

## NATIONAL DAIRY MARKET NEWS AT A GLANCE

## CME GROUP CASH MARKETS (9/15)

**BUTTER:** Grade AA closed at \$2.4475. The weekly average for Grade AA is \$2.4240 (-.0335).

**CHEESE:** Barrels closed at \$1.4500 and 40# blocks at \$1.6100. The weekly average for barrels is \$1.5120 (-.0449) and blocks, \$1.6240 (-.0060).

**NONFAT DRY MILK:** Grade A closed at \$0.8225. The weekly average for Grade A is \$0.8245 (-.0193).

**BUTTER HIGHLIGHTS:** For many producers, the butter demand for contracts in the retail sector remains active and a number of buyers are looking to sign their 2018 Q1 contracts. Spot sales are steady to decreased as trading activities haven't been as strong. Spot prices are softening as traders and brokers are purchasing butter for reduced prices. Some buyers are taking the wait-and-see approach as they are hoping for prices to further decrease. International markets have increased exports and purchases. Although ice cream processors are pulling heavy volumes of cream, cream continues to be available for contracts and spots throughout the United States. Butter production is mixed. A number of balancing operations' churns are active ahead of the fall season. However, other plants' churns are quiet as production is shut off due to maintenance and the high cream demand. Inventories are wiped out in some plants and long in other plants. Current bulk butter prices range from flat market to 8 cents over the CME average. The market tone is steady with signs of softness as many dairy contacts are unclear whether the markets will find their stride during the fall season.

**CHEESE HIGHLIGHTS:** Milk supplies into cheese production remain variant from region to region. Eastern cheesemakers are reporting a noticeable slowdown week over week in milk intakes. Midwestern cheesemakers' milk supplies range from balanced to tight, as school pipelines and Southern bottlers, rebuilding supplies following the severe weather, have entered the mix. Western cheese producers are continuing to receive plentiful milk loads. Swiss sales in the Eastern region are strong, while some cheese producers in the East are expecting some cancelled orders due to Hurricane Irma. Midwestern cheddar makers are easing back on production, while mozzarella and provolone producers are ramping up production in the early pizza cheese rush season. Cheese demand in the West is inconsistent and not exceeding supplies. The market tone is mixed. CME prices, particularly barrel prices, have experienced some large

daily shifts in both directions in recent weeks. CME Group trading Friday, barrels closed at \$1.4500, down \$0.0900 from last Friday. Blocks closed at \$1.6100, down \$0.0325 from last Friday.

**FLUID MILK:** Milk production varies from steady to lower in most parts of the U.S. However, outputs are enough to meet most processing needs. Due to distribution centers being down in the Southeast, milk is moving slowly from the farm in that region. In Texas, bottlers are stocking up their pipelines after the storm. As the result, milk supplies going into manufacturing plants declined in the Midwest. This week, Florida is receiving milk from other regions. Milk supplies are long in Idaho, but slightly tight in California. Class I demand is mixed. In the Northeast, Mid-Atlantic, and Arizona, Class I intakes are steady, whereas in the Southeast and New Mexico they are down. Condensed skim sales are increasing in the East as bottling plants fill their pipelines. In the West, ice cream processors are actively taking condensed skim. A few loads of cream are moving to Texas and Mexico from Arizona. The cream market is steady in the East, and supplies are available in the Midwest. **Cream multiples** are **1.29-1.38** in the East, **1.22-1.30** in the Midwest, and **1.05-1.26** in the West.

**DRY PRODUCTS:** Current low/medium nonfat dry milk (NDM) prices slid this week. Most end-users/buyers are only purchasing NDM as needed. Generally, market participants are holding off, awaiting the possibility of lower prices. NDM is flowing well into Mexico. The market undertone is fairly stagnant. High heat NDM prices are unchanged. Spot sale activity is quiet as there are limited offers available. The market tone for high heat NDM is steady to firm. Prices for dry buttermilk are steady to higher. Spot sales are fairly light as activities are restricted due to limited offers on the market. The demand is steady to quiet in the East, but strong in the West. The market undertone is generally firm. Dry whole milk prices are steady to lower. Trading is light. Domestic traders/manufacturers have some opportunities to participate in the offshore market as national dry whole milk prices are below prices from the European Union. The domestic market is mostly in balance. Dry whey prices are mixed throughout the U.S. Trading activities are weak, although in some areas, brand specific spot trades represent the recent price increases. The demand is not keeping up with current production.

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NATIONAL RETAIL REPORT-DAIRY

## CME GROUP CASH TRADING

COMMODITY	MONDAY SEP 11	TUESDAY SEP 12	WEDNESDAY SEP 13	THURSDAY SEP 14	FRIDAY SEP 15	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.5400 (N.C.)	\$1.5700 (+.0300)	\$1.5000 (-.0700)	\$1.5000 (N.C.)	\$1.4500 (-.0500)	:: (-.0900)	:: \$1.5120 (-.0449)
40# BLOCKS	\$1.6400 (-.0025)	\$1.6400 (N.C.)	\$1.6150 (-.0250)	\$1.6150 (N.C.)	\$1.6100 (-.0050)	:: (-.0325)	:: \$1.6240 (-.0060)
NONFAT DRY MILK							
GRADE A	\$.8200 (-.0050)	\$.8200 (N.C.)	\$.8325 (+.0125)	\$.8275 (-.0050)	\$.8225 (-.0050)	:: (-.0025)	:: \$.8245 (-.0193)
BUTTER							
GRADE AA	\$2.4100 (-.0475)	\$2.4275 (+.0175)	\$2.4175 (-.0100)	\$2.4175 (N.C.)	\$2.4475 (+.0300)	:: (-.0100)	:: \$2.4240 (-.0335)

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](http://WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY)

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The market undertone is unsteady as end users are sufficiently stocked with supplies. Whey protein concentrate 34% (WPC34%) prices are steady. The interest from buyers with brand specifications is high. WPC34% that is in direct competition from other protein sources remains available. Spot trading activities are light. Lactose prices slipped this week. Contacts suggest Q4 prices are predicted to be below Q3 prices. Buyers are holding off on purchases with the hopes of further price concessions. Rennet and acid casein prices held steady this week. Prices did jump on the current gDT, but prices could face some downward pressure as the Southern Hemisphere milk production season gets into full swing.

**INTERNATIONAL DAIRY MARKET NEWS: WESTERN OVERVIEW:** Although milk production across much of Western Europe is still showing signs of seasonal declines, current milk intakes appear to be heavier than those of last year. In the Netherlands, however, milk production is below that of 2016, mostly due to reductions in cow numbers to meet new phosphorus regulations. In Ireland, there is more expansion of the dairy herd. Dairy markets continue to be driven by strong demand for cheese and butter. With the end of summer holidays across Europe, cheese demand has increased somewhat on the continent. Cheese production is in balance with demand and cheese prices are stable. Some dairy contacts suggest the heavy production of cheese and lower milk volumes are also keeping butter production in check. Spot prices for loads of milk in various countries have improved, outpacing spot prices from the last three years at this time. Some dairy contacts suggest this, coupled with strong cheese and butter demand, may encourage more milk production across Europe. According to Eucolait, the EU was the only major dairy exporter to significantly increase its export share over the last four years. The strong euro is currently creating some challenges in export markets, but the European Commission is working on a number of trade agreements to broaden trade opportunities.

**EASTERN OVERVIEW:** Milk production in Eastern Europe is seasonally declining. ZMB reports lower cheese production volumes as well in Belarus and Russia.

The Deep and Comprehensive Free Trade Agreement (DCFTA) between the EU and Ukraine went into full effect. The largest result of the agreement may be for traders, who have seen a large increase in demand for Ukrainian butter.

**AUSTRALIA:** July milk production in Australia, as the new production year begins, is up 2.7 percent over July last year. An Australian dairy story that has been developing for nearly a year and a half is moving toward a conclusion. The large dairy cooperative that asked for a claw back of sums previously paid for milk has lost substantial numbers of members since the request last year. With a far lower milk supply left to handle, various processing plants have been sold off. Now bids are being considered to sell much remaining plant capacity. It is believed that a sale condition for prospective buyers will be to agree to purchase milk from many remaining dairy producers. Details as to sale, merger or dissolution are expected in the near future once bids are opened. Buying interest is evidenced from Oceania, China and European dairy firms.

**NEW ZEALAND:** In New Zealand, increases in early season milk production are widely expected to continue. Higher milk pay prices that have been announced should draw increased milk production. While still early in the season, a number of observers project 3 percent seasonal growth. Higher milk production will help to meet expected strong dairy export sales to

China. As previously reported here, June exports to China were generally strong and indicators are that Chinese importers will continue to acquire dairy products needed by early 2018. At the September 5 GDT event #195, all contracts prices ranged from 5.1 percent higher to 10.1 percent lower from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous averages are: anhydrous milk fat, \$6,402, +3.6 percent; butter, \$5,954, +3.8 percent; buttermilk powder, \$2,026, -10.1 percent; cheddar cheese, \$4,118, +2.5 percent; lactose, \$791, +5.1 percent; rennet casein, \$6,316, +1.2 percent; skim milk powder, \$1,994, -1.2 percent; and whole milk powder, \$3,100, -1.6 percent.

**SOUTH AMERICA OVERVIEW:** Farm milk intakes are improving across the Southern Cone region, as warmer temperatures support dairy cows' comfort.

In **Argentina** and **Uruguay**, milk shipments from farm to processors are very active, especially to cheese, milk caramel, yogurt, and fluid milk manufacturers. Cream availability continues improving on a stable market. Milk pulls are strong from schools and several public food aid programs. Mozzarella production and butter churning are very active with fair/good demands from restaurants, pizzerias, and grocery stores. As reported by the Ministry of Agriculture, in August 2017, Argentina milk production grew 6 percent over the previous month, but decreased 2 percent from a year ago. During August 2017, nominal prices paid to producers increased 33 percent from August 2016.

In **Brazil**, cows' milk production is up, supported by favorable weather across the main dairy states. Milk/cream intakes are more than adequate to meet most processing needs. Overall, the domestic demand for dairy products is weaker while stocks for UHT milk and mozzarella cheese continue building. As a result, most dairy processors, wholesalers, and retailers have had to reduce prices to level their stocks. According to some industry participants, the spending power from Brazilian customers is weakening parallel with the economy; this is sinking sales activity across several market channels throughout the country.

In general, the dairy industry in Argentina, Uruguay, Chile and Brazil continues improving and is expected to become stronger throughout Q4 according to some industry contacts.

**JULY MILK SALES (USDA, FMMO & CDFA):** During July, 3.7 billion pounds of packaged fluid milk products are estimated to have been sold in the United States. This was 1.7 percent lower than July 2016. Estimated sales of total conventional fluid milk products decreased 1.9 percent from July 2016 and estimated sales of total organic fluid milk products increased 1.7 percent from a year earlier.

**SEPTEMBER SUPPLY AND DEMAND ESTIMATES (WASDE):** The milk production forecast for 2017 is raised as increases in milk per cow more than offset a slower rate of milk cow expansion. For 2017, fat basis exports are reduced from the previous month on slowing cheese shipments, while fat basis imports are raised on increased purchases of butterfat. On a skim-solids basis, the export forecast for 2017 is lowered on weaker than expected skim milk powder sales, while the import forecast is raised due to stronger demand for a number of dairy products. For 2018, the milk production forecast is reduced from the previous month on slower growth in cow inventories. The annual fat basis export forecast is unchanged from the previous month, but the import forecast is reduced on expected declining cheese imports. The skim-solids basis export forecast is reduced from the previous

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month as competition in international powder markets is expected to remain strong; imports are reduced on lower milk protein and cheese shipments. Butter, NDM, and whey prices are forecast lower for 2017 while cheese prices are forecast higher from the previous month. The 2017 Class III price is raised as higher forecast cheese prices offset lower whey prices. The Class IV price is reduced on lower butter and NDM. For 2018, all dairy product prices are reduced, resulting in lower Class III and Class IV product prices. The all milk price is reduced to \$17.70 to \$17.90 per cwt for 2017 and \$17.75 to \$18.55 per cwt for 2018.

**JUNE MAILBOX PRICES (FMMO & CDEA):** In June 2017, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.91 per cwt, up \$0.76 per cwt from the May 2017 average and up \$2.48 per cwt from the June 2016 average. The component tests of producer milk in June 2017 were: butterfat, 3.71 percent; protein, 3.06 percent; and other solids, 5.76 percent. When compared to the previous month, the May Mailbox prices increased in all 19 Federal milk order reporting areas. The Northwest reporting area reported the greatest increase of \$0.98 per cwt, while the Southern Missouri reporting area reported an increase of only \$0.20 per cwt from the previous month. Averaged over all Federal milk order reporting areas, the June 2017 Mailbox price increased an average of \$0.73 per cwt. Mailbox prices in June 2017 ranged from \$18.37 in the New England States to \$14.77 in the New Mexico reporting area.

**NATIONAL RETAIL REPORT-DAIRY (DMN):** This week, total conventional dairy ads increased 12 percent, while organic dairy ads decreased 26 percent. Conventional ice cream ads increased late in the summer, up 53 percent from last week. The U.S. weighted average advertised price for conventional ice cream in 48-64 oz. containers is \$3.24, up 28 cents from the last period. Meanwhile, reported advertised pricing for organic ice cream in 48-64 oz. containers is \$5.49, for an organic premium of \$2.25.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.09, down 11 cents from last week. The advertised price for conventional 8 ounce shred cheese averaged \$2.17, down 9 cents from last week.

Conventional cheese ad numbers increased 13 percent from the previous week. Organic cheese ad numbers decreased by 70 percent this week. Conventional 4-6 ounce Greek yogurt has an average sale price of \$0.98, unchanged from the previous week. Organic 4-6 ounce Greek yogurt has an average price of \$1.25, up 6 cents, resulting in an organic premium of 27 cents. The average price for 4-6 ounce conventional yogurt is \$0.49, while the price for organic yogurt is \$1.00, resulting in a \$0.51 organic premium. Total conventional yogurt ads increased 46 percent, while organic yogurt ads decreased 15 percent.

The weighted average price for conventional half gallon milk is \$2.50. The weighted average price for organic half gallon is \$3.82, resulting in an organic price premium of \$1.32. The weighted advertised price for conventional gallon milk is \$2.45. The weighted average price for organic gallon milk is \$5.99, resulting in an organic price premium of \$3.54. Organic milk ad numbers decreased 23 percent, and ads for conventional milk decreased 44 percent.

