN *National Retail Report -Dairy* for the week of September 1-7, the national weighted average advertised price for one gallon of milk is \$2.60, up \$0.24 from last week, but \$0.20 lower from a year ago. The weighted average regional price in the Southwest is \$2.44, with a price range of \$1.89-\$2.99. The weighted average regional price in the Northwest is 1.99, with no price range reported. According to the NASS *Dairy Products* report, hard ice cream production in the West region for July 2017 is 16.3 million gallons, 6.2 percent lower than a month ago, and 0.8 percent below the previous year.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Low/medium heat nonfat dry milk (NDM) prices in the Central region remained steady on the range, while slightly decreasing on the top of the mostly price series. Spot trading activity was light in the short trading week. Low/medium heat NDM inventories are available. Low/medium heat NDM production is generally steady, only slightly lower than in previous weeks. The low/medium heat NDM market undertone is somewhat steady. High heat NDM prices increased on the bottom of the range. Spot sale activity of high heat NDM was fairly quiet. Inventories and production of high heat NDM is currently steady, however with baking season approaching there are some expectations that high heat NDM drying will increase in the near term. The NASS *Dairy Products* report noted U.S. NDM (human) production during July 2017 in the Central region totaled 29.7 million pounds, 11.2 percent higher than one year ago. Total U.S. human NDM production during July 2017 was 148.4 million pounds, 1.6 percent lower than last year. During January–July 2017, U.S. NDM (human) production totaled 1.106 billion pounds, 1.8 percent more than the same time span in 2016. Total U.S. NDM (human) month ending stocks for July were 298.8 million pounds, 16.2 percent above a year ago. The CME Group monthly average price for Grade A NDM during August was \$0.8491, compared to \$0.8454 a year ago. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during August was \$0.8954, compared to \$0.8801 a year ago.

EAST: Low/medium heat nonfat dry milk (NDM) prices are steady on the range, but inched down on the top of the mostly price series this week. Market participants are actively bidding on spot sales, but at prices lower than offered prices. Some balancing plants took in heavier milk volumes this week than expected. Although plants are taking in steady to more milk loads, drying schedules have decreased in balancing operations. Inventories are adequate for contractual needs. The demand is steady to stagnate. The market undertone is generally sluggish as stocks have the upper hand on current interest. High heat NDM prices shifted up on the bottom of the range this week. Spot activity is fairly bearish in the East. A couple plants have freed up drying schedules for high heat NDM. Inventories are tight to marginally growing. The tone for high heat NDM is stable. The DMN monthly average of the range price series for Central and East low/medium heat NDM during August 2017 was \$0.8952, compared to \$0.8732 a year ago. The August 2017 monthly average of the range price series for Central and East high heat was \$1.0284 compared to \$0.9704 a year ago.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8500 - 0.9200 MOSTLY: .8700 - .9100
HIGH HEAT: .9900 - 1.0500

NONFAT DRY MILK - WEST

Prices for low/medium heat nonfat dry milk (NDM) are held steady on the range and the mostly price series. The market undertone is unsettled. Although some contacts report that production is decreasing, stocks remain high. There are less activities going on in the market as some buyers/end-users are only buying what they need. Competition with the European skim milk market is intense, while sales into Mexico are strong. High heat nonfat dry milk prices are steady at the bottom of the range, but slightly lower at the top. Contacts believe that manufacturers cannot afford to hold onto stocks, which is one of the reasons why they are producing less high heat nonfat dry milk. Production is steady and continues to be directed toward fulfilling contractual demands. Spot sale activities are limited. The market undertone is firm. The CME Group

monthly average price for Grade A NDM during August was \$0.8491, compared to \$0.8454 a year ago. The August 2017 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$0.8913 compared to \$0.8875 a year ago. The average for Western high heat nonfat dry milk is \$1.0241 compared to \$.9825 a year ago. The NASS *Dairy Products* report noted U.S. human NDM production during July 2017 in the West region totaled 88.4 million pounds, 6.0 percent lower than one year ago, and 10.6 percent lower from the previous month. Total U.S. human NDM production during July 2017 was 148.4 million pounds, down 1.6 percent from last year. Cumulative human NDM production from January to July was 1.1 billion pounds, 1.8 percent above the previous year. Total U.S. NDM, human, month ending stocks for July were 298.8 million pounds, 16.2 percent above a year ago. At the GDT Event 195 on September 5, 2017 skim milk powder (SMP) prices across all contract periods averaged \$.8818 per pound, down 1.2% from the last event.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7950 - 0.9200 MOSTLY: .8600 - .9000
HIGH HEAT: 1.0000 - 1.0650

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
September 1	\$.9104	5,971,101
August 25	\$.9338	4,420,942

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 picked up slightly, as some producers were able to offer a few more spot loads than in previous weeks. Dry buttermilk inventories remain fairly hard to find, but with baking season approaching, buttermilk drying is expected to be on the rise. The dry buttermilk market tone remains firm. The DMN monthly average of the range price series for Central and East dry buttermilk during August was \$0.8967, compared to \$0.8176 a year ago. The NASS *Dairy Products* report noted U.S. dry buttermilk production during July 2017 totaled 7.9 million pounds, 8.3 percent higher than a year ago. Total U.S. dry buttermilk month-ending stocks for July were 15.8 million pounds, 15 percent below last year.

EAST: Dry buttermilk prices in the East are unchanged. Spot activity is moderate to minimal as offers are limited in the market. Some manufacturers' contracts are steady, but there is anticipation that orders will pick up in the near future. Current demand is steady to sluggish as many market participants are holding off on purchases. Dry buttermilk production is steady from last week. A few manufacturers' inventories are capable for contracts, but outside of regular agreements, inventories are limited. The market tone is moderate with signs of firmness.

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

DRY BUTTERMILK - WEST

Western dry buttermilk prices are steady on the range and the mostly price series. The market undertone is stable. Some contacts report that

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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.

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more cream went into butter churning this week due to plants being closed for the holiday. As the result, condensed buttermilk production increased. However, due to limited dryer capacity, more condensed buttermilk loads were sold to ice cream processors and less is being dried. Dry buttermilk demand is steady, and sales are predominantly contractual. Inventories are tight and some buyers/end-users can't find the volume they need in the spot market. The August 2017 Dairy Market News monthly average for the West dry buttermilk mostly series is \$0.9167 compared to \$0.8404 a year ago. The NASS *Dairy Products* report noted U.S. dry buttermilk production during July 2017 totaled 7.9 million pounds, 8.3 percent higher than a year ago, but 1.9 percent below the previous month. Total U.S. dry buttermilk month ending stocks for July were 15.8 million pounds, 15.0 percent below last year. At the GDT Event 195 on September 5, 2017, buttermilk powder prices across all contract periods averaged \$.9190 per pound, down 10.1% from the last event.

F.O.B. WEST: .8300 - .9600

MOSTLY: .9100 - .9400

DRY WHOLE MILK - NATIONAL

National dry whole milk prices remained steady. Trades were a bit heavier than in previous weeks. However, regionally mixed inventory levels continue to uphold a significant difference from the bottom to the top of the range. Orders from industrial bakeries have begun to increase. As such, producers are expecting to increase production schedules when time/supplies allow. The market tone is fairly steady. The August 2017 Dairy Market News monthly average for the National price series for dry whole milk is \$1.5478, compared to \$1.3330 a year ago. The NASS *Dairy Products* report noted U.S. dry whole milk production during July 2017 totaled 9.8 million pounds, 17.4 percent higher than a year ago. Total U.S. dry whole milk month-ending stocks for July were 22.1 million pounds, 57.4 percent above last year.

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 were mixed on the range, while the top of the mostly price series slid one cent. Some preferred brands changed hands, possibly leading to an increase on the price range. However, regular reports of block volume spot trades have been reported, keeping pressure on current price points. Spot trading was steady to a little heavier than in previous weeks. Dry whey production is steady to slightly lower. Feed whey spot market prices slipped on the top of the range. Feed whey spot activity was fairly quiet, as inventories remain available. The DMN monthly average of the mostly price series for Central dry whey during August was \$0.3964, compared to \$0.2798 a year ago. The monthly average of the range price series for Central animal feed whey during July was \$0.3448, compared to \$0.2123 a year ago. The NASS *Dairy Products* report noted U.S. total dry whey (Human) production for July 2017 was 99.2 million pounds, up 21 percent from a year ago. January-July 2017 U.S. total dry whey production totaled 601.8 million pounds, 6.1 percent above the same time span in 2016. The Central region produced 44 million pounds of U.S. human dry whey production in July. This production is 13.2 percent higher than a year ago.

F.O.B. CENTRAL: .3000 - .4750 MOSTLY: .3400 - .4200
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2600 - .4000

DRY WHEY - NORTHEAST

Prices in the Northeast are mixed. Transactions based on f.o.b. spot market sales and index adjustments determined this week's dry whey pricing range. Production of dry whey is steady. Indications are that sizeable buildups of product can be found in the region. Supplies tend to move primarily through contracted sales. Fewer cash exchanges indicate a sluggish spot market. The dry whey market undertone is weak to unsettled. The Dairy Market News August 2017 Northeast monthly dry whey average was \$0.4075, compared to \$0.2921 one year ago.

DAIRY PRODUCTS: According to NASS, July 2017 U.S. human food dry whey production totaled 97.0 million pounds, 21.6 percent above a year ago and 11.9 more than the previous month. In the Atlantic region the production of human food dry whey for July 2017 totaled 20.6 million pounds, 2.2 percent more than a year ago, but 10.2 percent more than last month.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3350 - .4725

DRY WHEY - WEST

Western whey prices held steady at the top of the price range, but moved lower on the bottom of the range and both ends of the mostly prices series. Demand is light outside of current contracts and stocks are building. Industry contacts suggest buyers are taking a wait and see approach to purchases. Buyers are in no rush to purchase whey, knowing whey is readily available. The recent NASS *Dairy Products* report described heavy inventories and very active whey production. NASS reports that July 2017 U.S. human dry whey production, 97.0 million pounds, is up 21.6 percent from a year ago, and up 11.9 percent from June 2017. The Western region produced 32.4 million

pounds of human dry whey during July, up 56.3 percent from last year, and up 52.3 percent from last month. Month ending stocks for U.S. human dry whey, at 95.1 million pounds, are 37.2 percent higher than one year ago, and up 15.0 percent from June 2017. The DMN monthly average of the mostly price series for West dry whey during August was \$0.4050 compared to \$0.4256 one month ago and \$0.3020 a year ago.

NONHYGROSCOPIC: .3350 - .4525

MOSTLY: .3550 - .4100

WHEY PROTEIN CONCENTRATE 34% - CENTRAL AND WEST

Prices for whey protein concentrate 34% moved lower on the top of the mostly price series, but otherwise are unchanged. Industry contacts report WPC34% is moving through contracted agreements well, but spot sales are a little sloppy. Demand for favored brands and WPC34% that meets tight end user requirements remains stable and inventories range from tight to in-balance. However, WPC34% that is interchangeable with other protein sources are readily available and continue to run into pricing pressures. Production is steady. The August 2017 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$0.8486, compared to \$0.8919 one month ago and \$0.7151 one year ago. According to the NASS *Dairy Products* report U.S. production of WPC (25.0-49.9% protein) during July 2017 totaled 14.9 million pounds, 1.0 percent higher than one year ago, but 2.6 percent lower than June. Year to date total WPC (25.0-49.9% protein) production through July is 106.3 million pounds, unchanged from January through July one year ago. Manufacturers' end-of-month stocks for WPC (25.0-49.9% protein) totaled 24.3 million pounds, 3.7 percent lower than one year ago, and 1.3 percent less than June 2017.

