

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (10/13)**

BUTTER: Grade AA closed at \$2.3750. The weekly average for Grade AA is \$2.3395 (+.0005).

CHEESE: Barrels closed at \$1.6775 and 40# blocks at \$1.7000. The weekly average for barrels is \$1.6985 (-.0205) and blocks, \$1.7400 (-.0030).

NONFAT DRY MILK: Grade A closed at \$0.7725. The weekly average for Grade A is \$0.7890 (-.0380).

BUTTER HIGHLIGHTS: Butter spot market prices are lower and many market participants are unclear as to why at this point in the season. Some buyers for bakeries and grocery stores are putting off buying butter as they hope for prices to go down. However, in other places retail sales are active and seasonal advertisements have increased. Exports are fairly strong. The demand is good and processors expect it to increase close to the holiday season. Cream availability is tight to available for processing needs. Butter production is steady as some plants are microfixing bulk supplies and other plants are producing heavier outputs of print butter. Inventories are stable to slightly higher and are in great position for filling the upcoming holiday needs. Bulk butter prices range from flat market to 8 cents over the CME average. The market tone is mixed as some market participants report the market fairly balanced and others communicate prices decreasing, but have expectations of the market rising.

CHEESE HIGHLIGHTS: Cheese production differs in each region. Northeastern cheese production is steady, as milk supplies are consistent with previous weeks. Midwestern cheese production, in some plants, is slower as milk has become less available. Reported spot milk prices ranged from flat market to \$2 over Class III. In Western cheese plants, milk is plentiful. Western cheese production is active, in order to keep up with the milk supplies. Retail sales in the East and Midwest are steady and strengthening. Some Western contacts report that producers are offering discounts on older cheddar blocks to manage large inventories. The cheese market tone is fairly positive. CME Group trading Friday, barrels closed at \$1.6775, down \$0.0675 from last Friday. Blocks closed at \$1.7000, down \$0.0600 from last Friday.

FLUID MILK: Contacts report that milk supplies in the Northeast and Mid-Atlantic are mainly stable with a bit of increase in some states. As so, some processors are doing their maintenance projects in preparation for the fall. Due to the addition of dairy cows

and favorable weather, milk stocks are heavy in Idaho, Colorado, and Utah. Across the U.S., milk outputs are, for the most part, in balance with processing needs. Farm milk yields are steady to increasing in the East, diminishing in the Midwest, and mixed in the West. In the Midwest, hauling problems are arising due to milk demand outweighing current regional supply and haulers focusing on supplying milk to the areas affected by the hurricane. Sales are, in general, steady to lower in the nation. Cream interest from cream cheese manufacturers is active in the East and West. Cream availability is beginning to tighten in the Midwest. Multiples for this week are 1.24-1.33 in the East, 1.24-1.30 in the Midwest, and 1.06-1.28 in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk (NDM) prices throughout the United States have declined. Reports suggest strong NDM and skim milk powder sales to international markets, while domestic demand is light to moderate. The market undertone is weak. High heat NDM prices are unchanged this week. Spot activity continues to be quiet. Supplies are tight as the majority of production is geared toward fulfilling contractual obligations. Dry buttermilk prices are steady this week. Activity is light in the spot market. Sales are active for contractual demands. Some market participants are looking for loads as they expect prices to firm as cream is increasingly clearing to Class II for holiday production. The market tone is mixed as contracted demand is active but some buyers are remaining patient, awaiting the possibility of downticks of buttermilk prices. Dry whole milk prices are unchanged due to light trading. Demands from the bakery and confectionary sectors are slightly inching up, as the Q4 holiday season is close. The tone is generally stable in all regions of the country. Dry whey prices declined following a fairly quiet trading week, although some market sources note a slight uptick in dry whey moving through contracts. The demand is mixed as some report domestic and Mexican demand is stable, while others suggest a cooling interest from buyers. The tone is weak as the market is quiet with lots of dry whey available. Whey protein concentrate 34% prices remained unchanged. Some contacts report WPC34% is hard to move unless it is a favored brand that meets end user specifications. Lactose prices decreased. Spot sale activity is moving at lower prices within the range. Some manufacturers are competing with lactose from other

-CONTINUED ON PAGE 1A-

*****SPECIALS THIS ISSUE*****

INTERNATIONAL DAIRY MARKET NEWS (PAGE 8-8C)

CME FUTURES (PAGE 9)

AUGUST MILK SALES (PAGE 10)

JULY MAILBOX PRICES (PAGE 11)

OCTOBER MILK SUPPLY AND DEMAND ESTIMATES (PAGE 12-13)

DAIRY GRAPHS (G1-G3)

NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY OCT 09	TUESDAY OCT 10	WEDNESDAY OCT 11	THURSDAY OCT 12	FRIDAY OCT 13	:: WEEKLY CHANGE *	:: WEEKLY AVERAGE #
CHEESE BARRELS	\$1.7100 (-.0350)	\$1.7050 (-.0050)	\$1.7150 (+.0100)	\$1.6850 (-.0300)	\$1.6775 (-.0075)	:: (-.0675)	:: \$1.6985 (-.0205)
40# BLOCKS	\$1.7600 (N.C.)	\$1.7575 (-.0025)	\$1.7575 (N.C.)	\$1.7250 (-.0325)	\$1.7000 (-.0250)	:: (-.0600)	:: \$1.7400 (-.0030)
NONFAT DRY MILK GRADE A	\$.8225 (-.0025)	\$.8050 (-.0175)	\$.7725 (-.0325)	\$.7725 (N.C.)	\$.7725 (N.C.)	:: (-.0525)	:: \$.7890 (-.0380)
BUTTER GRADE AA	\$2.3200 (-.0200)	\$2.3250 (+.0050)	\$2.3450 (+.0200)	\$2.3325 (-.0125)	\$2.3750 (+.0425)	:: (+.0350)	:: \$2.3395 (+.0005)

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

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

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

parts of the world. Rennet and acid casein prices have weakened. The casein markets have been calm.

INTERNATIONAL DAIRY MARKET NEWS (DMN): WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: Earlier this week, many in the global dairy industry scrambled to assess the potential impact of comments from the EU Commissioner of Agriculture, suggesting a new approach to intervention. Noting a need to clear the approximately 380,000 MT of SMP in public storage, and to seek to limit new volumes that might otherwise enter intervention when the next window opens March 1, certain measures were suggested. The commissioner suggested ending having a fixed price buying ceiling for SMP tendered and move to 0. He also proposed that tendering start right away to allow consideration over coming months as to which volumes should be entered into intervention starting March 1. This proposal and any such changes would require approval of the European Council. Before council consideration, talks will be conducted beginning soon in the Special Committee on Agriculture. No new suggestions were made as to disposing of stocks already in intervention.

There was general consensus at last week's meeting of the Directorate General for Agriculture and Rural Development of the European Commission, that the short term outlook for EU dairy markets is better than last year at this time. Milk prices are relatively stable in EU countries at levels helping to stimulate milk production.

For the year projections remain that milk production will increase 0.7 percent for 2017 compared with 2016.

Cheese production in the EU is helped by strong export demand as well as industrial use in the EU. Cheese production is projected to increase 2.0 percent in 2017. Expectations are that 2018 growth in cheese output will also remain at near 2.0 percent, assuming that expected export growth from Japan and South Korea continues.

EU butter production during 2017 is expected by the commission to be about 3 percent lower than 2016, with exports down 10 percent.

The expectation is that SMP exports will be strong in the balance of 2017, as well as 2018. If that occurs and 2018 SMP production increases, it was suggested by some participants that around 150,000 MT of SMP could then be released out of intervention in 2018. Further official action would be necessary before that happens.

EU efforts to reach or update dairy export agreements with other countries have become very high priority. The recent renewed EU commitment to expanding dairy exports, presented in late September and named the "Trade or All" strategy, was further clarified at a meeting of EU dairy industry leaders. Noting finalization of the EU-Canada trade deal, and the Japan trade agreement now being mostly sealed, satisfaction was expressed as to progress in negotiations with Singapore and Vietnam. Progress made in ongoing negotiations with Mexico and Mercosur was also noted. Other trade agreement goals mentioned were updating an agreement with Chile, as well as continuing discussions with the Philippines, Malaysia and Thailand.

January-August Algeria cheese imports, 15,261 MT, decreased 40.4 percent from the same period one year earlier, according to Euclait. The range of monthly percentage changes in cumulative import volumes varies from -46.9 percent in February, to -28.5 percent in April. Import volumes and primary origins are shown in the following table:

Algeria Cheese Imports
Main Three Origins
January-August 2017

Origin	Quantity(MT)	Percent of Total
Netherlands	4,963	32.5
Ireland	4,064	26.6
New Zealand	2,484	16.3

EASTERN OVERVIEW: January-July notched some changes in imports for Belarus, compared with the same period last year. Bulk milk imports were -93.8 percent; cheese was down 15.7 percent; and whey powder was down 40.7 percent according to CLAL. **OCEANIA OVERVIEW: AUSTRALIA:** July-August milk production in Australia is up 1.6 percent over July-August last year. Breakdown by state is shown in the chart below.