MONDAY, SEPTEMBER 11, 2017

CHEESE -- SALES: NONE; LAST BID UNFILLED: 2 CARS BARRELS: 1 @ \$1.5400, 1 @ \$1.5200; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.6400  
 NONFAT DRY MILK -- SALES: 7 CARS GRADE A: 1 @ \$0.8175, 1 @ \$0.8200, 1 @ \$0.8250, 1 @ \$0.8175, 1 @ \$0.8200, 1 @ \$0.8250, 1 @ \$0.8200; LAST BID UNFILLED: 4 CARS GRADE A: 1 @ \$0.8175, 1 @ \$0.8150, 2 @ \$0.8000; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.8300  
 BUTTER -- SALES: 5 CARS GRADE AA: 1 @ \$2.4050, 2 @ \$2.4100, 1 @ \$2.4175, 1 @ \$2.4125; LAST BID UNFILLED: 2 CARS GRADE AA: 1 @ \$2.3875, 1 @ \$2.3950; LAST OFFER UNCOVERED: 9 CARS GRADE AA: 1 @ \$2.4575, 1 @ \$2.4450, 1 @ \$2.4350, 3 @ \$2.4325, 1 @ \$2.4175, 1 @ \$2.4350, 1 @ \$2.4100

TUESDAY, SEPTEMBER 12, 2017

CHEESE -- SALES: 1 CAR BARRELS @ \$1.5700; LAST BID UNFILLED: 6 CARS BARRELS: 3 @ \$1.4900, 1 @ \$1.5000, 1 @ \$1.5650, 1 @ \$1.5550; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5900; 2 CARS 40# BLOCKS @ \$1.6600  
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.8200; LAST BID UNFILLED: 8 CARS GRADE A: 1 @ \$0.8125, 1 @ \$0.8025, 1 @ \$0.8175, 1 @ \$0.8000, 1 @ \$0.8050, 2 @ \$0.8000, 1 @ \$0.8200; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$2.4275, 1 @ \$2.4300, 1 @ \$2.4375, 1 @ \$2.4275; LAST BID UNFILLED: 6 CARS GRADE AA: 1 @ \$2.3800, 5 @ \$2.3500; LAST OFFER UNCOVERED: 2 CARS GRADE AA: 1 @ \$2.4450, 1 @ \$2.4425

WEDNESDAY, SEPTEMBER 13, 2017

CHEESE -- SALES: 21 CARS BARRELS: 1 @ \$1.5975, 1 @ \$1.5900, 1 @ \$1.5750, 1 @ \$1.5700, 1 @ \$1.5600, 1 @ \$1.5500, 2 @ \$1.5400, 1 @ \$1.5375, 1 @ \$1.5300, 1 @ \$1.5275, 1 @ \$1.5200, 1 @ \$1.5350, 1 @ \$1.5300, 1 @ \$1.5375, 1 @ \$1.5300, 1 @ \$1.5200, 1 @ \$1.5100, 1 @ \$1.5200, 1 @ \$1.5100, 1 @ \$1.5000; 5 CARS 40# BLOCKS: 2 @ \$1.6200, 2 @ \$1.6175, 1 @ \$1.6150; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.5800; LAST OFFER UNCOVERED: 11 CARS BARRELS: 1 @ \$1.5800, 5 @ \$1.6000, 5 @ \$1.6100; 3 CARS 40# BLOCKS: 2 @ \$1.6400, 1 @ \$1.6300  
 NONFAT DRY MILK -- SALES: 4 CARS GRADE A: 1 @ \$0.8300, 1 @ \$0.8400, 1 @ \$0.8350, 1 @ \$0.8325; LAST BID UNFILLED: 4 CARS GRADE A: 1 @ \$0.8250, 1 @ \$0.8225, 1 @ \$0.8200, 1 @ \$0.8275; LAST OFFER UNCOVERED: 3 CARS GRADE A: 2 @ \$0.8450, 1 @ \$0.8325  
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$2.4350, 1 @ \$2.4175; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 8 CARS GRADE AA: 4 @ \$2.4225, 1 @ \$2.4275, 1 @ \$2.4400, 1 @ \$2.4350, 1 @ \$2.4325

THURSDAY, SEPTEMBER 14, 2017

CHEESE -- SALES: NONE; LAST BID UNFILLED: 3 CARS BARRELS: 1 @ \$1.4500, 2 @ \$1.4700; 2 CARS 40# BLOCKS @ \$1.5800; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5200; 1 CAR 40# BLOCKS @ \$1.6150  
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.8300, 1 @ \$0.8275; LAST BID UNFILLED: 5 CARS GRADE A: 1 @ \$0.8275, 1 @ \$0.8200, 1 @ \$0.8100, 1 @ \$0.8250, 1 @ \$0.8200; LAST OFFER UNCOVERED: 6 CARS GRADE A: 5 @ \$0.8500, 1 @ \$0.8450  
 BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$2.4350, 1 @ \$2.4300, 1 @ \$2.4200, 1 @ \$2.4175; LAST BID UNFILLED: 5 CARS GRADE AA: 2 @ \$2.3900, 2 @ \$2.3800, 1 @ \$2.4000; LAST OFFER UNCOVERED: 10 CARS GRADE AA: 1 @ \$2.4800, 5 @ \$2.4600, 1 @ \$2.4250, 1 @ \$2.4300, 1 @ \$2.4500, 1 @ \$2.4325

FRIDAY, SEPTEMBER 15, 2017

CHEESE -- SALES: 10 CARS BARRELS: 1 @ \$1.4900, 1 @ \$1.4825, 2 @ \$1.4850, 1 @ \$1.4750, 1 @ \$1.4725, 1 @ \$1.4700, 1 @ \$1.4600, 1 @ \$1.4525, 1 @ \$1.4500; 3 CARS 40# BLOCKS: 1 @ \$1.6125, 2 @ \$1.6100; LAST BID UNFILLED: 3 CARS BARRELS: 1 @ \$1.4300, 1 @ \$1.4400, 1 @ \$1.4325; 3 CARS 40# BLOCKS @ \$1.5800; LAST OFFER UNCOVERED: 2 CARS BARRELS: 1 @ \$1.5200, 1 @ \$1.5500; 1 CAR 40# BLOCKS @ \$1.6300  
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$0.8325, 1 @ \$0.8225; LAST BID UNFILLED: 2 CARS GRADE A: 1 @ \$0.8000, 1 @ \$0.8200; LAST OFFER UNCOVERED: 2 CARS GRADE A: 1 @ \$0.8400, 1 @ \$0.8375  
 BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$2.4550, 1 @ \$2.4500, 2 @ \$2.4475; LAST BID UNFILLED: 5 CARS GRADE AA: 1 @ \$2.4300, 1 @ \$2.4400, 1 @ \$2.4450, 1 @ \$2.4400, 1 @ \$2.4425; LAST OFFER UNCOVERED: 3 CARS GRADE AA: 1 @ \$2.4900, 1 @ \$2.4500, 1 @ \$2.4800

## BUTTER MARKETS

### NORTHEAST

Butter spot sales are steady to decreased as trading activities haven't been as active. Spot prices are steady to softening as many traders and brokers are bidding on butter for reduced prices. Manufacturers' contracts are actively clearing into retail channels. The demand for spot sales on the market are steady to lower as market participants currently see the price shifting down. Operations in the Northeast cleared steady milk loads into balancing. Cream for contracts are mostly available and cream spot loads are more available than in recent weeks. Butter production is strong to weak as churns are shut off in some balancing plants due to maintenance and the high cream demand. Inventories are adequate for contracted needs in some plants. The 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 steady with signs of softness as prices have declined.

According to the DMN *National Retail Report-Dairy*, for September 8-14, 2017, the Northeast weighted average retail price for 1-pound butter was \$3.34, 15 cents lower than the national price and down 24 cents from last week's Northeast butter price. Retail butter markets reported prices ranging \$2.79-\$4.49 in the Northeast. The surveyed average price in the Southeast is \$3.66, down 1 cent from last week, with prices ranging \$3.50-\$3.99.

### CENTRAL

Demand for butter, primarily in the retail sector, remains healthy for

Central region producers. European exports and purchases have picked up as well. Cream remains available for seasonally active butter production. Cream multiples were reported at or around 1.21 f.o.b. into Class IV production. The sliding market prices have some butter contacts questioning when and if CME prices will start to increase. As recently as one month ago, contacts suggested a \$3.00 CME price was a solid possibility. Now, butter contacts are unclear whether the markets will find their stride during the typical fall strong season. Bulk butter prices remained at 1.5 to 7 cents over the CME average. DMN *National Retail Report-Dairy* for September 8-14 noted the national weighted average advertised price for a 1 pound package of butter is \$3.49, \$0.07 below one week ago, but \$0.20 higher than one year ago. The weighted average regional prices in the Midwest and South Central were \$3.29 and \$2.50, respectively. Wednesday at the CME Group, Grade AA butter closed at \$2.4175, down \$0.0225 from last Wednesday.

### WEST

Although ice cream processors continue to pull a good volume of cream, cream continues to be available for western butter churning. Butter production is steady ahead of the fall butter season. Supplies vary from comfortable to long. Demand in the domestic market continues to be stronger. However, some buyers are taking the wait-and-see approach as they are hoping for prices to further decrease. Others are looking to sign their 2018 Q1 contracts. Bulk butter prices for this week are stable, running from flat to 6 cents over the

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## NATIONAL DAIRY PRODUCTS SALES REPORT

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
September 9, 2017	2.5853 2,284,281	1.6674 9,809,641	1.6407 10,770,419	0.4243 5,138,149	0.8735 8,693,116

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

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market. The DMN *National Retail Report-Dairy* for the week of September 8-14 found that the U.S. weighted average advertised price of 1 pound butter is \$3.49, down \$.07 from last week. The U.S. weighted average price was \$3.29 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.49, with a price range of \$2.99-\$3.99. There were no advertised ads for butter in the Northwest. The Grade AA butter price at the CME Group on Wednesday closed at \$2.4175, down \$.0225 from a week ago.

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**2017 U.S. Butter and Milkfat Exports (USDA-FAS)**

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
July	5.2	+86
TOTAL, JAN - JUL	33.4	+5
1 Canada	15.4	+186
2 Mexico	4.4	-75
3 South Korea	2.5	+193
4 Saudi Arabia	2.3	-19
5 Peru	1.9	+934

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**2017 U.S. Butter and Milkfat Imports (USDA-FAS)**  
**(Imports for Consumption)**

	2017 Imports (Million Lb.)	% Change From 1 Year Ago
July Imports		
Total Butter, Fats, Milk (H.S. Code 0405)	7.7	+ 30
Butter		
Quota (H.S. Code 405101000)	2.3	+266
Over Quota (H.S. Code 405102000)	3.7	+ 27
AMF		
Quota (H.S. Code 405901020)	0.4	+ 24
Over Quota (H.S. Code 405902020)	1.2	- 35
Other Milk Fat	0.1	- 40
TOTAL, JAN - JUL	45.5	- 27
1 Ireland	23.6	+40
2 Mexico	7.8	- 55
3 New Zealand	5.0	- 65
4 Chile	2.7	+66
5 France	2.3	- 3



## CHEESE MARKETS

## NORTHEAST

Cheese yields are showing some improvement, but with overall milk receipts trending lower, surplus milk is not as available and operating schedules are down accordingly. Shifts in vacation and resort food service orders to urban areas are noted while typical for this time of year. Mozzarella supplies are adequate for the current seasonally improving demand. Wholesale Swiss cheese sales exceed expectations as a processing plant located outside the Eastern region remains down. Manufacturers are anticipating some order cancellations, as shipments are being terminated due to the effect of Hurricane Irma. At the CME Group, the weekly average cheese prices have advanced once again after several weeks of retreats. Cheese barrels rose \$0.0575 and the block price extended \$0.0975. Accordingly, wholesale market cheese prices in the Northeast for process, Muenster, and cheddar blocks adjusted higher. The DMN *National Retail Report-Dairy*, for September 8-14, 2017, notes that Northeast retail markets posted advertised weighted average prices for 8 ounce cheese blocks at \$2.20, equivalent to the U.S. average, with a regional price range of \$1.50-\$2.50. The Southeast region's 8 ounce block price averaged \$2.18, 2 cents below the national retail average, with a price range of \$1.67-\$2.50. The Northeast advertised average price for 8 ounce cheese shreds was \$2.16, 10 cents below the national average, with a regional price range of \$1.50-\$3.00. In the Southeast region, 8 ounce cheese shreds averaged \$2.20, 6 cents below the national average with retail prices ranging \$1.67-\$2.50.

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

Cheddar 40# Block	:	2.0675-2.3525
Process 5# Sliced	:	1.7150-2.1950
Muenster	:	2.0525-2.4025
Grade A Swiss Cuts 10 - 14#	:	3.2725-3.5950

## MIDWEST

Milk supplies for cheesemakers in the Midwest vary by location. Some cheese producers report fairly balanced milk supplies, while others report school pipelines are pulling from their usual availability. In addition, Southern and Southeastern bottlers, following the flurry of severe weather, have dipped into the milk supplies for some Midwestern cheese plants. Spot milk prices ranged from flat market to \$1.50 over Class III. Cheese demand is mixed. Some cheddar and/or traditional type cheesemakers report fair to slow demand, and have begun to ease production schedules. However, some pizza cheese producers are in an early rush, and have increased production. Cheese contacts are cautious as cheese market prices have been far from predictable of late. The DMN *National Retail Report-Dairy* shows that September 8-14 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.25, 1 cent below the national average. Midwest prices range from \$1.66-\$3.00. One year ago, the national price was \$2.18. For 8 ounce blocks, the Midwest average price is \$2.04, 16 cents below the national average price. Midwest ads are priced from \$1.67-\$2.50. Last year, the national price was \$2.10. In CME Group trading Wednesday, barrels closed at \$1.5000, down \$.0800 from last Wednesday and blocks closed at \$1.6150, down \$.0250 from last Wednesday. Midwestern wholesale prices are unchanged for Swiss cuts, up \$.0575 for process and up \$.0975 for all other types.

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

Process American 5# Loaf	:	1.6525-2.0125
Brick And/Or Muenster 5#	:	1.9925-2.4175
Cheddar 40# Block	:	1.7200-2.1150
Monterey Jack 10#	:	1.9675-2.1725
Blue 5#	:	2.2600-3.2475
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7925-2.7325
Grade A Swiss Cuts 6 - 9#	:	2.7900-2.9075

## WEST

Western cheese production is active, following its normal seasonal course. Most facilities are running at or near full capacity. Domestic sales continue to follow a steady trend. As cheese prices vary from day to day, interest from buyers fluctuates as well. Contacts report that the competition with the European cheese market remains active. Current cheese supplies are greater than demand, resulting in a buildup of inventories. The market undertone seems to be for the most part stable. The DMN *National Retail Report-Dairy* for the week of September 8-14 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.26, down \$.03 from last week. Packs average \$1.99 in the Southwest and \$2.61 in the Northwest. One year ago, the national price was \$2.18. For 8 ounce blocks, the U.S. price is \$2.20, down \$.03 from last week. There were no advertised ads for cheese blocks in the Southwest. Blocks averaged \$2.47 in the Northwest. One year ago, the national price was \$2.10. In the West, wholesale prices were up \$.0575 for process, and up \$.0975 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged from last week. In CME Group trading Wednesday, barrels closed at \$1.5000, down \$.0800 from a week ago and blocks closed at \$1.6150, down \$.0250.