F.O.B. EXTRA GRADE 34% PROTEIN: .7000 - 1.1000 MOSTLY: .7500 - .8950

LACTOSE - CENTRAL AND WEST

Although lactose prices are unchanged on the range, the mostly price series moved lower. Lactose is moving well through contracted agreements, but spot market activity is hit or miss. Some industry contacts report hearing rumors of spot sales at below published market prices. Demand is mixed. Domestic demand is solid and contacts say Oceania is buying as expected, in line with the Southern Hemisphere milk production season. Demand in Southeast Asia, however, is abysmal. Some contacts describe the market activity there as 'scary slow' and many manufacturers from across the globe are offering large volumes of lactose in an effort to gain market share and ease inventory burdens. U.S. lactose stocks are generally heavy. Some manufacturers are trying to adjust production schedules, where they can, in order to cut back on the lactose being made. The August 2017 Dairy Market News average of the mostly price series for Central and West lactose was \$0.3435, compared to \$0.3745 one month ago and \$0.2948 one year ago. NASS's *Dairy Products* report shows U.S. lactose production during July 2017 totaled 99.3 million pounds, a 1.5 percent increase from one year ago, and 2.3 percent more than last month. Year to date lactose production through July is

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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.

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661.9 million pounds, 3.2 percent more than a year ago. Month ending stocks, at 144.5 million pounds, are 13.6 percent higher than one year ago, and 5.1 percent more than June 2017. At the GDT Event 195 on September 5, lactose prices across all contract periods averaged \$0.3588 per pound, up 5.1 percent.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .2200 - .4700 MOSTLY: .2500 - .3600

CASEIN - NATIONAL

Casein prices are stronger. Rennet prices firmed at each end of the price range. Acid prices strengthened at the bottom of the range. Buyers are engaged in more contracting and that interest is helping move prices up. At GDT event 195 on September 5, rennet casein prices for the October contract increased 12.4 percent.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B.,
U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING
TO MESH SIZE AND QUALITY.

RENNET:	2.8500 - 3.0000
ACID:	3.5000 - 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
08/19/2017	57.1	1,883.1	54.9	1,862.2

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

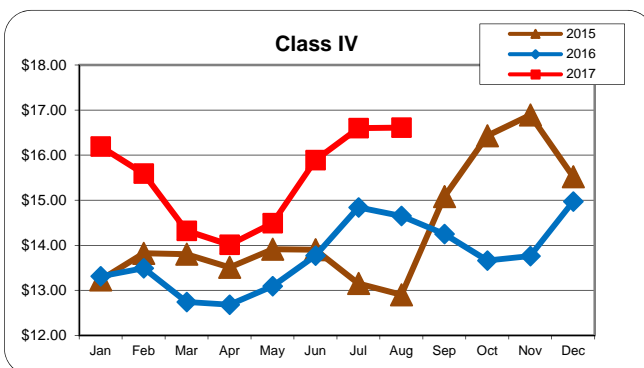
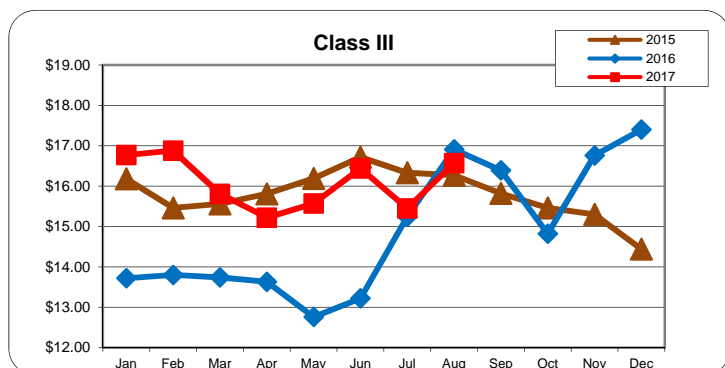
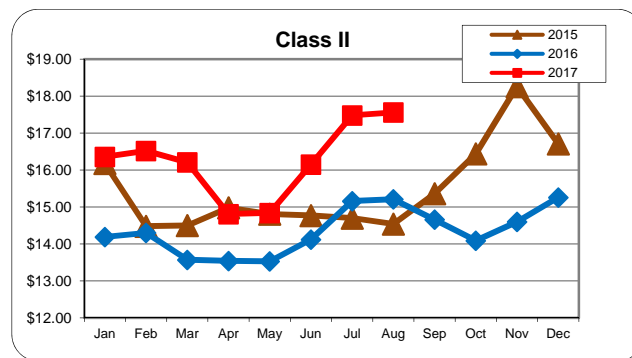
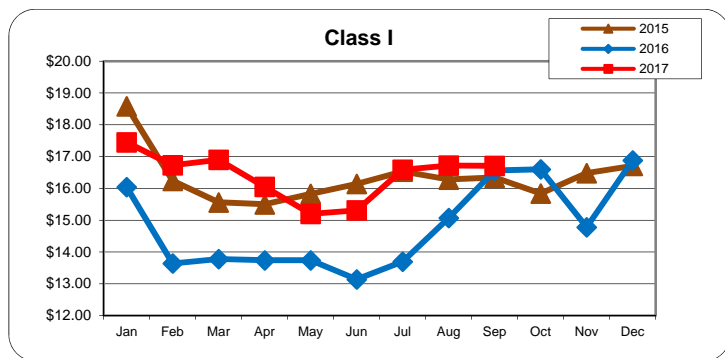
CLASS IV MILK PRICES (3.5% Butterfat)

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."



ORGANIC DAIRY MARKET NEWS

Information gathered August 28 - September 8, 2017

ORGANIC DAIRY FLUID OVERVIEW

Organic Milk Shortage to Surplus. The last two years in the organic dairy sector have moved from organic milk shortages, to surpluses. This fall, organic dairy producers and processors generally look ahead to next season being similar to this season in terms of oversupply of organic milk exerting downward pressure on organic milk pay prices. The oversupply of organic milk into processing and distribution is not expected to end soon. Some industry officials project oversupply may be a problem through 2018.

While organic dairy processors have been investing in new capacity, organic production still exceeds capacity. Sometimes overlooked is that the problem of processing capacity limitations, perhaps a more recent factor in the organic dairy sector, also affects the conventional dairy sector.

A recent bank report concluded that conventional milk processing capacity has struggled to keep pace with growth in milk production. The report found that additional milk processing capacity will be needed in the U.S. over the next 10 years if current trends continue.

This overlays struggles in organic dairy processing because a number of organic processors contract for plant time with conventional facilities also certified as organic. Significant volumes of organic milk are processed in facilities contracted, rather than owned by the organic brand.

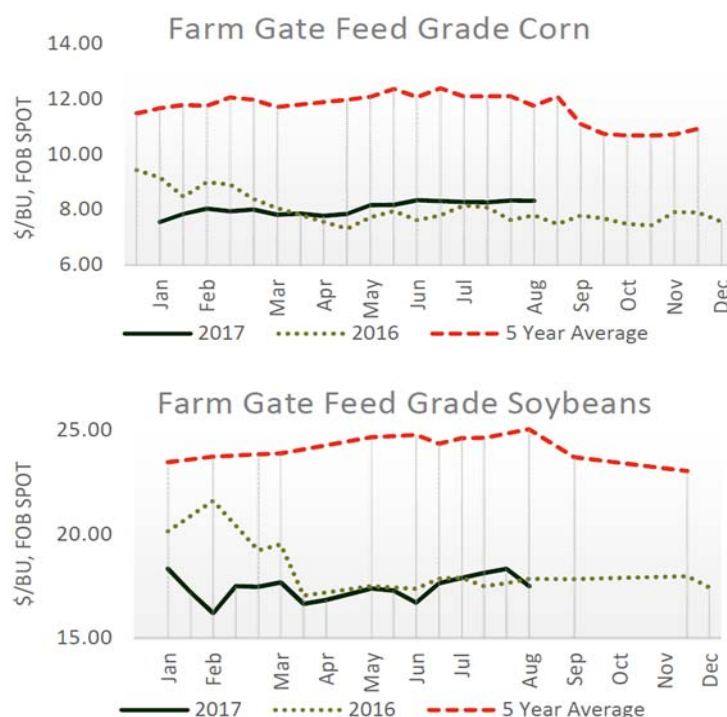
While the relatively small number of organic processors vis-a-vis the conventional dairy sector keeps data less open, it has been estimated that up to 75 percent of organic milk is needed for fluid milk sales, well higher than in the conventional milk sector. Ipso facto, that leaves a far less developed organic dairy product processing sector to handle relatively rapid increases in organic milk production, such as currently. With an inability to process organic milk production not needed for the organic fluid milk market, the option is the current reality, send organic milk into conventional markets. Obviously it is not sustainable to keep paying organic milk prices for organic milk sold into conventional markets. That dilemma underlies the current angst which has a grip on the organic dairy sector.

Organic Milk Pay Price Reductions. Vermont organic producers contracted with a large non-cooperative dairy processor have been informed that pay prices are reduced effective September 1. Some producers report that their pay price will be reduced from \$35 per hundredweight, to \$31. An estimated 25 percent of Vermont's organic dairy producers are contracted with the processor. It was previously announced that the processor buying the majority of Vermont's organic milk had reduced volumes per producer that would receive the top organic price and that milk over quota would receive sub-organic prices.

Organic Milk Pay Prices Increase in Europe. In Germany, it is reported that organic milk prices January-July 2017 calculated for the period, were .486 euros per kilogram, an increase of .07 euros over the same period of 2016. This price is for milk 4.0 percent fat and 3.4 percent protein. Organic milk production volumes for 2017 in Germany January-June are characterized as "significantly" above the same period of 2016. Demand for organic milk and dairy products is growing. Consumers are increasingly switching to organic milk from conventional milk, as well as organic milk with higher fat content. Organic butter sales increased 9.4 percent from January-July 2017, compared with the same period of 2016.

A significant processor of organic milk in Netherlands announced a 0.25 euro increase in the pay price for organic milk in September over August. The September price, 49 euros per kilogram, is for organic milk with a fat content of 4.41 percent, a protein content of 3.47 percent, and a lactose content of 4.51 percent from a producer supplying an average of 600,000 kilograms of organic milk annually.

ORGANIC GRAIN AND FEEDSTUFF MARKETS: Organic feed grade corn demand is good, trading 1 cent lower, with cash bids steady to firm. Spot trading activity is moderate. Forward contracting for Q4-Q1 is active. Organic feed grade soybean demand and activity is light, trading 83 cents lower, with cash bids remaining steady. Forward contracting for Q4-Q1 is light. Organic soybean meal and soybean oil trading is too limited to trend, but steady undertones are noted. Forward contracting for Q4-Q1 is active. Organic spot market trading is too limited to trend for food and feed wheat. Cash bids are unchanged. Organic feed oat trading activity and demand are moderate and prices reflect light test weights.



Source: Graphs by Livestock, Poultry and Grain Market News

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

ORGANIC DAIRY RETAIL OVERVIEW

Organic Dairy Overview. Subsequent to the Labor Day holiday, organic ad percentages by commodity show organic milk advertisements accounting for 44 percent of commodities surveyed, a very significant drop compared to the previous week when milk ads were 84 percent of the total. Organic yogurt improved to 26 percent of total ads by commodity. Organic cream cheese and organic cheese ads emerged at 11 and 8 percent, respectively, contrasting with the previous week's report of no surveyed retail advertisements.