**Australia Milk Production
July-August 2017**

	(Million Liters)	(% Change YTD From 1 Year Ago)
New South Wales	194.9	2.1
Victoria	929.6	2.3
Queensland	72.2	-2.6
South Australia	72.3	1.1
Western Australia	62.0	-2.5
Tasmania	65.3	-0.2
Australia (Total)	1,396.3	1.6

Data From Dairy Australia

It is still early in the milk season. The current season is projected to record growth in milk production near 2.5 percent. Better profitability on many farms is contributing to these expectations. For many dairy producers this is a period of recovery from recent bad years with squeezed margins and resulting disappointing profitability. Favorable weather in some regions has contributed to keeping costs of production lower in recent months.

The Australian Competition and Consumer Commission (ACCC) has been conducting an inquiry into the competitiveness, trading practices, supply chain and transparency of the Australian dairy industry. Last October the Australian Treasurer ordered the inquiry to be conducted. The reporting deadline has now been extended until April 30, 2018. A reason for the extension was said to be to permit interim findings to be released by November 30, 2017, then receive comments from the dairy industry to be considered in the final report.

It is generally acknowledged that this inquiry resulted from the retroactive cuts in payments to dairy producers for milk by one of the largest cooperatives in Australia. Many of the processing facilities of that cooperative have been or are in the process of being sold. This has resulted in many Australian dairy producers seeking new outlets for their milk.

NEW ZEALAND: August 2017 New Zealand milk production was 1.3 million MT, up from 0.2 million MT in July, according to DCANZ. August milk solids, 111.4 million kg, are up from 21.5 million kg in July. During August 2016, milk solids were 113.1 million kg. Results for September production will not likely be available until approximately the 20th of October. At the present time, a number of experienced industry personnel in New Zealand expect September 2017 production to also lag September 2016. This week in October marks a continuing period of heavy rain in many parts of New Zealand. That continued to take a toll on pasture conditions and of course, current milk production. Nevertheless, there are cautious expectations for improvement season-on-season because monthly production typically does not begin declining until February. Even April is often a better production month than September, so there is certainly time for the season to rebound.

-CONTINUED ON PAGE 1B-

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

At the October 3 GDT event #197, all contracts prices ranged from 1.9 percent higher to 10.3 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, \$6,504, -3.4 percent; butter, \$5,837, -3.6 percent; buttermilk powder, \$1,804, -10.3 percent; cheddar cheese, \$4,109, +1.9 percent; lactose, n/a; rennet casein, \$6,123, +0.9 percent; skim milk powder, \$1,895, -1.4 percent; and whole milk powder, \$3,037, -2.7 percent.

SOUTH AMERICA OVERVIEW: In terms of farm milk production, during the past year, the South American dairy industry has transitioned from a deep crisis, to a drastic recovery, mainly due to a climatic improvement throughout the Continent.

In the main dairy basins of Argentina and Uruguay, farm milk output continues shifting up as the spring flush approaches. Milk/cream supply is large, above last year's levels. Heavy milk volumes are clearing into bottled milk/UHT, cheese, yogurt, and dry milk manufacturing. Shipments to several retail channels and food services are strong this week. Overall, inventories for dairy products are steady to building.

In Brazil, farm milk production is robust, more than sufficient to cover most domestic processing needs. With large milk/cream volumes readily available in the market, processors are paying less to producers. This is negatively affecting the revenues of several dairy operations (tambos). Some producers blame dairy imports as the cause of negative profit margins. Thus, many tambos put pressure on the Brazilian government in order to regulate the dairy imports coming from Uruguay. In fact, during the current week, the Brazilian government suspended the importation of dairy products from Uruguay. This measure is in force until Uruguay proves the origin of the milk that has been exported to Brazil. Meanwhile, in the Brazilian market, the demand for cheese is improving while production is very active. In addition, due to the large stocks of UHT milk, some processors are curtailing UHT manufacturing.

NATIONAL RETAIL REPORT-DAIRY (DMN): This week, total conventional dairy ads decreased 13 percent, and organic dairy ads decreased 26 percent. Conventional 1 pound butter ad numbers declined 63 percent. The national weighted average advertised price, \$3.37, is down 9 cents from last week. Organic 1 pound butter ad numbers declined 14 percent. The national weighted average advertised price, \$5.10, is up 32 cents from last week.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.23. The U.S. advertised price for 8 ounce conventional cheese shreds averaged \$2.14, compared to \$3.49 for 8 ounce organic cheese shreds, an organic premium of \$1.35. Total conventional cheese ads decreased by 32 percent from last week, while total organic cheese ads slightly more than doubled.

Conventional 4-6 ounce Greek yogurt has an average sale price of \$0.95, up 1 cent from last week. The average price for 4-6 ounce conventional yogurt is \$0.49, down 1 cent from last week. The average price for 4-6 ounce organic Greek yogurt was \$1.03, down \$.20 from last week. Total conventional yogurt ads are unchanged from last week, while total organic yogurt ads increased 9 percent.

The weighted average price for conventional half gallon milk is \$2.76. The weighted average price for organic half gallon milk is \$3.59, resulting in an organic price premium of \$.83. While conventional milk ad numbers decreased by 10 percent from last week, ads for organic milk decreased 32 percent.

AUGUST MILK SALES (USDA, FMMO & CDFA): During August, 4.0 billion pounds of packaged fluid milk products are estimated to have been sold in the United States. This was 2.6 percent lower than August 2016. Estimated sales of total conventional fluid milk products decreased 2.8 percent from August 2016 and estimated sales of total organic fluid milk products decreased 0.2 percent from a year earlier.

JULY MAILBOX PRICES (FMMO & CDFA): In July 2017, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.91 per cwt, unchanged from the June 2017 average but up \$1.16 per cwt from the July 2016 average. The component tests of producer milk in July 2017 were: butterfat, 3.70 percent; protein, 3.05 percent; and other solids, 5.75 percent. When compared to the previous month, the July Mailbox prices increased in 14 of the 19 Federal milk order reporting areas and decreased in 5 of the 19 areas. The Southern Missouri reporting area reported the greatest increase of \$3.28 per cwt, while the Wisconsin reporting area reported a decrease of \$0.82 per cwt from the previous month. Averaged over all Federal milk order reporting areas, the July 2017 Mailbox price increased an average of \$0.42 per cwt. Mailbox prices in July 2017 ranged from \$19.48 in Florida to \$14.86 in the New Mexico reporting area.

OCTOBER MILK SUPPLY AND DEMAND ESTIMATES (WASDE): The milk production forecast for 2017 and 2018 is raised on a slightly more rapid pace of growth in milk per cow. However, forecast cow numbers for late 2017 and 2018 are slightly lower. Fat basis imports for 2017 and 2018 are raised on strength in butter imports but skim-solids imports are lowered for 2017 and unchanged for 2018. Exports on a fat basis are raised for 2017 on stronger butter and cheese exports, and increased sales of butter and anhydrous milkfat are expected to support higher fat basis exports in 2018. Skim-solids exports for 2017 and 2018 are raised, primarily on stronger expected shipments of whey products. For 2017, butter and nonfat dry milk (NDM) prices are lowered on large supplies, but the whey price is unchanged at the midpoint and the cheese price forecast is raised on current demand strength. For 2018, continued demand strength for cheese is reflected in a higher price forecast, while butter, NDM, and whey prices are lowered on larger supplies and pressure from international prices. The Class III price is raised for 2017 on stronger cheese prices, but for 2018, lower whey prices are expected to more than offset the increases in cheese prices, and the price forecast is lowered. The Class IV price is lowered for both years due to lower forecast butter and NDM prices. The 2017 all milk price forecast range is \$17.75 to \$17.85 per cwt, unchanged at the midpoint, but the 2018 price is lowered to \$17.45 to \$18.35 per cwt.

