

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (9/29)**

**BUTTER:** Grade AA closed at \$2.3150. The weekly average for Grade AA is \$2.3920 (-.0725).

**CHEESE:** Barrels closed at \$1.6925 and 40# blocks at \$1.7350. The weekly average for barrels is \$1.7010 (+.1870) and blocks, \$1.7135 (+.1150).

**NONFAT DRY MILK:** Grade A closed at \$0.8275. The weekly average for Grade A is \$0.8320 (+.0080).

**BUTTER HIGHLIGHTS:** The butter demand in the domestic market is strong as grocers' orders continue to be active due to the start of the busy season. Spot sales are moderate as market participants are buying butter, but at decreased prices compared with recent weeks. Dairy industry individuals report global prices are comparatively high. Some processors are taking export orders for Q4. Cream availability is sufficient for butter churns. Some dairy contacts expect that in the coming weeks, higher volumes of cream will be exported to Mexico. Butter production is active in a number of plants and stopped in other plants for the moment. Inventories are steady to higher. Bulk butter prices range from flat market to 8 cents over the CME average. The market tone is steady to uncertain as supplies are adequate, but prices are decreasing. Friday's CME Group cash trading saw Grade AA butter close at \$2.3150, down \$0.1325 from last Friday.

**CHEESE HIGHLIGHTS:** Milk availability for cheese production throughout the nation is mixed. Midwestern cheese producers are reporting fewer spot milk offers, but some specific locales continue to receive adequate milk stocks. Spot milk prices ranged from flat market to \$1 over Class. Northeastern cheese producers have increased production schedules to match milk supplies. Cheese production is steady to increasing in the Midwest and West. Pizza cheese manufacturers in the Midwest relayed that they will add days to their production schedules, as their busy season has commenced. Cheese producers on both coasts report that export interests are increasing. Market tones are mixed. CME prices have been increasing and demand is generally solid. However, contacts are acutely aware of the large cheese stores and unpredictability of the overall market of late. CME Group trading Friday, barrels closed at \$1.6925, up \$0.0925 from last Friday. Blocks closed at \$1.7350, up \$0.1225 from last Friday.

**FLUID MILK:** Midwest and East contacts suggest milk output has declined in those respective regions. Milk yields in the West are

steady to strong. Bottling orders are steady to up in the Eastern region. Western bottlers are remaining busy, as output is strong and school demand has recommenced. Milk into processing plants is becoming more difficult to find in parts of the Midwest and East, whereas some Western contacts suggest they are receiving occasional discounted offers. Cream supplies in the East and Midwest are balanced to available. Western contacts suggest cream availability is steady to tight. F.O.B. cream multiples for various uses range from **1.25 to 1.34** in the East, **1.23 to 1.30** in the Midwest, and **1.05 to 1.26** in the West.

**DRY PRODUCTS:** Low/medium heat nonfat dry milk (NDM) mostly prices shifted lower in all regions, while also decreasing on the range in the Central and East. Low/medium heat NDM production is slowing down in the Central and East, while ice cream producers taking in less condensed skim has NDM production higher in the West. High heat NDM prices remained steady in all regions. High heat NDM inventories are building slowly in the Central U.S. as baking season has commenced. Dry buttermilk prices were steady to higher in all regions. Dry buttermilk production is increasing, as current inventories are not matching rising demand. Dry whole milk prices decreased. Dry whole milk contacts anticipate an uptick in demand ahead of the holidays. Dry whey prices continued downward in all regions. Whey production has eased, but inventories remain available. Whey protein concentrate (WPC) 34% prices held steady as contacts suggest the market is generally flat. Lactose prices shifted lower on the mostly price series. Lactose buyers are holding off, as expectations are the price will continue its downward trend. Prices for rennet casein decreased, while acid casein remained steady.

**INTERNATIONAL DAIRY MARKET NEWS (DMN):**  
**WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW:** Milk production in the top five milk production countries in the EU through January-July is mixed compared with the same period of 2016. Only Italy is up, 2.8 percent. Germany, France, UK, and the Netherlands are -2.8 percent, -2.6 percent, -0.5 percent, and -0.7 percent respectively, according to Eurolait. EU production year to date through July is -0.2 percent. Compared with 2016, this July is 1.7 percent ahead of July 2016. Higher milk prices now have a number of observers predicting stronger production for the remainder of the season.

**-CONTINUED ON PAGE 1A-**

## \*\*\*\*\*SPECIALS THIS ISSUE\*\*\*\*\*

INTERNATIONAL DAIRY MARKET NEWS (PAGE 8-8C)  
 CME FUTURES (PAGE 9)  
 AUGUST COLD STORAGE (PAGE 10)

AUGUST AGRICULTURAL PRICE HIGHLIGHTS (PAGE 11)  
 DAIRY GRAPHS (G1)  
 NATIONAL RETAIL REPORT-DAIRY

**CME GROUP CASH TRADING**

COMMODITY	MONDAY SEP 25	TUESDAY SEP 26	WEDNESDAY SEP 27	THURSDAY SEP 28	FRIDAY SEP 29	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$1.6725 (+.0725)	\$1.6800 (+.0075)	\$1.7300 (+.0500)	\$1.7300 (N.C.)	\$1.6925 (-.0375)	:: (+.0925)	:: \$1.7010 (+.1870)
40# BLOCKS	\$1.6700 (+.0575)	\$1.6900 (+.0200)	\$1.7325 (+.0425)	\$1.7400 (+.0075)	\$1.7350 (-.0050)	:: (+.1225)	:: \$1.7135 (+.1150)
NONFAT DRY MILK GRADE A	\$.8300 (+.0075)	\$.8300 (N.C.)	\$.8425 (+.0125)	\$.8300 (-.0125)	\$.8275 (-.0025)	:: (+.0050)	:: \$.8320 (+.0080)
BUTTER GRADE AA	\$2.4175 (-.0300)	\$2.4250 (+.0075)	\$2.4175 (-.0075)	\$2.3850 (-.0325)	\$2.3150 (-.0700)	:: (-.1325)	:: \$2.3920 (-.0725)

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

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

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

More current observations are that September milk production is seasonally declining, but above the level last year.

European Commission President Juncker's recent State of the European Union speech supported commencing trade negotiations with Australia and New Zealand. It is not yet fleshed out where dairy trade will be positioned in this effort, but dairy industry officials expect a dairy component.

**EASTERN OVERVIEW:** Poland has experienced strong gains in milk production. July production was 6.6 percent ahead of July last year. Year to date through July, Poland was 4.4 percent ahead of 2016. So far this year, Poland is the sixth highest milk producing country in the EU comparing metric tons.

**OCEANIA OVERVIEW: AUSTRALIA:** A large dairy cooperative has just announced plans to increase the milk supply in Australia as well as dairy processing capacity. Milk intakes are straining existing plant capacity. There is a waiting list of dairy producers hoping to join the coop. Partly this waiting list developed as a reaction to well publicized recent difficulties of a large Australian dairy processor, not the coop that has now announced plans to expand. Expansion of capacity will be addressed initially in Victoria and Tasmania, focused on cheese, whey and dairy nutritionals. The Australian dairy industry as a whole is rebuilding from historically low levels of milk production. Strengthening milk prices are helping encourage a focus on increasing milk production.

**NEW ZEALAND:** Prolonged wet weather in New Zealand has stalled previously projected seasonal growth in dairy production. While the current season had been projected to yield up to 4 percent higher milk production than the last season, industry participants believe August 2017 production volumes were lower than August last year, perhaps 1.5 percent lower. With October often the seasonal peak month of production, concerns are increasingly voiced that weather will have to improve soon to allow production to increase if there is a hope to end the season with an appreciable increase over the last season. There is still plenty of time, but weather remains a key variable.

At the September 19 GDT event #196, all contracts prices ranged from 5.3 percent higher to 3.8 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, \$6,764, +5.3 percent; butter, \$6,026, +1.2 percent; buttermilk powder, n.a.; cheddar cheese, \$4,032, -1.9 percent; lactose, \$759, -3.8 percent; rennet casein, \$6,036, -2.4 percent; skim milk powder, \$1,920, -1.2 percent; and whole milk powder, \$3,122, +0.6 percent.

**SOUTH AMERICA OVERVIEW:** Favorable weather conditions to dairy herds are present throughout South America as this continent is transitioning from winter to spring. As a result, farm milk output is steadily improving in the main dairy basins of Brazil, Uruguay, Argentina, and Chile. In addition, the mild weather is helping to boost the quantity and quality of several crops. The large supplies of corn and soybeans at relatively low prices are relieving feeding costs in several tambos.

In **Brazil**, farm milk/cream volumes are more than sufficient to meet several processing needs such as bottled milk/UHT, cheese, and yogurt. Furthermore, there are enough condensed milk volumes clearing into dryers to process WMP. Overall, there is an oversupply of dairy products in the country while the demand from buyers/end users is fair to weak. In this way, Brazil is depending less on milk powder imports, especially from Argentina and Uruguay. According to recent information published by the government, during the second quarter of the current year, milk production in Brazil increased 8

percent from the same period in 2016.

In **Argentina** and **Uruguay**, milk/cream intakes are readily available for most dairy processing needs. Bottled/UHT milk requests from several retail channels and food service are robust. Cheese, butter, and yogurt manufacturing are very active which is typical for this time of the year.

**NATIONAL RETAIL REPORT-DAIRY (DMN):** This week, total conventional dairy ads increased 31 percent, while organic dairy ads decreased 2 percent. Conventional ice cream ads are up 31 percent from last week. The U.S. weighted average advertised price for conventional ice cream in 48-64 oz. containers is \$3.14, down 32 cents from the last period. Meanwhile, reported total advertising for organic ice cream in 48-64 oz. containers increased 121 percent, while the average price, at \$5.87, is up 38 cents from the last period, with an organic premium of \$2.73.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.25, compared to \$3.95 for 8 ounce organic cheese blocks, an organic premium of \$1.70. The U.S. advertised price for 8 ounce conventional cheese shreds averaged \$2.28, compared to \$2.99 for 8 ounce organic cheese shreds, an organic premium of \$0.71. Total cheese ads for both conventional and organic cheese increased, 38 percent and 39 percent, respectively.

Conventional 4-6 ounce Greek yogurt has an average sale price of \$1.00, down 1 cent from the previous week. The average price for 4-6 ounce conventional yogurt is unchanged, \$0.49. While the price for 4-6 ounce organic yogurt is \$1.00, resulting in a 51 cents organic premium. There were no reported ads for 4 to 6 ounce organic Greek yogurt. Conventional yogurt ads increased 22 percent, while total organic yogurt ads decreased 24 percent.

The weighted average price for conventional half gallon milk is \$1.46. The weighted average price for organic half gallon is \$3.79, resulting in an organic price premium of \$2.33. The weighted average advertised price for conventional gallon milk is \$2.66. The weighted average price for organic gallon milk is \$6.01, resulting in an organic price premium of \$3.35. While organic milk ad numbers are in effect unchanged from last week, ads for conventional milk decreased 10 percent.

**AUGUST COLD STORAGE (NASS):** On August 31, U.S. cold storage holdings of butter totaled 280.2 million pounds, down 9 percent down from the previous month and down 12 percent from August 2016. Natural American cheese holdings total 800.5 million pounds, 4 percent less than the previous month, but 8 percent more than August 2016. Total natural cheese stocks were 1.333 billion pounds, 3 percent less than last month, but 7 percent more than August 2016.

**AUGUST AGRICULTURAL PRICE HIGHLIGHTS (NASS):** The All Milk price received by farmers was \$18.00 in August, up \$.80 from August 2016. The alfalfa hay price was \$147.00 in August, up \$10.00 from August 2016. The corn price was \$3.27 in August, up \$0.06 from August 2016. The soybean price was \$9.24 in August, down \$0.69 from August 2016. The milkfeed price ratio was 2.49 in August, up 0.05 from August 2016. The index of prices received by farmers for dairy products during the month of August 2017 was up 3.5 to 89.6. Compared to August 2016, the index was up 4 points (4.7 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in August 2017 was down 0.6 points to 106.4. Compared with August 2016, the index was up 1.5 points (1.4 percent).