CONTINUED ON PAGE -8A-

ORGANIC DAIRY MARKET NEWS

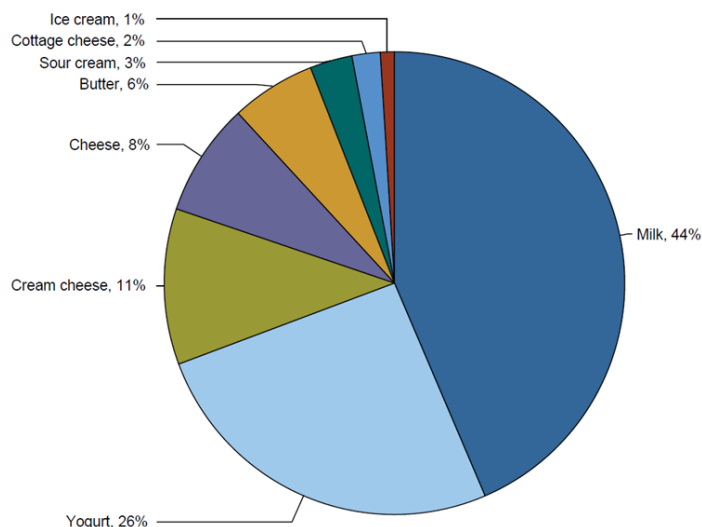
Information gathered August 28 - September 8, 2017

CONTINUED FROM PAGE -8-

Regionally, the Northwest posted a noteworthy jump in organic ads, 2,179 percent over the previous week, with the Southeast following as ads increased 113 percent. The number of organic milk ads were greater in the Southeast, Northeast, and Northwest markets, as each displayed an upsurge over the last report period.

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

Percentage of Total Organic Ads by Commodity



Data source: USDA Dairy Market News

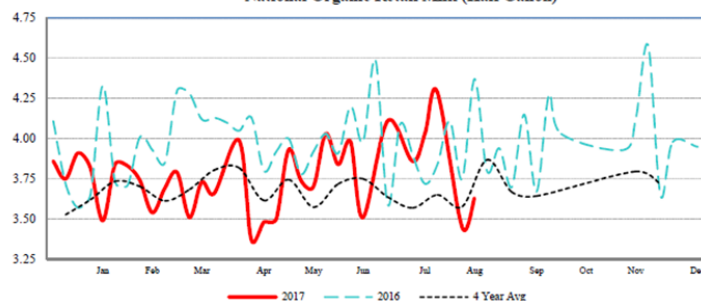
Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from September 8-14 2017, identifying weekly specials and containing organic dairy content. Retail survey ads reflect “advertised specials” and not the range of non-advertised supermarket cooler prices.

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

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

Commodity	This Week	Last Week	Last Year
Butter	5.43	4.49	4.69
Milk			
Half Gal.	3.87	3.63	3.94
Gal.	5.99	6.77	4.99
8 oz.	.90	.98	1.00
Yogurt			
4-6 oz. Greek	1.19	1.00	1.06
32 oz. Greek	5.49	5.49	...
4-6 oz. Yogurt99
32 oz. Yogurt	3.69	...	3.96

National Organic Retail Milk (Half Gallon)



Data source: USDA/AMS/Weekly National Organic Summary

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

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

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

July 2017 Dairy Products Highlights

Butter production was 137 million pounds, 1.6 percent above July 2016, but 2.0 percent below June 2017. **American type cheese** production totaled 402 million pounds, 0.2 percent above July 2016, but 0.4 percent below June 2017. **Total cheese** output (excluding cottage cheese) was 1.03 billion pounds, 1.0 percent above July 2016, but 0.3 percent below June 2017. **Nonfat dry milk** production, for human food, totaled 148 million pounds, 1.6 percent below July 2016, and 9.1 percent below June 2017. **Dry whey** production, for human food, was 97 million pounds, 21.6 percent above July 2016, and 11.9 percent above June 2017. **Ice cream, regular hard** production totaled 70.6 million gallons, 1.7 percent below July 2016, and 6.3 percent below June 2017.

Production of Dairy Products									
Product	July 2017	Change from			Product	July 2017	Change from		
		July 2016	June 2017	Year to Date ¹			July 2016	June 2017	Year to Date ¹
	(1,000 lbs)	(percent)				(1,000 lbs)	(percent)		
Butter	137,285	1.6	-2.0	-1.4	Yogurt (plain and flavored)	341,310	-0.1	-7.7	-0.9
Cheese					Dry whey, human food	96,966	21.6	11.9	---
American types ²	401,799	0.2	-0.4	3.5	Dry whey, animal feed	2,222	-0.1	53.6	---
Cheddar	286,431	0.8	-0.3	5.2	Dry whey, total ⁸	99,188	21.0	12.6	6.1
Other American	115,368	-1.3	-0.5	---	Reduced lactose & minerals				
Brick & Muenster	18,065	10.2	13.5	---	Human food	2,596	34.2	18.5	---
Cream & Neufchatel	71,733	-0.2	-1.3	---	Animal feed	2,839	3.5	11.2	---
Hispanic	22,602	3.2	-5.2	---	Lactose, human food & animal feed	99,261	1.5	2.3	3.2
Total Italian types	449,526	1.2	-0.1	1.3	Whey protein concentrate				
Mozzarella	352,073	1.1	0.7	0.8	Human food ⁹	40,582	6.3	2.8	---
Other Italian	97,453	1.5	-2.7	---	Animal feed ⁹	1,130	315.4	-11.0	---
Swiss	26,377	-2.3	1.7	---	Total ⁹	41,712	8.5	2.4	2.7
All other types	36,856	6.6	-3.2	---	25.0-49.9 percent ¹⁰	14,892	1.0	-2.6	---
Total	1,026,958	1.0	-0.3	2.5	50.0-89.9 percent ¹⁰	26,820	13.2	5.3	---
Cottage cheese, curd ³	33,760	2.3	4.2	---	Whey protein isolates ¹¹	9,867	9.8	-1.9	---
Cottage cheese, cream ⁴	28,292	4.2	1.9	-2.2					
Cottage cheese, lowfat ⁵	29,590	-2.5	6.4	-6.6					
Dry buttermilk	7,890	8.3	-1.9	---					
Dry whole milk	9,787	17.4	23.1	---	Frozen products				
Milk protein conc. (MPC), total ⁶	15,366	26.5	-3.7	---	Ice cream, regular hard	70,643	-1.7	-6.3	-1.8
Nonfat dry milk (NDM), human	148,422	-1.6	-9.1	1.8	Ice cream, lowfat, hard	18,096	-2.7	-8.9	---
Skim milk powders (SMP) ⁷	50,215	2.9	25.5	2.6	Ice cream, lowfat, soft	24,365	8.4	-2.8	---
Sour cream	107,782	4.1	-8.4	2.1	Ice cream, lowfat, total	42,461	3.4	-5.5	2.5
					Sherbet, hard	2,969	-5.3	-17.1	-3.6
					Frozen yogurt, total	5,432	-4.3	-10.3	-2.3

Manufacturers' Stocks, End of Month ¹²							
Product	July 2017	July 2016	June 2017	Product	July 2017	July 2016	June 2017
	(1,000 lbs)	(percent)			(1,000 lbs)	(percent)	
Dry whey, human food	95,088	37.2	15.0	Whey protein concentrate			
Dry whey, animal feed	3,074	107.8	57.5	Human food ⁹	68,380	12.6	1.4
Reduced lactose & minerals—human & animal ¹³	7,192	-0.7	4.9	Animal feed ⁹	1,603	162.8	29.4
Lactose, human food & animal feed	144,462	13.6	5.1	Total ⁹	69,983	14.1	1.9
Dry buttermilk	15,817	-15.0	-1.3	25.0-49.9 percent ¹⁰	24,252	-3.7	-1.3
Nonfat dry milk, human food	298,833	16.2	1.1	50.0-89.9 percent ¹⁰	45,731	26.5	3.7
				Whey protein isolates ¹¹	25,849	41.4	2.8

¹ 2017 cumulative as percent change of 2016 cumulative. ² Includes Cheddar, Colby, Monterey and Jack. ³ Mostly used for processing into cream or lowfat cottage cheese. ⁴ Fat content 4 percent or more. ⁵ Fat content less than 4 percent. ⁶ Dry milk protein concentrate, 40-89.9 percent. ⁷ Includes protein standardized and blends. ⁸ Excludes all modified dry whey products. ⁹ Whey protein concentrate, 25.0 to 89.9 percent. ¹⁰ Whey protein concentrate, human and animal. ¹¹ Whey protein isolates, 90.0 percent or greater. ¹² Stocks held by manufacturers at all points and in transit. ¹³ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. **Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Dairy Products*, (September 2017).

Measures of Growth in Federal Order Markets: 1950 - 2016

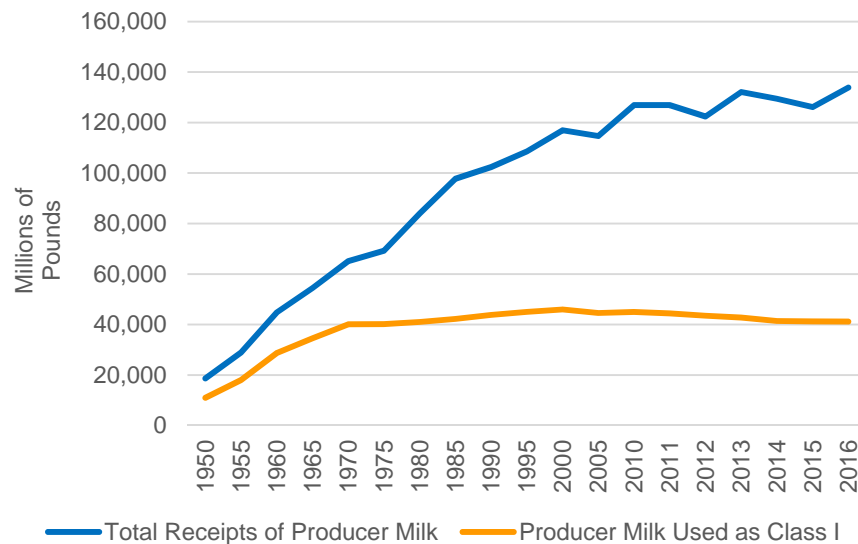
Year	Number of Markets ¹	Number of Pool Handlers ¹	Number of Pooled Producers ²	Population of Federal Milk Marketing Areas ³	Total Receipts of Producer Milk ⁴	Producer Milk Used as Class I	Percent Used as Class I	Percentage of All Milk Sold		Milk Price at 3.5% Butterfat Content ⁶		Average Daily Delivery per Producer	Gross Value of Producer Milk ⁷	
								Fluid Grade	All Milk	Class I	Blend		Per Pooled Producer	All Pooled Producers
1950	39	1,101	156,584	⁵	18,660	11,000	58.9	41	25	4.51	3.93	326	4,914	769,442
1955	63	1,483	188,611	46,963	28,948	18,032	62.3	51	32	4.67	4.08	420	6,510	1,227,815
1960	80	2,259	189,816	88,818	44,812	28,758	64.2	64	43	4.88	4.47	648	10,482	1,989,615
1965	73	1,891	158,077	102,351	54,444	34,561	63.5	70	48	4.93	4.31	944	15,300	2,418,526
1970	62	1,588	143,411	125,721	65,104	40,063	61.5	79	59	6.74	5.95	1,244	27,636	3,963,311
1975	56	1,315	123,855	150,666	69,249	40,106	57.9	78	63	9.36	8.64	1,532	49,233	6,097,768
1980	47	1,091	117,490	164,908	83,998	41,034	48.9	80	67	13.77	12.86	1,954	93,685	11,007,001
1985	44	884	116,765	176,440	97,762	42,201	43.2	80	70	13.88	12.61	2,294	107,871	12,595,522
1990	42	753	100,397	195,841	102,396	43,783	42.8	77	70	15.55	13.78	2,796	142,324	14,289,567
1995	33	571	88,717	207,548	108,548	45,044	41.5	75	71	14.19	12.79	3,350	157,754	13,995,454
2000	11	346	69,590	228,899	116,920	45,989	39.3	72	70	14.24	12.11	4,590	207,913	14,468,892
2005	10	302	53,036	238,428	114,682	44,570	38.9	66	65	17.13	15.07	5,904	334,626	17,747,577
2010	10	251	45,918	247,031	126,909	44,970	35.4	67	66	18.25	16.07	7,572	444,038	20,389,201
2012	10	237	40,750	250,724	122,388	43,492	35.5	62	61	20.39	18.05	8,229	542,121	22,091,337
2013	10	225	40,048	251,201	132,100	42,742	32.4	67	66	21.80	19.44	9,047	641,295	25,682,588
2014	10	223	38,391	255,184	129,420	41,420	32.0	63	63	26.14	23.54	9,236	793,728	30,472,016
2015	10	214	36,118	256,526	126,126	41,206	32.7	61	61	19.21	16.70	9,559	583,173	21,063,042
2016	10	216	* 34,721	258,846	133,846	41,140	30.7	64	64	17.70	15.38	* 10,516	* 592,884	20,585,515