MONDAY, OCTOBER 9, 2017

CHEESE -- SALES: 14 CARS BARRELS: 6 @ \$1.7400, 1 @ \$1.7300, 1 @ \$1.7275, 1 @ \$1.7250, 1 @ \$1.7200, 1 @ \$1.7175, 1 @ \$1.7150, 1 @ \$1.7125, 1 @ \$1.7100; 1 CAR 40# BLOCKS @ \$1.7600;
 LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.7600; LAST OFFER UNCOVERED: 2 CARS BARRELS: 1 @ \$1.7100, 1 @ \$1.7300
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$0.8225; LAST BID UNFILLED: 2 CARS GRADE A: 1 @ \$0.8150, 1 @ \$0.8100; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA @ \$2.3250; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.2800; LAST OFFER UNCOVERED: 4 CARS GRADE AA: 1 @ \$2.3500, 1 @ \$2.3450, 1 @ \$2.3400, 1 @ \$2.3200

TUESDAY, OCTOBER 10, 2017

CHEESE -- SALES: 6 CARS BARRELS: 4 @ \$1.7100, 1 @ \$1.7075, 1 @ \$1.7050; 5 CARS 40# BLOCKS @ \$1.7575; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.8075, 1 @ \$0.8100, 1 @ \$0.8050; LAST BID UNFILLED: 2 CARS GRADE A: 1 @ \$0.8025, 1 @ \$0.7975; LAST OFFER UNCOVERED: 11 CARS GRADE A: 5 @ \$0.8100, 1 @ \$0.8150, 5 @ \$0.8200
 BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$2.3100, 1 @ \$2.3150, 1 @ \$2.3100, 1 @ \$2.3250; LAST BID UNFILLED: 2 CARS GRADE AA: 1 @ \$2.3100, 1 @ \$2.3225; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.3300

WEDNESDAY, OCTOBER 11, 2017

CHEESE -- SALES: 1 CAR BARRELS @ \$1.7150; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 7 CARS GRADE A: 1 @ \$0.7800, 1 @ \$0.7775, 2 @ \$0.7850, 2 @ \$0.7825, 1 @ \$0.7725; LAST BID UNFILLED: 13 CARS GRADE A: 10 @ \$0.6900, 1 @ \$0.7000, 1 @ \$0.7600, 1 @ \$0.7500; LAST OFFER UNCOVERED: 11 CARS GRADE A: 1 @ \$0.8025, 10 @ \$0.8000
 BUTTER -- SALES: 12 CARS GRADE AA: 1 @ \$2.3400, 1 @ \$2.3450, 1 @ \$2.3500, 2 @ \$2.3425, 1 @ \$2.3450, 1 @ \$2.3500, 1 @ \$2.3525, 1 @ \$2.3500, 1 @ \$2.3450, 1 @ \$2.3475, 1 @ \$2.3450;
 LAST BID UNFILLED: 8 CARS GRADE AA: 1 @ \$2.3275, 1 @ \$2.3300, 1 @ \$2.2000, 2 @ \$2.3175, 1 @ \$2.3400, 1 @ \$2.3425, 1 @ \$2.3450; LAST OFFER UNCOVERED: 3 CARS GRADE AA: 1 @ \$2.3600, 1 @ \$2.3525, 1 @ \$2.3475

THURSDAY, OCTOBER 12, 2017

CHEESE -- SALES: 14 CARS BARRELS: 1 @ \$1.7150, 1 @ \$1.7125, 1 @ \$1.7100, 1 @ \$1.7075, 1 @ \$1.7050, 1 @ \$1.7000, 1 @ \$1.6975, 1 @ \$1.7000, 1 @ \$1.6900, 1 @ \$1.6925, 1 @ \$1.6975, 1 @ \$1.6925, 1 @ \$1.6900, 1 @ \$1.6850; 1 CAR 40# BLOCKS @ \$1.7250; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6475; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ \$0.7675, 1 @ \$0.7700, 1 @ \$0.7725; LAST BID UNFILLED: 2 CARS GRADE A: 1 @ \$0.7650, 1 @ \$0.7725; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7800
 BUTTER -- SALES: 8 CARS GRADE AA: 6 @ \$2.3300, 1 @ \$2.3275, 1 @ \$2.3325; LAST BID UNFILLED: 7 CARS GRADE AA: 1 @ \$2.3250, 5 @ \$2.3275, 1 @ \$2.3300; LAST OFFER UNCOVERED: 6 CARS GRADE AA: 1 @ \$2.3400, 1 @ \$2.3500, 1 @ \$2.3450, 1 @ \$2.3400, 1 @ \$2.3350, 1 @ \$2.3375

FRIDAY, OCTOBER 13, 2017

CHEESE -- SALES: 7 CARS BARRELS: 1 @ \$1.6950, 1 @ \$1.6850, 4 @ \$1.6800, 1 @ \$1.6775; 2 CARS 40# BLOCKS: 1 @ \$1.7175, 1 @ \$1.7000; LAST BID UNFILLED: 2 CARS BARRELS: 1 @ \$1.6750, 1 @ \$1.6775; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6900
 NONFAT DRY MILK -- SALES: 9 CARS GRADE A: 1 @ \$0.7725, 2 @ \$0.7700, 1 @ \$0.7725, 1 @ \$0.7700, 2 @ \$0.7725, 1 @ \$0.7700, 1 @ \$0.7725; LAST BID UNFILLED: 4 CARS GRADE A: 1 @ \$0.7725, 1 @ \$0.7675, 2 @ \$0.7625; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7900
 BUTTER -- SALES: 12 CARS GRADE AA: 2 @ \$2.3725, 1 @ \$2.3750, 1 @ \$2.3725, 5 @ \$2.3750, 1 @ \$2.3700, 2 @ \$2.3750; LAST BID UNFILLED: 7 CARS GRADE AA: 1 @ \$2.3600, 1 @ \$2.3725, 1 @ \$2.3675, 2 @ \$2.3725, 2 @ \$2.3750; LAST OFFER UNCOVERED: 5 CARS GRADE AA: 2 @ \$2.3850, 1 @ \$2.3875, 2 @ \$2.4000

BUTTER MARKETS

NORTHEAST

Market participants are unclear as to why CME butter prices are lower than some would imagine at this point in the season. As such, some are identifying international markets in attempts to rationalize existing low domestic prices, others are not so sure. Butter manufacturers at some plants are microfixing bulk supplies as production progresses at a steady rate, with good demand. The market is primed for the holiday blitz, as butter stocks appear to be in great position for filling the upcoming holiday needs. This week, a cooperative export assistance program accepted requests for export assistance to sell 220,462 pounds (100 metric tons) of butter. The bulk butter price is 5 to 8 cents over the market of the CME Group, with various time frames and averages used. Tuesday's CME Group cash trading saw Grade AA butter close at \$2.3250, down \$0.0050 from a week ago. The undertone is mixed to unsettle as market indicators suggest a butter price that before long is likely to adjust higher. According to NASS, U.S. butter production for August 2017 totals 131.2 million pounds, up 6.2 percent from last year, but down 3.4 percent from July 2017. Cumulative 2017 butter production through August totals 1.248 billion pounds, 0.7 percent below the same period for 2016. August 2017 butter production in the Atlantic region totaled 10.1 million pounds, up 10.9 percent from last year, but down 26.1 percent from July 2017. According to the DMN *National Retail Report-Dairy*, for October 6-12, 2017, the Northeast weighted average retail price for 1-pound butter was \$3.66, 20 cents higher than the national price, but down 15 cents from last week's Northeast butter price. Retail butter markets reported prices ranging \$2.99-\$4.99 in the Northeast. The surveyed average price in the

Southeast is \$3.58, up 8 cents from last week. The Foreign Agricultural Service (FAS) reports August 2017 U.S. exports of butter and milkfat totaled 6.2 million pounds, a 182 percent increase from a year ago.

CENTRAL

Butter producers are reporting that cream is still available, although availability is beginning to tighten up a bit. Cream multiples into Class IV production were reported from 1.20 to 1.24 f.o.b. Retail sales are bustling. Undoubtedly, increasing seasonal weekly advertisements are giving already consistent retail sales numbers a boost. Microfixing and print butter production are steady. Export interests are reportedly growing, as well. Some butter makers report that healthy demand is expected to remain healthy into early 2018. The butter market tone is mixed. Prices never reached the zenith that some contacts were expecting, however strong demand and relatively affordable cream supplies have Central region butter contacts viewing the market tone bullishly. Bulk butter prices are unchanged, ranging from flat market to 7 cents over the CME average. DMN *National Retail Report-Dairy* for October 6-12 noted the national weighted average advertised price for a 1 pound package of butter is \$3.46, \$0.32 below one week ago, but \$0.23 higher than one year ago. The weighted average regional prices in the Midwest and South Central were \$3.08 and \$2.88, respectively. The NASS *Dairy Products* report noted U.S. butter production during August 2017 in the Central region totaled 54.9 million

CONTINUED ON PAGE 2A

NATIONAL DAIRY PRODUCTS SALES REPORT

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
October 7, 2017	2.4173 3,310,690	1.6707 11,142,888	1.6371 11,293,135	0.4043 6,002,845	0.8297 18,141,118

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pounds, 8.9 percent higher than one year ago. Total U.S. butter production during August 2017 was 131.2 million pounds, 6.2 percent higher than last year. January through August 2017 U.S. butter production totaled 1.248 billion pounds, 0.7 percent lower than the same period in 2016. Wednesday at the CME Group, Grade AA butter closed at \$2.3450, down \$0.0100 from last Wednesday.