## MONDAY, SEPTEMBER 25, 2017

CHEESE -- SALES: 4 CARS BARRELS: 2 @ \$1.6500, 1 @ \$1.6600, 1 @ \$1.6625; 2 CARS 40# BLOCKS: 1 @ \$1.6500, 1 @ \$1.6700; LAST BID UNFILLED: 3 CARS BARRELS: 1 @ \$1.5500, 1 @ \$1.6250, 1 @ \$1.6725; 1 CAR 40# BLOCKS @ \$1.6550; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.8300; LAST BID UNFILLED: 4 CARS GRADE A: 1 @ \$0.8000, 1 @ \$0.8100, 1 @ \$0.8200, 1 @ \$0.8150; LAST OFFER UNCOVERED: 3 CARS GRADE A: 1 @ \$0.8350, 1 @ \$0.8300, 1 @ \$0.8400  
 BUTTER -- SALES: 6 CARS GRADE AA: 1 @ \$2.4375, 1 @ \$2.4350, 1 @ \$2.4275, 2 @ \$2.4200, 1 @ \$2.4225; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.4000; LAST OFFER UNCOVERED: 9 CARS GRADE AA: 1 @ \$2.4675, 1 @ \$2.4550, 1 @ \$2.4325, 1 @ \$2.4500, 1 @ \$2.4450, 1 @ \$2.4425, 1 @ \$2.4250, 1 @ \$2.4175, 1 @ \$2.4200

## TUESDAY, SEPTEMBER 26, 2017

CHEESE -- SALES: 1 CAR BARRELS @ \$1.6800; 1 CAR 40# BLOCKS @ \$1.6900; LAST BID UNFILLED: 3 CARS BARRELS @ \$1.6750; 1 CAR 40# BLOCKS @ \$1.6900; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 4 CARS GRADE A: 2 @ \$0.8050, 1 @ \$0.8250, 1 @ \$0.8225; LAST OFFER UNCOVERED: 2 CARS GRADE A: 1 @ \$0.8450, 1 @ \$0.8400  
 BUTTER -- SALES: 6 CARS GRADE AA: 1 @ \$2.4125, 2 @ \$2.4150, 1 @ \$2.4175, 1 @ \$2.4200, 1 @ \$2.4250; LAST BID UNFILLED: 8 CARS GRADE AA: 2 @ \$2.3800, 1 @ \$2.3600, 1 @ \$2.4200, 1 @ \$2.3900, 1 @ \$2.3575, 1 @ \$2.3550, 1 @ \$2.4025; LAST OFFER UNCOVERED: 8 CARS GRADE AA: 1 @ \$2.4300, 3 @ \$2.4400, 1 @ \$2.4275, 2 @ \$2.4300, 1 @ \$2.4450

## WEDNESDAY, SEPTEMBER 27, 2017

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.7025, 1 @ \$1.7300, 1 @ \$1.7400, 1 @ \$1.7300; 6 CARS 40# BLOCKS: 1 @ \$1.6900, 1 @ \$1.7000, 1 @ \$1.7100, 1 @ \$1.7200, 1 @ \$1.7300, 1 @ \$1.7325; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.7200; 1 CAR 40# BLOCKS @ \$1.6975; LAST OFFER UNCOVERED: 2 CARS BARRELS: 1 @ \$1.7500, 1 @ \$1.7600  
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.8400, 2 @ \$0.8425; LAST BID UNFILLED: 5 CARS GRADE A: 1 @ \$0.8000, 1 @ \$0.8350, 1 @ \$0.8100, 1 @ \$0.8200, 1 @ \$0.8225; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.8425  
 BUTTER -- SALES: 9 CARS GRADE AA: 3 @ \$2.4200, 1 @ \$2.4225, 1 @ \$2.4250, 1 @ \$2.4200, 1 @ \$2.4225, 1 @ \$2.4200, 1 @ \$2.4175; LAST BID UNFILLED: 2 CARS GRADE AA: 1 @ \$2.4000, 1 @ \$2.4100; LAST OFFER UNCOVERED: 6 CARS GRADE AA: 1 @ \$2.4500, 1 @ \$2.4400, 1 @ \$2.4350, 1 @ \$2.4250, 1 @ \$2.4225, 1 @ \$2.4200

## THURSDAY, SEPTEMBER 28, 2017

CHEESE -- SALES: 29 CARS BARRELS: 25 @ \$1.7300, 2 @ \$1.7275, 2 @ \$1.7300; 3 CARS 40# BLOCKS @ \$1.7400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7500; 1 CAR 40# BLOCKS @ \$1.7400  
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.8350; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.8050; LAST OFFER UNCOVERED: 3 CARS GRADE A: 1 @ \$0.8400, 1 @ \$0.8300, 1 @ \$0.8325  
 BUTTER -- SALES: 7 CARS GRADE AA: 1 @ \$2.4175, 1 @ \$2.4150, 4 @ \$2.3950, 1 @ \$2.3850; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.2000; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.4000

## FRIDAY, SEPTEMBER 29, 2017

CHEESE -- SALES: 23 CARS BARRELS: 1 @ \$1.7300, 1 @ \$1.7275, 2 @ \$1.7250, 1 @ \$1.7200, 1 @ \$1.7175, 1 @ \$1.7150, 1 @ \$1.7125, 2 @ \$1.7100, 1 @ \$1.7075, 1 @ \$1.7050, 3 @ \$1.7025, 5 @ \$1.7000, 1 @ \$1.6975, 2 @ \$1.6925; 1 CAR 40# BLOCKS @ \$1.7400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7400; 2 CARS 40# BLOCKS: 1 @ \$1.7350, 1 @ \$1.7500  
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.8200, 1 @ \$0.8300, 1 @ \$0.8275; LAST BID UNFILLED: 3 CARS GRADE A: 1 @ \$0.8000, 1 @ \$0.8100, 1 @ \$0.8200; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$2.3075, 2 @ \$2.3150; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.2900; LAST OFFER UNCOVERED: 11 CARS GRADE AA: 1 @ \$2.3975, 1 @ \$2.3825, 2 @ \$2.3675, 1 @ \$2.3725, 1 @ \$2.3650, 1 @ \$2.3575, 1 @ \$2.3500, 1 @ \$2.3400, 1 @ \$2.3300, 1 @ \$2.3275

## BUTTER MARKETS

## NORTHEAST

The butter demand on the spot market is moderate as market participants are buying butter, but at decreased prices compared with recent weeks. Milk loads into Eastern balancing operations are steady to lower. The cream demand continues to be steady as a number of butter makers are clearing cream into churns. Butter production is strong in some plants and down in others. There are anticipations that churns will start back up close to the end of the year. Manufacturers who are making butter have available supplies for their contracted agreements. The bulk butter price is 5 to 8 cents over the market of the CME Group, with various time periods and averages used. The market undertone is steady. According to the *DMN National Retail Report-Dairy*, for September 22-28, 2017, the Northeast weighted average retail price for 1-pound butter was \$4.23, 40 cents higher than the national price and up 30 cents from last week's Northeast butter price. Retail butter markets reported prices ranging \$3.50-\$4.99 in the Northeast. The surveyed average price in the Southeast is \$3.13, down 86 cents from last week, with prices ranging \$2.25-\$3.99. This week, a cooperative export assistance program accepted requests for export assistance to sell 385.8 thousand pounds (175 metric tons) of butter. **COLD STORAGE:** According to NASS, U.S. butter in storage on August 31, 2017 totaled 280.2 million pounds, 12 percent below a year ago and 9 percent less than last month. Public warehouse stocks totaled 259.6 million pounds.

## CENTRAL

Retail butter demand is steady week over week. Grocers' orders remain strong, as their busy season has commenced. Print butter production schedules continue apace. Cream is available for butter manufacturing. Class IV cream multiples were reported at or around 1.23 f.o.b. Offers from cream suppliers, located in states recently affected by hurricane activity, have increased. Bulk butter prices were reported from flat market to 7 cents over the CME average. The butter market tone is uncertain. Contacts note that global prices are comparatively high, while consecutive NASS *Cold Storage* reports have shown domestic stocks are decreasing. However, the market prices continue to resist bullish news. *DMN National Retail Report-Dairy* for September 22-28 noted the national weighted average advertised price for a 1 pound package of butter is \$3.83, \$0.01 below one week ago, but \$0.64 higher than one year ago. The weighted average regional prices in the Midwest and South Central were \$3.65 and \$3.13, respectively. The NASS *Cold Storage* report noted U.S. butter stocks as of August 31, 2017 were 280.2 million pounds, down 12 percent from last year and down 9 percent from last month. Bulk stocks in all warehouses were 318.8 million pounds last year at this time. Wednesday at the CME Group, Grade AA butter closed at \$2.4175, down \$0.055 from last Wednesday.

CONTINUED ON PAGE 2A

## NATIONAL DAIRY PRODUCTS SALES REPORT

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
September 23, 2017	2.4599 3,784,684	1.6510 10,983,405	1.5879 11,793,569	0.4091 6,526,585	0.8370 17,580,829

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

## CONTINUED FROM PAGE 2

## WEST

Butter demand in the domestic market is still strong. Western contacts report that some western processors are taking export orders for Q4. Supplies in the West are steady to higher. Production is steady compared to last week. While some manufacturers stopped producing butter for the moment, others are running at or near full schedules to meet Q4 demand. Cream supplies are sufficient to meet buyers' needs. Nonetheless, some processors expect that in the coming weeks, higher volumes of cream will be exported to Mexico for full fat products manufacturing. This week, domestic bulk butter prices range 1 cent to 6 cents over the market. The DMN *National Retail Report-Dairy* for the week of September 22-28 found that the U.S. weighted average advertised price of 1 pound butter is \$3.83, down \$.01 from last week. The U.S. weighted average price was \$3.19 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.63, with a price range of \$2.99-\$3.99. The weighted average price in the Northwest is 2.99, with no price range. This week, a cooperative export assistance program accepted requests for 385,809 pounds (175 metric tons) of butter. So far this year, the program has assisted member cooperatives who have contracts to sell 4.1 million pounds of butter (82% milkfat) in export markets. The NASS *Cold Storage* report noted U.S. butter stocks as of August 31, 2017, were 280.2 million pounds, down 9 percent from last month, and down 12 percent from last year. Butter stocks in all warehouses were 318.8 million pounds last year at this time. The Grade AA butter price at the CME Group on Wednesday closed at \$2.4175, down \$.0550 from a week ago.



## CHEESE MARKETS

## NORTHEAST

Cheese output rates vary amongst manufacturers. A few manufacturers are operating 7 day production schedules based on the level of milk supply intakes. However, plants in general are not prone to milk loads beyond contracted volumes. With the tendency in price drops that have occurred since mid to late August, processors would rather not make too much cheese. Demand appears to center on regular accounts and cheese orders that fill immediate needs. Otherwise, spot interest is somewhat light to moderate. Retail demand is rather good. Distribution channels are still feeling the effects of Hurricane Irma in some areas, which theoretically pressures expected inventory volumes of some suppliers. Cheese exports are steady. This week, a cooperative export assistance program accepted 9 requests for export assistance, to sell 1.296 million pounds (588 metric tons) of cheese. According to AMS, the Advanced Class III Skim Milk Pricing Factor is 6.67 per hundredweight, up .46 per hundredweight from the previous month. At the CME Group, weekly average cheese prices for blocks and barrels are mixed. Cheese blocks dropped \$0.0250, but cheese barrels increased \$0.0025. As a result, the Northeast wholesale market selling price for cheddar, and Munster declined, but the process cheese price increased. The Swiss cheese price is unchanged. The DMN *National Retail Report-Dairy*, for 22-28, 2017, notes that the Northeast advertised retail weighted average price for 8 ounce cheese blocks was \$2.24, 13 cents higher than the U.S. average, with prices ranging \$1.50-\$3.99. The Southeast region's 8 ounce block price averaged \$1.95, 16 cents above the national retail average, with a price range of \$1.67-\$1.99. In the Northeast, the advertised average price for 8 ounce cheese shreds was \$2.30, 11 cents above the national average, with a regional price range of \$1.83-\$3.99. In the Southeast, 8 ounce cheese shreds averaged \$2.28, 9 cents higher compared to the national average, while retail prices ranged \$1.67-\$2.50. COLD STORAGE: According to NASS, U.S. stocks of total natural cheese as of August 2017 totaled 1.3 billion pounds, 3 percent more than the previous year, month, but down 1 percent from last month. Swiss cheese totaled 26.8 million pounds, 1 percent below the last year, but higher by 7 percent compared to last month. In New England, Natural cheese stocks totaled 66.0 million pounds, 3 percent more than August 2016, but 1 percent below the previous month, July 2017. Meanwhile, in the Mid-Atlantic, Natural cheese totaled 57.7 million pounds, a significantly drop, 35 percent, from a year ago and down 3 percent from a last month, July 2017.

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

Cheddar 40# Block	:	2.0375-2.3225
Process 5# Sliced	:	1.6725-2.1525
Muenster	:	2.0225-2.3725
Grade A Swiss Cuts 10 - 14#	:	3.2725-3.5950

## MIDWEST

Cheese demand differs by variety, but there has been a noticeable shift upward for provolone and mozzarella orders. As football is now underway, pizza cheese manufacturers are adding production days to fulfill steady to heavy orders. Milk availability is also mixed. Some cheese-makers, in certain areas, are still receiving spot milk offers. Cheese manufacturers in other areas are experiencing fewer milk offers. Reported spot milk prices, into Class III production, ranged from flat to \$1 over. Fresh cheese inventories are reportedly harder to find, whereas aged cheese stocks are long. The cheese market tone is unstable. CME market prices are stronger week over week, but cheese contacts are not altogether optimistic that the market will not shift downward in the near term. The DMN *National Retail Report-Dairy* shows that Sep-

tember 22-28 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.25, 6 cents above the national average. Midwest prices range from \$1.79-\$2.50. One year ago, the national price was \$2.16. For 8 ounce blocks, the Midwest average price is \$2.18, 7 cents above the national average price. Midwest ads are priced from \$1.99-\$2.50. Last year, the national price was \$2.18. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of August 2017 were 1.333 billion pounds, 3 percent below July 2017, but up 7 percent from August 2016. American stocks were 8 percent more, other natural stocks were 7 percent more, and Swiss stocks were 3 percent higher than last year. In the East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio), American cheese stocks at the end of August 2017, were 18 percent higher than last year, but down 4 percent from last month. Other cheese stocks in the East North Central region were 13 percent higher than August 2016 and unchanged from last month. In the West North Central region (Minnesota, Iowa, Missouri, Kansas, Nebraska, South Dakota and North Dakota), American cheese stocks at the end of August 2017, were 4 percent lower than last year and 8 percent lower than last month. Other cheese stocks in the West North Central region were 2 percent lower than August 2016 and 1 percent below July 2017. In CME Group trading Wednesday, barrels closed at \$1.7300, up \$.2175 from last Wednesday and blocks closed at \$1.7325, up \$.1350 from last Wednesday. Midwestern wholesale prices are unchanged for Swiss cuts, up \$.0025 for process, but down \$.0250 for all other types.