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

Process 5# Loaf	:	1.6400-1.8975
Cheddar 40# Block	:	1.7525-2.1975
Cheddar 10# Cuts	:	1.9325-2.1525
Monterey Jack 10#	:	1.9425-2.1025
Grade A Swiss Cuts 6 - 9#	:	2.8500-3.2800

## FOREIGN TYPE CHEESE

The market for cheese is balanced in the European Union (EU). Supplies are adequate for current demand. Demand from the Southern European countries decreased as their main holiday period is ending. Due to a stronger value of the euro, demand from other countries is still quieter compared to the first half of the year. EU cheese prices are stable at last week's levels. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices increased \$0.09750 but all other prices are steady.

CONTINUED ON PAGE 3A

## CHEESE MARKETS

## CONTINUED FROM PAGE 3

CONTINUED FROM PAGE 3				2017 Imports (Million Lb.)	% Change From 1 Year Ago
WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)					
NEW YORK			TOTAL, JAN - JUL	224.1	- 12
VARIETY	IMPORTED	DOMESTIC	1 Italy	42.3	+ 5
			2 France	25.2	- 7
Blue	2.6400-5.2300	2.1375-3.6250*	3 Netherlands	17.2	+ 7
Gorgonzola	3.6900-5.7400	2.6450-3.3625*	4 Germany	15.0	+ 32
Parmesan (Italy)	-0-	3.5275-5.6175*	5 Spain	15.0	+ 1
Romano (Cows Milk)	-0-	3.3275-5.4775*			
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
	:	:
09/11/17	32,110	110,373
09/01/17	33,802	112,405
CHANGE	-1,692	-2,032
% CHANGE	-5	-2

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
July	60.1	+ 14
TOTAL, JAN - JUL	441.5	+ 22
1 Mexico	132.4	+ 14
2 South Korea	74.3	+ 45
3 Japan	44.1	+ 15
4 Australia	32.1	+ 70
5 China	16.1	+ 31

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

	2017 Imports (Million Lb.)	% Change From 1 Year Ago
July Imports		
TOTAL Cheese and Curd (H.S. Code 0406)	30.9	- 13
Cheese, Except Fresh (H.S. Code 040690)	26.4	- 14
Fresh Cheese (H.S. Code 040610)	2.7	+ 4
Cheese, Processed (H.S. Code 040630)	1.1	+ 7
Cheese, Blue-Veined (H.S. Code 040640)	0.7	- 10

## FLUID MILK AND CREAM

## EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	110	0	120	0	50	0
SOUTHEAST STATES	0	0	0	0	0	0

Mid-Atlantic and Northeast milk production is generally in good balance with processing needs. Milk production in the Southeast is mostly steady as farmers are maintaining milking schedules. In addition, a few Southeastern contacts report milk has not been moving off the farms as fast as they hoped as distribution facilities have been down, although some market participants communicate a couple distribution channels are starting to reopen and manage milk intakes. The demand for Class I milk in the Northeast and Mid-Atlantic is steady and a little lower in the Southeast. Sales shifted downward this week in the Southeast as grocery chains and educational institutions are currently closed due to the aftermath of Hurricane Irma. Milk loads continue to clear into parts of Florida from other areas of the country. Milk import shipments are 110 f.o.b. spot loads this week. The **condensed skim** demand has been shifting upward as many bottling plants are filling their pipelines. The **fluid cream** market is generally steady. **Cream multiples** range this week from **1.29-1.38**. Cream for contractual needs and spot loads are available. The Eastern demand is strong as many market participants report cream is staying local. According to the DMN *National Retail Report-Dairy*, for September 8-14, 2017, the U.S. weighted average advertised price for a gallon of milk was \$2.85, up 25 cents compared to last week and up 3 cents from a year ago.

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

F.O.B. producing plants: Northeast -	3.1702-3.3914
F.O.B. producing plants: Upper Midwest -	2.9982-3.1948

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

## PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	.45-.81
Northeast - Class III - spot prices -	.47-.85

## MIDWEST

Reports on Central region milk production point to a variance from location to location. Milk supplies headed into some processing plants in the Midwest are reportedly down, as Texas area bottlers are refilling pipelines following the severe weather. Some other north Central processors are reporting available milk supplies. Butter fat and protein ratios remain higher than in previous years, as late summer weather has been noticeably mild in the upper Midwest, and feedstock quantities and qualities have improved for dairy farmers. Cheese processors who are searching for spot milk loads report that discounted milk supplies have diminished. Spot milk prices into Class III production ranged from flat market to \$1.50 over Class. **Cream** supplies are generally available, although some contacts reported fewer options than in previous weeks. **Cream multiples** ranged from **1.22 to 1.30** f.o.b. Class II processing is currently slow, although some contacts expect cream cheese manufacturers to increase their cream intakes in the next two to three weeks, as the holiday season nears. The DMN *National Retail Report-Dairy* for September 8-14 noted the national weighted average advertised price for one gallon of

milk was \$2.85, up 25 cents from last week, and 3 cents higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.99 and \$2.59, respectively.

## WEST

Farm milk output in **California** dropped significantly because of a recent heat wave. Supplies are a little tight, and contacts report that many large manufacturers decreased their workweek to ease milk processing. Class I demand is steady to slightly up. Industry contacts report that a few Californian dairies were sold out this week. More dairies are expected to be sold in the coming months due to lower milk price projections. Higher quality alfalfa hay supplies are tighter while demand is strong. Sales of other qualities of alfalfa hay are light to moderate. In **Arizona**, milk output is flat. Daily temperatures are still in the 100s, but are expected to start decreasing in the coming weeks. A few handlers increased their milk intakes this week to cover additional sales. Retail and food services demand is steady. Class III intakes decreased in some areas due to a few cheese plants being closed for repair/maintenance purposes. In **New Mexico**, milk production is steady to slightly up. Most plants are running according to planned schedules. Industry contacts say that there are some difficulties with milk sales as a number of people don't have a place to keep their milk after Hurricane Harvey. Class I demand is down. Class II intakes decreased as well. Milk intakes for cheese processing are up. Hauling capacity is tight, but handlers are making sure customers' orders are filled on time. **Pacific Northwest** milk intakes are in good balance with processing needs. Industry contacts say there is not quite as much spot milk available and the school bottling pipelines are mostly filled. Milk production is following seasonal trends as moderate temperatures build into the region. Milk production in the mountain states of **Idaho**, **Utah** and **Colorado** is steady. Cooler temperatures are aiding in cow comfort and keeping the milk flowing. Milk supplies in Idaho are still long, but industry contacts suggest that Class II and III manufacturers are pulling a little heavier volumes of milk. Contacts further suggest milk intakes are in good balance in Utah and Colorado, with less milk coming in from surrounding regions. **Condensed skim** in the West is moving well into ice cream. Demand from Class II and III manufacturers is steady. Western cream is actively moving into ice cream production. Contacts suggest that some **cream** is moving from Arizona to Texas and Mexico due to lower available cream volumes in these regions. In a handful of western plants, butter churning has stopped and processors are hoping to not churn until Thanksgiving. **Cream multiples** are **1.05-1.26**. According to the DMN *National Retail Report-Dairy* for the week of September 8-14, the national weighted average advertised price for one gallon of milk is \$2.85, up \$0.25 from last week, and \$0.03 higher from a year ago. The weighted average regional price in the Southwest is \$2.59, with no price range. This week, no advertised dairy ads were reported in the Northwest.



## NONFAT DRY MILK, BUTTERMILK &amp; 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 bottom of the range, while remaining steady on the mostly price series. Producers of low/medium heat NDM report that buyers are holding off, awaiting the possibility of lower prices. Low/medium heat NDM inventories are available. Low/medium heat NDM production is steady to slower. The low/medium heat NDM market is facing some adversity, but remains fairly steady. High heat NDM prices remain unchanged. Spot sale activity of high heat NDM was quiet. Inventories and production of high heat NDM are currently steady.

**EAST:** Current prices for low/medium heat nonfat dry milk (NDM) slid down on the bottom of the range, but held steady on the top of the range and across the mostly prices series this week. Contracted and spot load demand is steady to lower as market participants are not actively purchasing. Some traders and brokers are buying spot loads at decreased prices. Eastern manufacturing plants are taking in steady to lower milk volumes, as schools are back in session and bottling facilities are filling pipelines. With lower milk volumes clearing into balancing, low/medium heat NDM dryer time has decreased. Inventories are available. Dairy industry individuals report hearing Mexico markets taking in heavy amounts of low/medium heat NDM. The market tone is fairly stagnant, although there are a couple anticipations that the market will start to show some strength as international interest continues to increase. Prices for high heat NDM are steady. Spot sales are infrequent as there are limited offers in the market. A few balancing operations are drying high heat NDM. Stocks currently are short. The market undertone for high heat NDM is mostly steady.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .8400 - 0.9200 MOSTLY: .8700 - .9100  
HIGH HEAT: .9900 - 1.0500

## NONFAT DRY MILK - WEST

In the West, prices for low/medium heat nonfat dry milk (NDM) are lower at both the bottom of the range and the bottom of the mostly price series. Stocks are up. Most end-users/buyers are only purchasing NDM as needed. NDM is flowing well to Mexico, but the Mexican market is mostly interested in lower priced NDM. Competition with the European skim milk powder remains intense. The market undertone is unsettled as prospective buyers and sellers are not confident in their current positions. Contacts suggest that some processors are getting ready for their next year contracts. Prices for high heat nonfat dry milk are steady on the range. The market undertone continues to be firm. Inventories are tight with sporadic spot market activity. Production is mostly limited to contractual needs.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .7900 - 0.9200 MOSTLY: .8500 - .9000  
HIGH HEAT: 1.0000 - 1.0650

## CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
September 8	\$.9074	3,208,267
September 1	\$.9104	5,971,101

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

## U.S. NDM Exports, H.S. Code 0402100000(FAS)

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
July Total	93.1	- 12
TOTAL, JAN - JULY	772.5	+ 15
1 Mexico	359.3	+ 23
2 Philippines	99.6	- 1
3 China	48.2	+ 88
4 Indonesia	40.1	- 36
5 Malaysia	36.3	+ 23

## DRY BUTTERMILK - CENTRAL AND EAST

**CENTRAL:** Prices for Central dry buttermilk remain unchanged. Spot sale activity was fairly light, as Q3 dry buttermilk inventories are reportedly tight. Dry buttermilk production is expected to pick up, as producers are planning for the oncoming baking season push. The dry buttermilk market tone is firm.

**EAST:** The price range for dry buttermilk this week is unaltered. Spot sale activity has been light as offers are minimal and the demand is steady to quiet. Production is routine in some balancing plants and limited in other plants. Inventories are short to growing. The market undertone is generally moderate as sales and demand are fairly balanced.

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

## DRY BUTTERMILK - WEST

Dry buttermilk prices moved up at the top of the range, but remained steady on the mostly price series. The market undertone is balanced. Demand is strong. However, dry buttermilk availability is limited within the western region. Most supplies are committed to contractual obligations. As the result, activities are restricted in the spot market. Production is stable compared to last week.

F.O.B. WEST: .8300 - .9800 MOSTLY: .9100 - .9400

## DRY WHOLE MILK - NATIONAL

In the United States, dry whole milk f.o.b. prices are steady to lower on light trading. A few spot transactions pulled down the top value of the range. At this point, national dry whole milk prices are below WMP premiums from the European Union. This could represent an opportunity to increase the participation in the offshore market for some domestic traders/manufacturers. Back to the U.S., the usage of dry whole milk to process cocoa mix is expected to increase in the short term, according to some processors. The domestic market is mostly in balance. Dry whole milk production is active while inventories are generally available for spot and contract needs.

F.O.B. PRODUCING PLANT: 1.4000 - 1.5500

**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 decreased on the bottom of the range, while remaining steady on the mostly price series. Spot trading was relatively light. Dry whey production is steady to lower, as Class III manufacturers' are taking on less milk. The dry whey market tone is unsteady, as inventories are available and end users are sufficiently stocked. Feed whey spot market prices remained steady. Feed whey spot activity saw a slight uptick, and inventories remain available.

F.O.B. CENTRAL: .2900 - .4750 MOSTLY: .3400 - .4200  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2600 - .4000

**DRY WHEY - NORTHEAST**

Prices in the Northeast increased slightly at the top of the range. Some brand specific spot trades represent the recent price increases in the Northeastern region. However, the overall dry whey spot market was fairly quiet. Production of dry whey has slowed, as milk supplies headed into Eastern Class III plants have declined. Even so, dry whey inventories are available to long. The dry whey market undertone is unsteady.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3350 - .4750

**DRY WHEY - WEST**

Dry whey prices in the West moved lower at the top of the range and the bottom of the mostly price series. Prices are currently weaker and market activities are lower. Some contacts report that increased western whey production resulted when some manufacturers switched from WPC to sweet whey. However, demand is still not keeping up with current production. There is a lot of competition in the market and processors are working hard to find a home for their dry whey. International demand is weak, but domestic demand is price dependent. Contracted volumes are moving as planned. Dry whey is readily available for purchase in the spot market. The market undertone is unsettled.

NONHYGROSCOPIC: .3350 - .4500 MOSTLY: .3500 - .4100

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
July Total	37.6	+ 2
TOTAL, JAN - JULY	258.0	+ 16
1 China	126.0	+ 89
2 Canada	27.6	...
3 Philippines	19.7	+ 25
4 Mexico	17.3	- 18
5 Japan	13.0	- 7

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey concentrate 34% prices are unchanged. Manufacturers of favored brands and WPC34% that meets tight end user specifications say they continue to get strong interest from buyers. In these cases, end users are eager to assure coverage due to limited availability of WPC34% from approved suppliers. For WPC34% that is in direct competition from other protein sources, supplies are readily available and spot market activity is sloppy. Production is steady, but mostly directed toward meeting current obligations.