WEST

In the West, there are enough supplies of cream to meet butter processing needs. In general, butter production is steady, but industry contacts suggest heavier output of print butter. This could impact available bulk butter production and supply in the short term. Current butter stocks are stable to slightly higher. Butter sales are fairly strong in the domestic and international markets. However, some buyers/end-users are putting off buying butter as they hope for prices to go down. Buyers for bakeries and grocery stores in some areas are taking their time to increase their preholiday orders. Processors expect demand to increase close to the holiday season. The market undertone is fairly balanced. The DMN *National Retail Report-Dairy* for the week of October 6-12 found that the U.S. weighted average advertised price of 1 pound butter is \$3.46, down \$.32 from last week. The U.S. weighted average price was \$3.23 one year ago. In the Southwest, the weighted average advertised price of 1 pound butter is \$3.55, with a price range of \$2.50-\$3.99. The weighted average price in the Northwest is 3.35, with a price range of \$2.50-\$3.69. This week, a cooperative export assistance program accepted requests for 220,462 pounds (100 metric tons) of butter. So far this year, the program has assisted member cooperatives who have contracts to sell 4.6 million pounds of butter (82% milkfat) in export markets. According to the NASS *Dairy Products* report, U.S. butter production during August 2017, 131.2 million pounds, was 6.2 percent higher than August 2016, but 3.4 percent lower than July 2017. U.S. cumulative 2017 butter production through August is 1,248.2 million pounds, 0.7 percent lower than the same period last year. In the West, total August butter production was 66.2 million pounds, 3.5 percent higher than August 2016 and 0.2 percent higher than July 2017. California August production was 38.7 million pounds, 1.2 percent higher than last year and 1.3 percent higher than last month. The Grade AA butter price at the CME Group on Wednesday closed at \$2.3450, down \$.0100 from a week ago.

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
August	6.2	+182
TOTAL, JAN - AUG	39.6	+16
1 Canada	18.0	+180
2 Mexico	5.2	- 72
3 South Korea	3.1	+233
4 Saudi Arabia	2.3	- 23
5 Peru	1.9	+888

CHEESE MARKETS

NORTHEAST

With milk supplies little changed, cheese production is about steady, though cheese yields are improving seasonally. Branded promotions are underway, but for the moment, private label is clearing best for some retail customers. Cream cheese production is balanced and processors' contracted cream volumes are adequate for processing needs. With prices trending higher at the CME over the past few weeks, the cheese market offers a bullish undertone. Tuesday's CME Group daily cash prices saw barrels close at \$1.7050, up \$0.0150 from a week ago; blocks closed at \$1.7575, up \$0.0325 from a week ago. According to NASS, U.S. total cheese production in April 2017 was 1.03 billion pounds, 2.3 percent higher than a year ago, but 0.7 percent lower than last month. In the Atlantic region, total cheese production was 136.5 million pounds, 4.4 percent higher than a year ago and 8.2 percent higher than the previous month. Total cheese production and percentage change, from last year for selected Eastern states are, New York 77.8 million pounds, +6.3 percent; Pennsylvania 33.9 million pounds, -2.8 percent; Vermont 12.0 million pounds, +10.3 percent, and New Jersey 4.9 million pounds, -3.6 percent. The *DMN National Retail Report-Dairy*, for October 6-12, 2017, noted the Northeast weighted average advertised price for 8 oz. cheese blocks was \$2.33, 19 cents below the national average, with a regional price range of \$1.79-\$3.59. The Southeast 8 oz. block average price was \$2.65, 13 cents above the national average, with a regional price range of \$1.98-\$3.00. The Northeast average advertised price for 8 oz. cheese shreds was \$2.48, 1 cent above the national average price, with a regional price range of \$1.88-\$3.49. In the Southeast, the average price for 8 oz. shreds was \$2.56, 9 cents above the national average, with prices ranging \$1.98-\$3.00. The Foreign Agricultural Service (FAS) reports that August 2017 U.S. cheese and curd exports totaled 67.0 million pounds, a 34% increase from a year ago.

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

Cheddar 40# Block	:	2.1825-2.4675
Process 5# Sliced	:	1.8775-2.3575
Muenster	:	2.1675-2.5175
Grade A Swiss Cuts 10 - 14#	:	3.1625-3.4850

MIDWEST CHEESE

Midwestern cheese producers continue to report decreasing milk availabilities. Reported spot milk prices, into Class III production, ranged from flat market to \$2.00 over Class. Some cheesemakers report that spot milk prices are expected to increase in the near term. Cheese demand is steady to increasing, as market prices have been fairly consistent in October. Some buyers, who were holding back on purchasing while expecting price declines, have reentered the market. Cheese production, in some plants, has been eased back as milk has become less available. Some plant managers have decreased production days in order to update and/or upgrade plant equipment. The cheese market tone remains fairly positive, as both block and barrel prices have remained above \$1.70 for over a week. The *DMN National Retail Report-Dairy* shows that October 6-12 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.23, 24 cents below the national average. Midwest prices range from \$1.99-\$2.50. One year ago, the national price was \$2.25. For 8 ounce blocks, the Midwest average price is \$2.27, 25 cents below the national average price. Midwest ads are priced from \$1.99-\$2.50. Last year, the national price was \$2.26. In CME Group trading Wednesday, barrels closed at \$1.7150, down \$0.0150 from last Wednesday and blocks closed at \$1.7575, up \$.0075 from last Wednesday. *Dairy Products* (NASS) reports total U.S.

cheese production, for August 2017, was 1.03 billion pounds, 2.3 percent above August 2016. Central total cheese production for August 2017 was 469.0 million pounds, 1.2 percent lower than July 2017. For total cheese and various types of cheese, August 2017 U.S. and Central cheese production percentage changes compared to August 2016 were as follows:

Aug Production 2017 vs 2016	U.S.	Central
Total	+ 2.3%	+ 3.7%
American	+ 1.5%	+ 5.9%
Cheddar	+ 1.2%	+ 7.1%
Total Italian	+ 2.5%	+ 5.2%
Mozzarella	+ 2.3%	+ 3.6%

Midwestern wholesale prices are down \$.1100 for Swiss cuts, up \$.0175 for process and up \$.0300 for all other types.

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

Process American 5# Loaf	:	1.8150-2.1750
Brick And/Or Muenster 5#	:	2.1075-2.5325
Cheddar 40# Block	:	1.8350-2.2300
Monterey Jack 10#	:	2.0825-2.2875
Blue 5#	:	2.3750-3.3625
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9075-2.8475
Grade A Swiss Cuts 6 - 9#	:	2.6800-2.7975

WEST CHEESE

Western cheese makers report plenty of milk is heading into cheese vats. Production schedules are running close to full, with an occasional shut down for routine maintenance. Industry contacts suggest production is in good balance with current demand. Buyers are providing support to block prices and there is a tendentious view that market prices may be further supported by increasing seasonal demand. Perspectives are mixed on cheese inventories. While most agree cheese stocks for both blocks and barrels have been drawn down somewhat, some contacts say there is a lot of cheese in storage and others report cheese has become less available. In some cases, manufacturers are offering discounted or older cheddar blocks to help clear inventories and fulfill purchaser demands. The *DMN National Retail Report-Dairy* for the week of October 6-12 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.47, up \$.19 from last week. Packs average \$2.61 in the Southwest and \$2.76 in the Northwest. One year ago, the national price was \$2.25. For 8 ounce blocks, the U.S. price is \$2.52, up \$.27 from last week. Blocks average \$2.84 in the Southwest and \$2.76 in the Northwest. One year ago, the national price was \$2.26. In the West, wholesale prices were up \$.0175 for process, and up \$.0300 for cheddar block, cuts, and Monterey Jack. Swiss cut wholesale prices are down \$.1100 from last week. This week, a cooperative export assistance program accepted requests for export assistance on contracts to sell 740,753 pounds (336 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 55.558 million pounds of cheese in export markets. *Dairy Products* (NASS) reports August 2017 U.S. total cheese production, 1.03 billion pounds, is 0.7 percent below July 2017. Total 2017 U.S. cheese production, year to date through August is 8.239 billion pounds, 2.5 percent above January through August 2016. In the West, total cheese production for August 2017 was 422.2 million pounds, 2.6 percent less than last month. For total cheese production and various types of cheese, August 2017 U.S. and West cheese production percent changes compared to August 2016 are as follows:

CONTINUED ON PAGE 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

August Production 2017 vs 2016	U.S.	West
Total Cheese	+ 2.3	+ 0.1
American	+ 1.5	- 3.8
Cheddar	+ 1.2	- 5.9
Total Italian	+ 2.5	+ 1.6
Mozzarella	+ 2.3	+ 2.4
Swiss	+ 0.5	...

In CME Group trading Wednesday, barrels closed at \$1.7150, down \$.0150 from a week ago and blocks closed at \$1.7575, up \$.0075.