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

Process American 5# Loaf	:	1.6100-1.9700
Brick And/Or Muenster 5#	:	1.9625-2.3875
Cheddar 40# Block	:	1.6900-2.0850
Monterey Jack 10#	:	1.9375-2.1425
Blue 5#	:	2.2300-3.2175
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7625-2.7025
Grade A Swiss Cuts 6 - 9#	:	2.7900-2.9075

## WEST

Western cheese makers report modest cheese prices and favorable exchange rates are helping develop some export opportunities. Domestic demand has remained solid, especially as buyers look for available cheese blocks ahead of the holiday buying season, and schools and food service pull more cheese. Cheese inventories are generally long, but many processors have come to understand this as a reality of the times. Manufacturers are hopeful the steady call for cheese will continue and help keep stocks in check. Production is solid. The DMN *National Retail Report-Dairy* for the week of September 22-28 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.19, up \$.02 from last week. Packs average \$2.33 in the Southwest and \$1.25 in the Northwest. One year ago, the national price was \$2.16. For 8 ounce blocks, the U.S. price is \$2.11, up \$.02 from last week. Blocks average \$1.99 in the Southwest and 1.25 in the Northwest. One year ago, the national price was 2.18. In the West, wholesale prices were up \$.0025 for process, but down \$.0250 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are unchanged from last week. This week, a cooperative export assistance program accepted requests for export assistance on contracts to sell 1.296 million pounds (588 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 55.1 million pounds of cheese in export markets. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of August 2017 were 1.333 billion pounds, down 3

CONTINUED ON PAGE 3A

## CHEESE MARKETS

## CONTINUED FROM PAGE 3

percent from July 2017 holdings, but up 7 percent from August 2016. American stocks were 8 percent higher, Swiss stocks were up 3 percent, and other natural stocks were up 7 percent compared to last year. In the Mountain Region, American cheese stocks were 6 percent higher than one year earlier, but down 6 percent from one month earlier. Pacific Region American cheese stocks were 31 percent more than one year earlier, and 5 percent more than the previous month. Also in the Pacific Region, other natural cheese stocks were 1 percent above a year ago, but 2 percent lower than a month ago. In CME Group trading Wednesday, barrels closed at \$1.7300, up \$.2175 from a week ago and blocks closed at \$1.7325, up \$.1350.

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

Process 5# Loaf	:	1.5975-1.8550
Cheddar 40# Block	:	1.7225-2.1675
Cheddar 10# Cuts	:	1.9025-2.1225
Monterey Jack 10#	:	1.9125-2.0725
Grade A Swiss Cuts 6 - 9#	:	2.8500-3.2800

## FOREIGN TYPE CHEESE

In the European Union (EU), the cheese market is balanced. Short-term prices are non-uniform, but mostly unchanged from last week. Demand from Southern Europe continues to decline. However, in Germany, domestic cheese demand is steady. In August 31, 2017, the U.S. stocks of Swiss cheese in all warehouses totaled 26.8 million pounds, 1 percent lower than last month, but 3 percent higher than a year ago. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices decreased \$0.0250 following lower weekly average CME Group block prices. The remaining prices are stable at the previous week levels.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2300	: 2.1075-3.5950*
Gorgonzola	: 3.6900-5.7400	: 2.6150-3.3325*
Parmesan (Italy)	: -0-	: 3.4975-5.5875*
Romano (Cows Milk)	: -0-	: 3.2975-5.4475*
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

	<u>BUTTER</u>	<u>: CHEESE</u>
	:	:
09/25/17	28,582	: 109,395
09/01/17	33,802	: 112,405
CHANGE	-5,220	: -3,010
% CHANGE	-15	: -3

## 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	155	0	120	0	90	0
SOUTHEAST STATES	0	0	0	0	0	0

Northeast milk production is down slightly. Class I orders are steady. Although lower milk volumes transfer into manufacturing, supplies appear adequate for satisfying customers' near term production needs. In the Mid-Atlantic, milk production is at seasonal levels. Several balancing plants are using this period of diminishing milk intakes to carry out plant maintenance projects. The Southeast farm milk output is steady. Class I orders are up with active demand. Supplies into manufacturing remain limited. In Florida, aftereffects of Hurricane Irma remain. Production is still taking a hit as some cows remain out of cycle. Fluid supplies are looking to rebound, as sales surge from strong area demand. Milk handlers see things returning to normal as stores regain power and shelf restocking occurs. Import milk shipments total 155 f.o.b. loads. In general, **cream** supplies are fairly balanced. Spot loads of cream are moving at **multiples** ranging **1.25-1.34**. Industry contacts advise that upper and lower limits of the range are the result of various plants having maintenance issues, which influence available supplies. **Condensed skim** offerings in the spot market are limited, but supplies are adequate for near term needs of customers while market participants note a significant drop in surpluses. Primarily, distribution is in local channels, with a few shipments to outside regions. Trucks have become more available in the aftermath of Hurricane Irma and tend to lower market shipping costs. With the announcement of October's Advanced Prices, the Class II Nonfat Solids price declined \$0.0211, compared to the previous month.

According to the DMN *National Retail Report-Dairy*, for September 22-28 2017, the U.S. weighted average advertised price for a gallon of milk was \$2.54, up 9 cents compared to last week and up 22 cents from a year ago.

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

F.O.B. producing plants: Northeast -	3.0806-3.3024
F.O.B. producing plants: Upper Midwest -	3.0134-3.2039

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

## PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	.55-.85
Northeast - Class III - spot prices -	.60-.85

## MIDWEST

Central region milk output has declined as the late summer temperatures in the Midwest were warmer than expected. South Central contacts relay that the hurricanes and aftermath, throughout the South, have caused some major fluid milk processing and logistical encumbrances which will last for months to come. Intake facilities in the Central region are receiving fewer offers on fluid milk in most cases. However, some plant managers in the Upper Midwest have stated that fluid milk is plentiful in their respective areas. Spot milk loads into Class III production were reported from flat market to \$1 over Class. **Cream** remains available for all uses in the Central region. Some upper Midwest butter producers have reported receiving more cream offers from the storm affected areas. **Cream multiples** were reported from **1.23** to **1.30** f.o.b. Ice cream producers, although

cutting back some, have continued to pull from the overall cream supply later in the season than some contacts expected. The DMN *National Retail Report-Dairy* for September 22-28 noted the national weighted average advertised price for one gallon of milk was \$2.54, up 9 cents from last week and 22 cents higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.37 and \$1.99, respectively.

## WEST

In **California**, farm milk production is increasing as dairy operations are recovering from the recent heat wave. The milk market is currently balanced. Processing plants are running at or near full schedules. Intakes into most educational institutions are steady to slightly up this week. Interest from Class 3 (ice cream) is slowly decreasing. According to California Department of Food and Agriculture, August 2017 pool receipts of milk in the state total 3.08 billion pounds. This is 1.7 percent lower compared to the same month a year ago. From January through August 2017, receipts are 2.7 percent lower from the comparable period in 2016. The Value at Test price is \$17.35, \$0.99 higher than the previous month, and \$1.36 above a year ago. The percentage of receipts used in Class 1 products is 14.18 percent. The August quota price is \$17.91 and the over quota price is \$16.21. These prices are \$0.79 above last month, and \$1.17 higher from a year ago. In **Arizona**, milk production is moving up. Daily temperatures are slowly declining and contributing to better comfort for cows. Many manufacturers are preparing for the flush by doing their plants' repairs/maintenance workloads. Class I intakes are unchanged from last week. Some contacts report that feed costs are decreasing. Farm milk is sufficient to meet all processing needs. Milk yield in **New Mexico** is flat at seasonal levels. Contracted volumes are moving as scheduled. Requests for Class I are up due to schools in the Southeast drawing some milk to fill their pipelines. Class II demand is slightly lower as ice cream manufacturers are starting to decrease their orders. Class III intakes are increasing. Milk production in the **Pacific Northwest** is following typical seasonal trends. Handlers have refilled the school bottling pipeline and manufacturers have adequate to comfortable supplies of milk for processing needs. Available milk is readily finding a home within the region. Milk production in the mountain states of **Idaho**, **Colorado**, and **Utah** is still strong. Industry contacts say most milk is able to find a home within the region, but supplies are heavy and some discounted loads are available. The market for **condensed skim** is steady. **Cream** supplies are steady to tight in the West. Cream sales to ice cream manufacturers are steady to lower. Some contacts report that more cream is going into cheese production. This week, **cream multiples** for all usages are steady at **1.05** to **1.26**. According to the DMN *National Retail Report-Dairy* for the week of September 22-28, the national weighted average advertised price for one gallon of milk is \$2.54, up \$0.09 from last week, and \$0.22 higher from a year ago. The weighted average regional price in the Southwest is \$2.51, with a price range of \$1.89-\$2.59. The weighted average regional price in the Northwest is \$1.69, with no price range reported.

## 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 range and mostly price series. Compared to the rest of the month, spot market trading was active. Low/medium heat NDM inventories remain available. Low/medium heat NDM production is active, although producers are beginning to shift dryer time to other seasonal selections. The low/medium heat NDM market tone is weak. High heat NDM prices remain unchanged. Spot offers of high heat NDM are increasing. Inventories of high heat NDM are slowly building, as producers prepare for the busier season.

**EAST:** Low/medium heat nonfat dry milk (NDM) prices in the East region decreased on both ends of the range and mostly price series this week. Spot trading activity is steady to lower as market participants do not have a high need currently. Many dairy contacts are bidding for lower prices on the spot market. Some balancing operations are taking in lower milk volumes. Low/medium heat NDM production is decreased as manufacturers are doing maintenance to dryers and are taking in lower milk loads. Inventories are adequate for contract and spot load requests. The demand is steady to lower as market participants are waiting to see what happens to the price. The market tone is soft. High heat NDM prices are unchanged. Production has picked up a bit in a couple balancing plants. Manufacturers have short to no inventories. Spot activity is quiet as offers are very limited. The market undertone for high heat NDM is steady.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .8300 - 0.9000 MOSTLY: .8600 - .8800  
HIGH HEAT: .9900 - 1.0500

## NONFAT DRY MILK - WEST

Prices for western nonfat dry milk (NDM) are steady on the range, but moved lower at the bottom of the mostly price series. Industry contacts believe that NDM prices are more likely to move down than up due to moderate feed costs and milk production increasing seasonally. The market undertone is steady. With ice cream processors taking less condensed skim, more is going to the dryers. NDM supplies are long. Reports suggest that some loads of NDM are available in the spot market at discounted prices. With the approaching baking season, bakers are starting to take on more loads of NDM. However, in general, domestic sales are limited due to most buyers/end-users buying only what they need in the near-term. Contracted volumes are moving well. Due to limited supplies of NDM in Mexico, exports to Mexico are strong. Prices for high heat nonfat dry milk are steady on the range. The market tone is steady. High heat nonfat dry milk is mostly produced on an as need basis. As the result, stocks are limited as well as spot sales.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: .7900 - 0.9100 MOSTLY: .8400 - .8700  
HIGH HEAT: 1.0000 - 1.0650

## CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
September 22	\$.8604	6,597,149
September 15	\$.8858	6,424,609

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

## DRY BUTTERMILK - CENTRAL AND EAST

**CENTRAL:** Prices for Central dry buttermilk slightly increased on the top of the range. Spot sale trading was fairly active, as manufacturers have begun to increase production ahead of the fall rush. However, inventories are not yet fully accessible, as some end users have reported difficulty finding spot loads. The dry buttermilk market tone is firm.

**EAST:** Prices for Eastern dry buttermilk are steady on the bottom but slightly increased on the top of the range this week. Market participants report seeing very few offers on the spot market. The demand is fairly stable as there are expectations the market will pick up soon. Dry buttermilk production is steady and inventories are adequate in a couple plants and unavailable in other manufacturing operations. The market tone is generally steady.

F.O.B. CENTRAL/EAST: .8700 - .9475

## DRY BUTTERMILK - WEST

In the West, f.o.b prices for dry buttermilk are up at the top of the range, but steady on the mostly price series. Sales continue to be low to moderate. Dry buttermilk production is stable, in line with butter output. As ice cream makers reduce their condensed buttermilk intakes, more goes to the dryers. Bakers are starting to increase their requests for dry buttermilk due to the baking season getting close. Dry buttermilk stocks are tight. Overall, the market tone is stable.

F.O.B. WEST: .8300 - .9550 MOSTLY: .8900 - .9200

## DRY WHOLE MILK - NATIONAL

Some dry whole milk f.o.b. spot sales across the country shifted down the top and the bottom prices of the range. Nationwide, condensed milk and butterfat are becoming more available due to seasonality trends such as a declining interest from several ice cream/frozen dessert manufacturers. Therefore, some processors are increasing drying schedules in order to clear more condensed milk volumes. In this way, dry whole milk inventories are steady to building on a less strong market. Nevertheless, in the near future, some processors anticipate an uptick in dry whole milk demand ahead of the upcoming year-end holidays.

F.O.B. PRODUCING PLANT: 1.3500 - 1.4500



**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 range, while holding steady on the mostly price series. Spot trading was fairly active, as domestic buyers have started showing more interest. However, export demand is reportedly sluggish. Dry whey production is continuing downward, as milk supplies into Class III production have declined. The dry whey market tone is somewhat weak. Feed whey spot market prices were steady. Feed whey spot activity was steady, as buyers report that producers are offering more whey on the feed whey market. Feed whey inventories are available.

F.O.B. CENTRAL: .2800 - .4200 MOSTLY: .3400 - .4000  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1800 - .3800

**DRY WHEY - NORTHEAST**

Dry whey in the Northeast continues to trend south as prices softened at the top of the range, the result of a rather inactive spot market. With demand performing sluggishly in regional cash market, regular customer commitments suit buyers' needs and benefits the maintenance/clearance of weighty producers' inventories. Dry whey stocks range balanced to heavy in a weak market. Production is moderate.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3000 - .4500

**DRY WHEY - WEST**

Western whey prices are generally steady, but the top of the range edged slightly lower this week. Manufacturers describe the market as quiet. Buyers are kicking some tires, but sales activity is slow outside of contracts. Industry contacts suggest there is currently more sweet whey powder being produced as a few manufacturers choose to ease up on making isolates and higher whey protein concentrations. Dry whey inventories are already plentiful. Some market participants feel there may be greater pressure placed on whey supplies, and ultimately prices, in the near future.