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

**U.S. WPC < 80% Exports, H.S. Code 0404100500(FAS)**

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
July Total	27.1	+ 4
TOTAL, JAN - JULY	174.8	- 1
1 China	78.9	- 4
2 Mexico	27.8	+ 29
3 Canada	19.9	+ 5
4 Philippines	9.7	+145
5 Indonesia	5.3	- 30

**LACTOSE - CENTRAL AND WEST**

Lactose prices slipped further as the bottom of the range and top of the mostly price series moved lower. Industry contacts report Q4 contracted prices and spot sales are coming in below Q3 prices. Many manufacturers would like to see an end to the price erosion that has occurred since mid-year, but buyers are holding off with the hopes of further price concessions. Due to weaker prices and some volume sales, a few processors suggest inventories have become more comfortable. In addition, some manufacturers say they have slowed lactose production in order to further control inventories. Time will tell if these efforts will help stabilize market prices going into Q4 and 2018.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2000 - .4700 MOSTLY: .2500 - .3400

**U.S. Lactose Exports, H.S. Code 1702110000(FAS)**

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
July Total	53.7	+ 16
TOTAL, JAN - JULY	340.4	+ 5
1 China	54.7	- 5
2 Mexico	49.0	+17
3 New Zealand	43.7	- 22
4 Japan	28.2	+ 5
5 Indonesia	21.7	- 17

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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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**CONTINUED FROM PAGE 6****CASEIN - NATIONAL**

Both rennet and acid casein prices are unchanged this week. Although prices jumped on the latest gDT, some industry contacts suggest the market is moving a little sideways. Furthermore, prices could face some downward pressure as the milk production season gets into full swing in the Southern Hemisphere. Quarter 4 and annual contracting is ongoing. Production is mainly in line with contractual obligations.

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**

<u>WEEK ENDING</u>	<u>2017 WEEKLY DAIRY COWS</u>	<u>2017 CUMULATIVE DAIRY COWS</u>	<u>2016 WEEKLY DAIRY COWS</u>	<u>2016 CUMULATIVE DAIRY COWS</u>
08/26/2017	59.6	1,942.7	55.0	1,917.2

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

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

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

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

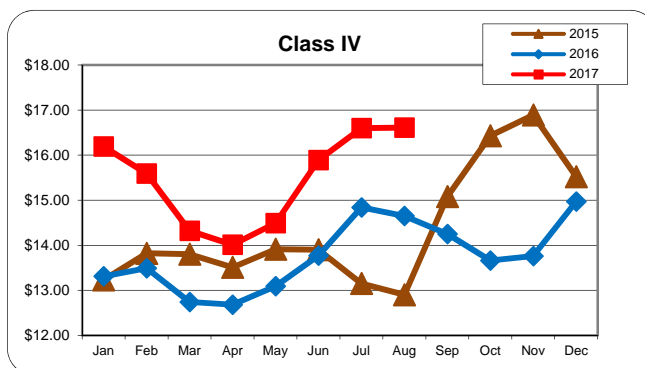
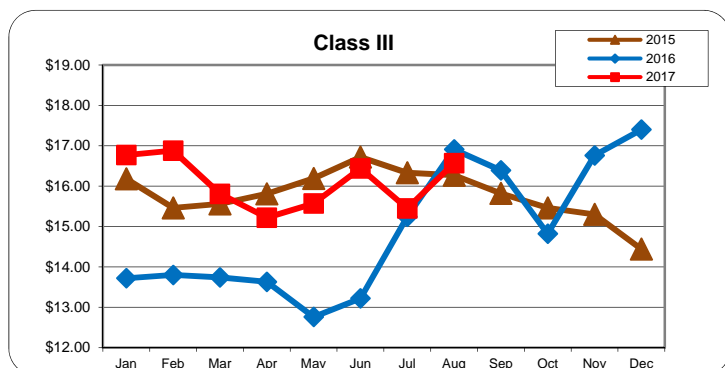
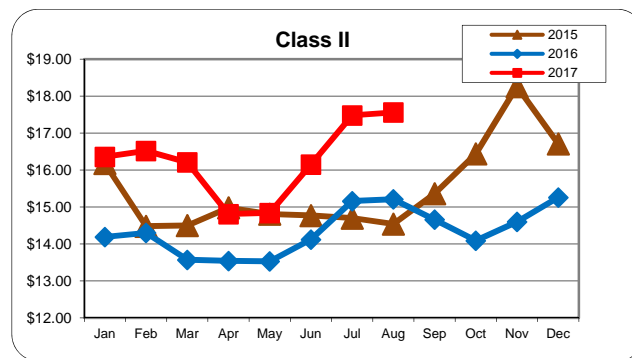
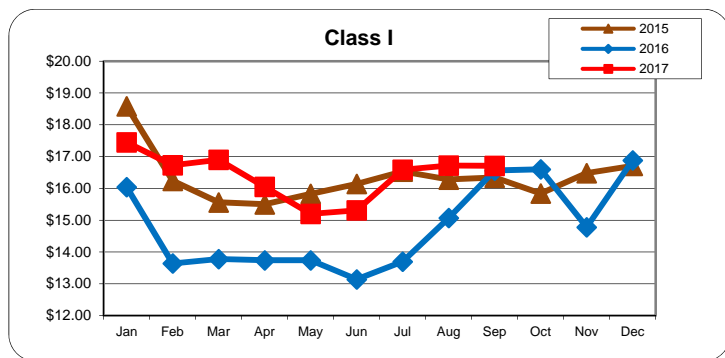
### CLASS IV MILK PRICES (3.5% Butterfat)

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

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

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	17.45	16.73	16.90	16.05	15.20	15.31	16.59	16.72	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](http://www.ams.usda.gov/DairyMarketingStatistics); then select “Prices”; and then select “Principal Pricing Points.”



## INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered September 4 - 15, 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:** Although milk production across much of Western Europe is still showing signs of seasonal declines, current milk intakes appear to be heavier than those of last year. In the Netherlands, however, milk production is below that of 2016, mostly due to reductions in cow numbers to meet new phosphorus regulations. In Ireland, there is more expansion of the dairy herd.

Dairy markets continue to be driven by strong demand for cheese and butter. With the end of summer holidays across Europe, cheese demand has increased somewhat on the continent. Cheese production is in balance with demand and cheese prices are stable. Some dairy contacts suggest the heavy production of cheese and lower milk volumes are also keeping butter production in check.

Spot prices for loads of milk in various countries have improved, outpacing spot prices from the last three years at this time. Some dairy contacts suggest this, coupled with strong cheese and butter demand, may encourage more milk production across Europe.

According to Eurolait, the EU was the only major dairy exporter to significantly increase its export share over the last four years. The strong euro is currently creating some challenges in export markets, but the European Commission is working on a number of trade agreements to broaden trade opportunities.

**BUTTER/BUTTEROIL:** Butter prices moved higher as strong domestic demand continues to hold sway in the European market. In some cases, reported prices are well above published prices as consumers fill their immediate needs. However, some other buyers are starting to hold back on purchases. There is a prevailing hope among shoppers that price concessions will become available, especially for long term agreements. Most purchases are hand to mouth. Industrial butter needs are being met and prices for butteroil remain unchanged.

Butter exports are proving more difficult as internal demand consumes available supply and pricing is more favorable from other butter exporting countries.

Butter production is under pressure as dairy processors prefer to move milk into cheese production rather than produce butter and powder. Through June 2017, European butter production is down 5.9 percent from the same period last year, according to Eurolait. June production is 2.9 percent below June 2016 butter production. Among the top seven butter producing countries, only Ireland and Italy have January-June production above last year, 8.9 percent and 1.7 percent, respectively. The two largest butter producers, Germany and France, are down 6.6 percent and 8.9 percent, respectively.

82% BUTTERFAT: 7,875 - 8,400  
99% BUTTERFAT: 7,050 - 9,350

**WHOLE MILK POWDER (WMP):** Whole milk prices are steady to lower in a quiet market. The high demand for milk fat has helped support prices for some WMP sales. Production is mostly made to order for existing business. There is limited additional interest from export markets due to the strong euro in comparison to other currencies.

According to Eurolait, January through June 2017 whole milk production is 0.5 percent above 2016 production for the same time frame. June whole milk powder production is 1.0 percent below 2016 June production. The top four WMP producing countries, Netherlands, France, Germany, and Denmark each increased 2017 January-June production compared to 2016: 15.3 percent, 3.2 percent, 0.6 percent and 2.7 percent, respectively.

26% BUTTERFAT: 3,675 - 4,000

**SKIM MILK POWDER (SMP):** Western European skim milk powder prices are steady to lower. Although manufacturers are willing to make sales, buyers are often taking a wait and see approach. Some industry participants anticipate further weakness in the SMP market in the near term. The market tone is quiet and demand is light.

Weaker prices have triggered additional quantities to be offered into intervention. Last week, Eurolait reported 1,117 MT of SMP was offered into intervention. SMP may be sold into intervention through September under the existing regulations. The next tender is scheduled for September 19.

According to Eurolait, January-June skim milk powder production is 10.4 percent below 2016 SMP production for the same time frame. June 2017 SMP production was 1.2 percent below 2016 June production. The two largest SMP production countries, Germany and France, both realized double-digit reductions in 2017 January-June SMP production compared to 2016 January-June production, 12.5 percent and 12.0 percent respectively.

1.25% BUTTERFAT: 1,950 - 2,150

**SWEET WHEY POWDER:** Western European whey prices are unchanged at the top, but weaker at the bottom of the range. Production is more than sufficient to meet buyer needs. The market tone is quiet as buyers wait for an anticipated price break. Export opportunities are proving more challenging due to the stronger position of the euro against other currencies and competition from other major dairy export areas.

NONHYGROSCOPIC: 925 - 1,150

**EASTERN OVERVIEW:** Milk production in Eastern Europe is seasonally declining. ZMB reports lower cheese production volumes as well in Belarus and Russia.

The Deep and Comprehensive Free Trade Agreement (DCFTA) between the EU and Ukraine went into full effect. The largest result of the agreement may be for traders, who have seen a large increase in demand for Ukrainian butter.



## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered September 4 - 15, 2017

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**AUSTRALIA:** July milk production in Australia, as the new production year begins, is up 2.7 percent over July last year. Breakdown by state is shown in the chart below.

Australia Milk Production July 2017 (Million (% Change YTD Liters) From 1 Year Ago)		
New South Wales	95.1	3.0
Victoria	435.1	4.8
Queensland	35.4	-0.7
South Australia	29.9	-14.0
Western Australia	31.4	-2.1
Tasmania	27.0	1.3
Australia (Total)	653.9	2.7

Data from Dairy Australia

An Australian dairy story that has been developing for nearly a year and a half is moving toward a conclusion. The large dairy cooperative that asked for a claw back of sums previously paid for milk has lost substantial numbers of members since the request last year. With a far lower milk supply left to handle, various processing plants have been sold off. Now bids are being considered to sell much remaining plant capacity. It is believed that a sale condition for prospective buyers will be to agree to purchase milk from many remaining dairy producers. Details as to sale, merger or dissolution are expected in the near future once bids are opened. Buying interest is evidenced from Oceania, China and European dairy firms.

**NEW ZEALAND:** In New Zealand, increases in early season milk production are widely expected to continue. Higher milk pay prices that have been announced should draw increased milk production. While still early in the season, a number of observers project 3 percent seasonal growth.

Higher milk production will help to meet expected strong dairy export sales to China. As previously reported here, June exports to China were generally strong and indicators are that Chinese importers will continue to acquire dairy products needed by early 2018.

At the September 5 GDT event #195, all contracts prices ranged from 5.1 percent higher to 10.1 percent lower from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous averages are: anhydrous milk fat, \$6,402, +3.6 percent; butter, \$5,954, +3.8 percent; buttermilk powder, \$2,026, -10.1 percent; cheddar cheese, \$4,118, +2.5 percent; lactose, \$791, +5.1 percent; rennet casein, \$6,316, +1.2 percent; skim milk powder, \$1,994, -1.2 percent; and whole milk powder, \$3,100, -1.6 percent.

**BUTTER:** Oceania butter prices increased at the bottom of the price range, but are steady at the top. There is buyer caution as to higher prices at the upper end of the price range. It has been noted that the size of the gap between what many potential buyers would like to pay, and what a number of sellers would like to receive, has slowed the execution of transactions. Nevertheless, the lower range prices strengthened in response to buyers deciding to snap up what they could at lower prices for now, helping drive those prices higher.

January-July, the range of percentage changes year to date in cumulative New Zealand butter export volumes vary from -27.9 percent in

January, to June's -8.6 percent. Export volumes and primary destinations are shown in the following table:

New Zealand Butter Exports Main Three Destinations January-July 2017		
Destination	Quantity(MT)	Percent of Total
China	36,145	23.3
Australia	13,566	8.7
Iran	7,882	5.1

At GDT Event 195 on September 5, the butter all contracts price, \$5,954, increased 3.8 percent.

82% BUTTERFAT:

5,950 - 6,450

**SKIM MILK POWDER (SMP):** Oceania skim milk powder prices are unchanged. Any strength for current transactions tends to reflect buyers needing to stock up. Many current negotiations between sellers and potential buyers often fail to finalize due to inflexibility to close the gap between respective buyer-seller expectations. Trading is slow in the current period. Weaker prices are expected in the near term.

January-July, the range of percentage changes year to date in cumulative New Zealand skim milk powder export volumes vary from -21.8 percent in February, to January's -6.5 percent. Export volumes and primary destinations are shown in the following table:

New Zealand Skim Milk Powder Exports Main Three Destinations January-July 2017		
Destination	Quantity(MT)	Percent of Total
China	67,431	29.1
Malaysia	20,863	9.0
Philippines	18,167	7.8

At GDT Event 195 on September 5, the SMP all contracts price, \$1,944, decreased 1.2 percent, while the October contract increased 3.3 percent to \$2,040.

1.25% BUTTERFAT:

1,925 - 2,050

**CHEDDAR CHEESE:** Cheddar prices in Oceania firmed. Oceania lags cheese pricing in the EU, which is a factor helping to sustain Oceania prices. An additional factor is that cheese buying interest in Oceania is picking up, helping to move prices higher. Export inquiries are increasing as well.

January-July, the range of percentage changes year to date in cumulative New Zealand cheese export volumes vary from -15.8 percent in February, to July's +1.6 percent. Export volumes and primary destinations are shown in the following table:

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## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered September 4 - 15, 2017

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## CONTINUED FROM PAGE 8A

New Zealand Cheese Exports  
Main Three Destinations  
January-July 2017

Destination	Quantity(MT)	Percent of Total
Australia	40,904	19.1
Japan	37,264	17.4
China	35,841	16.8

At GDT Event 195 on September 5, the cheddar all contracts price, \$4,118, increased 2.5 percent.