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

Process 5# Loaf	:	1.8025-2.0600
Cheddar 40# Block	:	1.8675-2.3125
Cheddar 10# Cuts	:	2.0475-2.2675
Monterey Jack 10#	:	2.0575-2.2175
Grade A Swiss Cuts 6 - 9#	:	2.7400-3.1700

FOREIGN TYPE CHEESE

The market for cheese remains at seasonal levels within the European Union (EU). While in general, domestic demand for EU cheese seems to be in balance with supply, German cheese sales decreased slightly. Export sales potential is diminishing in the EU due to competition with the U.S. on the world market as well as the higher EU offer prices for cheese. Southern Europe demand for EU cheese is decreasing as the result of poorer weather conditions and the end of the holidays. Currently cheese prices are stable. In the U.S., wholesale blue, gorgonzola, parmesan Italy, and Romano prices are up \$.0300, but Swiss cut Switzerland prices are down \$.1100 from last week. The remaining prices are unchanged from 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	:	2.2525-3.7400*
Gorgonzola	: 3.6900-5.7400	:	2.7600-3.4775*
Parmesan (Italy)	: -0-	:	3.6425-5.7325*
Romano (Cows Milk)	: -0-	:	3.4425-5.5925*
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-	:	3.2000-3.5225*
Swiss Cuts Finnish	: 2.6700-2.9300	:	-0-

* = Price change.

COLD STORAGE

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

	BUTTER	CHEESE
10/09/17	23,923	100,827
10/01/17	27,728	106,524
CHANGE	-3,805	-5,697
% CHANGE	-14	-5

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
August	67.0	+ 34
TOTAL, JAN - AUG	508.4	+ 24
1 Mexico	150.9	+ 16
2 South Korea	82.2	+ 40
3 Japan	50.6	+ 22
4 Australia	40.7	+ 85
5 China	18.6	+ 31

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

	2017 Imports (Million Lb.)	% Change From 1 Year Ago
August Imports		
TOTAL Cheese and Curd (H.S. Code 0406)	33.4	- 6
Cheese, Except Fresh (H.S. Code 040690)	29.1	- 4
Fresh Cheese (H.S. Code 040610)	2.8	- 7
Cheese, Processed (H.S. Code 040630)	0.8	- 35
Cheese, Blue-Veined (H.S. Code 040640)	0.7	- 15
TOTAL, JAN - AUG	257.6	- 11
1 Italy	50.5	+ 9
2 France	28.8	- 10
3 Netherlands	19.5	+ 2
4 Spain	17.5	+ 3
5 Germany	16.9	+ 28

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	85	0	80	0	110	0
SOUTHEAST STATES	0	0	0	0	0	0

In the Northeast and Mid-Atlantic, manufacturing milk supplies are steady with a marginal increase in some areas. A few plant managers are catching up on maintenance while milk supplies are lighter. Milk production varies. Generally, production is flat for both areas. Class I demand is steady. Production in the Southeast and Florida is showing improvements as cows are beginning to freshen. Fluid milk sales are down slightly in both areas. Very little surplus milk is available for manufacturing. Import milk shipments totaled 85 spot truckloads this week, 5 loads above the previous week. Buyers of **cream** are tracking the butter market closely while limiting their spot cream purchases, hoping for further declines in the butter market, which would lower cream prices. However, market sources report numerous last minute purchases occurring. Therefore, brokers express uncertainty of what to expect from the market. **Cream multiples** this week range **1.24-1.33**. Cream cheese production is exceptionally active. **Condensed skim** interest is increasing intermittently as volumes move primarily through contracts. Class II is driving demand as holiday production expands. According to the *DMN National Retail Report-Dairy*, for the period of October 6-12, 2017, the U.S. weighted average advertised price for a gallon of milk was \$2.97, up 31 cents compared to last week and up 59 cents from last year. The average retail survey price for half gallon pack size was \$3.50, \$2.04 higher than last week and up \$1.85 from the previous year.

DAIRY PRODUCTS: According to NASS, August 2017 U.S. hard ice cream production totaled 74.2 million gallons, 4.9 percent more than last month and 1.5 percent more than a year ago. Cumulative 2017 U.S. production through August translated to 554.1 million gallons, 1.4 percent less than the previous year total through August. Meanwhile, the Atlantic region's hard ice cream production totaled 17.2 million gallons, 0.2 percent above a year ago and 5.0 percent higher than the last month. U.S. yogurt production (plain and flavored) for August 2017 totaled 388.1 million pounds, up 13.4 percent from last year, but down 2.8 percent from the previous month.

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

F.O.B. producing plants: Northeast -	2.9003-3.1109
F.O.B. producing plants: Upper Midwest -	2.9004-3.0407

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

PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	.65-.85
Northeast - Class III - spot prices -	.60-.88

MIDWEST

Milk output in the Central region has continued to ebb. Recent rain, following weeks of mostly dry weather, has some upper Midwest farmers pushing to complete the corn silage harvest. Class I sales are slightly slower to steady, depending on the area. Cheesemakers report that spot milk prices are expected to increase, although currently reported prices remained steady at flat market to \$2 over Class. Logistically, hurricane after effects are creating some major hauling issues for dairy producers and buyers throughout the region, if not the entire country. Demand is outweighing supply, as many haulers are

focusing their efforts in the storm affected areas. Multiple contacts relay that cream supplies are beginning to show signs of tightness in the Midwest and South Central region. **Cream multiples**, into Class II plants, ranged from **1.24 to 1.30**. The *DMN National Retail Report-Dairy* for October 6-12 noted the national weighted average advertised price for one gallon of milk was \$2.97, up 31 cents from last week and 59 cents higher than a year ago. The weighted average regional prices in the Midwest and South Central were \$2.06 and \$2.70, respectively. The NASS *Dairy Products* report noted August U.S. regular (hard) ice cream production totaled 74.2 million gallons, up 1.5 percent from last year. January-August U.S. production totals 554.1 million gallons, 1.4 percent below 2016 during the same period. August production in the Central region totaled 40.3 million gallons, 3.3 percent above a year ago.

WEST

This week, according to industry contacts, the weather in **California** is appropriate for good cow milking. As the result, farm milk production is seasonally higher. Fluid milk sales into Class I are steady compared to last week. Some processors are not running at full capacity and they believe that they are at the lowest supply levels for the remainder of this year. Although farm milk seems to be currently more available in California, prices in the spot market remain slightly higher. In **Arizona**, cooler weather conditions are contributing to higher milk yield. There is sufficient milk to meet all processing needs. Milk going into schools' pipelines is steady. Contacts report that the current prices for feed inputs are lower. In Arizona, topsoil and subsoil moistures are respectively 82 and 81 percent adequate to surplus. Alfalfa hay is 83 percent good to excellent. Overall farm milk sales in **New Mexico** are increasing this week. Class III demand has been moving up for the past three weeks. Class I interest also is up, but Class II demand remains stable compared to last week. Farm milk production is steady to lower, but remains in line with seasonal output levels for this time of the year. Overall, the market is balanced. The fifth and sixth cutting of alfalfa hay are respectively 79 and 41 percent completed. Topsoil and subsoil moistures are individually 78 and 81 percent adequate to surplus. **Pacific Northwest** milk production for the year is off a little due to the hot, dry summer the region experienced. Now that cooler temperatures and a little rain have come to the region, dairy contacts expect milk output to recover somewhat. That said, current milk production is seasonally in balance. Manufacturers report plenty of milk for most processing needs. In the mountain states of **Idaho**, **Colorado** and **Utah**, milk supplies remain heavy. Cow numbers are higher than they were a year ago and favorable weather has maintained a strong milk flow. Many manufacturers are running full production schedules. Any disruption within one plant creates a ripple, pushing milk out into neighboring states. The western **condensed skim** market is steady. Production and supplies are stable and in line with current demand. **Cream** intakes are starting to pick up in many western states. Cream cheese makers have seasonally increased their orders for the coming holidays. Contacts suggest that some ice cream processors are also taking in more cream. **Cream multiples** for all usages this week, are steady at **1.06-1.28**. According to the *DMN National Retail Report-Dairy* for the week of October 6-12, the national weighted average advertised price for one gallon of milk is \$2.97, up \$0.31 from last week, and \$0.59 higher from a year ago. The weighted average regional price in the Southwest is \$2.45, with a price range of \$1.89-\$2.59. The weighted average regional price in the Northwest is \$1.99, with no reported

-CONTINUED ON PAGE 4A-

FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

price range. According to the NASS *Dairy Products* report, hard ice cream production in the West region for August 2017 is 16.7 million gallons, 3.0 percent higher than a month ago, but 1.2 percent below the previous year.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Low/medium heat nonfat dry milk (NDM) prices in the Central region decreased on the bottom of the range and bottom of the mostly price series. Low/medium heat NDM inventories are plentiful. Low/medium heat NDM production is slowing. The NDM market tone is weak. Downward pressure, caused by global surpluses of SMP and the diminishing prices of protein alternatives, have the once resilient NDM market beginning to bow to fate. High heat NDM prices are unchanged. Spot activity of high heat NDM remains fairly quiet. Inventories of high heat NDM are slowly building, yet remain based primarily on contractual obligations. The NASS *Dairy Products* report noted U.S. human NDM production during August 2017 in the Central region totaled 26.2 million pounds, 22.2 percent higher than one year ago. Total U.S. human NDM production during August 2017 was 136.4 million pounds, 15.9 percent higher than last year. During January–August 2017, U.S. human NDM production totaled 1.243 billion pounds, 3.1 percent more than the same time span in 2016. Total U.S. NDM, human, month ending stocks for August were 307.8 million pounds, 31.0 percent above a year ago.