NONHYGROSCOPIC: .3200 - .4400 MOSTLY: .3400 - .4100

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey protein concentrate 34% prices are unchanged. Industry contacts describe the market tone as flat. However, processors report buyer inquiries have increased slightly for multiple types and applications of WPC34%. Although the renewed interest has yet to have any impact on prices, contacts are hopeful that it will help keep WPC34% inventories in check and may support, or even give a small lift, to prices. WPC34% stocks range from comfortable to committed for WPC34% with tight specifications, and comfortable to fully sufficient for WPC34% that is more interchangeable with other protein sources. Production remains steady.

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

**LACTOSE - CENTRAL AND WEST**

Lactose prices are unchanged on the range, but moved lower on the mostly price series. Industry contacts continue to describe supply and price pressures in some international markets. Contacts suggest there is considerable competition from European lactose in Southeast Asia and in Oceania. Within these markets, buyers appear to be holding off, expecting further price concessions. Domestic lactose demand, however, is relatively steady. Manufacturers report Q4 contracting is going more smoothly than Q3 contracting, and in some cases, end users are taking a little more lactose than contracted in Q3. A few market participants further suggest they are starting to see prices stabilize slightly in the U.S. lactose market. Production is generally steady. However, industry contacts say they are seeing more manufacturers back away from WPI and WPC80 production. They anticipate this move will reduce the amount of lactose available and help further stabilize prices over time.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2000 - .4700 MOSTLY: .2400 - .3300

**CASEIN - NATIONAL**

Rennet casein prices weakened. Acid casein is steady. Little spot market activity is occurring compared with contracted volumes. Most contracts through this year have been finalized, with some contracting into 2018 also completed. Eurolait reports that New Zealand caseinate exports January-August, 59,271 MT, are 12.7 percent lower than the same period of 2016. CLAL breaks out casein from caseinates, with January-August casein reporting a 14.4 percent decline. The main destinations for New Zealand caseinate exports through August according to Eurolait are:

Destination	Quantity(MT)	Percent of Total
USA	20,115	33.9
China	7,773	13.1
Japan	5,859	9.9

At GDT event 196 on September 19, rennet casein for the October contract declined 4.8 percent and -2.4 percent for the all contracts price.

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: 2.7100 - 2.8800  
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>
09/09/2017	54.1	2,055.9	50.6	2,024.1

**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

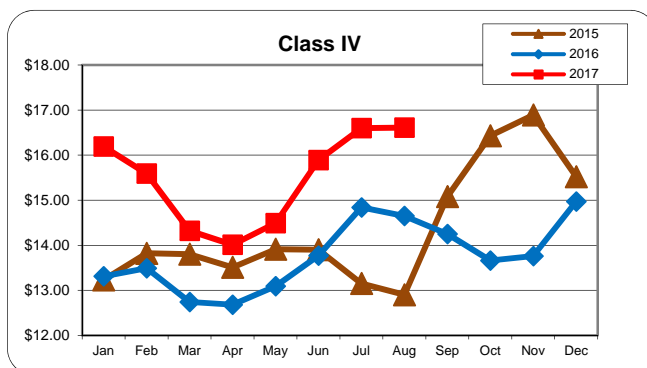
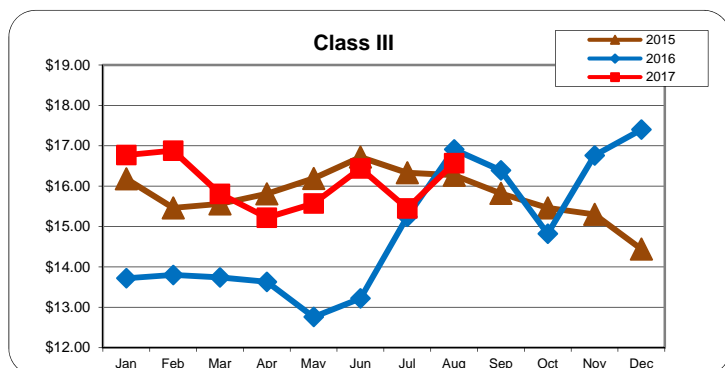
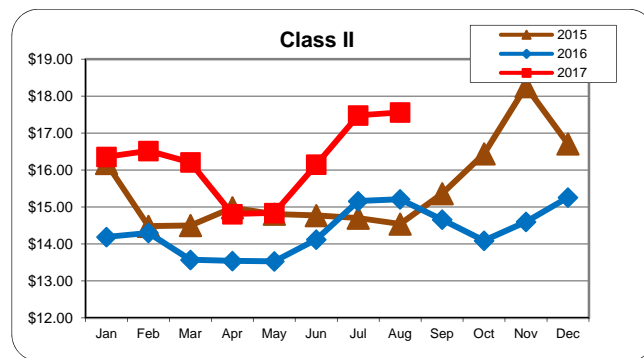
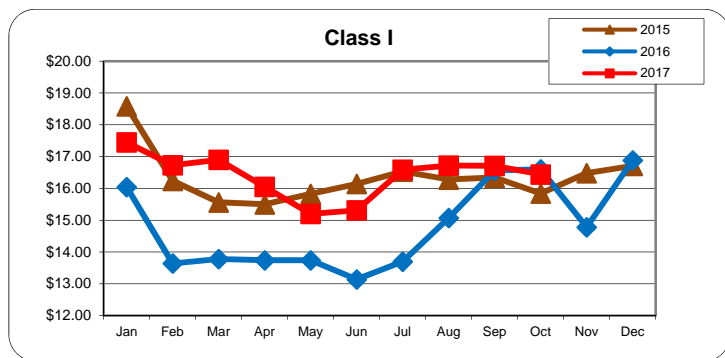
### CLASS IV MILK PRICES (3.5% Butterfat)

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 I/	17.45	16.73	16.90	16.05	15.20	15.31	16.59	16.72	16.71	16.44		
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

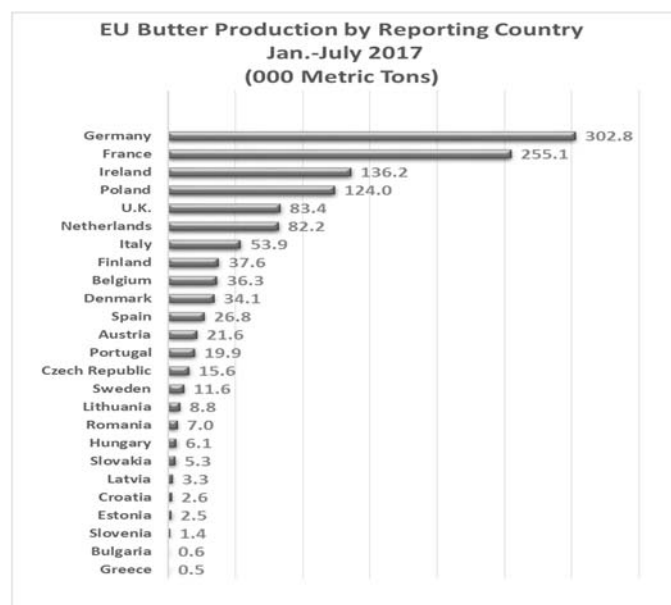
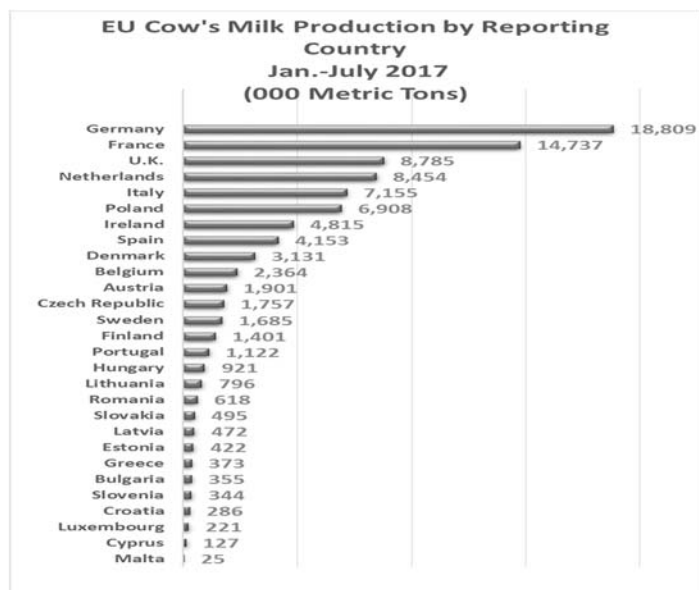
Information gathered September 18 - 29, 2017

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:** Milk production in the top five milk production countries in the EU through January-July is mixed compared with the same period of 2016. Only Italy is up, 2.8 percent. Germany, France, UK, and the Netherlands are -2.8 percent, -2.6 percent, -0.5 percent, and -0.7 percent respectively, according to Eurolait. EU production year to date through July is -0.2 percent. Compared with 2016, this July is 1.7 percent ahead of July 2016. Higher milk prices now have a number of observers predicting stronger production for the remainder of the season.

More current observations are that September milk production is seasonally declining, but above the level last year.

European Commission President Juncker's recent State of the European Union speech supported commencing trade negotiations with Australia and New Zealand. It is not yet fleshed out where dairy trade will be positioned in this effort, but dairy industry officials expect a dairy component.



January-July EU butter exports, 91,540 MT, declined 15.5 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -21.5 percent in February, to -10.5 percent in January. Export volumes and primary destinations are shown in the following table:

**EU Butter Exports  
Main Three Destinations  
January-July 2017**

Destination	Quantity(MT)	Percent of Total
U.S.A.	15,932	17.4
Saudi Arabia	6,358	7.0
Iran	5,913	6.5

January-July EU butteroil exports, 19,614 MT, declined 28.3 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -62.4 percent in January, to -27.7 percent in June. Export volumes and primary destinations are shown in the following table:

**EU Butteroil Exports  
Main Three Destinations  
January-July 2017**

Destination	Quantity(MT)	Percent of Total
China	3,422	17.5
Saudi Arabia	2,772	14.1
Indonesia	2,092	10.7

January-July EU butter imports, 4,022 MT, increased 48 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative import volumes varies from +15.7 percent in May, to +48 percent in July. Import volumes and primary destinations are shown in the following table:

**BUTTER/BUTTEROIL:** Butter prices in Europe weakened, ending a period of increases. The price range for butteroil narrowed, lower at the top and higher at the bottom. Opinions are cautious as to whether this marks a turning point for butter, or merely a pause. Lower butter production earlier during 2017 is a factor often mentioned as helping drive higher prices. Recent diminishing consumer demand for butter in Germany and France has been noted. Resistance to higher retail prices is certainly a factor. Here again, whether a new trend or an aberration has yet to come into focus.

Through July 2017, European butter production is down 5.1 percent from the same period last year, according to Eurolait. July production is 1.3 percent below July 2016 butter production. Among the top seven butter producing countries, only Ireland, Italy and Poland have January-July production above last year; 9.9 percent 0.7 percent, and 1.0 percent respectively. The two largest butter producers, Germany and France, are down 6.2 percent and 8.9 percent, respectively. Data from Eurolait. Chart by USDA Dairy Market News

CONTINUED ON PAGE 8.1A

## INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered September 18 - 29, 2017

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

## CONTINUED FROM PAGE 8

EU Butter Imports  
Main Three Destinations  
January-July 2017

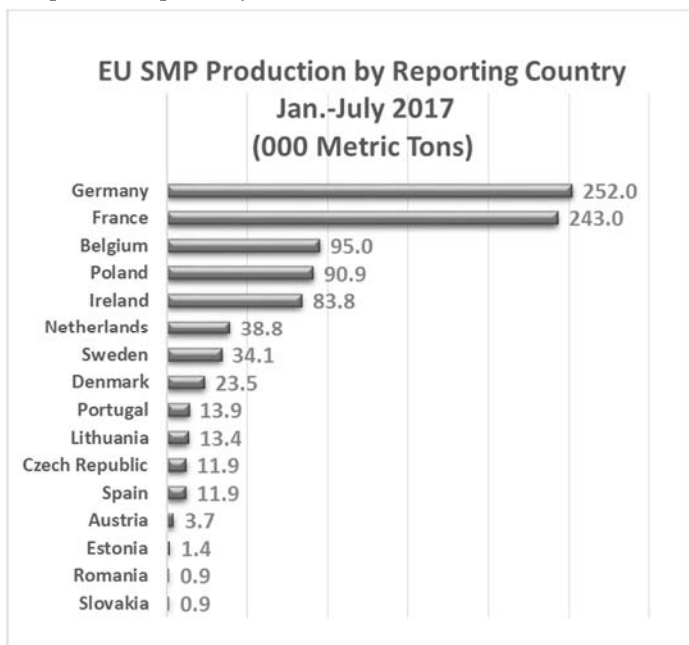
Destination	Quantity(MT)	Percent of Total
New Zealand	2,588	64.3
Ukraine	1,257	31.2
Iceland	75	1.9
82% BUTTERFAT:	7,750 - 8,225	
99% BUTTERFAT:	7,125 - 9,325	

**SKIM MILK POWDER (SMP):** Skim milk powder prices in Western Europe weakened. The SMP market in Europe is mostly quiet. Generally purchasers and prospective purchasers have stocked what they need for near term demand. Most contracting for coming months has been finalized for a while. Domestically, there is little activity in the spot market.

With the current intervention program ending September 30, an upturn in SMP being tendered has occurred. Germany, France and Netherlands tendered quantities of 1,560 MT, 873 MT and 1,548 MT respectfully. Smaller quantities of SMP were sold into intervention by

Lithuania, Poland, UK, Belgium and Latvia.

According to Eurolait, January-July skim milk powder production is 9.3 percent below 2016 SMP production for the same time frame. July 2017 SMP production was 3.0 percent below 2016 July production. The two largest SMP production countries, Germany and France, both realized double-digit reductions in 2017 January-July SMP production compared to 2016 January-June production, -10.0 percent and -12.9 percent respectively.