39% MAXIMUM MOISTURE: 4,100 - 4,225

**WHOLE MILK POWDER (WMP):** Whole milk powder prices in Oceania are weaker. Although only a slight weakness, some observers are surprised as weaker prices two weeks ago were viewed as temporary. Nevertheless price negotiations moving forward over the next few months currently point toward present thinking that prices will move slightly lower into fall. Of course, this could all reverse quickly. Positive signs of higher milk production in New Zealand in the near term have given rise to some cautions among buyers as to potential volumes of WMP that will become available.

January-July, the range of percentage changes year to date in cumulative New Zealand whole milk powder export volumes vary from -10.4 percent in January, to July's +2.8 percent. Export volumes and primary destinations are shown in the following table:

New Zealand Whole Milk Powder Exports  
Main Three Destinations  
January-July 2017

Destination	Quantity(MT)	Percent of Total
China	234,334	29.7
Algeria	76,078	9.6
UAE	65,676	8.3

At GDT Event 195 on September 5, the WMP all contracts price, \$3,100, decreased 1.6 percent.

26% BUTTERFAT: 3,050 - 3,125

Exchange rates for selected foreign currencies:  
September 11, 2017

.0584 Argentina Peso	.0156 India Rupee
.8029 Australian Dollar	.0091 Japan yen
.3223 Brazil Real	.0566 Mexican Peso
.8258 Canadian Dollar	.7252 New Zealand Dollar
.0016 Chile Peso	.2816 Poland Zloty
1.1953 Euro	.0348 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.0566) = 17.6678$  Mexican Pesos. Source: "Wall Street Journal"

## INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 195 Recap - September 5, 2017													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Oct-17		Nov-17		Dec-17		Jan-18		Feb-18		Mar-18			
Anhydrous Milk Fat	\$7,025	7.8%	\$6,427	1.6%	\$6,360	4.9%	\$6,338	5.7%	\$6,202	-2.3%	n.a.		\$6,402	3.6%
Butter	\$6,031	-9.2%	\$6,100	6.8%	\$5,977	6.8%	\$5,745	n.a.	\$5,915	3.0%	n.a.		\$5,954	3.8%
Buttermilk Powder	\$2,215	-11.8%	\$2,005	n.a.	\$1,985	-11.6%	\$2,075	-8.2%	\$2,055	-8.3%	n.a.		\$2,026	-10.1%
Cheddar	\$4,239	4.5%	\$4,100	1.6%	\$4,131	2.6%	\$4,112	3.9%	\$4,105	-0.5%	n.a.		\$4,118	2.5%
Lactose	n.a.		\$791	5.1%	n.a		n.a.		n.a.		n.a.		\$791	5.1%
Rennet Casein	\$6,675	12.4%	\$6,250	0.8%	\$6,281	0.3%	\$6,373	0.5%	\$6,313	-0.5%	n.a.		\$6,316	1.2%
Skim Milk Powder	\$2,040	3.3%	\$1,944	0.3%	\$2,003	1.1%	\$1,891	-7.5%	\$1,908	-1.8%	n.a.		\$1,944	-1.2%
Whole Milk Powder	\$3,089	-3.2%	\$3,128	-0.6%	\$3,099	-1.3%	\$3,051	-4.7%	\$3,111	1.0%	n.a.		\$3,100	-1.6%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 195 Recap - September 5, 2017													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Oct-17		Nov-17		Dec-17		Jan-18		Feb-18		Mar-18			
Anhydrous Milk Fat	\$3.1865	7.8%	\$2.9153	1.6%	\$2.8849	4.9%	\$2.8749	5.7%	\$2.8132	-2.3%	n.a.		\$2.9039	3.6%
Butter	\$2.7356	-9.2%	\$2.7669	6.8%	\$2.7111	6.8%	\$2.6059	n.a.	\$2.6830	3.0%	n.a.		\$2.7007	3.8%
Buttermilk Powder	\$1.0047	-11.8%	\$0.9095	n.a.	\$0.9004	-11.6%	\$0.9412	-8.2%	\$0.9321	-8.3%	n.a.		\$0.9190	-10.1%
Cheddar	\$1.9228	4.5%	\$1.8597	1.6%	\$1.8738	2.6%	\$1.8652	3.9%	\$1.8620	-0.5%	n.a.		\$1.8679	2.5%
Lactose	n.a.		\$0.3588	5.1%	n.a		n.a.		n.a.		n.a.		\$0.3588	5.1%
Rennet Casein	\$3.0278	12.4%	\$2.8350	0.8%	\$2.8490	0.3%	\$2.8908	0.5%	\$2.8636	-0.5%	n.a.		\$2.8649	1.2%
Skim Milk Powder	\$0.9253	3.3%	\$0.8818	0.3%	\$0.9086	1.1%	\$0.8578	-7.5%	\$0.8655	-1.8%	n.a.		\$0.8818	-1.2%
Whole Milk Powder	\$1.4012	-3.2%	\$1.4189	-0.6%	\$1.4057	-1.3%	\$1.3839	-4.7%	\$1.4111	1.0%	n.a.		\$1.4062	-1.6%

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

## INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered September 4 - 15, 2017

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**SOUTH AMERICA OVERVIEW:** Farm milk intakes are improving across the Southern Cone region, as warmer temperatures support dairy cows' comfort.

In **Argentina** and **Uruguay**, milk shipments from farm to processors are very active, especially to cheese, milk caramel, yogurt, and fluid milk manufacturers. Cream availability continues improving on a stable market. Milk pulls are strong from schools and several public food aid programs. Mozzarella production and butter churning are very active with fair/good demands from restaurants, pizzerias, and grocery stores.

As reported by the Ministry of Agriculture, in August 2017, Argentina milk production grew 6 percent over the previous month, but decreased 2 percent from a year ago. During August 2017, nominal prices paid to producers increased 33 percent from August 2016.

In **Brazil**, cows' milk production is up, supported by favorable weather across the main dairy states. Milk/cream intakes are more than adequate to meet most processing needs. Overall, the domestic demand for dairy products is weaker while stocks for UHT milk and mozzarella cheese continue building. As a result, most dairy processors, wholesalers, and retailers have had to reduce prices to level their stocks. According to some industry participants, the spending power from Brazilian costumers is weakening parallel with the economy; this is sinking sales activity across several market channels throughout the country.

In general, the dairy industry in Argentina, Uruguay, Chile and Brazil continues improving and is expected to become stronger throughout Q4 according to some industry contacts.

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

According to the Brazilian government, WMP imports from January to August 2017 totaled 62.0 million tons, down 25 percent from the same period in 2016. From this total, imports from Uruguay, Argentina, and Chile represented 62, 34, and 4 percent, respectively.

26% BUTTERFAT: 3,250 - 3,450

**SKIM MILK POWDER (SMP):** Unlike two weeks ago, sales of SMP are more active in the Southern Cone region of South America. F.O.B. export prices shifted higher this week, reflecting the current regional market situation. SMP production is sporadic as processors are focusing on converting moderate to heavy condensed milk volumes into WMP. The demand for SMP is mixed inside and outside the Mercosur bloc. Inventories are tightening in several processing plants.

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

According to the Brazilian government, SMP imports from January to August 2017 totaled 18.9 million tons, down 13 percent from the same period in 2016. From this total, imports from Argentina, Uruguay, and United States represented 42, 40, and 12 percent, respectively.

1.25% BUTTERFAT: 2,650– 2,950

**WHOLE MILK POWDER (WMP):** F.O.B. export prices for whole milk powder (WMP) adjusted slightly up in the Southern Cone zone of South America. In this region, there is enough condensed milk supply and therefore, WMP production is ongoing in many plants. With a fair to strong demand from Russia, the bulk of WMP sales volume is moving outside the Mercosur bloc. Conversely, WMP interest from Brazil is sluggish while trading activity is light to moderate. The WMP market undertone is steady to weak inside the Mercosur zone, but fair to strong outside the bloc. WMP inventories remain large throughout the region.

## CME GROUP, INC FUTURES

Selected settling prices

Month	09/01	09/04	09/05	09/06	09/07	09/08	09/11	09/12	09/13	09/14
<b>CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)</b>										
SEP 17	16.15	NO TRADING	16.28	16.34	16.28	16.28	16.22	16.32	16.28	16.26
OCT 17	16.36		16.36	16.36	16.16	16.02	15.80	16.10	15.94	15.91
NOV 17	16.16		16.19	16.13	15.95	15.81	15.60	15.95	15.79	15.72
DEC 17	16.01		16.04	15.99	15.83	15.67	15.51	15.81	15.66	15.64
JAN 18	15.93		15.95	15.89	15.70	15.53	15.42	15.65	15.54	15.45
FEB 18	16.00		16.00	15.97	15.76	15.59	15.49	15.63	15.56	15.54
MAR 18	16.01		16.01	16.00	15.78	15.64	15.61	15.68	15.63	15.63
APR 18	16.04		16.04	16.03	15.93	15.75	15.65	15.75	15.65	15.64
MAY 18	16.15		16.15	16.15	15.98	15.83	15.76	15.83	15.81	15.77
JUNE 18	16.26		16.37	16.34	16.23	16.10	15.95	15.99	15.92	15.92
<b>CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)</b>										
SEP 17	16.13	NO TRADING	15.99	15.98	15.90	15.90	15.90	15.90	15.90	15.95
OCT 17	16.05		15.75	15.67	15.80	15.60	15.45	15.47	15.51	15.51
NOV 17	16.20		15.82	15.82	15.82	15.51	15.36	15.44	15.58	15.59
DEC 17	16.00		15.71	15.72	15.70	15.47	15.35	15.41	15.59	15.70
<b>CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)</b>										
SEP 17	253.00	NO TRADING	250.00	250.48	252.98	251.53	251.53	251.53	252.00	252.50
OCT 17	251.75		246.75	248.60	250.58	246.45	242.43	244.50	244.00	245.40
NOV 17	251.00		246.00	247.70	250.23	246.00	243.60	245.88	245.80	247.98
DEC 17	245.75		242.98	245.25	246.68	243.33	241.30	244.00	244.15	247.25
<b>NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)</b>										
SEP 17	87.00	NO TRADING	87.00	86.75	86.43	86.00	86.05	86.25	86.50	86.53
OCT 17	87.00		86.48	86.25	84.85	84.60	84.70	84.40	85.08	85.00
NOV 17	87.90		87.30	87.00	85.13	84.13	84.50	84.60	85.50	85.50
DEC 17	88.75		88.60	88.18	86.23	84.75	84.75	84.75	86.25	86.28
<b>WHEY (Electronic-Traded) (¢/lb)</b>										
SEP 17	42.00	NO TRADING	41.65	41.65	41.50	41.25	41.00	41.00	41.00	41.25
OCT 17	40.15		40.15	39.55	39.30	38.73	37.25	37.50	37.78	38.00
NOV 17	38.20		38.20	37.95	37.05	36.28	34.25	35.23	35.30	35.00
DEC 17	37.75		37.75	36.95	36.25	34.80	33.60	33.00	33.95	33.95
<b>CHEESE CSC (Electronic-Traded) (\$/lb)</b>										
SEP 17	1.64	NO TRADING	1.65	1.66	1.66	1.66	1.65	1.67	1.66	1.66
OCT 17	1.67		1.68	1.68	1.66	1.65	1.64	1.67	1.65	1.64
NOV 17	1.66		1.67	1.67	1.64	1.64	1.63	1.67	1.64	1.64
DEC 17	1.65		1.66	1.65	1.64	1.64	1.63	1.66	1.64	1.64
JAN 18	1.65		1.65	1.65	1.64	1.63	1.63	1.65	1.63	1.63

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



## July Milk Sales

During July, 3.7 billion pounds of packaged fluid milk products are estimated to have been sold in the United States. This was 1.7 percent lower than July 2016. Estimated sales of total conventional fluid milk products decreased 1.9 percent from July 2016 and estimated sales of total organic fluid milk products increased 1.7 percent from a year earlier.

Estimated Total U.S. Sales of Fluid Milk Products, July 2017, with Comparisons <sup>1</sup>				
Product Name	Sales		Change from: <sup>2</sup>	
	July	Year to Date	Previous Year	Year to Date
	<i>(million pounds)</i>		<i>(percent)</i>	
Conventional Production Practice				
Whole Milk	1,219	8,461	2.0	2.4
Flavored Whole Milk	51	373	-0.9	8.6
Reduced Fat Milk (2%)	1,229	8,733	-3.5	-2.9
Low Fat Milk (1%)	465	3,664	-5.6	-7.1
Fat-Free Milk (Skim)	321	2,424	-10.8	-12.4
Flavored Fat-Reduced Milk	171	2,152	15.3	2.6
Buttermilk	40	290	-1.8	-0.8
Other Fluid Milk Products	3	31	-40.9	0.8
Total Fat-Reduced Milk <sup>3</sup>	2,185	16,974	-3.9	-4.7
Total Conventional Milk Products	3,498	26,129	-1.9	-2.3
Organic Production Practice				
Whole Milk	79	577	8.4	7.8
Reduced Fat Milk (2%)	61	459	1.8	0.8
Low Fat Milk (1%)	28	230	-15.8	-9.9
Fat-Free Milk (Skim)	21	161	-10.5	-13.7
Flavored Fat-Reduced Milk	10	69	62.6	39.4
Other Fluid Milk Products	0	1	4.0	-2.4
Total Fat-Reduced Milk <sup>3</sup>	120	918	-2.3	-2.9
Total Organic Milk Products	199	1,496	1.7	0.9
Total Fluid Milk Products	3,697	27,625	-1.7	-2.1

<sup>1</sup> These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. <sup>2</sup> Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. <sup>3</sup> Both conventional and organic fat-reduced milk categories are the total of reduced fat, lowfat, skim and flavored fat-reduced milk. Report contact: Daniel Manzoni, [Daniel.manzoni@ams.usda.gov](mailto:Daniel.manzoni@ams.usda.gov) or 202-720-2352.

Packaged Sales of Total Fluid Milk Products in Federal Milk Orders and California, July 2017, with Comparisons <sup>1</sup>					
Marketing Area	Order Number	Sales		Change from: <sup>2</sup>	
		July	Year to Date	Previous Year	Year to Date
		(million pounds)		(percent)	
Northeast	001	632	4,678	-1.8	-2.7
Appalachian	005	252	1,826	0.2	-1.9
Florida	006	213	1,599	0.1	-0.3
Southeast	007	347	2,548	0.5	-1.0
Upper Midwest	030	277	2,071	-1.8	-4.5
Central	032	312	2,364	-2.0	-0.6
Mideast	033	409	3,050	-1.5	-2.1
Pacific Northwest	124	152	1,123	-3.6	-2.0
Southwest	126	322	2,533	-3.2	-1.0
Arizona	131	77	583	-2.8	-4.4
California	---	407	3,039	-3.4	-3.3
All Orders (Total)		2,994	22,376	-1.5	-1.9
All Areas (Total)		3,401	25,415	-1.7	-2.1

<sup>1</sup> These figures are representative of the consumption of total fluid milk products in the respective area; see footnote <sup>3</sup> above for the products included. <sup>2</sup> Percent changes, as well as sales volumes, are shown on an unadjusted basis.