* Revised

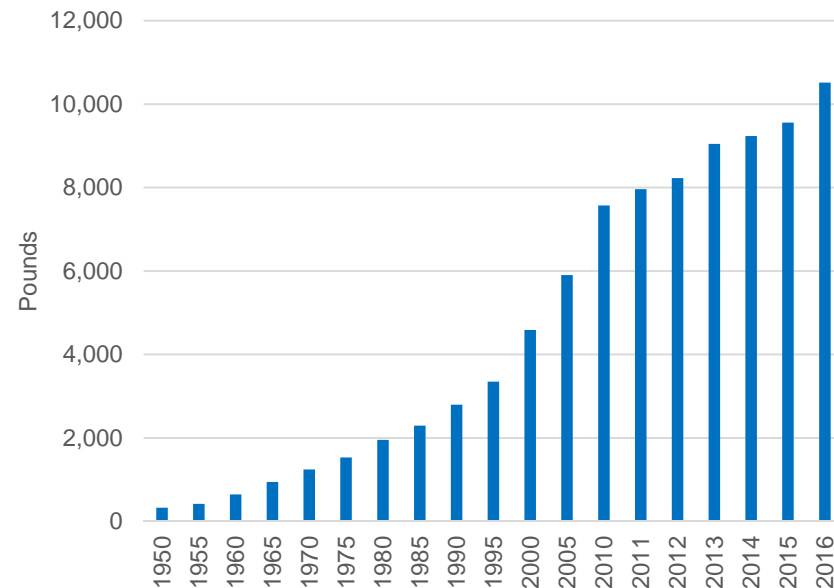
¹ End of year.² Average for year.³ Figures for following time periods on respective U.S. Census: 1951-59 (1950), 1960-70 (1970), 1980, 1990, 2000, and 2010. Figures for following time periods are estimated based on other Census Bureau reports: 1972-79, 1981-99, 2001-2009, 2011-2016.⁴ Beginning in 1988, due to disadvantageous price situations in some markets, handlers elected not to pool milk that normally would have been associated with the order. This has reduced, sometimes substantially, the volume of producer milk receipts reported for some markets. This can also affect significantly the comparability of other "Measures of Growth" based on this statistic.⁵ Data not available.⁶ Prices are simple averages for 1947-61 and weighted averages for 1962 to date.⁷ Based on blend (uniform) price adjusted for the butterfat content, and starting in 1988, other milk components of producer milk.

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

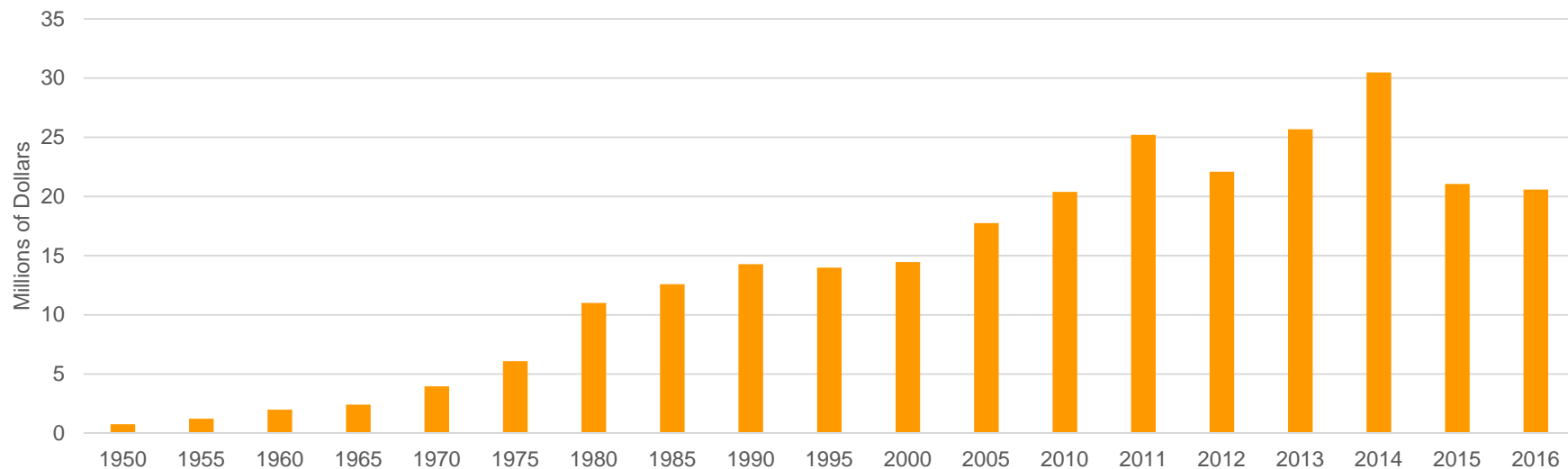
**Total Receipts of Producer Milk &
Producer Milk Used as Class I**

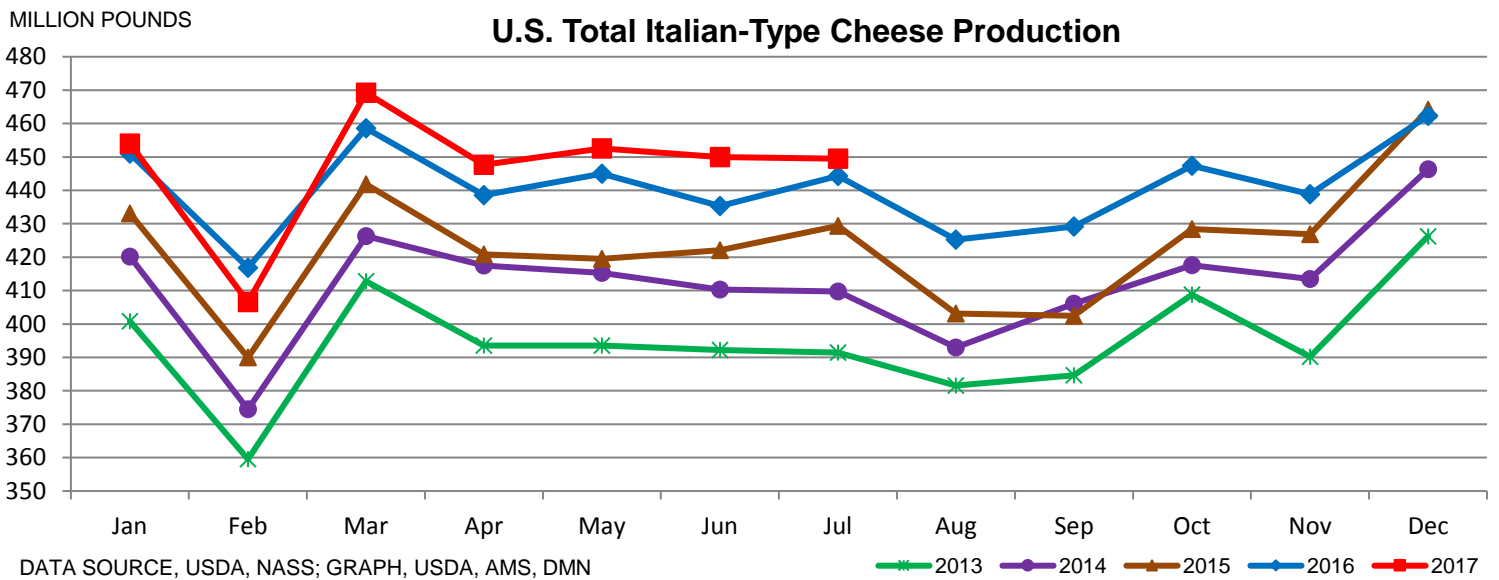
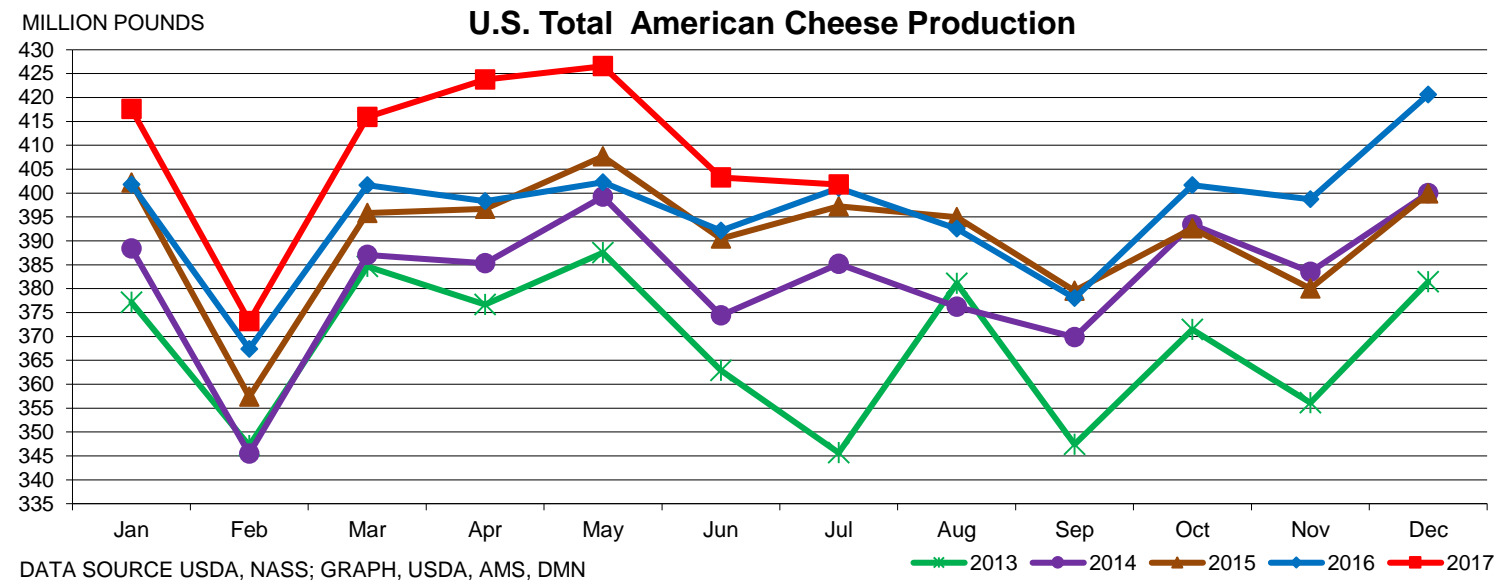
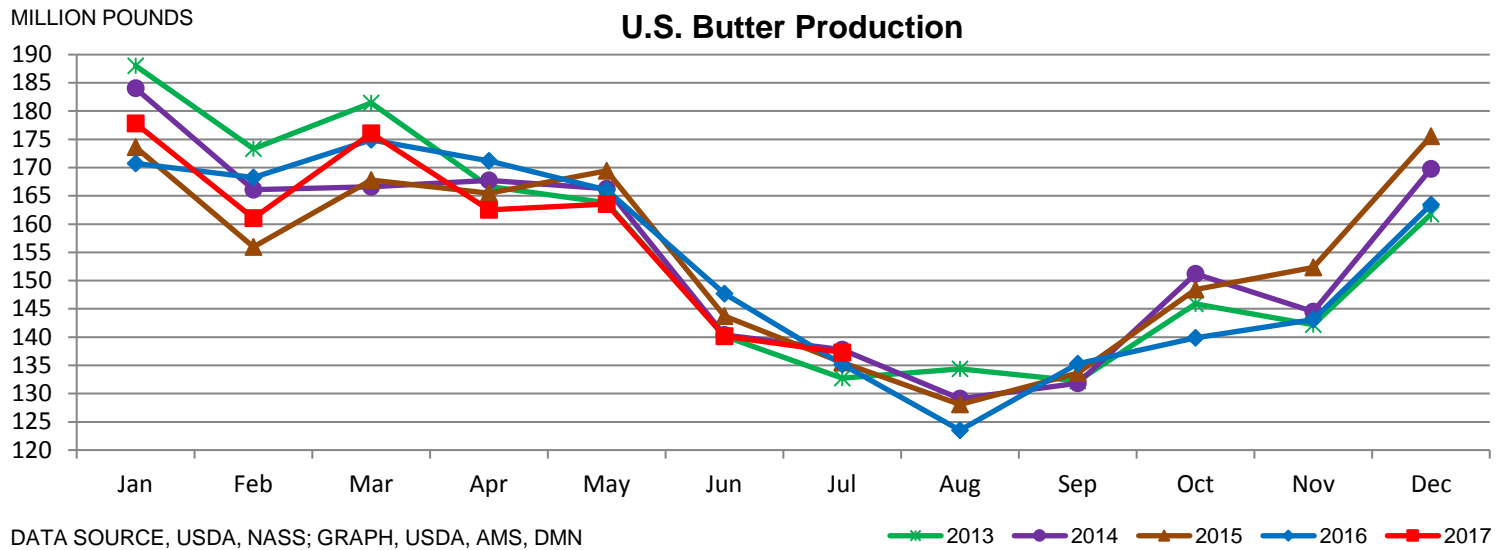