January-July EU SMP exports, 493,094 MT, increased 39.4 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -5.5 percent in January, to +39.4 percent in July. Export volumes and primary destinations are shown in the following table:

EU SMP Exports  
Main Three Destinations  
January-July 2017

Destination	Quantity(MT)	Percent of Total
Algeria	78,447	15.9
China	50,671	10.3
Indonesia	41,027	8.3
January-July	1,800 - 1,950	

1.25% BUTTERFAT:

1,800 - 1,950

**SWEET WHEY POWDER:** European whey prices weakened. Buyer demand has slowed domestically within Western Europe. Many users are adequately stocked. Domestic buyers are being selective about concluding transactions. Export demand is generally stable.

January-July EU whey exports, 335,759 MT, increased 1.6 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -1.6 percent in February, to +7.3 percent in May. Export volumes and primary destinations are shown in the following table:

EU Whey Exports  
Main Three Destinations  
January-July 2017

Destination	Quantity(MT)	Percent of Total
China	98,548	29.4
Indonesia	51,696	15.4
Malaysia	33,809	10.1

January-July EU whey imports, 53,446 MT, declined -3.6 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative import volumes varies from -18.5 percent in January, to -2.8 percent in June. Import volumes and primary destinations are shown in the following table:

EU Whey Imports  
Main Three Destinations  
January-July 2017

Destination	Quantity(MT)	Percent of Total
Switzerland	44,469	83.2
Norway	4,222	7.9
Belarus	2,720	5.1

NONHYGROSCOPIC:

800 - 1,025



## INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered September 18 - 29, 2017

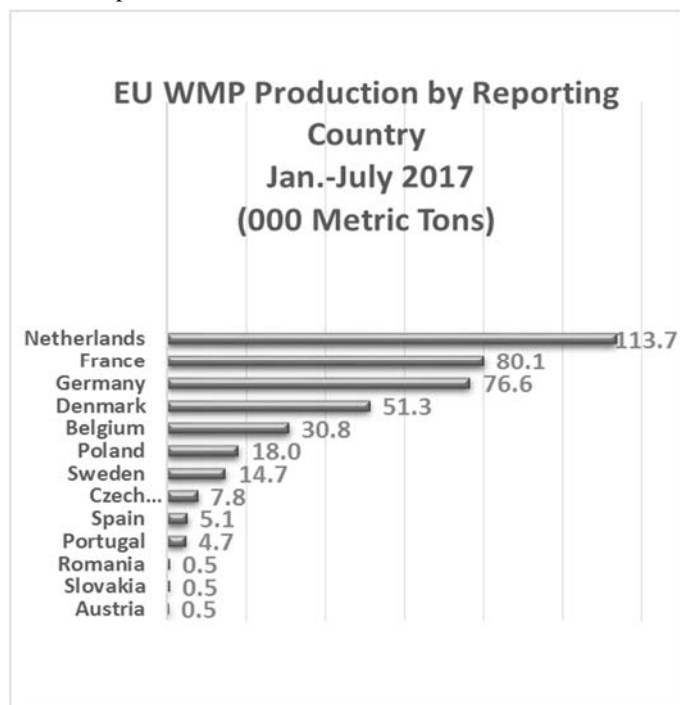
Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric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

## CONTINUED FROM PAGE 8.1A

**WHOLE MILK POWDER (WMP):** European whole milk powder prices weakened with some variation country to country. Buying interest is quiet. Most production is underway to meet contract obligations. The spot market is very quiet.

According to Eurolait, January through July 2017 whole milk production is 0.5 percent above 2016 production for the same time frame. July whole milk powder production is 2.0 percent below 2016 July production. The top four WMP producing countries, Netherlands, France, Germany, and Denmark marked 2017 January-July production compared to 2016 respectively as: 16.1 percent, 1.1 percent, -1.4 percent and 3.0 percent.

**EASTERN OVERVIEW:** Poland has experienced strong gains in milk production. July production was 6.6 percent ahead of July last year. Year to date through July, Poland was 4.4 percent ahead of 2016. So far this year, Poland is the sixth highest milk producing country in the EU comparing metric tons.



Data from Eurolait. Chart by USDA Dairy Market News

January-July EU WMP exports, 238,924 MT, increased 3.5 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from +3.5 percent in July, to +19.9 percent in January. Export volumes and primary destinations are shown in the following table:

**EU WMP Exports  
Main Three Destinations  
January-July 2017**

Destination	Quantity(MT)	Percent of Total
Algeria	47,831	20.0
Oman	24,393	10.2
China	12,604	5.3

26% BUTTERFAT:

3,500 - 3,825

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered September 18 - 29, 2017

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

**AUSTRALIA:** A large dairy cooperative has just announced plans to increase the milk supply in Australia as well as dairy processing capacity. Milk intakes are straining existing plant capacity. There is a waiting list of dairy producers hoping to join the coop. Partly this waiting list developed as a reaction to well publicized recent difficulties of a large Australian dairy processor, not the coop that has now announced plans to expand. Expansion of capacity will be addressed initially in Victoria and Tasmania, focused on cheese, whey and dairy nutritionals. The Australian dairy industry as a whole is rebuilding from historically low levels of milk production. Strengthening milk prices are helping encourage a focus on increasing milk production.

**NEW ZEALAND:** Prolonged wet weather in New Zealand has stalled previously projected seasonal growth in dairy production.

While the current season had been projected to yield up to 4 percent higher milk production than the last season, industry participants believe August 2017 production volumes were lower than August last year, perhaps 1.5 percent lower. With October often the seasonal peak month of production, concerns are increasingly voiced that weather will have to improve soon to allow production to increase if there is a hope to end the season with an appreciable increase over the last season. There is still plenty of time, but weather remains a key variable.

At the September 19 GDT event #196, all contracts prices ranged from 5.3 percent higher to 3.8 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, \$6,764, +5.3 percent; butter, \$6,026, +1.2 percent; buttermilk powder, n.a.; cheddar cheese, \$4,032, -1.9 percent; lactose, \$759, -3.8 percent; rennet casein, \$6,036, -2.4 percent; skim milk powder, \$1,920, -1.2 percent; and whole milk powder, \$3,122, +0.6 percent.

**BUTTER:** Butter prices in Oceania firmed at the bottom of the price range. Some observers attribute some of the price strength to New Zealand's wetter than normal spring. The weather has resulted in lower milk production estimates. That, coupled with continuing butter price strength in Europe, both are believed to be strengthening butter prices in Oceania. Domestic butter supplies in Australia in particular, remain tight. Retail prices are starting to generate comments from consumers.

January-July Australia butter exports, 7,017 MT, declined 50.5 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -50.5 percent in July, to -36.7 percent in April. Export volumes and primary destinations are shown in the following table:

Australia Butter Exports  
Main Three Destinations  
January-July 2017

Destination	Quantity(MT)	Percent of Total
China	1,550	21.2
Malaysia	1,186	16.2
Singapore	1,111	15.2

At GDT Event 196 on September 19, the butter all contracts price, \$6,026, increased 1.2 percent. The October contract, \$6,110, increased 1.3 percent.

82% BUTTERFAT:

6,100 - 6,450

**SKIM MILK POWDER (SMP):** Oceania skim milk powder prices weakened. SMP is a smaller component of regional exports, certainly for New Zealand. As a smaller player relative to other regions in global SMP markets, the dominance of the EU in the current supply situation remains a strong factor. Globally this is a weak market and in Oceania it is no different.

January-July Australia SMP exports, 96,866 MT, declined 0.7 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -24.5 percent in April, to -0.7 percent in July. Export volumes and primary destinations are shown in the following table:

Australia SMP Exports  
Main Three Destinations  
January-July 2017

Destination	Quantity(MT)	Percent of Total
Indonesia	20,762	21.1
China	20,590	20.9
Malaysia	13,280	13.5

At GDT Event 196 on September 19, the SMP all contracts price, \$1,920, decreased 1.2 percent. The October contract, \$1,930, decreased 5.4 percent.

1.25% BUTTERFAT:

1,850 - 1,950

**CHEDDAR CHEESE:** Oceania cheddar prices are mixed, both lower and higher, but relatively slight changes from recent weeks. An observer noted that markets seem comfortable with the general price level and cheddar seems to move along near the same prices. No significant changes in prices are expected in coming weeks. This gives buyers comfort in committing to transactions.

January-July Australian cheese exports, 97,799 MT, declined 4.6 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -4.6 percent in June and July, to +8 percent in January. Export volumes and primary destinations are shown in the following table:

Australia Cheese Exports  
Main Three Destinations  
January-July 2017

Destination	Quantity(MT)	Percent of Total
Japan	48,352	47.1
China	14,661	14.3
South Korea	6,541	6.4

At GDT Event 196 on September 19, the cheddar all contracts price, \$4,032, decreased 1.9 percent. The October contract, \$4,241, increased 0.6 percent.

39% MAXIMUM MOISTURE:

4,000 - 4,250

CONTINUED ON PAGE 8AA

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered September 18 - 29, 2017

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

## CONTINUED FROM PAGE 8A

**WHOLE MILK POWDER (WMP):** Whole milk powder prices in Oceania firmed, particularly near term deliveries. There has been concern as to a wetter than normal spring in New Zealand which resulted in lower expectations for seasonal milk production. This is referenced as a factor helping to strengthen near term WMP prices.

January-July Australia WMP exports, 29,405 MT, declined 22.1 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -22.1 percent in July, to +14.6 percent in February. Export volumes and primary destinations are shown in the following table:

Australia WMP Exports  
Main Three Destinations  
January-July 2017

Destination	Quantity(MT)	Percent of Total
China	6,841	22.2
Sri Lanka	4,909	15.9
Singapore	4,136	13.4

At GDT Event 196 on September 19, the WMP all contracts price, \$3,122, increased 0.6 percent. The October contract, \$3,235, increased 5.0 percent. There was an increase in volumes of WMP offered compared with prior expectations. Much of the added volumes went into the November contract.

26% BUTTERFAT: 3,100 - 3,250

Exchange rates for selected foreign currencies:  
September 25, 2017

.0571 Argentina Peso	.0153 India Rupee
.7936 Australian Dollar	.0090 Japan yen
.3164 Brazil Real	.0558 Mexican Peso
.8083 Canadian Dollar	.7265 New Zealand Dollar
.0016 Chile Peso	.2772 Poland Zloty
1.1850 Euro	.0346 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.0558) = 17.9211$  Mexican Pesos. Source: "Wall Street Journal"

## INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 196 Recap - September 19, 2017												
	Contract 1 Oct-17		Contract 2 Nov-17		Contract 3 Dec-17		Contract 4 Jan-18		Contract 5 Feb-18		Contract 6 Mar-18		All Contracts
Anhydrous Milk Fat	\$7,625	8.1%	\$6,775	5.1%	\$6,707	4.9%	\$6,682	5.4%	\$6,649	6.9%	n.a.	\$6,764	5.3%
Butter	\$6,110	1.3%	\$6,120	0.3%	\$6,120	2.6%	\$5,792	0.8%	\$5,975	1.0%	n.a.	\$6,026	1.2%
Buttermilk Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	n.a.	
Cheddar	\$4,241	0.6%	\$4,005	-2.1%	\$3,995	-3.0%	\$4,015	-2.0%	\$4,260	4.0%	n.a.	\$4,032	-1.9%
Lactose	n.a.		\$759	-3.8%	n.a.		n.a.		n.a.		n.a.	\$759	-3.8%
Rennet Casein	\$6,355	-4.8%	\$5,990	-1.6%	\$6,025	-2.5%	\$6,071	-3.6%	\$5,985	-0.2%	n.a.	\$6,036	-2.4%
Skim Milk Powder	\$1,930	-5.4%	\$1,922	-0.9%	\$1,944	-3.0%	\$1,903	0.6%	\$1,898	-0.3%	n.a.	\$1,920	-1.2%
Whole Milk Powder	\$3,235	5.0%	\$3,128	-0.1%	\$3,112	0.3%	\$3,102	1.8%	\$3,095	-0.3%	n.a.	\$3,122	0.6%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 196 Recap - September 19, 2017												
	Contract 1 Oct-17		Contract 2 Nov-17		Contract 3 Dec-17		Contract 4 Jan-18		Contract 5 Feb-18		Contract 6 Mar-18		All Contracts
Anhydrous Milk Fat	\$3.4587	8.1%	\$3.0731	5.1%	\$3.0423	4.9%	\$3.0309	5.4%	\$3.0160	6.9%	n.a.	\$3.0681	5.3%
Butter	\$2.7715	1.3%	\$2.7760	0.3%	\$2.7760	2.6%	\$2.6272	0.8%	\$2.7102	1.0%	n.a.	\$2.7334	1.2%
Buttermilk Powder	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	n.a.	
Cheddar	\$1.9237	0.6%	\$1.8167	-2.1%	\$1.8121	-3.0%	\$1.8212	-2.0%	\$1.9323	4.0%	n.a.	\$1.8289	-1.9%
Lactose	n.a.		\$0.3443	-3.8%	n.a.		n.a.		n.a.		n.a.	\$0.3443	-3.8%
Rennet Casein	\$2.8826	-4.8%	\$2.7170	-1.6%	\$2.7329	-2.5%	\$2.7538	-3.6%	\$2.7148	-0.2%	n.a.	\$2.7379	-2.4%
Skim Milk Powder	\$0.8754	-5.4%	\$0.8718	-0.9%	\$0.8818	-3.0%	\$0.8632	0.6%	\$0.8609	-0.3%	n.a.	\$0.8709	-1.2%
Whole Milk Powder	\$1.4674	5.0%	\$1.4189	-0.1%	\$1.4116	0.3%	\$1.4071	1.8%	\$1.4039	-0.3%	n.a.	\$1.4161	0.6%

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



## INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered September 18 - 29, 2017

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

**SOUTH AMERICA OVERVIEW:** Favorable weather conditions to dairy herds are present throughout South America as this continent is transitioning from winter to spring. As a result, farm milk output is steadily improving in the main dairy basins of Brazil, Uruguay, Argentina, and Chile. In addition, the mild weather is helping to boost the quantity and quality of several crops. The large supplies of corn and soybeans at relatively low prices are relieving feeding costs in several tambos.