EAST: Low/medium heat nonfat dry milk (NDM) prices are lower in the range and the mostly series in marginal trading. The market undertone continues to weaken. Inventories are heavy. Demand for low heat NDM is light to moderate, in a buyers' market. Some producers rely heavily on standing domestic and export contractual customers to ease their holdings. Spot market buyers are hesitant, while looking for deals to cover near term commitments. Producers' offers are plentiful. Plant output is steady, as condensed skim clearing to Class II increases. High heat NDM prices are unchanged in a quiet market. Stocks are adequate for near term customer needs.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .8050 - 0.8900 MOSTLY: .8400 - .8800
HIGH HEAT: .9625 - 1.0500

NONFAT DRY MILK - WEST

In the West, nonfat dry milk (NDM) prices are lower at the bottom of the range and both ends of the mostly price series. According to some contacts, skim milk powder (SMP) is currently selling at lower prices compared to nonfat dry milk. Reports suggest stronger NDM/SMP sales to Mexico and Southeast Asia. However, those sales are made at prices at the bottom of the price range. Domestic demand for NDM is steady, and production is seasonally steady to lower. Inventories are plentiful. With the approaching year-end holidays, NDM requests from the bakery and confectionary industries are starting to move up. In addition, cheese manufacturers are pulling some loads for cheese fortification. Prices for high heat nonfat dry milk are steady on both the range and the mostly price series. However, some industry contacts report selling older inventories at lower prices. High heat nonfat dry milk supplies continue to be tight. The majority of production is geared toward fulfilling contractual obligations. The NASS *Dairy Products* report noted U.S. human NDM production during August 2017 in the West region totaled 83.8 million pounds, 18.3 percent higher than one year ago, but 5.2 percent lower from the previous month. Total U.S. human NDM production during August 2017 was 136.4 million pounds, up 15.9 percent from last year. Cumulative human NDM production from January to August was 1.2 billion pounds, 3.1 percent above the previous year.

Total U.S. NDM, human, month ending stocks for August were 307.8 million pounds, 31.0 percent above a year ago.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .7700 - 0.9000 MOSTLY: .8000 - .8500
HIGH HEAT: 1.0000 - 1.0500

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
October 6	\$.8224	9,688,386
September 29	\$.8789	5,708,681

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

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	108.1	- 6
TOTAL, JAN - AUGUST	880.6	+ 11
1 Mexico	407.7	+ 17
2 Philippines	113.4	+ 1
3 China	54.2	+ 86
4 Indonesia	47.9	- 39
5 Malaysia	41.6	+ 17

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Prices for Central dry buttermilk remained steady on a slow trading week. Dry buttermilk demand is mixed, but some producers continue to report buyers are remaining patient, awaiting the possibility of downticks of buttermilk prices. Inventories are growing as butter makers have continued to intake fairly steady amounts of cream, which has recently begun to firm. The dry buttermilk market tone is uncertain.

EAST: The price of dry buttermilk is steady. Activity is light in the spot market, as dry buttermilk remains tight. Some market participants are looking for loads as they expect prices to firm, with cream supplies increasingly clearing to Class II for holiday production. Consequently, dry buttermilk production is light to adequate, with most deliveries satisfying contract fulfillment. Some buyers are finding it difficult to obtain dry buttermilk, in the East, in utilizable bags. The dry buttermilk market undertone is unchanged. **DAIRY PRODUCTS:** According to NASS, U.S. production of dry buttermilk during August 2017 totaled 7.5 million pounds, 10.9 percent above a year ago, but 5.0 percent below the previous month. Month ending stocks were 14.0 million pounds, down 13.4 percent from the previous year and down 11.8 percent from last month.

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

DRY BUTTERMILK - WEST

F.O.B prices for western dry buttermilk are steady on both the range and the mostly price series. The market undertone is balanced. Sales are active for contractual demands. According to some contacts, dry buttermilk demand will increase in the coming weeks. Dry buttermilk

-CONTINUE ON PAGE 1A-

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

-CONTINUED FROM PAGE 1-

interest from the bakery industry is increasing in view of the upcoming baking season. Stocks are available to meet buyers/end-users needs. Dry buttermilk production is more active as condensed buttermilk supplies become more available for drying due to less intakes from ice cream manufacturers. The NASS *Dairy Products* report noted U.S. dry buttermilk production during August 2017 totaled 7.5 million pounds, 10.9 percent higher than a year ago, but 5.0 percent below the previous month. Total U.S. dry buttermilk month ending stocks for August were 14.0 million pounds, 13.4 percent below last year.

F.O.B. WEST: .8300 - .9500

MOSTLY: .8900 - .9000

DRY WHOLE MILK - NATIONAL

In the U.S., f.o.b. spot prices for dry whole milk are unchanged from last week on light trading. Sales are mostly based on contracts. For some industry participants, the market tone looks to be stable in all regions of the country. Demands from the bakery and confectionary sectors are slightly inching up, as the Q4 holiday season is close. Production is steady while inventories vary from plant to plant. The NASS *Dairy Products* report noted U.S. dry whole milk production during August 2017 totaled 8.9 million pounds, 32.8 percent higher from one year ago, but 8.2 percent lower than the previous month. Total U.S. dry whole milk month ending stocks for August were 16.1 million pounds, 24.5 percent above last year.

F.O.B. PRODUCING PLANT:

1.3500 - 1.5500

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Central whey spot prices decreased on the top of the range and top of the mostly price series, following a fairly quiet trading week. Dry whey production is slowing, as Midwestern cheesemakers are taking in fewer spot milk loads. Even so, dry whey is readily available and offers are being reported across the range, but primarily on the lower end. The dry whey market tone is weak. Feed whey spot market prices declined on the top of the range. Feed whey spot activity was moderate. Feed whey inventories mirror those of edible whey and are available. The NASS *Dairy Products* report noted U.S. total dry whey (Human) production for August 2017 was 94.7 million pounds, up 27 percent from a year ago. January-August 2017 U.S. total dry whey production totaled 698.9 million pounds, 8.5 percent above the same time span in 2016. The Central region produced 42.5 million pounds of U.S. human dry whey production in August, 16.8 percent higher than a year ago.

F.O.B. CENTRAL: .2800 - .4100 MOSTLY: .3200 - .3900
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1800 - .3500

DRY WHEY - NORTHEAST

Northeast dry whey prices are unchanged to lower. Market sources noted a slight uptick in dry whey moving through contracts, although short-lived. Production in the region is steady to increasing as active mozzarella demand expands dry whey output. Domestic demand is light to moderate, while export interest continues to show strength. Nonetheless, the dry whey market undertone is somewhat quiet, with lots of dry whey available.

DAIRY PRODUCTS: According to NASS, August 2017 U.S. production of human food dry whey totaled 94.7 million pounds, 4.1 percent less than last month, but 27 percent more than the previous year. The Atlantic region e production of human food dry whey for August 2017 totaled 22.1 million pounds, 10.0 percent more than a year ago, but 0.3 percent less than the previous month. The Foreign Agricultural Service (FAS), reports that August 2017 U.S. exports of dry whey totaled 40.2 million pounds, a 10 percent decline from the previous year.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3000 - .4325

DRY WHEY - WEST

Western whey prices stepped lower amid continued pressure throughout the whey protein complex. Only the bottom of the mostly price series is unchanged. Demand is mixed. Some say domestic and Mexican demand has remained solid, while others suggest a cooling interest from buyers. Industry contacts report inventories are heavy. There is a fear this could be further exacerbated as some manufacturers opt out of the sloppy isolate and concentrate markets and make more sweet whey powder instead. NASS reports that August 2017 U.S. human dry whey production, 94.7 million pounds, is up 27.0 percent from a year ago, but down 4.1 percent from July 2017. The Western region produced 30.1 million pounds of human dry whey during August, up 66.6 percent from last year, but down 7.1 percent from last month. Month ending stocks for U.S. human dry whey, at 97.1 million pounds, are 68.6 percent higher than one year ago, and up 2.1 percent from July 2017.

NONHYGROSCOPIC: .3100 - .4200 MOSTLY: .3400 - .3900

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are unchanged this week. Some industry contacts say WPC34% is hard to move unless it is a favored brand and meets rigid end user specifications. Production is relatively stable, however a few processors are adjusting their production within the weak whey complex to try to find a favorable product mix. WPC34% inventories are comfortable to plentiful and vary according to brand. Industry contacts are hopeful the WPC34% market has found a price floor and will recover soon. However, it is unclear whether current values can hold as a denegation to the price pressures created by other protein sources and a weak whey protein complex. According to the NASS *Dairy Products* report U.S. production of WPC (25.0-49.9% protein) during August 2017 totaled 13.8 million pounds, 6.5 percent higher than one year ago, but 7.3 percent lower than July. Year to date total WPC (25.0-49.9% protein) production through August is 120.1 million pounds, up 0.7 from January through August one year ago. Manufacturers' end-of-month stocks for WPC (25.0-49.9% protein) totaled 23.0 million pounds, 3.8 percent lower than one year ago, and 5.2 percent less than July 2017.