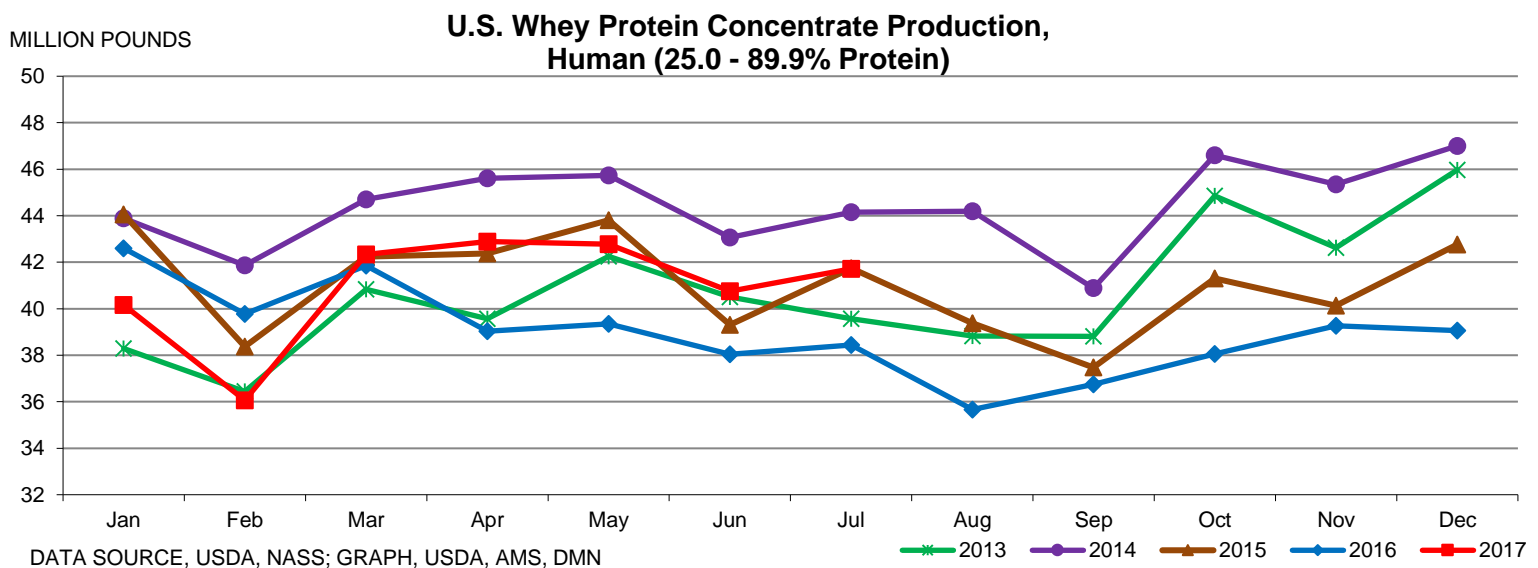
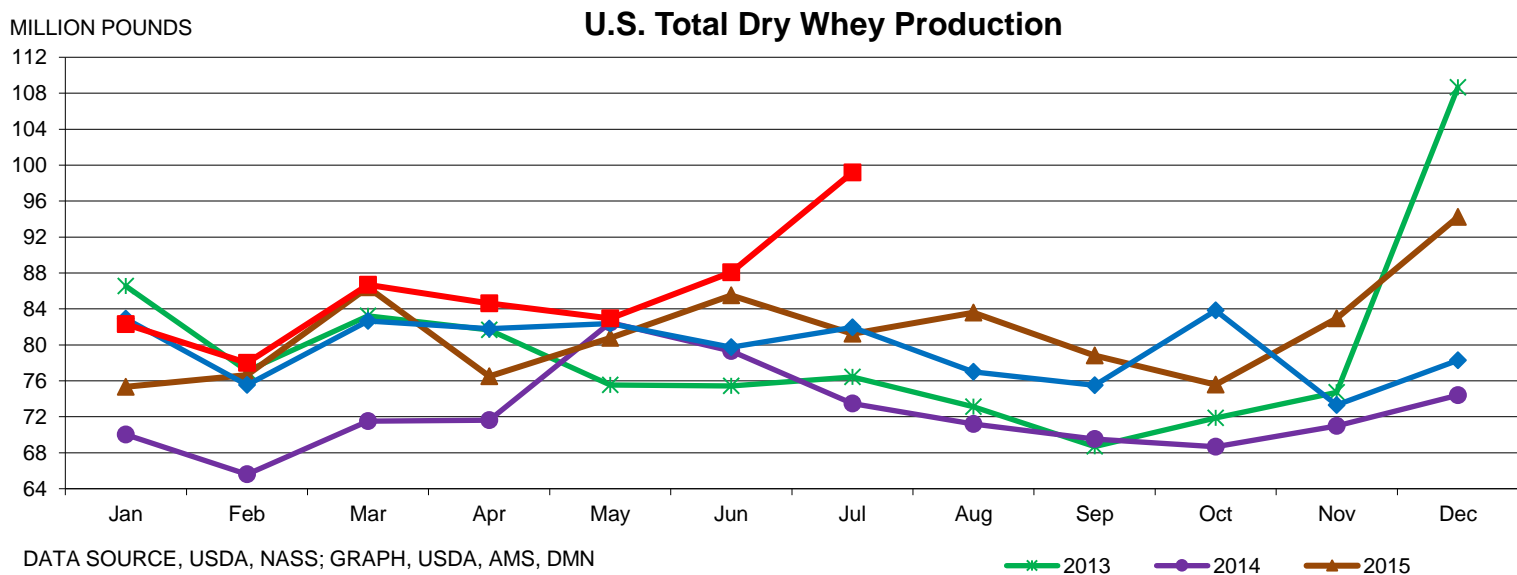
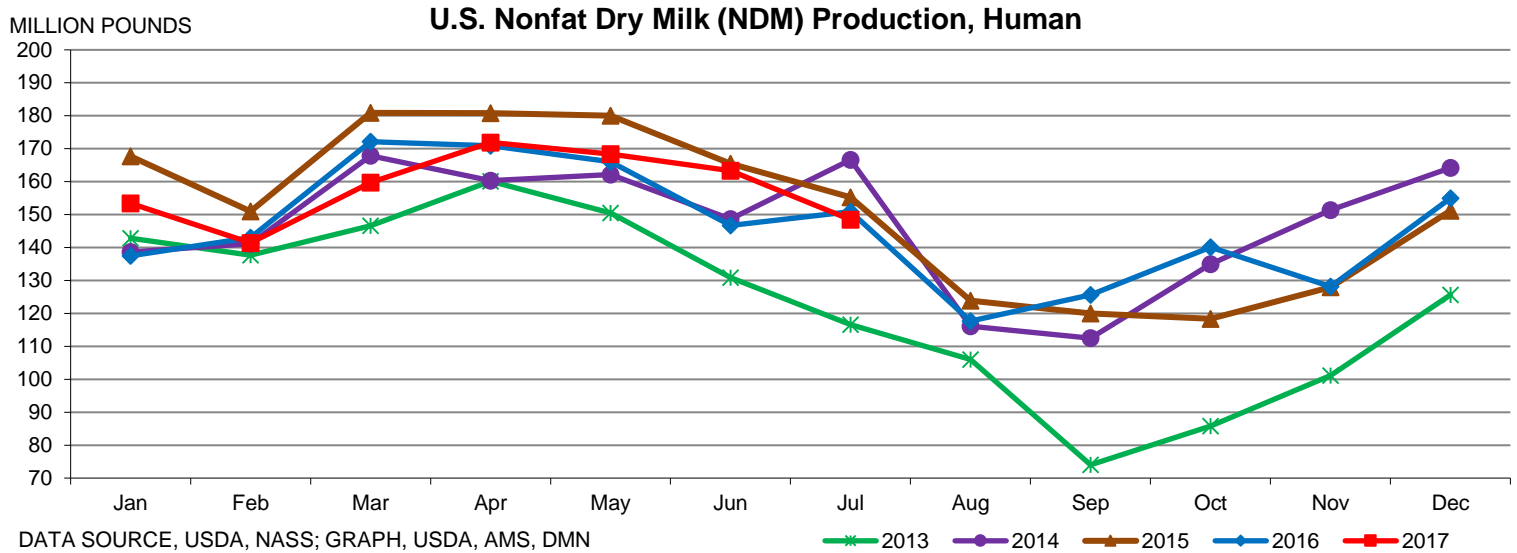
Average Daily Delivery per Producer