In **Brazil**, farm milk/cream volumes are more than sufficient to meet several processing needs such as bottled milk/UHT, cheese, and yogurt. Furthermore, there are enough condensed milk volumes clearing into dryers to process WMP. Overall, there is an oversupply of dairy products in the country while the demand from buyers/end users is fair to weak. In this way, Brazil is depending less on milk powder imports, especially from Argentina and Uruguay. According to recent information published by the government, during the second quarter of the current year, milk production in Brazil increased 8 percent from the same period in 2016.

In **Argentina** and **Uruguay**, milk/cream intakes are readily available for most dairy processing needs. Bottled/UHT milk requests from several retail channels and food service are robust. Cheese, butter, and yogurt manufacturing are very active which is typical for this time of the year.

**SKIM MILK POWDER (SMP):** In the Southern Cone region of South America, f.o.b. export prices for skim milk powder (SMP) shifted slightly down on light trading. At this point, the priority of most milk powder processors is to convert heavy condensed milk volumes into WMP. In this way, the drying time for condensed skim is irregular, thus SMP production is sporadic. Nevertheless, the demand for SMP is generally mixed within and outside the Mercosur bloc. In general, SMP inventories are more than sufficient to meet contracts/spot needs.

At the GDT Event 196 on September 19, skim milk powder (SMP) prices across all contract periods averaged \$1,920 per metric ton, down 1.2 percent from the last event.

1.25% BUTTERFAT: 2,600– 2,900

**WHOLE MILK POWDER (WMP):** In the Southern Cone region of South America, f.o.b. export prices for whole milk powder (WMP) are steady to lower on light to moderate trading. With a weaker demand from Brazil, WMP exports to this country are slow with a lower premium, reflected on the top of the pricing range. Meanwhile, many WMP processors are selling outside the Mercosur region at unchanged prices, mirrored on the bottom value of the range. Some regional countries such as Uruguay are looking for new offshore markets, especially in Asia. WMP production within the Southern Cone region is ongoing as farm milk intakes continue improving. WMP inventories are generally steady to building.

At the GDT Event 196 on September 19, whole milk powder (WMP) prices across all contract periods averaged \$3,122 per metric ton, up 0.6 percent from the last event.

26% BUTTERFAT: 3,250 - 3,400

**CME GROUP, INC FUTURES**  
Selected settling prices

Month	09/15	09/18	09/19	09/20	09/21	09/22	09/25	09/26	09/27	09/28
<b>CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)</b>										
SEP 17	16.23	16.27	16.27	16.26	16.35	16.37	16.37	16.37	16.37	16.37
OCT 17	15.77	15.72	15.77	15.91	16.02	16.17	16.33	16.28	16.34	16.29
NOV 17	15.65	15.62	15.68	15.78	15.95	16.25	16.64	16.54	16.41	16.28
DEC 17	15.61	15.56	15.60	15.70	15.83	16.09	16.49	16.41	16.31	16.11
JAN 18	15.45	15.44	15.44	15.51	15.63	15.81	16.20	16.08	16.01	15.82
FEB 18	15.53	15.48	15.52	15.58	15.67	15.84	16.13	16.02	15.91	15.76
MAR 18	15.59	15.56	15.56	15.58	15.67	15.78	15.95	15.95	15.86	15.70
APR 18	15.60	15.63	15.64	15.61	15.65	15.75	15.80	15.73	15.73	15.65
MAY 18	15.76	15.79	15.79	15.73	15.77	15.83	15.89	15.83	15.77	15.77
JUNE 18	15.90	15.93	15.90	15.90	15.95	15.99	16.00	15.97	15.90	15.90
<b>CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)</b>										
SEP 17	15.95	15.97	15.97	15.97	15.97	15.97	15.97	15.95	15.95	15.95
OCT 17	15.56	15.56	15.64	15.64	15.64	15.59	15.47	15.47	15.47	15.42
NOV 17	15.69	15.76	15.78	15.65	15.65	15.62	15.51	15.51	15.51	15.37
DEC 17	15.70	15.70	15.75	15.63	15.65	15.57	15.55	15.63	15.58	15.43
<b>CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)</b>										
SEP 17	252.50	252.70	253.45	253.40	253.40	253.40	253.40	253.40	253.40	252.98
OCT 17	246.98	250.45	251.00	251.20	249.00	247.85	245.00	245.75	244.50	241.90
NOV 17	250.03	252.95	252.50	252.70	250.00	247.25	245.55	246.50	245.03	242.00
DEC 17	250.00	250.03	251.00	250.03	249.30	247.10	246.00	247.00	245.00	241.95
<b>NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)</b>										
SEP 17	86.53	86.75	86.98	86.10	85.65	85.65	85.65	85.35	85.15	85.25
OCT 17	85.00	84.40	84.60	84.10	84.15	84.15	84.15	84.30	84.38	84.50
NOV 17	85.28	84.53	84.55	83.60	84.05	84.05	84.43	84.40	84.40	84.50
DEC 17	85.83	84.75	84.80	83.88	84.35	84.50	84.50	84.48	84.53	84.90
<b>WHEY (Electronic-Traded) (¢/lb)</b>										
SEP 17	41.25	41.25	41.25	41.25	41.25	41.30	41.75	41.75	41.75	41.75
OCT 17	37.90	37.75	38.45	38.25	38.85	39.05	39.75	40.15	39.75	39.13
NOV 17	34.60	33.98	34.38	34.03	35.50	36.25	37.58	37.85	37.50	37.00
DEC 17	33.20	32.25	32.75	33.00	34.00	34.23	35.98	36.00	35.30	35.13
<b>CHEESE CSC (Electronic-Traded) (\$/lb)</b>										
SEP 17	1.65	1.65	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66
OCT 17	1.63	1.62	1.62	1.64	1.64	1.66	1.67	1.67	1.68	1.68
NOV 17	1.64	1.64	1.63	1.65	1.66	1.68	1.72	1.71	1.70	1.68
DEC 17	1.64	1.63	1.64	1.65	1.66	1.68	1.71	1.70	1.70	1.68
JAN 18	1.63	1.63	1.63	1.64	1.64	1.66	1.70	1.68	1.68	1.66

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

## MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

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

All stocks in thousand pounds except where otherwise indicated

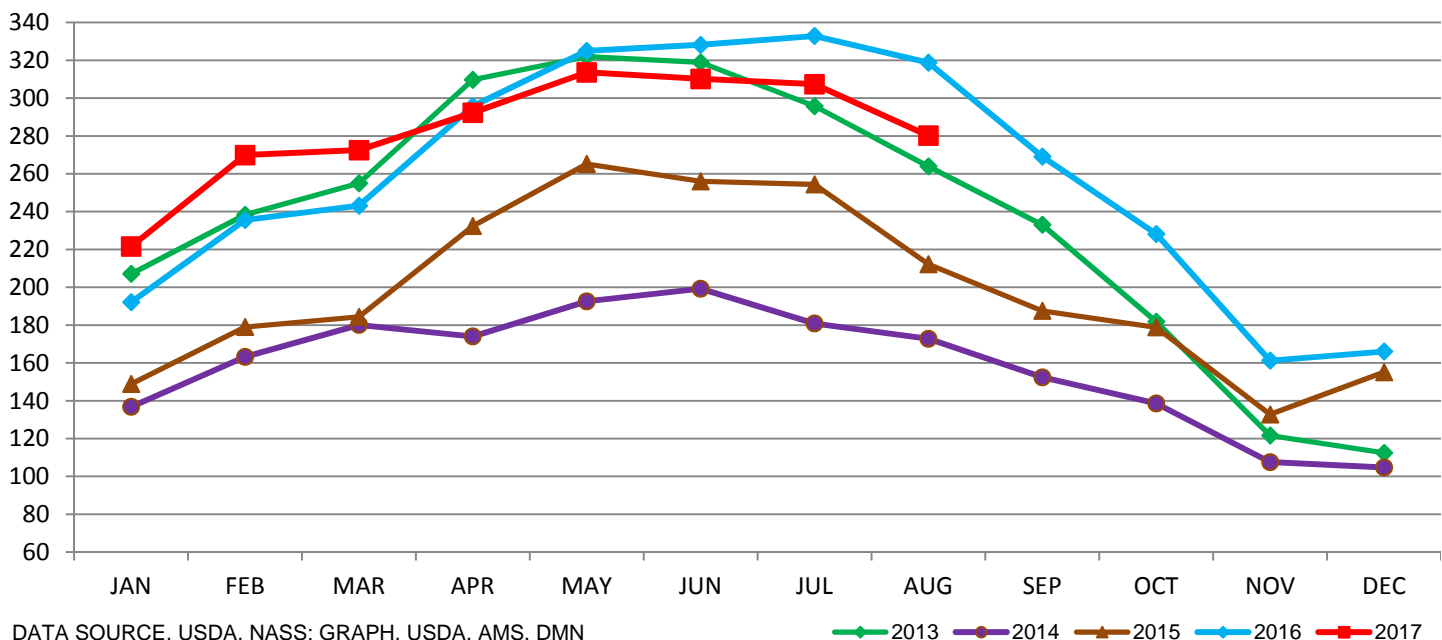
U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	JULY 31, 2015	JULY 31, 2016	REVISED JULY 31, 2017	AUG 31, 2015	AUG 31, 2016	AUG 31, 2017
Butter	254,347	332,848	307,359	212,189	318,774	280,117
Cheese, Natural American	698,029	769,705	831,561	709,029	742,497	800,546
Cheese, Swiss	21,591	25,702	27,009	22,203	26,019	26,831
Cheese, Other Natural	442,176	480,139	510,959	436,161	472,603	505,726
Total Cheese	1,161,796	1,275,546	1,369,529	1,167,393	1,241,119	1,333,103

AUGUST STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
New England	63,827	64,165	66,019				912	644	607
Middle Atlantic	71,200	88,416	57,671				24,094	19,352	15,969
East North Central	279,468	295,649	349,217				283,568	297,975	336,012
West North Central	112,877	123,336	118,910				45,611	48,379	47,638
South Atlantic	984	2,106	476				26,726	32,240	34,210
East South Central	6,394	6,125	13,943				11,779	21,658	16,276
West South Central	12,090	19,201	18,212				1,329	1,835	1,508
Mountain	58,483	48,372	51,094				2,667	3,622	6,269
Pacific	103,706	95,127	128,004				39,475	46,898	47,237
TOTAL	709,029	742,497	800,546	212,189	318,774	280,177	436,161	472,603	505,726

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

MILLION POUNDS

## Butter Cold Storage Holdings



## August Agricultural Prices Highlights

The All Milk price received by farmers was \$18.00 in August, up \$.80 from August 2016. The alfalfa hay price was \$147.00 in August, up \$10.00 from August 2016. The corn price was \$3.27 in August, up \$0.06 from August 2016. The soybean price was \$9.24 in August, down -\$0.69 from August 2016. The milk-feed price ratio was 2.49 in August, up 0.05 from August 2016.

The index of prices received by farmers for dairy products during the month of August 2017 was up 3.5 to 89.6. Compared to August 2016, the index was up 4 points (4.7 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in August 2017 was down -0.6 points to 106.4. Compared with August 2016, the index was up 1.5 points (1.4 percent).

Selected Milk Prices, Milk Cows, and Feed Prices, Selected States and U.S., August 2017 with Comparisons									
State	All-Milk price <sup>1,2</sup>		Alfalfa hay, baled		Corn for Grain		Soybeans		
	August		August		August		August		
	2016	2017	2016	2017	2016	2017	2016	2017	2017
	(dollars per cwt)		(dollars per ton)		(dollars per bushel)		(dollars per bushel)		
AZ	16.20	17.70	140.00	165.00	---	---	---	---	---
CA	16.06	17.07	145.00	160.00	---	---	---	---	---
CO	17.20	18.30	150.00	165.00	3.43	3.26	---	---	---
ID	17.30	17.20	130.00	130.00	---	---	---	---	---
IN	16.60	17.90	---	---	3.54	3.64	10.30	---	9.47
IA	17.50	18.10	93.00	105.00	3.08	3.19	9.77	---	9.05
MI	15.60	16.60	155.00	125.00	3.45	3.48	10.10	---	9.50
MN	18.10	18.00	69.00	86.00	3.04	3.07	9.76	---	8.88
NM	16.60	16.80	165.00	175.00	---	---	---	---	---
NY	17.30	18.60	216.00	216.00	---	---	---	---	---
OH	17.10	18.60	170.00	140.00	3.57	3.60	10.30	---	9.29
PA	17.20	19.20	182.00	166.00	3.97	4.37	---	---	---
TX	18.10	19.00	178.00	172.00	3.39	3.48	---	---	---
WA	17.20	18.90	140.00	155.00	---	---	---	---	---
WI	18.00	18.20	79.00	97.00	3.12	3.32	9.84	---	9.34
U.S.	17.20	18.00	137.00	147.00	3.21	3.27	9.93	---	9.24

<sup>1</sup> Prices are shown at reported butterfat test. <sup>2</sup> Before deduction for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies.