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

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	40.2	- 10
TOTAL, JAN - AUGUST	298.2	+ 12
1 China	140.3	+ 62
2 Canada	30.0	- 3
3 Philippines	22.8	+ 28
4 Mexico	20.9	- 17
5 Japan	16.6	+ 4

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	31.6	+ 9
TOTAL, JAN - AUGUST	206.4	+ 1
1 China	87.5	- 9
2 Mexico	38.7	+ 51
3 Canada	23.4	+ 2
4 Philippines	11.4	+ 140
5 Indonesia	6.3	- 23

-CONTINUED ON PAGE 6A-

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.

-CONTINUED FROM PAGE 6-**LACTOSE - CENTRAL AND WEST**

Lactose prices are steady to lower. The bottoms of the range and the mostly price series took steps downward. Industry contacts report a number of spot sales moving at lower prices within the range. Some manufacturers are competing heavily with lactose from other parts of the world. Lactose stocks range from committed to heavy and many processors are trying to reduce their inventories prior to year-end. Furthermore, production is steady to lower as some manufacturers also try to cap new lactose moving into the warehouse. NASS's *Dairy Products* report shows U.S. lactose production during August 2017 totaled 97.8 million pounds, a 5.6 percent increase from one year ago, but 1.7 percent less than last month. Year to date lactose production through August is 760.1 million pounds, 3.5 percent more than a year ago. Month ending stocks, at 159.1 million pounds, are 20.6 percent higher than one year ago, and 9.7 percent more than July 2017.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1800 - .4400 MOSTLY: .2100 - .3300

At GDT event 197 on October 3, rennet casein for November contracts declined 6.1 percent to \$2.7057 per pound. The all contracts price, \$2.7774, is +0.9 percent. The decline in November was a bit surprising, but consistent with many of the commodities traded where price declines of the magnitude booked were unexpected.

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:	2.7050 - 2.8100
ACID:	3.4800 - 3.6000

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

	2017 Exports (Million Lb.)	% Change From 1 Year Ago
August Total	47.3	- 12
TOTAL, JAN - AUGUST	387.7	+ 3
1 China	63.8	- 1
2 Mexico	56.4	+15
3 New Zealand	49.0	- 25
4 Japan	33.2	+ 6
5 Indonesia	23.8	- 19

CASEIN - NATIONAL

Rennet casein prices are steady to lower. Acid casein prices weakened slightly at the bottom of the price range. Casein markets have been generally calm. January-August New Zealand casein exports, 38,000 MT, declined 14.4 percent from the same period one year earlier, according to CLAL. Caseinate exports during the same time period, 21,000 MT, declined 9.4 percent. New Zealand casein (ate) export volumes and primary destinations reported by Eucolait are shown in the following table:

New Zealand Casein(ate) Exports

Main Three Destinations
January-August 2017

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

U.S. Dairy Cow Slaughter (1000 head) under Federal Inspection

WEEK ENDING	2017 WEEKLY DAIRY COWS	2017 CUMULATIVE DAIRY COWS	2016 WEEKLY DAIRY COWS	2016 CUMULATIVE DAIRY COWS
09/23/2017	60.2	2,176.7	58.2	2,138.5

WEBSITE: http://www.ams.usda.gov/mnreports/sj_ls714.txt

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

CLASS III MILK PRICES (3.5% Butterfat)

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

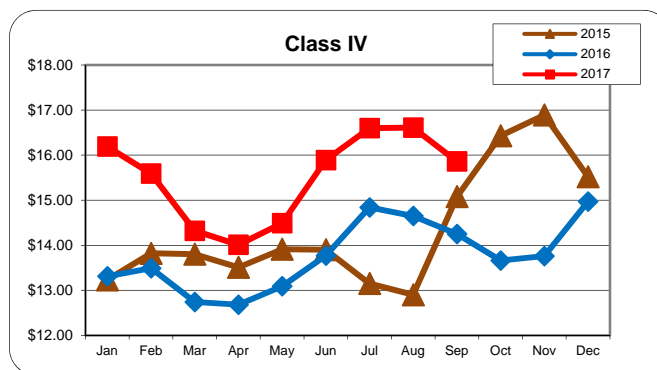
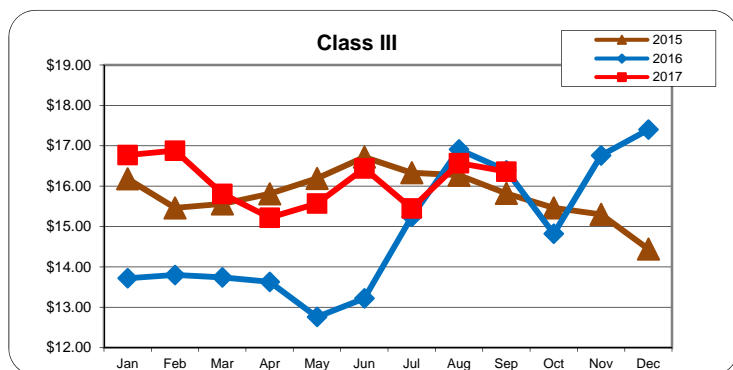
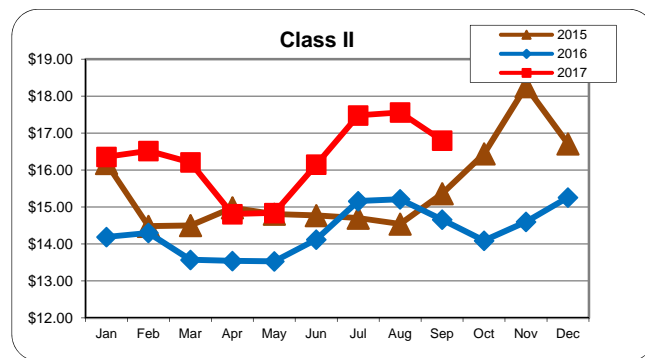
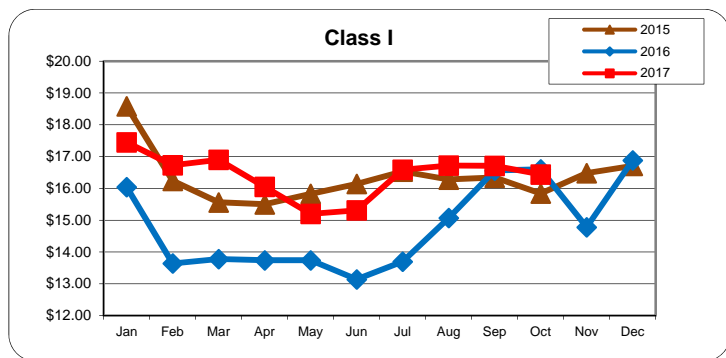
CLASS IV MILK PRICES (3.5% Butterfat)

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

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

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	17.45	16.73	16.90	16.05	15.20	15.31	16.59	16.72	16.71	16.44		
II	16.36	16.52	16.21	14.81	14.84	16.15	17.48	17.56	16.80			
III	16.77	16.88	15.81	15.22	15.57	16.44	15.45	16.57	16.36			
IV	16.19	15.59	14.32	14.01	14.49	15.89	16.60	16.61	15.86			

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



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered October 2 - 13, 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: Earlier this week, many in the global dairy industry scrambled to assess the potential impact of comments from the EU Commissioner of Agriculture, suggesting a new approach to intervention. Noting a need to clear the approximately 380,000 MT of SMP in public storage, and to seek to limit new volumes that might otherwise enter intervention when the next window opens March 1, certain measures were suggested. The commissioner suggested ending having a fixed price buying ceiling for SMP tendered and move to 0. He also proposed that tendering start right away to allow consideration over coming months as to which volumes should be entered into intervention starting March 1. This proposal and any such changes would require approval of the European Council. Before council consideration, talks will be conducted beginning soon in the Special Committee on Agriculture. No new suggestions were made as to disposing of stocks already in intervention.

There was general consensus at last week's meeting of the Directorate General for Agriculture and Rural Development of the European Commission, that the short term outlook for EU dairy markets is better than last year at this time. Milk prices are relatively stable in EU countries at levels helping to stimulate milk production.

For the year projections remain that milk production will increase 0.7 percent for 2017 compared with 2016.

Cheese production in the EU is helped by strong export demand as well as industrial use in the EU. Cheese production is projected to increase 2.0 percent in 2017. Expectations are that 2018 growth in cheese output will also remain at near 2.0 percent, assuming that expected export growth from Japan and South Korea continues.

EU butter production during 2017 is expected by the commission to be about 3 percent lower than 2016, with exports down 10 percent.

The expectation is that SMP exports will be strong in the balance of 2017, as well as 2018. If that occurs and 2018 SMP production increases, it was suggested by some participants that around 150,000 MT of SMP could then be released out of intervention in 2018. Further official action would be necessary before that happens.