**Source:** U.S. Department of Agriculture. California Department of Food and Agriculture.

## September Supply and Demand Estimates

The milk production forecast for 2017 is raised as increases in milk per cow more than offset a slower rate of milk cow expansion. For 2017, fat basis exports are reduced from the previous month on slowing cheese shipments, while fat basis imports are raised on increased purchases of butterfat. On a skim-solids basis, the export forecast for 2017 is lowered on weaker than expected skim milk powder sales, while the import forecast is raised due to stronger demand for a number of dairy products. For 2018, the milk production forecast is reduced from the previous month on slower growth in cow inventories. The annual fat basis export forecast is unchanged from the previous month, but the import forecast is reduced on expected declining cheese imports. The skim-solids basis export forecast is reduced from the previous month as competition in international powder markets is expected to remain strong; imports are reduced on lower milk protein and cheese shipments. Butter, NDM, and whey prices are forecast lower for 2017 while cheese prices are forecast higher from the previous month. The 2017 Class III price is raised as higher forecast cheese prices offset lower whey prices. The Class IV price is reduced on lower butter and NDM. For 2018, all dairy product prices are reduced, resulting in lower Class III and Class IV product prices. The all milk price is reduced to \$17.70 to \$17.90 per cwt for 2017 and \$17.75 to \$18.55 per cwt for 2018.

U.S. Milk Supply and Use					
Commodity	2016	2017 Projected		2018 Projected	
		Aug	Sep	Aug	Sep
Milk	<i>(billion pounds)</i>				
Production	212.4	215.7	216.0	220.3	220.1
Farm Use	1.0	1.0	1.0	1.0	1.0
Fat Basis Supply					
Beginning Commercial Stocks	12.3	12.7	12.7	12.1	12.8
Marketings	211.4	214.7	215.0	219.3	219.1
Imports	7.0	6.0	6.1	5.8	5.7
Total Commercial Supply	230.8	233.4	233.8	237.2	237.6
Fat Basis Use					
Commercial Exports	8.4	9.3	9.2	9.2	9.2
Ending Commercial Stocks	12.7	12.1	12.8	11.8	12.1
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	209.7	211.9	211.8	216.2	216.3
Skim-Solid Basis Supply					
Beginning Commercial Stocks	9.2	9.5	9.5	9.9	10.2
Marketings	211.4	214.7	215.0	219.3	219.1
Imports	6.5	6.3	6.4	6.4	6.2
Total Commercial Supply	227.1	230.5	230.9	235.5	235.5
Skim-Solids Basis Use					
Commercial Exports	39.0	40.7	40.6	42.1	41.8
Ending Commercial Stocks	9.5	9.9	10.2	9.0	9.4
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	178.5	179.9	180.1	184.4	184.3

NOTE: Totals may not add due to rounding.

Continued on page 12

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

U.S. Dairy Prices						
Commodity	2016	2017 Projected		2018 Projected		
		Aug	Sep	Aug	Sep	
Product Prices <sup>1</sup>	(dollars per pound)					
	Cheese	1.6050	1.590-1.610	1.610-1.630	1.640-1.740	1.630-1.730
	Butter	2.0777	2.425-2.465	2.355-2.395	2.375-2.505	2.330-2.460
	Nonfat Dry Milk	0.8292	0.885-0.905	0.880-0.900	0.905-0.975	0.880-0.950
	Dry Whey	0.2875	0.455-0.475	0.445-0.465	0.445-0.475	0.410-0.440
Milk Prices <sup>2</sup>	(dollars per cwt)					
	Class III	14.87	15.90-16.10	16.05-16.25	16.30-17.30	16.00-17.00
	Class IV	13.77	15.75-16.05	15.40-15.70	15.70-16.80	15.10-16.20
	All Milk <sup>3</sup>	16.30	17.80-18.00	17.70-17.90	18.00-19.00	17.55-18.55
	Quarterly					
	2017 II	2017 III <sup>4</sup>	2017 IV <sup>4</sup>	2018 I <sup>4</sup>	2018 II <sup>4</sup>	
Milk Production	(billion pounds)					
	55.3	53.6	53.5	54.6	56.5	
	(dollars per cwt)					
	All Milk Price <sup>2,3</sup>	16.83	17.70-17.90	18.05-18.55	17.60-18.40	17.10-18.10
	Class III Price <sup>2</sup>	15.74	16.05-16.25	15.90-16.40	15.75-16.55	15.80-16.80
Class IV Price <sup>2</sup>	14.80	16.20-16.50	15.35-15.95	14.95-15.85	15.05-16.15	

<sup>1</sup> Simple average of monthly prices calculated from AMS weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/rules-regulations/mmr/dmr>; scroll down to Publications, National Dairy Products Sales Reports, and select Current Release & Archives.” <sup>2</sup> Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test. <sup>3</sup> Does not reflect any deductions from producers as authorized by legislation. <sup>4</sup> Projection.

**Source:** U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates*, WASDE-569, September 12, 2017. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Carolyn Liebrand, AMS; Paul Kiendl, FAS; Jerry Cessna, ERS; and Milton Madison, FSA].

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

In June 2017, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.91 per cwt, up \$0.76 per cwt from the May 2017 average and up \$2.48 per cwt from the June 2016 average. The component tests of producer milk in June 2017 were: butterfat, 3.71%; protein, 3.06%; and other solids, 5.76%. When compared to the previous month, the May Mailbox prices increased in all 19 Federal milk order reporting areas. The Northwest reporting area reported the greatest increase of \$0.98 per cwt, while the Southern Missouri reporting area reported an increase of only \$0.20 per cwt from the previous month. Averaged over all Federal milk order reporting areas, the June 2017 Mailbox price increased an average of \$0.73 per cwt. Mailbox prices in June 2017 ranged from \$18.37 in the New England States to \$14.77 in the New Mexico reporting area.

Reporting Area <sup>1</sup>	Mailbox Milk Price <sup>2</sup>		
	June 2016	May 2017	June 2017
	<i>(dollars per hundredweight)</i>		
New England States <sup>3</sup>	15.99	17.63	18.37
New York	14.69	16.38	17.13
Eastern Pennsylvania <sup>4</sup>	14.70	16.22	17.05
Appalachian States <sup>5</sup>	15.07	16.62	17.32
Southeast States <sup>6</sup>	14.62	15.39	16.10
Southern Missouri <sup>7</sup>	14.19	14.73	14.93
Florida	15.74	16.88	17.71
Western Pennsylvania <sup>8</sup>	14.62	16.42	17.29
Ohio	14.86	16.43	17.19
Indiana	14.66	15.81	16.67
Michigan	12.90	14.25	15.05
Wisconsin	14.78	17.13	17.75
Minnesota	14.96	16.81	17.25
Iowa	14.51	16.92	17.51
Illinois	14.57	16.88	17.44
Corn Belt States <sup>9</sup>	13.62	15.12	15.93
Western Texas <sup>10</sup>	13.50	15.44	16.36
New Mexico	12.80	13.89	14.77
Northwest States <sup>11</sup>	14.47	16.40	17.38
All Federal Order Areas <sup>12</sup>	14.43	16.15	16.91
California <sup>13</sup>	13.54	15.66	16.22

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

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

<sup>3</sup> Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

<sup>4</sup> Includes all counties to the east of those listed in <sup>8</sup>.

<sup>5</sup> Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

<sup>6</sup> Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi.

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

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

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

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

<sup>11</sup> Includes Oregon and Washington.

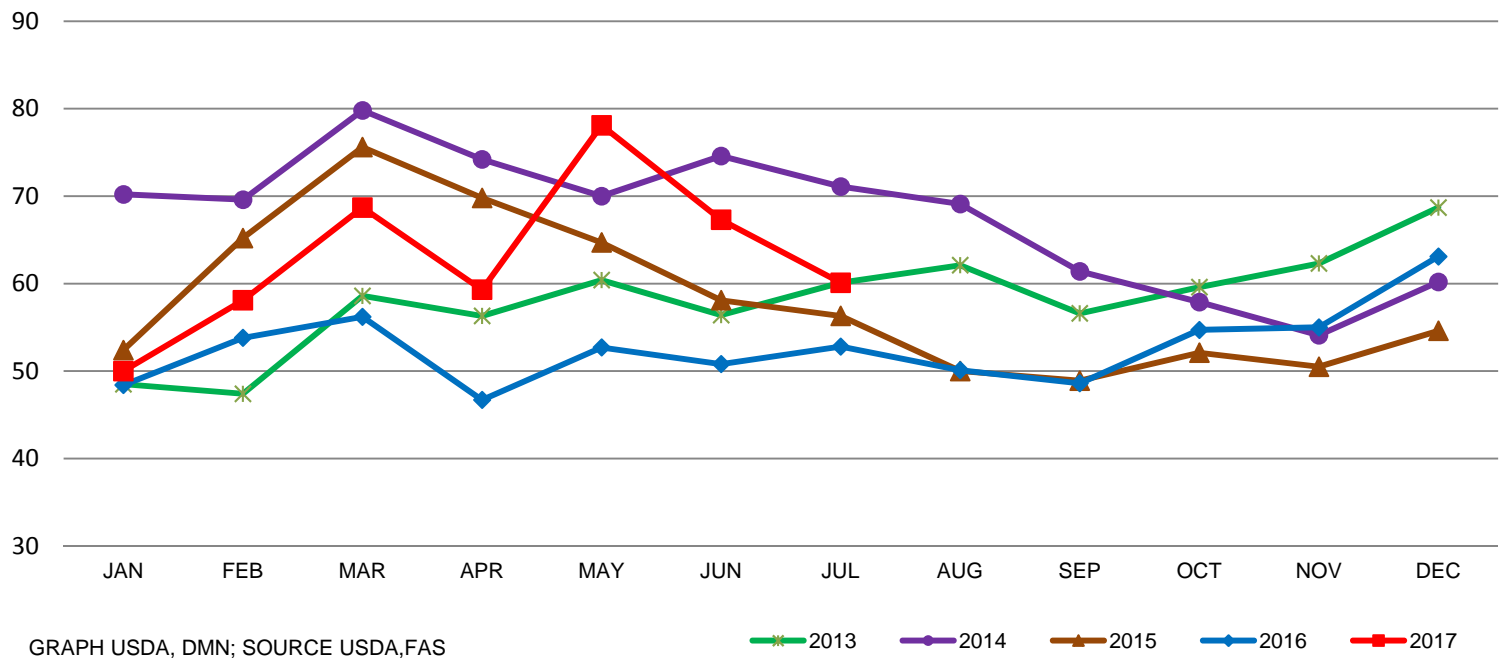
<sup>12</sup> Weighted average of prices for all reporting areas.

<sup>13</sup> Calculated by California Department of Food and Agriculture, and published at:

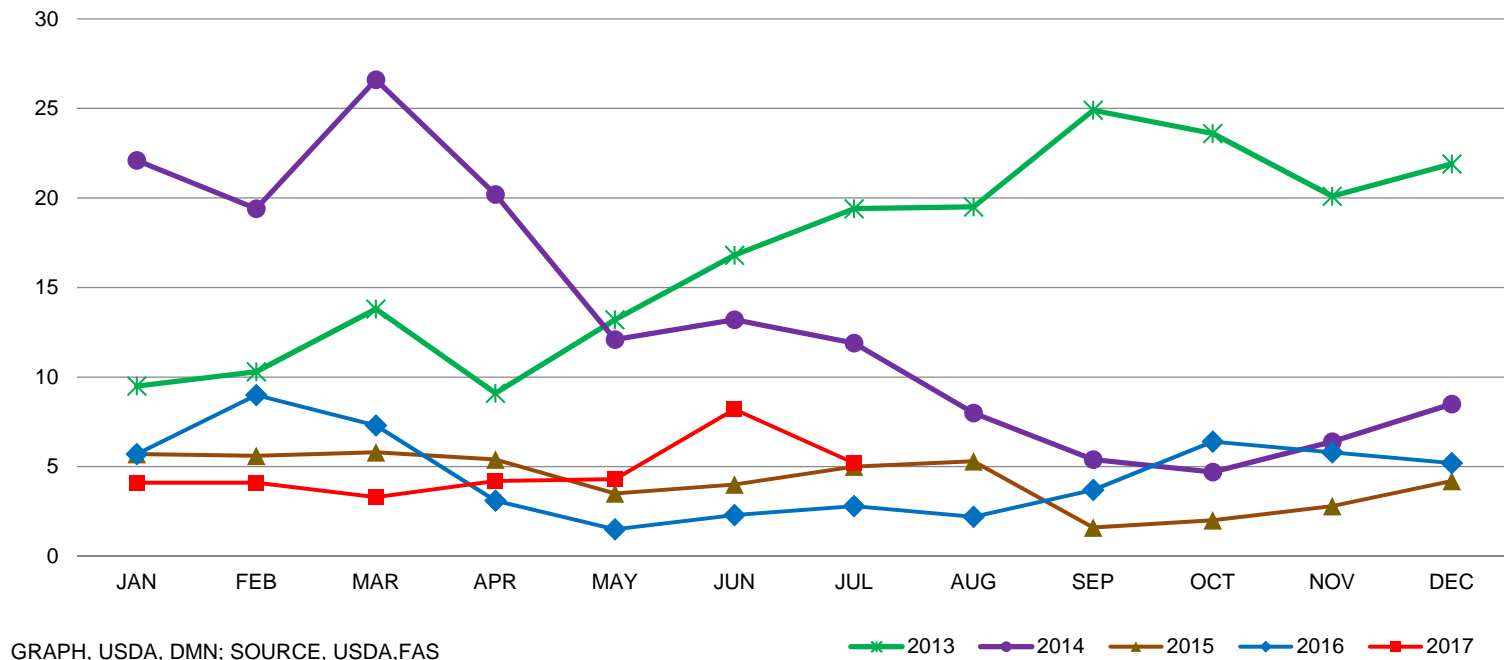
<https://www.cdffa.ca.gov/dairy/uploader/postings/mailboxmap/Default.aspx>

Report Contact: Randal Stoker, [randal.stoker@usda.gov](mailto:randal.stoker@usda.gov) or 202-690-1932