Milk-Feed Price Ratio, Selected States and U.S., August 2017 with Comparisons			
Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk <sup>1</sup>			
State <sup>2</sup>	August 2016	July 2017	August 2017
IA	2.91	2.61	2.89
MI	2.03	2.15	2.37
MN	3.30	2.80	3.13
OH	2.40	2.37	2.57
WI	3.12	2.63	2.91
U.S.	2.44	2.29	2.49

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

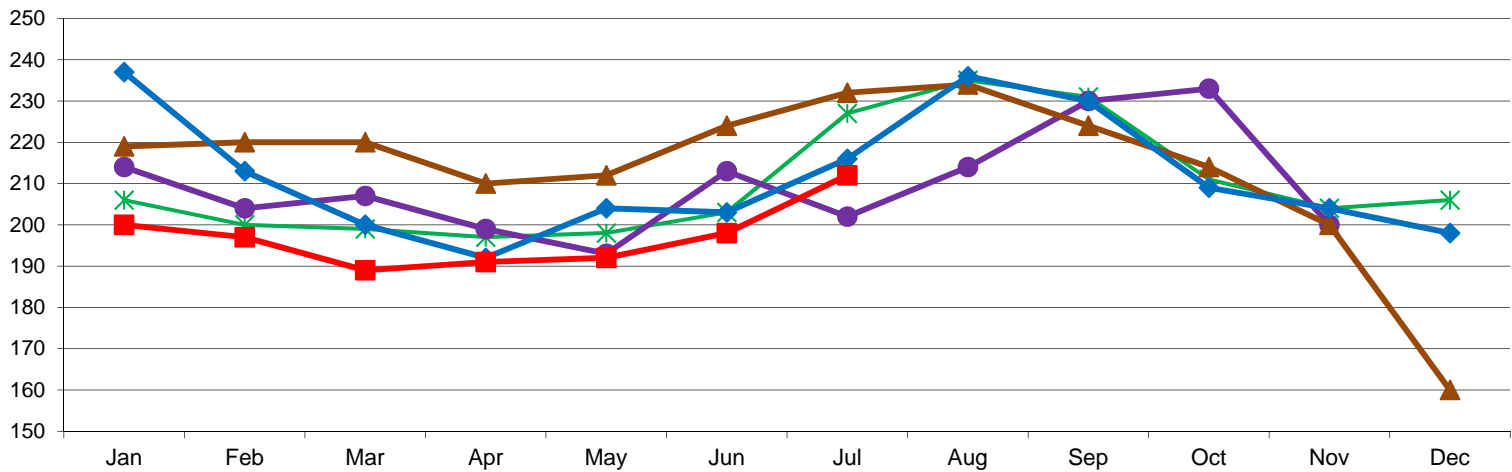
General Price Measures, U.S., August 2017 with Comparisons			
Item	August 2016	July 2017	August 2017
<b>Index Numbers</b> (1990-92=100):			
Prices received by farmers for dairy production	85.6	86.1	89.6
Prices paid by farmers for commodities and services, interest taxes, and wage rates	104.9	107.0	106.4

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



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

THOUSANDS



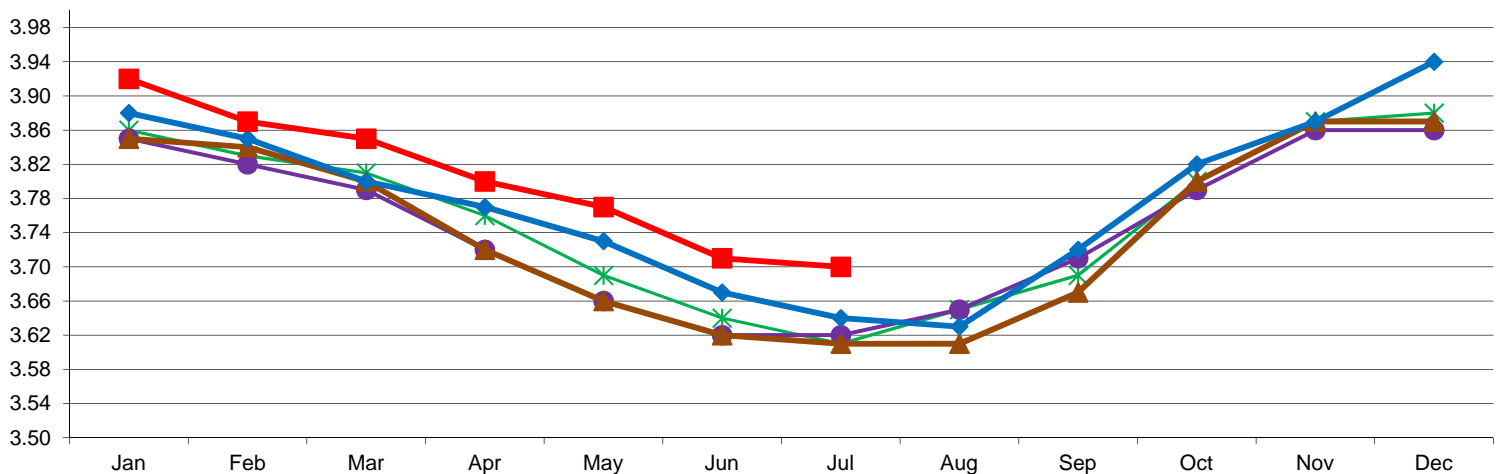
FEDERAL ORDERS INCLUDED ARE: 30, 32, 33, 126

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

✱ 2013    ● 2014    ▲ 2015    ◆ 2016    ■ 2017

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

%



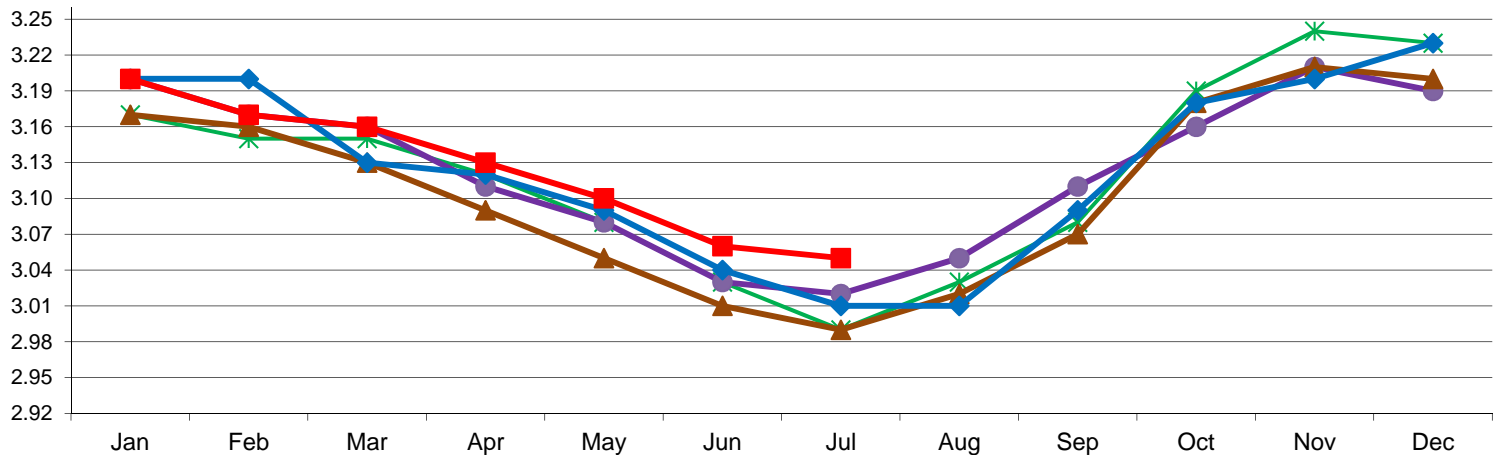
FEDERAL ORDERS INCLUDED ARE: 1, 5, 6, 7, 30, 32, 33, 124, 126, 131

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

✱ 2013    ● 2014    ▲ 2015    ◆ 2016    ■ 2017

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

%



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

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

✱ 2013    ● 2014    ▲ 2015    ◆ 2016    ■ 2017



## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Retail Report-Dairy

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

Volume 84- Number 39

Issued Weekly

Friday, September 29, 2017

### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 09/29/2017 to 10/05/2017

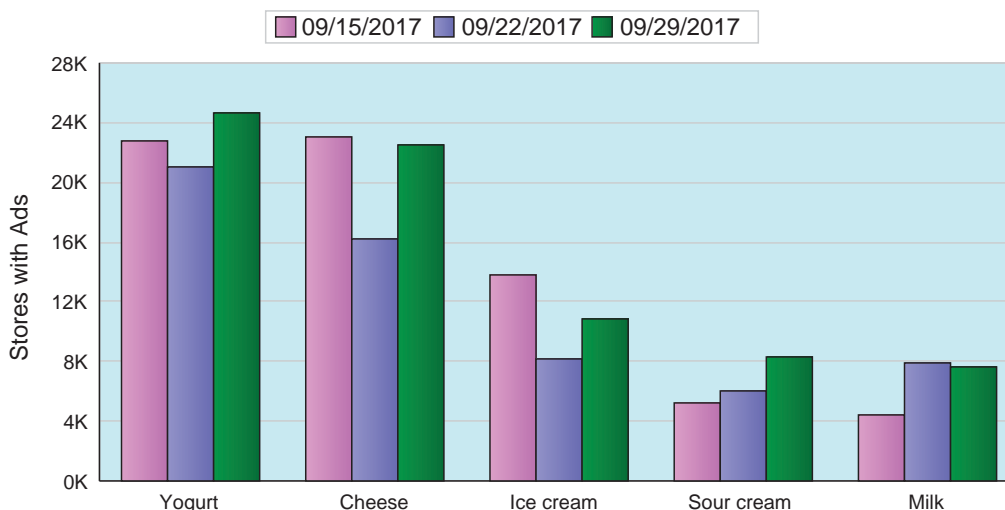
This week, total conventional dairy ads increased 31 percent, while organic dairy ads decreased 2 percent. Conventional ice cream ads are up 31 percent from last week. The U.S. weighted average advertised price for conventional ice cream in 48-64 oz. containers is \$3.14, down 32 cents from the last period. Meanwhile, reported total advertising for organic ice cream in 48-64 oz. containers increased 121 percent, while the average price, at \$5.87, is up 38 cents from the last period, with an organic premium of \$2.73.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.25, compared to \$3.95 for 8 ounce organic cheese blocks, an organic premium of \$1.70. The U.S. advertised price for 8 ounce conventional cheese shreds averaged \$2.28, compared to \$2.99 for 8 ounce organic cheese shreds, an organic premium of \$0.71. Total cheese ads for both conventional and organic cheese increased, 38 percent and 39 percent, respectively.

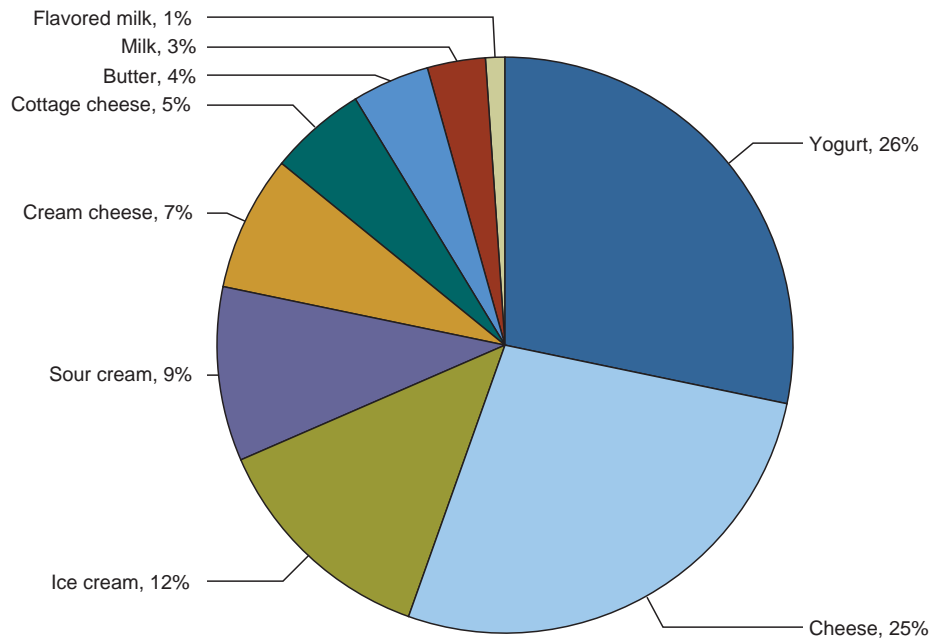
Conventional 4-6 ounce Greek yogurt has an average sale price of \$1.00, down 1 cent from the previous week. The average price for 4-6 ounce conventional yogurt is unchanged, \$0.49. While the price for 4-6 ounce organic yogurt is \$1.00, resulting in a 51 cents organic premium. There were no reported ads for 4 to 6 ounce organic Greek yogurt. Conventional yogurt ads increased 22 percent, while total organic yogurt ads decreased 24 percent.

The weighted average price for conventional half gallon milk is \$1.46. The weighted average price for organic half gallon is \$3.79, resulting in an organic price premium of \$2.33. The weighted average advertised price for conventional gallon milk is \$2.66. The weighted average price for organic gallon milk is \$6.01, resulting in an organic price premium of \$3.35. While organic milk ad numbers are in effect unchanged from last week, ads for conventional milk decreased 10 percent.