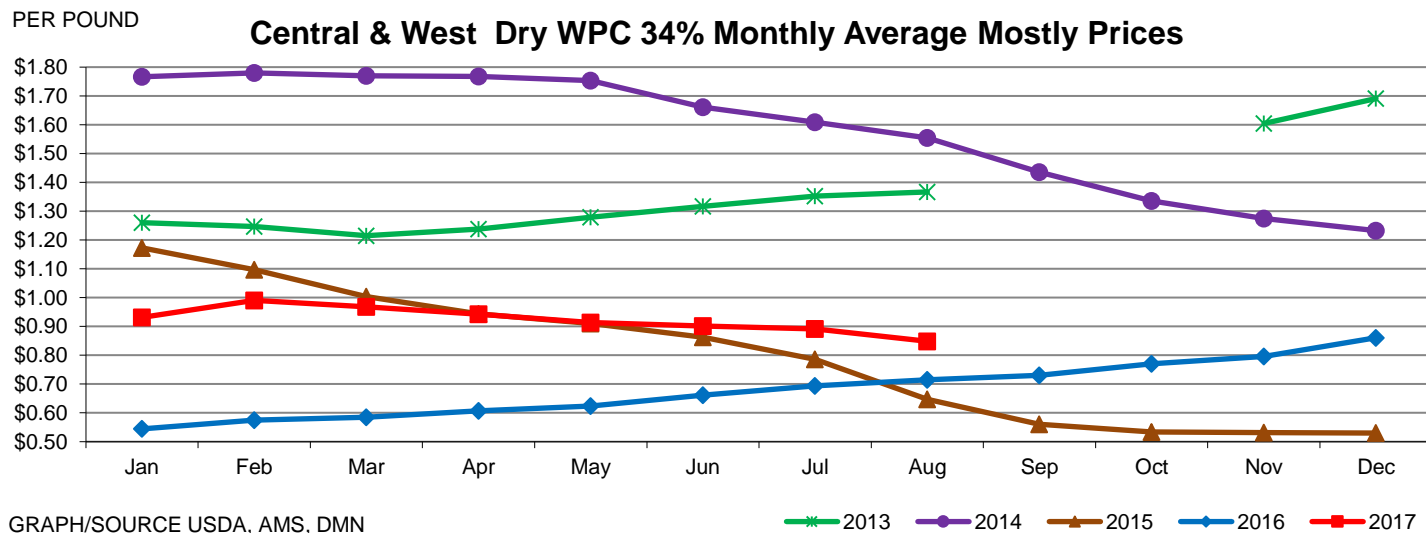
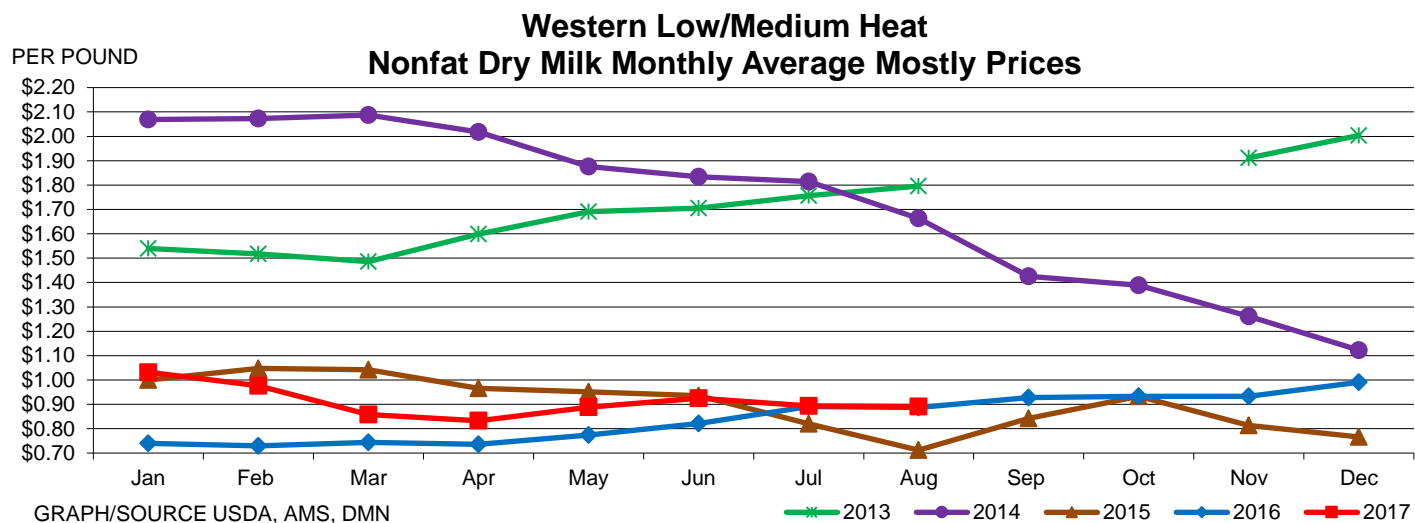
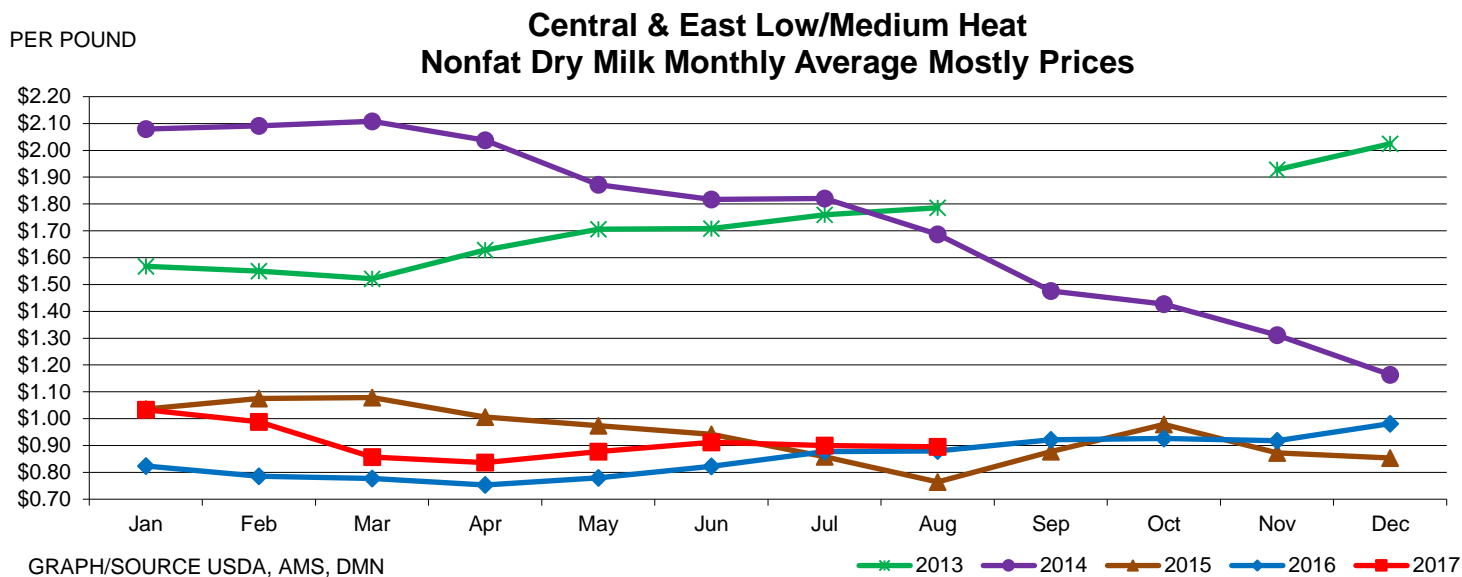