Million Pounds

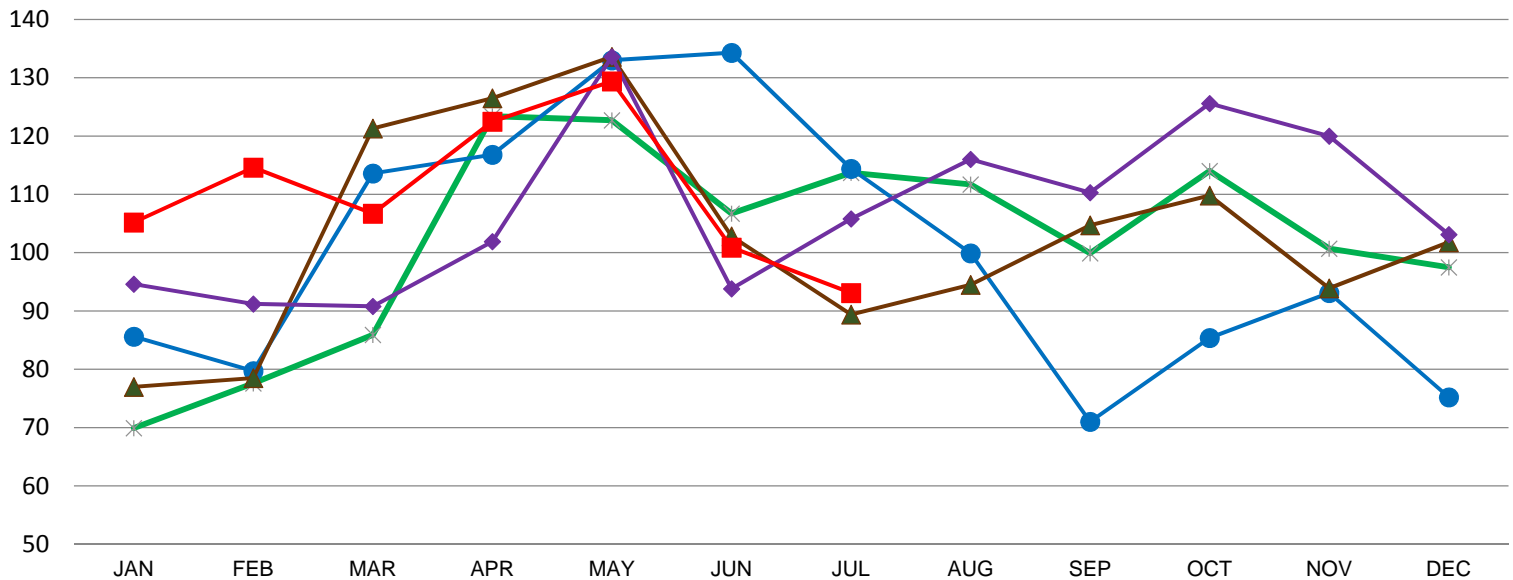
**Cheese Exports (various H.S. Codes)**

Million Pounds

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



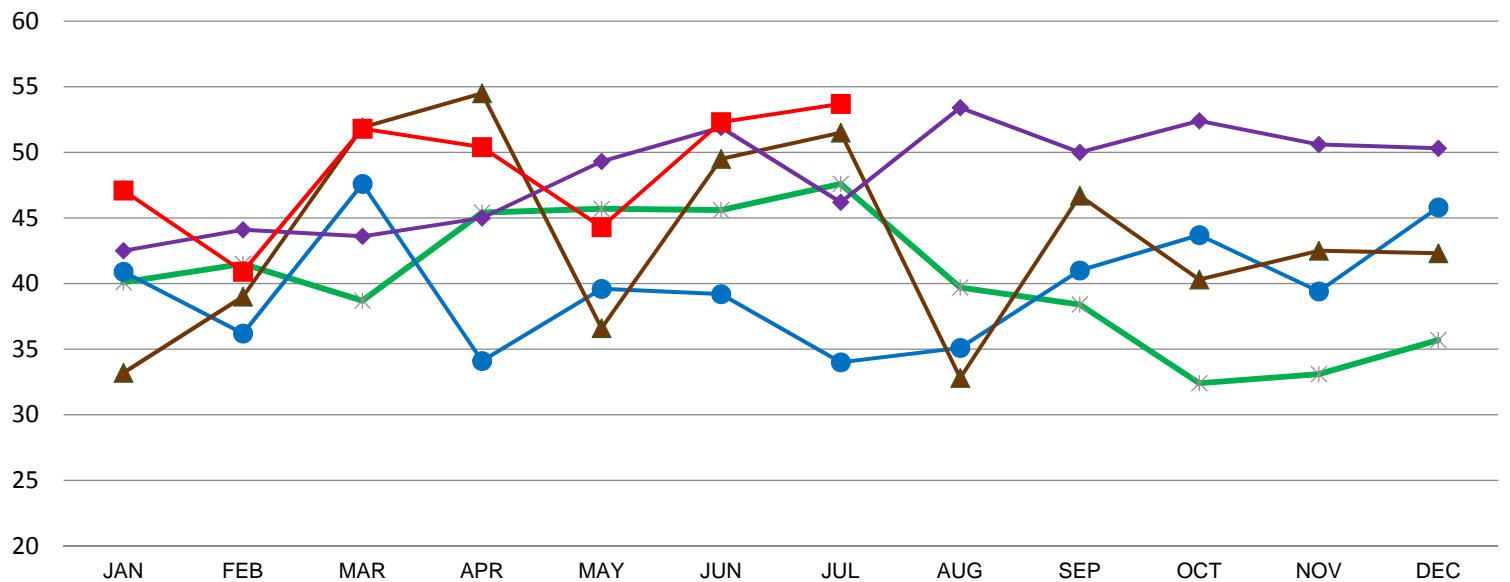
Million Pounds

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

GRAPH USDA, DMN; SOURCE USDA,FAS

2013 2014 2015 2016 2017

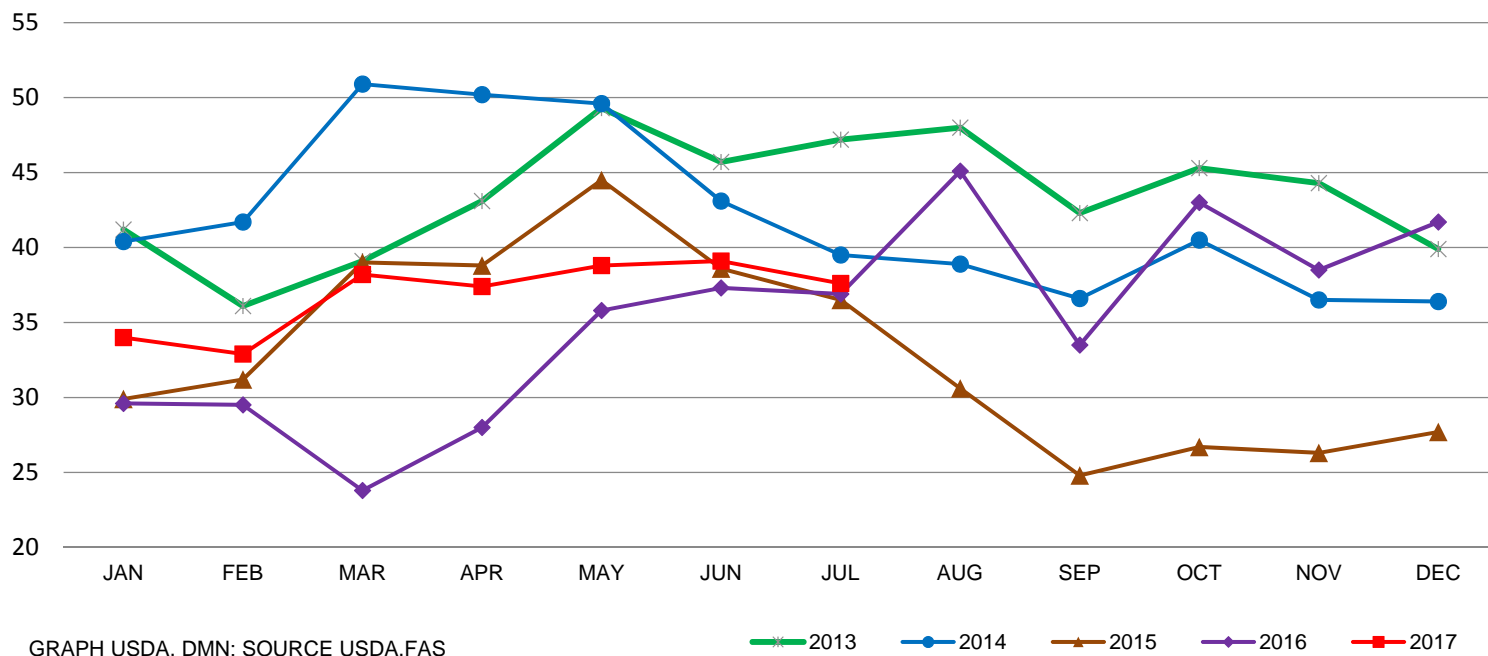
Million Pounds

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

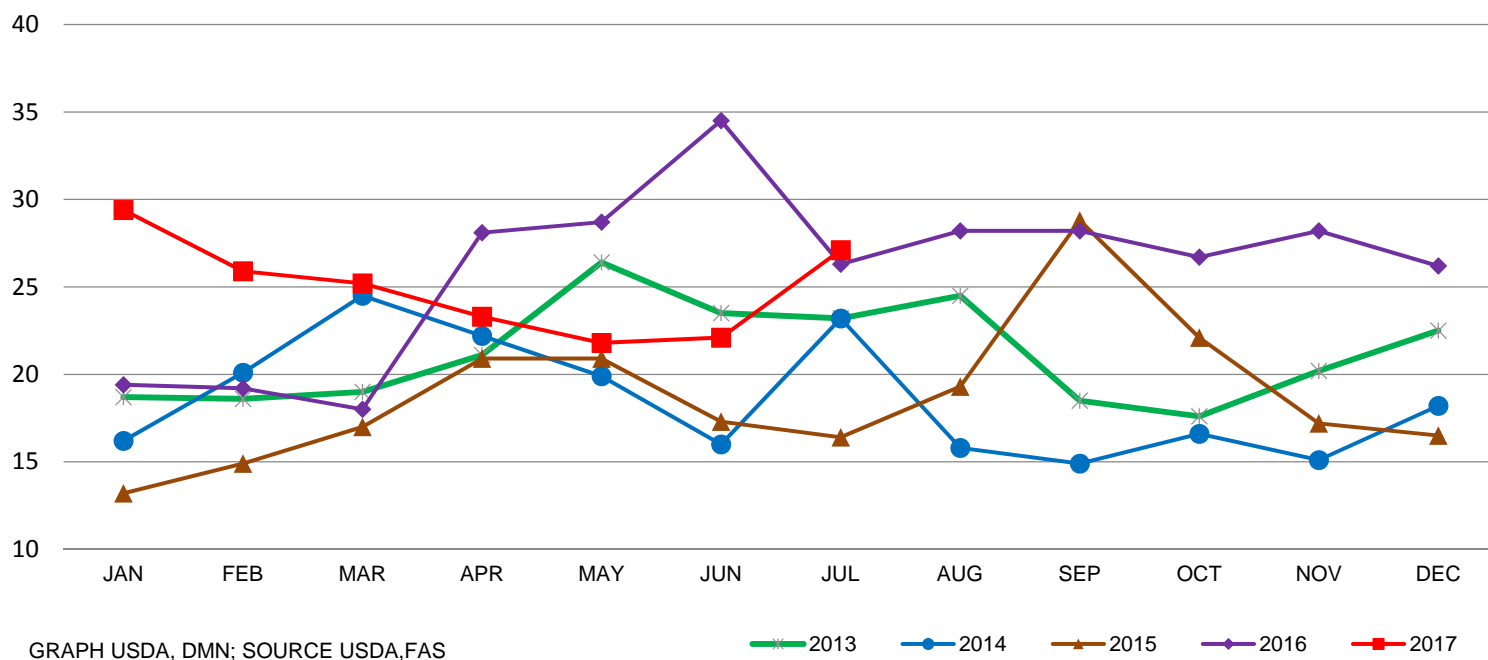
GRAPH USDA, DMN; SOURCE USDA,FAS

2013 2014 2015 2016 2017

Million Pounds

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

Million Pounds

**Monthly WPC <80% Exports: H.S. Code 0404100500(FAS)**



## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Retail Report-Dairy

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

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Friday, September 15, 2017

### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 09/15/2017 to 09/21/2017

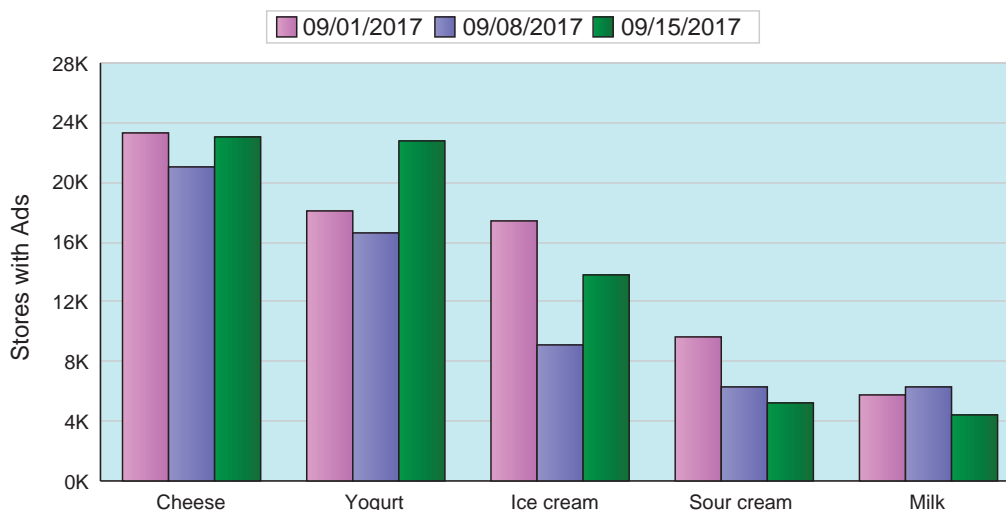
This week, total conventional dairy ads increased 12 percent, while organic dairy ads decreased 26 percent. Conventional ice cream ads increased late in the summer, up 53 percent from last week. The U.S. weighted average advertised price for conventional ice cream in 48-64 oz. containers is \$3.24, up 28 cents from the last period. Meanwhile, reported advertised pricing for organic ice cream in 48-64 oz. containers is \$5.49, for an organic premium of \$2.25.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.09, down 11 cents from last week. The advertised price for conventional 8 ounce shred cheese averaged \$2.17, down 9 cents from last week. Conventional cheese ad numbers increased 13 percent from the previous week. Organic cheese ad numbers decreased by 70 percent this week.