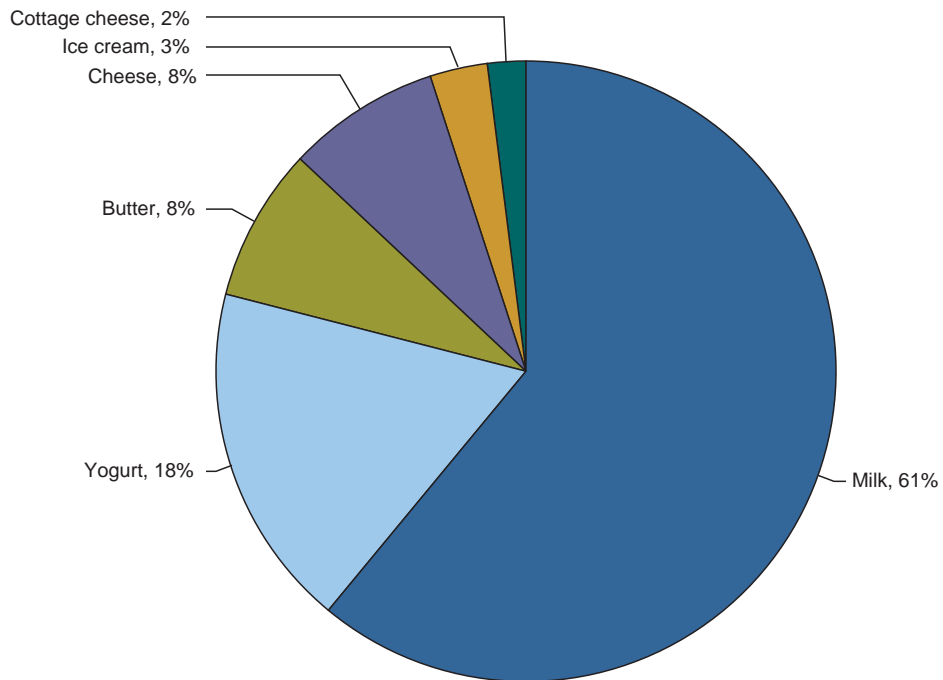
Top 5 Commodities Featured



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 #	3354	3.78	2199	3.83	5100	3.38
Cheese	Natural Varieties	8 oz block	8027	2.25	4632	2.11	4702	2.27
Cheese	Natural Varieties	1 # block	1974	3.44	2142	3.65	1526	4.91
Cheese	Natural Varieties	2 # block	547	6.36	930	6.59	1207	5.67
Cheese	Natural Varieties	8 oz shred	9840	2.28	6777	2.19	6441	2.31
Cheese	Natural Varieties	1 # shred	1448	3.31	1300	4.05	1357	5.03
Cottage cheese		16 oz	4462	1.77	3118	2.26	3379	2.04
Cream cheese		8 oz	6070	1.96	4198	2.09	5346	1.98
Egg nog		quart					246	2.50
Flavored milk	All fat tests	half gallon	468	1.67	204	2.29	163	3.46
Flavored milk	All fat tests	gallon	253	2.07	227	2.69	74	4.29
Ice cream		48-64oz	10555	3.14	8031	3.46	13877	3.18
Milk	All fat tests	half gallon	297	1.46	972	2.58	307	3.43
Milk	All fat tests	gallon	2301	2.66	1904	2.54	555	3.48
Sour cream		16 oz	8323	1.73	6061	1.72	5923	1.75
Yogurt	Greek	4-6 oz	12026	1.00	11899	1.01	13706	.97
Yogurt	Greek	32 oz	1350	4.72	1835	4.37	2907	4.36
Yogurt	Yogurt	4-6 oz	7681	.49	4458	.49	7550	.48
Yogurt	Yogurt	32 oz	1869	2.22	774	3.05	1862	2.64

## 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 #	1.99-4.99	1165	3.81	3.50	502	3.50	2.99-3.50	228	3.26
Cheese	Natural Varieties	8 oz block	1.66-3.00	2779	2.17	1.67-2.50	1897	2.45	1.50-3.00	1550	2.13
Cheese	Natural Varieties	1 # block	3.99-4.99	362	4.16				2.99-3.49	567	3.27
Cheese	Natural Varieties	2 # block				6.48	195	6.48			
Cheese	Natural Varieties	8 oz shred	1.66-3.00	2577	2.29	1.67-2.50	2166	2.39	1.50-3.00	1893	2.13
Cheese	Natural Varieties	1 # shred	3.99	194	3.99				2.99-4.49	566	3.46
Cottage cheese		16 oz	1.99-2.50	1563	2.08	1.98-1.99	861	1.99	0.99-1.29	247	1.12
Cream cheese		8 oz	1.66-2.79	1351	2.06	1.66-2.50	2882	2.09	1.49-2.00	682	1.76
Flavored milk	All fat tests	half gallon				1.99	64	1.99	1.99-2.00	233	2.00
Ice cream		48-64oz	1.99-4.99	3033	2.86	2.00-3.99	2342	2.85	2.99-3.99	1159	3.47
Milk	All fat tests	gallon							1.88-1.99	249	1.96
Sour cream		16 oz	1.39-2.00	2350	1.86	1.58-2.00	2272	1.93	0.99-1.89	1174	1.53
Yogurt	Greek	4-6 oz	0.80-1.00	3162	.96	1.00-1.20	3973	1.05	0.88-1.00	1549	.96
Yogurt	Greek	32 oz	4.99-5.49	651	5.10						
Yogurt	Yogurt	4-6 oz	0.50-0.60	1695	.56	0.40-0.60	3626	.50	0.40-0.50	290	.46
Yogurt	Yogurt	32 oz	2.00-2.50	317	2.33	2.00-2.49	1066	2.03	2.00	122	2.00

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.99-3.49	201	3.29	3.49-4.99	844	4.17	2.99-3.69	358	3.56
Cheese	Natural Varieties	8 oz block	1.33-3.00	733	2.17	1.50-3.00	849	2.38	1.99-2.00	174	1.99
Cheese	Natural Varieties	1 # block	2.99-3.99	617	3.29	3.49	241	3.49	2.99	187	2.99
Cheese	Natural Varieties	2 # block	5.99	121	5.99	5.99	204	5.99			
Cheese	Natural Varieties	8 oz shred	1.33-3.00	1314	2.11	1.50-3.00	1354	2.42	1.99-2.99	466	2.38
Cheese	Natural Varieties	1 # shred	2.99	490	2.99				2.99	187	2.99
Cottage cheese		16 oz	0.99-1.29	429	1.14	0.99-1.59	1050	1.40	1.29-2.99	240	2.09
Cream cheese		8 oz	1.49-2.50	405	1.67	1.49-1.79	331	1.71	1.49-1.67	361	1.53
Flavored milk	All fat tests	half gallon							0.99-1.25	171	1.09
Flavored milk	All fat tests	gallon	1.99	121	1.99				1.99	121	1.99
Ice cream		48-64oz	2.50-4.99	1505	3.56	2.48-4.99	1927	3.17	2.49-4.49	405	3.48
Milk	All fat tests	half gallon	0.99	99	.99				0.99-1.25	171	1.09
Milk	All fat tests	gallon	1.87-3.69	849	2.46	2.79-3.99	758	3.52	1.79-1.99	410	1.85
Sour cream		16 oz	0.99-2.69	990	1.52	0.99-2.00	913	1.44	1.25-2.00	521	1.49
Yogurt	Greek	4-6 oz	0.88-1.00	1071	.97	0.79-1.00	1441	.94	0.88-1.33	752	1.10
Yogurt	Greek	32 oz				4.99	407	4.99	3.50	289	3.50
Yogurt	Yogurt	4-6 oz	0.30-0.50	343	.39	0.30-0.50	1016	.40	0.25-0.50	590	.42
Yogurt	Yogurt	32 oz	2.99-3.00	205	2.99				1.99-2.50	130	2.23

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 #	3.50-4.49	29	4.28	5.99	27	5.99
Cheese	Natural Varieties	8 oz block	2.49-2.99	8	2.62	2.50-3.00	37	2.54
Cheese	Natural Varieties	2 # block				9.99	27	9.99
Cheese	Natural Varieties	8 oz shred	2.49	6	2.49	2.50-3.00	64	2.73
Cheese	Natural Varieties	1 # shred	3.50	11	3.50			
Cottage cheese		16 oz	1.50	21	1.50	2.79-3.49	51	3.16
Cream cheese		8 oz	1.89-2.98	34	2.79	1.50	24	1.50
Flavored milk	All fat tests	gallon	3.79	11	3.79			
Ice cream		48-64oz	3.49-7.49	76	5.76	3.00-4.99	108	3.99
Milk	All fat tests	half gallon				5.49	27	5.49
Milk	All fat tests	gallon	2.98-3.79	35	3.24			
Sour cream		16 oz	1.50-2.39	52	1.96	1.99-2.50	51	2.23
Yogurt	Greek	4-6 oz	1.00-1.25	48	1.14	0.99-1.25	30	1.02
Yogurt	Greek	32 oz	4.48	3	4.48			
Yogurt	Yogurt	4-6 oz	0.50-1.25	60	.90	0.60-0.79	61	.68
Yogurt	Yogurt	32 oz	3.50	2	3.50	3.49	27	3.49

## 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 #	696	5.18	566	4.51	233	5.61
Cheese	Natural Varieties	8 oz block	508	3.95	310	3.49	246	6.99
Cheese	Natural Varieties	8 oz shred	119	2.99	140	3.07	255	3.44
Cottage cheese		16 oz	194	3.50			105	2.99
Cream cheese		8 oz			300	2.50		
Ice cream		48-64oz	252	5.87	114	5.49	1083	4.00
Milk	All fat tests	half gallon	3695	3.79	2990	3.70	2472	3.67
Milk	All fat tests	gallon	1312	6.01	1746	5.73	226	5.23
Milk	All fat tests	8 oz UHT	21	.87	305	.82	435	1.08
Sour cream		16 oz			21	2.29	273	2.04
Yogurt	Greek	4-6 oz			956	1.11	558	1.28
Yogurt	Greek	32 oz	354	3.36			246	3.99
Yogurt	Yogurt	4-6 oz	691	1.00	332	1.19	183	.75
Yogurt	Yogurt	32 oz	431	4.57	643	3.99	868	3.58

## 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 #	3.99-5.99	502	5.06						
Cheese	Natural Varieties	8 oz block	4.99	135	4.99						
Cheese	Natural Varieties	8 oz shred							2.99	119	2.99
Milk	All fat tests	half gallon	2.99-4.99	1130	4.27	3.79-3.88	1197	3.80	2.99	119	2.99
Milk	All fat tests	gallon	7.99	118	7.99	4.99	214	4.99	5.99	213	5.99
Yogurt	Greek	32 oz	3.50	100	3.50				3.50	116	3.50
Yogurt	Yogurt	4-6 oz	0.75	304	.75	1.33	195	1.33			

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	5.49	194	5.49						
Cheese	Natural Varieties	8 oz block	3.99	63	3.99				3.49	289	3.49
Cottage cheese		16 oz	3.50	194	3.50						
Ice cream		48-64oz	5.49-5.99	135	5.76	5.99	117	5.99			

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
Milk	All fat tests	half gallon	2.99-3.99	503	3.14	2.99-4.49	481	3.61	2.99	187	2.99
Milk	All fat tests	gallon	4.97	133	4.97	5.99-6.99	345	6.47	5.89	289	5.89
Yogurt	Greek	32 oz				3.00	117	3.00			
Yogurt	Yogurt	4-6 oz	1.25	55	1.25	1.00	137	1.00			
Yogurt	Yogurt	32 oz	3.39	121	3.39				4.99	289	4.99

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz block	3.49	21	3.49			
Milk	All fat tests	half gallon	3.29-4.89	41	3.90	5.97-6.79	37	6.72
Milk	All fat tests	8 oz UHT	0.87	21	.87			
Yogurt	Greek	32 oz	4.00	21	4.00			
Yogurt	Yogurt	32 oz	5.49	21	5.49			

#### REGIONAL DEFINITIONS

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

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



# Dairy Market News

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

Volume 84, Report 39

September 29, 2017

## GENERAL NUMBER

(608) 422-8587

Elizabeth Frederick

(608) 422-8587

[Elizabeth.Frederick@AMS.USDA.GOV](mailto:Elizabeth.Frederick@AMS.USDA.GOV)

## INTERNS

Al Yang

(608) 422-8589

[Al.Yang@AMS.USDA.GOV](mailto:Al.Yang@AMS.USDA.GOV)

Jennifer Hernandez

(608) 422-8597

[JenniferA.Hernandez@AMS.USDA.GOV](mailto:JenniferA.Hernandez@AMS.USDA.GOV)

## EAST/ ORGANIC

Daniel Johnson

(608) 422-8605

[Daniel.Johnson@AMS.USDA.GOV](mailto:Daniel.Johnson@AMS.USDA.GOV)

Jessica Mueller

(608) 422-8589

[Jessica.Mueller@AMS.USDA.GOV](mailto:Jessica.Mueller@AMS.USDA.GOV)

## CENTRAL

Israel Weber

(608) 422-8601

[Israel.Weber@AMS.USDA.GOV](mailto:Israel.Weber@AMS.USDA.GOV)

## SOUTHWEST/SOUTH AMERICA

AJ (Angel José) Terán

(608) 422-8593

[Angel.Teran@AMS.USDA.GOV](mailto:Angel.Teran@AMS.USDA.GOV)

Florence Kone-Gonzalez

(608) 422-8594

[Florence.KoneGonzalez@AMS.USDA.GOV](mailto:Florence.KoneGonzalez@AMS.USDA.GOV)

## NORTHWEST/MOUNTAIN

Mike Bandli

(608) 422-8592

[Mike.Bandli@AMS.USDA.GOV](mailto:Mike.Bandli@AMS.USDA.GOV)

## ORGANIC/EUROPE & OCEANIA

Eric Graf

(608) 422-8590

[Eric.Graf@AMS.USDA.GOV](mailto:Eric.Graf@AMS.USDA.GOV)

## NATIONAL SUPERVISOR

Janet Linder

(608) 422-8588

[Janet.Linder@AMS.USDA.GOV](mailto:Janet.Linder@AMS.USDA.GOV)

## BRANCH CHIEF

Butch Speth

(608) 422-8586

[Butch.Speth@AMS.USDA.GOV](mailto:Butch.Speth@AMS.USDA.GOV)

## INTERNET ADDRESS

[www.ams.usda.gov/market-news/dairy](http://www.ams.usda.gov/market-news/dairy)

## MARKET NEWS PORTAL

[www.marketnews.usda.gov/mnp/da-home](http://www.marketnews.usda.gov/mnp/da-home)

## RECORDED INFORMATION SYSTEM

(608) 422-8602

## FAX

(608) 240-6689

---

USDA, Dairy Market News  
4600 American Parkway, STE 106  
Madison, WI 53718-8334