Gross Value

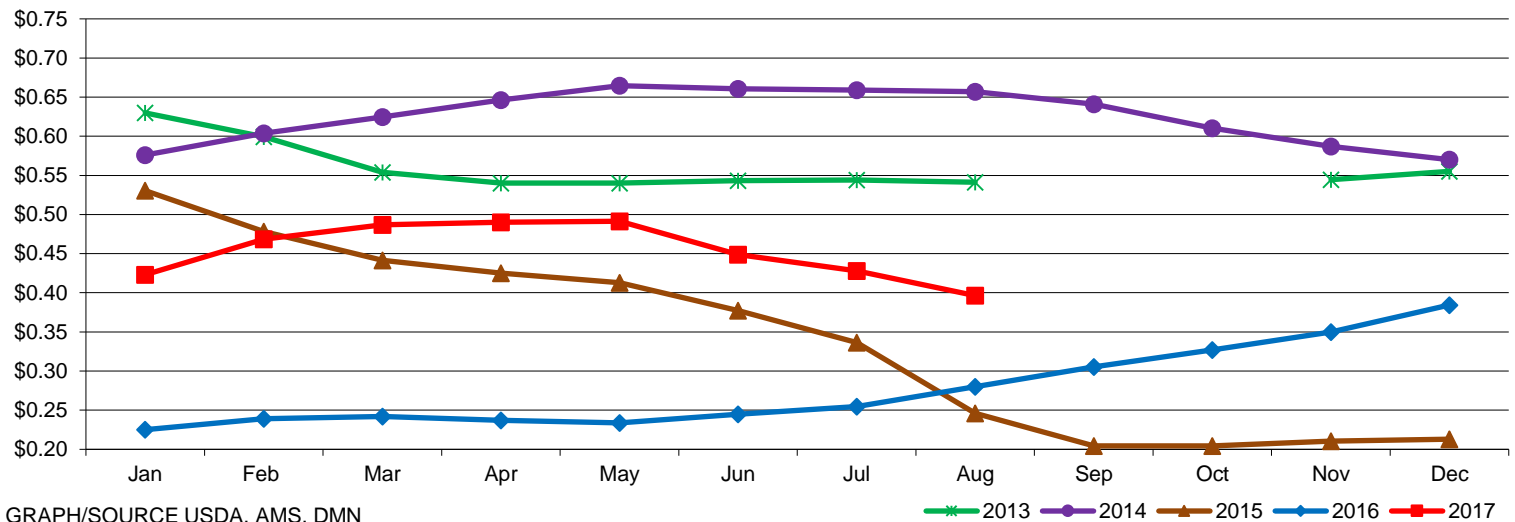






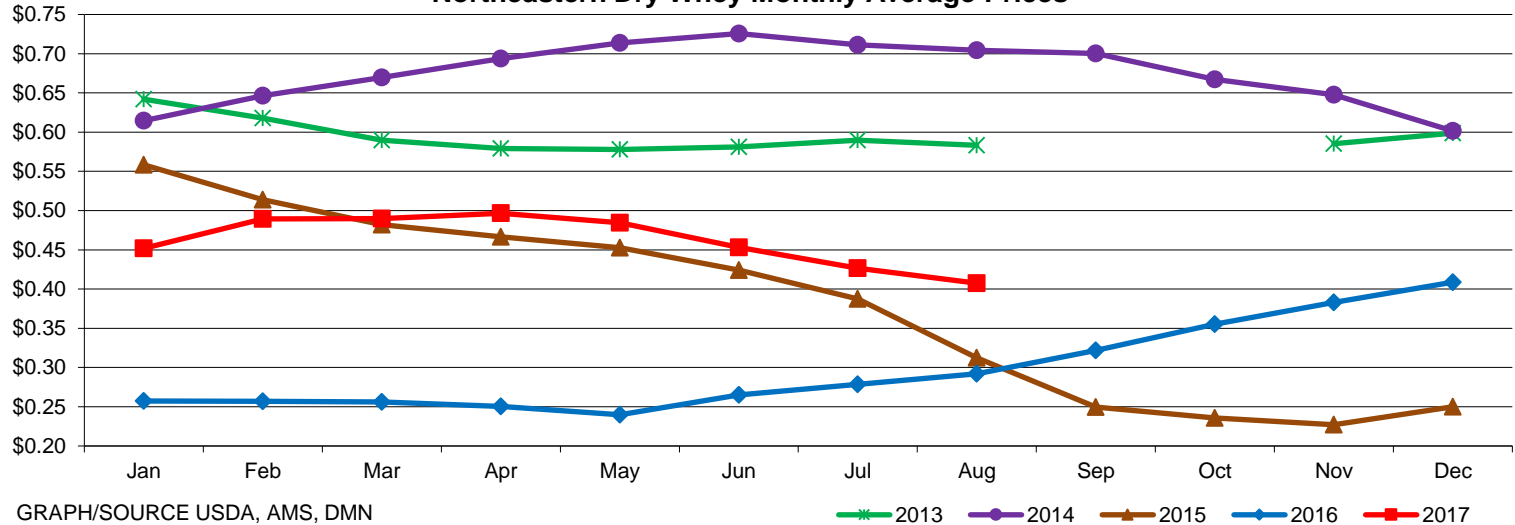


PER POUND

Central Dry Whey Monthly Average Mostly Prices

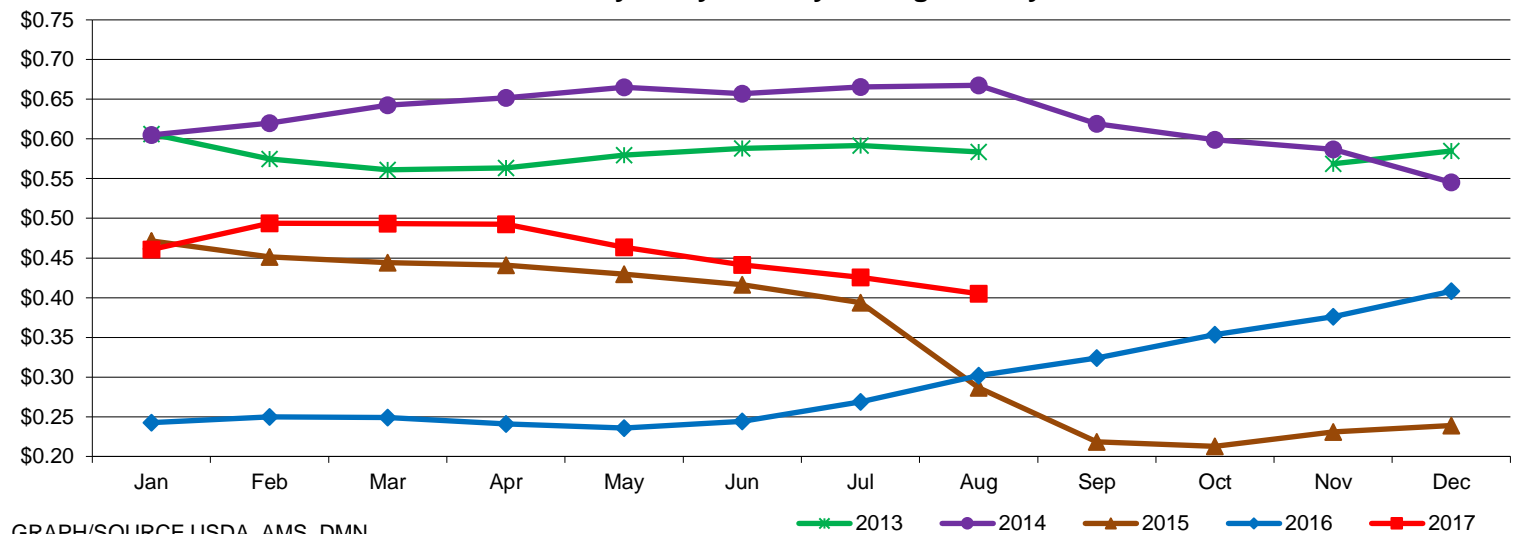
GRAPH/SOURCE USDA, AMS, DMN

PER POUND

Northeastern Dry Whey Monthly Average Prices

GRAPH/SOURCE USDA, AMS, DMN

PER POUND

Western Dry Whey Monthly Average Mostly Prices

GRAPH/SOURCE USDA, AMS, DMN



Dairy Market News Branch

Agricultural
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National Retail Report-Dairy

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

Volume 84- Number 36

Issued Weekly

Friday, September 8, 2017

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 09/08/2017 to 09/14/2017

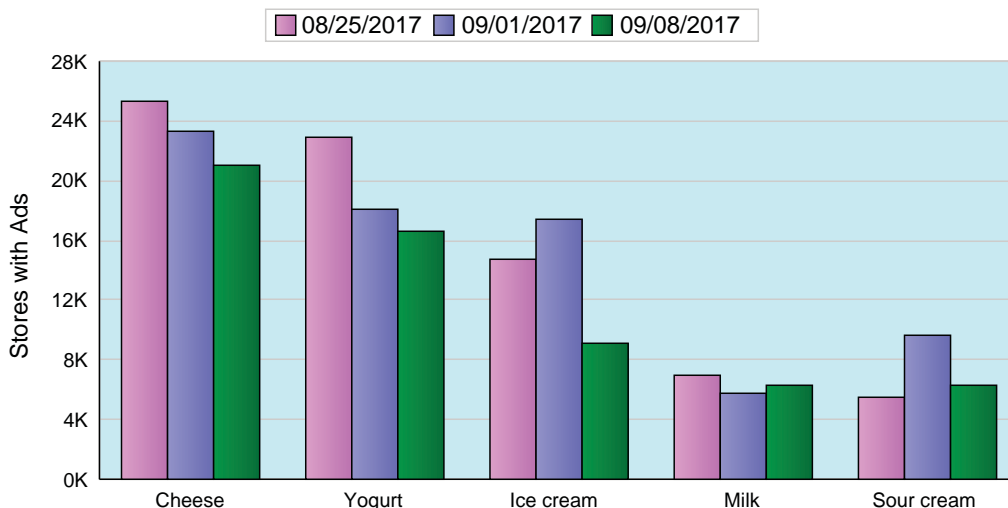
The week following Labor Day brought decreases in retail ads for conventional butter (-42 percent) and ice cream (-48 percent). Organic butter ad numbers increased 398 percent. Conventional 1 pound butter has an average advertised price of \$3.49, down 7 cents from last week. Organic 1 pound butter averages \$5.43, up 94 cents from last week, an organic price premium of \$1.94. Conventional 48-64 ounce ice cream's advertised price is \$2.96, down 11 cents from the previous week. Organic 48-64 ounce ice cream has a weighted average advertised price of \$5.49, up \$0.52 from last week, a \$2.53 organic price premium.

The advertised price for 8 ounce conventional cheese blocks averaged \$2.20, while 8 ounce organic cheese averaged \$3.49, an organic premium of \$1.29. Conventional 8 ounce cheese shreds average \$2.26, while organic 8 ounce cheese shreds average \$3.49, an organic premium of \$1.23.

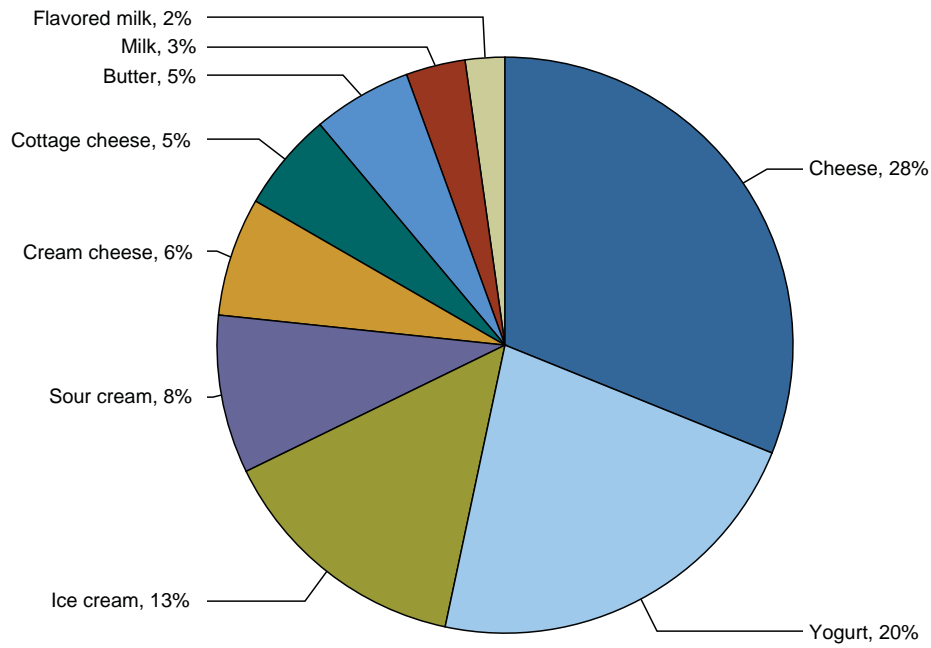
Conventional 4-6 ounce Greek yogurt has a weighted average price of \$0.98, up 4 cents from last week. Organic 4-6 ounce Greek yogurt has a weighted average price of \$1.19, up 19 cents from the previous week, yielding an organic premium of \$0.21. Conventional 4-6 ounce yogurt ads decreased 41 percent and organic 4-6 ounce yogurt has no ads for this week.

The weighted average price for conventional half-gallon milk is \$2.43. The weighted average price for organic half-gallon milk is \$3.87, an organic price premium of \$1.44. Conventional half-gallon milk ad numbers increased 506 percent, but organic half-gallon milk ads decreased 18 percent.