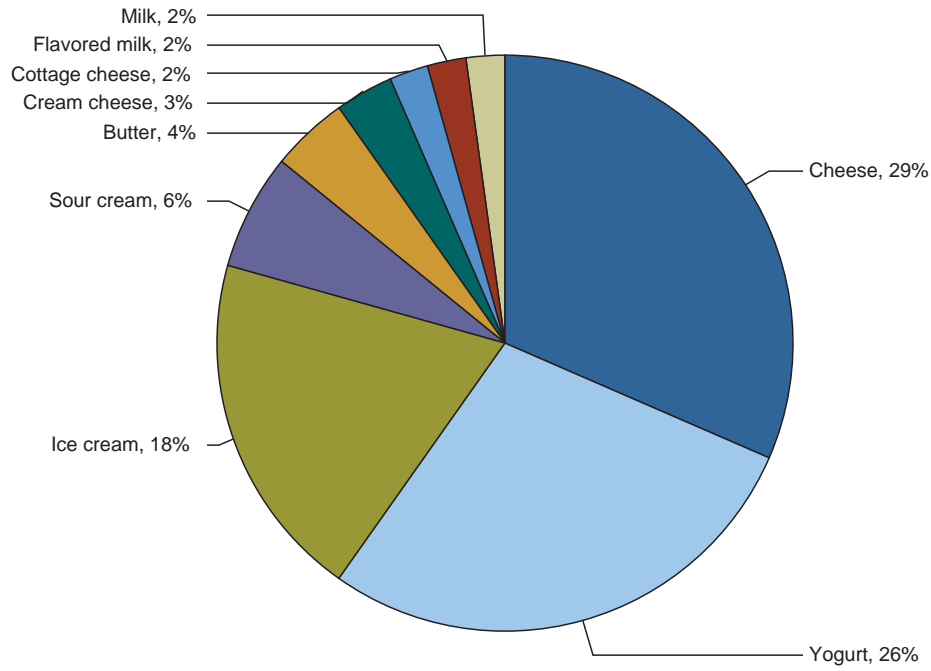
Conventional 4-6 ounce Greek yogurt has an average sale price of \$0.98, unchanged from the previous week. Organic 4-6 ounce Greek yogurt has an average price of \$1.25, up 6 cents, resulting in an organic premium of 27 cents. The average price for 4-6 ounce conventional yogurt is \$0.49, while the price for organic yogurt is \$1.00, resulting in a \$0.51 organic premium. Total conventional yogurt ads increased 46 percent, while organic yogurt ads decreased 15 percent.

The weighted average price for conventional half gallon milk is \$2.50. The weighted average price for organic half gallon is \$3.82, resulting in an organic price premium of \$1.32. Organic milk ad numbers decreased 23 percent, and ads for conventional milk decreased 44 percent.

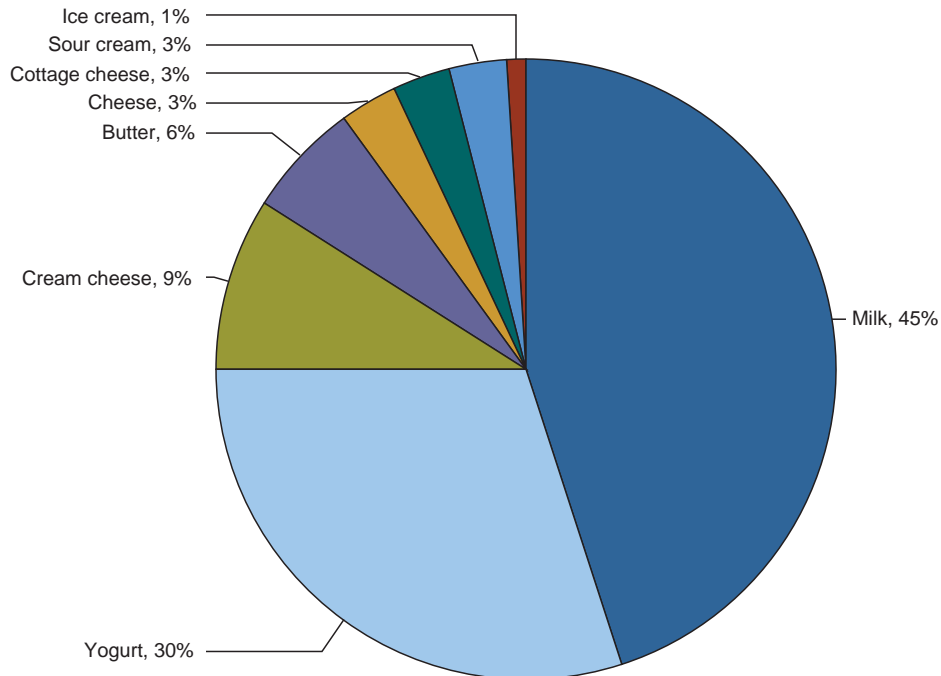
Top 5 Commodities Featured



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 #	3208	3.84	3359	3.49	4325	3.64
Cheese	Natural Varieties	8 oz block	9296	2.09	5001	2.20	8641	2.40
Cheese	Natural Varieties	1 # block	1314	3.76	3325	3.82	2142	3.68
Cheese	Natural Varieties	2 # block	1687	5.73	1106	6.99	1097	6.43
Cheese	Natural Varieties	8 oz shred	8374	2.17	7305	2.26	9430	2.39
Cheese	Natural Varieties	1 # shred	2083	3.95	3517	3.59	2132	3.62
Cottage cheese		16 oz	1963	2.36	3593	2.13	2720	1.85
Cream cheese		8 oz	2217	2.05	4263	1.72	5343	2.04
Flavored milk	All fat tests	half gallon	1216	2.78	1092	2.31	900	1.91
Flavored milk	All fat tests	gallon	11	3.79	345	2.97	404	2.82
Ice cream		48-64oz	13793	3.24	9029	2.96	12305	3.10
Milk	All fat tests	half gallon	108	2.50	763	2.43	150	1.77
Milk	All fat tests	gallon	1100	2.45	1389	2.85	2473	2.71
Sour cream		16 oz	5062	1.69	6047	1.85	5368	1.70
Yogurt	Greek	4-6 oz	12938	.98	7859	.98	14924	.95
Yogurt	Greek	32 oz	1790	4.23	785	3.94	3760	4.58
Yogurt	Yogurt	4-6 oz	4670	.49	4156	.52	7191	.50
Yogurt	Yogurt	32 oz	1257	2.83	1360	2.81	1804	2.50

## 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 #	2.89-4.99	916	3.93	3.98-3.99	1799	3.99	2.88-2.89	222	2.89
Cheese	Natural Varieties	8 oz block	1.25-3.29	2763	2.22	1.99-2.50	1997	2.26	1.48-2.00	2291	1.94
Cheese	Natural Varieties	1 # block	4.19	304	4.19	2.99	324	2.99	3.49-3.79	374	3.69
Cheese	Natural Varieties	2 # block	6.99	53	6.99	5.99	64	5.99	3.79	98	3.79
Cheese	Natural Varieties	8 oz shred	1.25-2.99	2201	2.14	1.99-2.50	2148	2.27	1.48-2.50	2078	2.06
Cheese	Natural Varieties	1 # shred				2.99-4.99	826	4.21	3.00-3.99	431	3.65
Cottage cheese		16 oz	1.99-3.50	1135	2.22				1.89-3.50	235	2.68
Cream cheese		8 oz	1.50-2.99	1197	2.25	1.50	195	1.50	1.50-2.00	323	1.83
Flavored milk	All fat tests	half gallon	2.50-3.00	502	2.74				1.77-4.00	616	2.80
Ice cream		48-64oz	1.99-3.50	2469	2.64	2.39-5.99	5718	3.24	2.77-3.99	2048	3.37
Milk	All fat tests	half gallon	2.50	108	2.50						
Milk	All fat tests	gallon	3.49	137	3.49				1.88-1.99	347	1.97
Sour cream		16 oz	1.50-2.00	1983	1.73	1.50-1.66	1086	1.51	1.50-1.78	331	1.68
Yogurt	Greek	4-6 oz	0.69-1.00	3068	.97	1.00	3619	1.00	0.80-1.00	1971	.98
Yogurt	Greek	32 oz	3.99-5.49	740	5.01	3.50	735	3.50	3.99	180	3.99
Yogurt	Yogurt	4-6 oz	0.40-0.63	1338	.47	0.50	557	.50	0.40-0.50	1280	.45
Yogurt	Yogurt	32 oz	2.50	118	2.50				2.99	588	2.99

Wtd Avg - Simple weighted average





Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.99-3.99	127	3.42	2.99	117	2.99			
Cheese	Natural Varieties	8 oz block	0.99-2.00	1025	1.66	0.99-2.50	993	1.83	2.00-2.50	129	2.27
Cheese	Natural Varieties	1 # block	3.00-4.99	173	3.63	4.99	137	4.99			
Cheese	Natural Varieties	2 # block	4.99-5.99	242	5.49	4.99-7.99	413	6.20	4.99-5.99	744	5.52
Cheese	Natural Varieties	8 oz shred	1.49-2.99	824	2.24	1.67-2.50	662	2.06	1.50-2.50	361	2.15
Cheese	Natural Varieties	1 # shred	3.00-4.99	461	3.73	3.79	331	3.79			
Cottage cheese		16 oz	2.99	194	2.99	2.00	227	2.00	1.99	105	1.99
Cream cheese		8 oz	1.69-2.50	267	2.18	1.50	137	1.50	1.50	66	1.50
Flavored milk	All fat tests	half gallon	2.39	74	2.39						
Ice cream		48-64oz	1.88-5.99	1848	3.80	1.88-3.99	1256	3.16	1.99-3.99	322	3.06
Milk	All fat tests	gallon	1.99-2.99	177	2.55	2.59-2.69	331	2.62	1.99	105	1.99
Sour cream		16 oz	1.00-1.89	489	1.62	1.99-2.00	598	1.99	1.29-1.99	455	1.45
Yogurt	Greek	4-6 oz	0.79-1.00	1299	.99	0.88-1.00	1896	.97	0.88-1.00	945	.96
Yogurt	Greek	32 oz	4.99	74	4.99				3.50	61	3.50
Yogurt	Yogurt	4-6 oz	0.40-0.60	572	.51	0.50-0.63	687	.55	0.25-0.69	196	.44
Yogurt	Yogurt	32 oz	2.69-4.99	213	3.55	2.00-2.50	306	2.10			

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	27	3.99
Cheese	Natural Varieties	8 oz block	3.00-4.50	37	4.22	5.49-7.49	61	6.38
Cheese	Natural Varieties	1 # block	5.69	2	5.69			
Cheese	Natural Varieties	2 # block	5.98-6.99	19	6.25	5.99-9.99	54	7.99
Cheese	Natural Varieties	8 oz shred	3.00-4.50	35	4.23	2.00-3.00	65	2.93
Cheese	Natural Varieties	1 # shred				5.99	34	5.99
Cottage cheese		16 oz	1.66-2.50	13	1.79	2.59-4.69	54	3.97
Cream cheese		8 oz	1.99	5	1.99	2.79	27	2.79
Flavored milk	All fat tests	half gallon				4.49	24	4.49
Flavored milk	All fat tests	gallon	3.79	11	3.79			
Ice cream		48-64oz	3.99-8.99	33	8.23	3.50-6.29	99	4.47
Milk	All fat tests	gallon	2.98	3	2.98			
Sour cream		16 oz	1.66-2.29	32	2.07	1.99-2.69	88	2.42
Yogurt	Greek	4-6 oz	0.99-1.66	45	1.43	0.99-1.25	95	1.07
Yogurt	Yogurt	4-6 oz	0.50	13	.50	0.88	27	.88
Yogurt	Yogurt	32 oz	3.50	2	3.50	2.59-3.49	30	3.40

## 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 #	392	4.52	568	5.43	798	5.05
Cheese	Natural Varieties	8 oz block			21	3.49	371	3.21
Cheese	Natural Varieties	8 oz shred	235	3.61	704	3.49	369	3.21
Cheese	Natural Varieties	1 # shred			51	6.99		
Cottage cheese		16 oz	194	3.50	162	3.24	105	2.99
Cream cheese		8 oz	661	2.29	1083	2.50		
Ice cream		48-64oz	63	5.49	63	5.49	1083	4.00
Milk	All fat tests	half gallon	2285	3.82	3530	3.87	2678	3.70
Milk	All fat tests	gallon	665	5.99	514	5.99	740	5.25
Milk	All fat tests	8 oz UHT	245	.87	129	.90	638	1.02
Sour cream		16 oz	194	2.50	260	2.50		
Yogurt	Greek	4-6 oz	169	1.25	1459	1.19	1480	1.08
Yogurt	Greek	32 oz	62	3.69	119	5.49	289	4.49
Yogurt	Yogurt	4-6 oz	348	1.00			59	.99
Yogurt	Yogurt	32 oz	1524	2.62	898	3.69		

## REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #							4.49	119	4.49
Cheese	Natural Varieties	8 oz shred							3.49	180	3.49
Cream cheese		8 oz							1.50-2.50	595	2.27
Milk	All fat tests	half gallon	3.69-4.99	602	4.41	4.29	214	4.29	2.99-3.99	808	3.25
Milk	All fat tests	gallon	5.99-7.49	314	6.69	4.97	214	4.97			
Milk	All fat tests	8 oz UHT							0.75	110	.75
Yogurt	Greek	4-6 oz	1.25	59	1.25				1.25	110	1.25
Yogurt	Greek	32 oz	3.69	62	3.69						
Yogurt	Yogurt	4-6 oz							1.00	348	1.00
Yogurt	Yogurt	32 oz	2.99	255	2.99				2.50	595	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 #				4.49	246	4.49			

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz shred	3.99	55	3.99						
Cottage cheese		16 oz	3.50	194	3.50						
Cream cheese		8 oz							2.50	66	2.50
Ice cream		48-64oz	5.49	63	5.49						
Milk	All fat tests	half gallon	2.99	78	2.99	2.99-3.49	336	3.36	3.49-3.99	135	3.75
Milk	All fat tests	gallon				5.98	137	5.98			
Milk	All fat tests	8 oz UHT							0.92-1.00	135	.96
Sour cream		16 oz	2.50	194	2.50						
Yogurt	Yogurt	32 oz	2.50-3.50	343	2.66	2.50	331	2.50			

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				4.99	27	4.99
Milk	All fat tests	half gallon				4.49-6.99	112	5.80

#### 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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