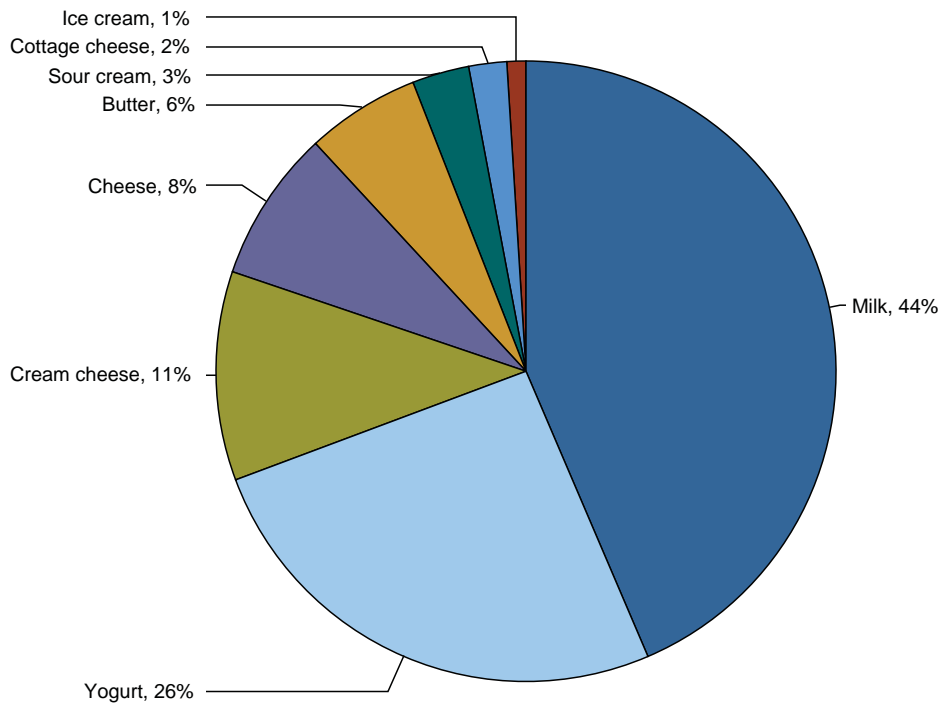
Top 5 Commodities Featured



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 #	3359	3.49	5833	3.56	2997	3.29
Cheese	Natural Varieties	8 oz block	5001	2.20	6959	2.11	10142	2.10
Cheese	Natural Varieties	1 # block	3325	3.82	1173	3.77	1262	3.53
Cheese	Natural Varieties	2 # block	1106	6.99	920	5.79	931	6.01
Cheese	Natural Varieties	8 oz shred	7305	2.26	12520	2.29	11773	2.18
Cheese	Natural Varieties	1 # shred	3517	3.59	1688	3.59	571	3.51
Cottage cheese		16 oz	3593	2.13	5654	2.10	5412	1.70
Cream cheese		8 oz	4263	1.72	7329	1.70	3541	1.88
Egg nog		half gallon					78	2.99
Flavored milk	All fat tests	half gallon	1092	2.31			1548	1.28
Flavored milk	All fat tests	gallon	345	2.97	198	3.99	610	2.29
Ice cream		48-64oz	9029	2.96	17310	3.07	9183	3.09
Milk	All fat tests	half gallon	763	2.43	126	2.93	1593	1.17
Milk	All fat tests	gallon	1389	2.85	691	2.60	1934	2.82
Sour cream		16 oz	6047	1.85	9621	1.77	8553	1.58
Yogurt	Greek	4-6 oz	7859	.98	8733	.94	12113	.97
Yogurt	Greek	32 oz	785	3.94	1269	4.08	1967	4.19
Yogurt	Yogurt	4-6 oz	4156	.52	7017	.50	9349	.48
Yogurt	Yogurt	32 oz	1360	2.81	534	2.73	761	2.35

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 #	2.79-4.49	1228	3.34	3.50-3.99	1647	3.66	2.99-3.50	294	3.29
Cheese	Natural Varieties	8 oz block	1.50-2.50	1143	2.20	1.67-2.50	1945	2.18	1.67-2.50	1291	2.04
Cheese	Natural Varieties	1 # block	1.99-4.09	718	3.19	3.99	1216	3.99	2.99	477	2.99
Cheese	Natural Varieties	2 # block	6.99	53	6.99						
Cheese	Natural Varieties	8 oz shred	1.50-3.00	2572	2.16	1.67-2.50	1725	2.20	1.66-3.00	1230	2.25
Cheese	Natural Varieties	1 # shred	3.49-4.29	1286	3.94	3.99	1002	3.99	2.99	587	2.99
Cottage cheese		16 oz	1.99-2.50	1720	2.20	2.00	502	2.00	1.89	119	1.89
Cream cheese		8 oz	1.67-2.00	1788	1.82	1.49-1.67	385	1.52	1.67-1.69	319	1.68
Flavored milk	All fat tests	half gallon	1.99	161	1.99	2.50	564	2.50	2.00	180	2.00
Flavored milk	All fat tests	gallon							3.49	213	3.49
Ice cream		48-64oz	2.50-3.74	2313	2.76	2.50-4.99	2061	2.99	2.50-3.99	2124	2.98
Milk	All fat tests	half gallon				2.50	502	2.50	1.50	69	1.50
Milk	All fat tests	gallon	2.99	62	2.99	3.99	214	3.99	2.99	53	2.99
Sour cream		16 oz	1.50-2.50	2218	1.90	1.50-2.50	1928	1.76	1.50-1.89	399	1.69
Yogurt	Greek	4-6 oz	0.75-1.00	2368	.98	1.00	1902	1.00	0.77-1.00	595	.93
Yogurt	Greek	32 oz	3.99-4.99	268	4.65				4.99	119	4.99

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	4-6 oz	0.50-0.60	774	.52	0.50	1208	.50	0.39-0.66	822	.51
Yogurt	Yogurt	32 oz	1.99-3.00	741	2.65	2.99	227	2.99	2.50	180	2.50

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50	62	2.50	2.99-3.99	125	3.49			
Cheese	Natural Varieties	8 oz block	1.99-3.50	326	2.75				1.99-2.99	256	2.47
Cheese	Natural Varieties	1 # block	2.50-2.99	158	2.74	4.99	613	4.99	3.99-4.99	130	4.46
Cheese	Natural Varieties	2 # block	5.99-7.99	242	6.99	5.99-7.99	501	6.96	6.99	289	6.99
Cheese	Natural Varieties	8 oz shred	1.99-3.00	1010	2.45	1.99	174	1.99	1.99-3.00	531	2.61
Cheese	Natural Varieties	1 # shred	2.50-2.99	511	2.78	2.99	120	2.99			
Cottage cheese		16 oz	2.00-2.99	264	2.49	1.25-2.00	444	1.89	1.99-2.50	521	2.12
Cream cheese		8 oz	1.00-2.49	835	1.56	1.50-1.88	445	1.71	1.19-2.49	485	1.79
Flavored milk	All fat tests	half gallon	1.50	139	1.50						
Flavored milk	All fat tests	gallon	1.99	121	1.99						
Ice cream		48-64oz	2.50-5.88	812	3.44	2.49-3.50	1381	2.82	2.50-3.99	242	3.38
Milk	All fat tests	half gallon	1.69-2.69	171	2.36						
Milk	All fat tests	gallon	1.87-3.49	558	2.59	2.59	485	2.59			
Sour cream		16 oz	1.39-2.00	377	1.72	1.25-2.00	506	1.90	1.99-2.50	529	2.05
Yogurt	Greek	4-6 oz	0.88-1.00	860	.97	0.88-1.00	1333	.97	0.89-1.00	706	.98
Yogurt	Greek	32 oz	3.50-4.99	154	4.22	2.49	244	2.49			
Yogurt	Yogurt	4-6 oz	0.20-0.60	542	.53	0.42-0.60	689	.52	0.50	61	.50
Yogurt	Yogurt	32 oz	4.49	80	4.49	2.50	62	2.50	2.99	61	2.99

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				4.99	3	4.99
Cheese	Natural Varieties	8 oz block	2.39	6	2.39	2.50	34	2.50
Cheese	Natural Varieties	1 # block	3.50-5.69	13	3.84			
Cheese	Natural Varieties	2 # block	7.49	21	7.49			
Cheese	Natural Varieties	8 oz shred	2.39-3.50	29	2.76	2.50	34	2.50
Cheese	Natural Varieties	1 # shred	3.50	11	3.50			
Cottage cheese		16 oz	2.50	23	2.50			
Cream cheese		8 oz	1.99	6	1.99			
Flavored milk	All fat tests	half gallon	3.79	21	3.79	5.49	27	5.49
Flavored milk	All fat tests	gallon	3.79	11	3.79			
Ice cream		48-64oz	3.50-4.00	72	3.71	3.25	24	3.25
Milk	All fat tests	half gallon	4.49	21	4.49			
Milk	All fat tests	gallon	2.98-3.79	14	3.62	4.99	3	4.99
Sour cream		16 oz	1.50-3.00	66	2.51	2.29	24	2.29

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Greek	4-6 oz	1.00-1.28	58	1.14	0.95-1.25	37	1.23
Yogurt	Yogurt	4-6 oz	0.50	30	.50	0.60-0.69	30	.61
Yogurt	Yogurt	32 oz	3.98	3	3.98	3.79	6	3.79

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	568	5.43	114	4.49	455	4.69
Cheese	Natural Varieties	8 oz block	21	3.49			310	3.50
Cheese	Natural Varieties	8 oz shred	704	3.49			196	3.78
Cheese	Natural Varieties	1 # shred	51	6.99				
Cottage cheese		16 oz	162	3.24	80	3.50	219	2.73
Cream cheese		8 oz	1083	2.50				
Flavored milk	All fat tests	half gallon					1083	4.49
Ice cream		48-64oz	63	5.49	133	4.97		
Milk	All fat tests	half gallon	3530	3.87	4321	3.63	4918	3.94
Milk	All fat tests	gallon	514	5.99	313	6.77	214	4.99
Milk	All fat tests	8 oz UHT	129	.90	254	.98	105	1.00
Sour cream		16 oz	260	2.50	80	2.50	310	2.02
Yogurt	Greek	4-6 oz	1459	1.19	403	1.00	912	1.06
Yogurt	Greek	32 oz	119	5.49	119	5.49		
Yogurt	Yogurt	4-6 oz					59	.99
Yogurt	Yogurt	32 oz	898	3.69			2301	3.96

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	100	4.99	5.49	214	5.49			

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cream cheese		8 oz				2.50	1083	2.50			
Milk	All fat tests	half gallon	3.99-4.99	632	4.87	2.99-4.99	1809	3.87	2.99-3.99	438	3.33
Milk	All fat tests	gallon	5.99	167	5.99				5.99	180	5.99
Milk	All fat tests	8 oz UHT	0.83	108	.83						
Sour cream		16 oz							2.50	180	2.50
Yogurt	Greek	4-6 oz	1.00	376	1.00	1.25	1083	1.25			
Yogurt	Greek	32 oz							5.49	119	5.49
Yogurt	Yogurt	32 oz							2.99	588	2.99

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	5.49	80	5.49				5.00-5.99	174	5.60
Cheese	Natural Varieties	8 oz shred							3.49-3.50	683	3.49
Cheese	Natural Varieties	1 # shred	6.99	51	6.99						
Cottage cheese		16 oz	2.99-3.50	162	3.24						
Ice cream		48-64oz	5.49	63	5.49						
Milk	All fat tests	half gallon	2.99	121	2.99	2.99	117	2.99	3.00-3.50	358	3.40
Milk	All fat tests	gallon				5.99	167	5.99			
Sour cream		16 oz	2.50	80	2.50						
Yogurt	Yogurt	32 oz							4.99	289	4.99

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
Cheese	Natural Varieties	8 oz block	3.49	21	3.49			
Cheese	Natural Varieties	8 oz shred	3.49	21	3.49			
Milk	All fat tests	half gallon	3.50	21	3.50	3.39	34	3.39
Milk	All fat tests	8 oz UHT	1.25	21	1.25			
Yogurt	Yogurt	32 oz	5.49	21	5.49			

REGIONAL DEFINITIONS

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

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

Wtd Avg - Simple weighted average



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