EU efforts to reach or update dairy export agreements with other countries have become very high priority. The recent renewed EU commitment to expanding dairy exports, presented in late September and named the "Trade or All" strategy, was further clarified at a meeting of EU dairy industry leaders. Noting finalization of the EU-Canada trade deal, and the Japan trade agreement now being mostly sealed, satisfaction was expressed as to progress in negotiations with Singapore and Vietnam. Progress made in ongoing negotiations with Mexico and Mercosur was also noted. Other trade agreement goals mentioned were updating an agreement with Chile, as well as continuing discussions with the Philippines, Malaysia and Thailand.

January-August Algeria cheese imports, 15,261 MT, decreased 40.4 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative import volumes varies from -46.9 percent in February, to -28.5 percent in April. Import volumes and primary origins are shown in the following table:

Algeria Cheese Imports
Main Three Origins
January-August 2017

Origin	Quantity(MT)	Percent of Total
Netherlands	4,963	32.5
Ireland	4,064	26.6
New Zealand	2,484	16.3

BUTTER/BUTTEROIL: Butter prices in Western Europe weakened. Prices have generally trended higher much of the year. Now, following seven consecutive periods of strengthening prices at each end of the price range, this is the second consecutive period of weaker prices at each end. Butteroil prices strengthened.

Domestic demand in some countries such as Germany has weakened this year. January-August, as prices of butter trended up, retail sales declined according to a retail tracking firm. Some consumers responded to higher prices by shifting purchases of butter to mixed fats. Store orders began to increase again during the last week of September. Overall stocks of butter are very comfortable from the perspective of manufacturers. While end of year holiday demand was expected to strengthen butter sales, price moderation should nudge that along.

The Dairy Market News international monthly average price in dollars /metric ton for Western Europe butter prices in September, 2017, \$8,064, compares with \$4,301 one year earlier. The Dairy Market News international monthly average price in dollars /metric ton for Western Europe butteroil prices in September, 2017, \$8,212, compares with \$4,258 one year earlier.

82% BUTTERFAT:	7,325 - 7,800
99% BUTTERFAT:	7,250 - 9,400

SKIM MILK POWDER (SMP): Skim milk powder prices in Western Europe slightly weakened. Continuing price weakness is expected in coming weeks. This, even with lower production than last year at this time. Most current production is scheduled to meet contract obligations. The current price decline is viewed as a correction somewhat in response to the ending of the most recent intervention program, now that intervention is no longer a sales outlet. However, intervention stocks in defined volumes will continue to be offered. The next tender for sales of SMP from intervention stocks will be on October 17.

The separate European Market Overview report in this DMN series provides a more extensive discussion as to possible future actions related to intervention and existing stocks, in the broader context of the European dairy economy.

Some EU SMP export strength arises from January-August Algeria import data. SMP imports, 113,401 MT, increased 46.6 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative import volumes varies from +37.5 in June, to +170 percent in January. Import volumes and primary origins are shown in the following table:

Algeria SMP Imports
Main Three Origins
January-August 2017

Origin	Quantity(MT)	Percent of Total
France	44,724	39.4
Poland	22,256	19.6
Belgium	12,372	10.9

The Dairy Market News international monthly average price in dollars /metric ton for Western Europe SMP prices in September, 2017, \$1,968, compares with \$2,236 one year earlier.

1.25% BUTTERFAT:	1,775 - 1,925
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CONTINUED ON PAGE 8.1A

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered October 2 - 13, 2017

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CONTINUED FROM PAGE 8

SWEET WHEY POWDER: Western Europe whey prices weakened, continuing a trend over the last several reporting periods. Supplies of whey are higher than some manufacturers prefer. This gives buyers greater bargaining leverage, which is a big factor in weaker prices. It is expected this situation will continue into coming weeks.

The Dairy Market News international monthly average price in dollars /metric ton for Western Europe whey powder prices in September, 2017, \$979, compares with \$935 one year earlier.

NONHYGROSCOPIC: 750 - 975

WHOLE MILK POWDER (WMP): European whole milk powder prices weakened. Demand is characterized as very quiet. Weak demand applies to both internal European demand for WMP manufactured in Europe, as well as export demand. New Zealand typically is the primary global exporter of WMP. Manufacturers with options often direct milk into other products. This overall situation is not expected to change soon.

The Dairy Market News international monthly average price in dollars /metric ton for Western Europe WMP prices in September, 2017, \$3,755, compares with \$2,873 one year earlier.

26% BUTTERFAT: 3,400 - 3,725

EASTERN OVERVIEW: January-July notched some changes in imports for Belarus, compared with the same period last year. Bulk milk imports were -93.8 percent; cheese was down 15.7 percent; and whey powder was down 40.7 percent according to CLAL.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered October 2 - 13, 2017

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AUSTRALIA: July-August milk production in Australia is up 1.6 percent over July-August last year. Breakdown by state is shown in the chart below.

Australia Milk Production		
July-August 2017 (Million (% Change YTD Liters)		
		From 1 Year Ago)
New South Wales	94.9	2.1
Victoria	929.6	2.3
Queensland	72.2	-2.6
South Australia	72.3	1.1
Western Australia	62.0	-2.5
Tasmania	65.3	-0.2
Australia (Total)	1,396.3	1.6

Data From Dairy Australia

It is still early in the milk season. The current season is projected to record growth in milk production near 2.5 percent. Better profitability on many farms is contributing to these expectations. For many dairy producers this is a period of recovery from recent bad years with squeezed margins and resulting disappointing profitability. Favorable weather in some regions has contributed to keeping costs of production lower in recent months.

The Australian Competition and Consumer Commission (ACCC) has been conducting an inquiry into the competitiveness, trading practices, supply chain and transparency of the Australian dairy industry. Last October the Australian Treasurer ordered the inquiry to be conducted. The reporting deadline has now been extended until April 30, 2018. A reason for the extension was said to be to permit interim findings to be released by November 30, 2017, then receive comments from the dairy industry to be considered in the final report.

It is generally acknowledged that this inquiry resulted from the retroactive cuts in payments to dairy producers for milk by one of the largest cooperatives in Australia. Many of the processing facilities of that cooperative have been or are in the process of being sold. This has resulted in many Australian dairy producers seeking new outlets for their milk.

NEW ZEALAND: August 2017 New Zealand milk production was 1.3 million MT, up from 0.2 million MT in July, according to DCANZ. August milk solids, 111.4 million kg, are up from 21.5 million kg in July. During August 2016, milk solids were 113.1 million kg.

Results for September production will not likely be available until approximately the 20th of October. At the present time, a number of experienced industry personnel in New Zealand expect September 2017 production to also lag September 2016. This week in October marks a continuing period of heavy rain in many parts of New Zealand. That continued to take a toll on pasture conditions and of course, current milk production. Nevertheless, there are cautious expectations for improvement season-on-season because monthly production typically does not begin declining until February. Even April is often a better production month than September, so there is certainly time for the season to rebound.

At the October 3 GDT event #197, all contracts prices ranged from 1.9 percent higher to 10.3 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, \$6,504, -3.4 percent; butter, \$5,837, -3.6 percent; buttermilk powder, \$1,804, -10.3 percent; cheddar cheese, \$4,109, +1.9 percent; lactose, n/a; rennet casein, \$6,123, +0.9 percent; skim milk powder, \$1,895, -1.4 percent; and whole milk powder, \$3,037, -2.7 percent.

BUTTER: Butter prices in Oceania weakened. Milk production

this season in both New Zealand and Australia is projected higher than last season. While reported production for New Zealand is off to a slower than expected start, a seasonal increase is still projected. At this early point in the season, anecdotal reports are that current export activity with China, in particular, is very active. However, buyers are not desperate and still negotiate hard. The most recent reported butter export data is from August.

January-August Australian butter exports, 7,612 MT, declined 50.3 percent from the same period one year earlier, according to Euclait. The range of monthly percentage changes in cumulative export volumes varies from -54 percent in June, to -36.7 percent in April. Export volumes and primary destinations are shown in the following table:

Australia Butter Exports
Main Three Destinations
January-August 2017

Destination	Quantity(MT)	Percent of Total
China	1,618	20.4
Malaysia	1,314	16.5
Singapore	1,281	16.1

January-August New Zealand butter exports, 163,347 MT, declined 15.1 percent from the same period one year earlier, according to Euclait. The range of monthly percentage changes in cumulative export volumes varies from -30.3 percent in January, to -11.8 percent in June. Export volumes and primary destinations are shown in the following table:

NZ Butter Exports
Main Three Destinations
January-August 2017

Destination	Quantity(MT)	Percent of Total
China	36,485	22.3
Australia	14,706	9.0
Iran	7,882	4.8

January-August China butter imports, 54,071 MT, increased 13.9 percent from the same period one year earlier, according to Euclait. The range of monthly percentage changes in cumulative import volumes varies from -29.9 percent in January, to +13.9 percent in August. Import volumes and primary origins are shown in the following table:

China Butter Imports
Main Three Origins
January-August 2017

Origin	Quantity(MT)	Percent of Total
New Zealand	46,069	85.2
France	4,203	7.8
Australia	1,622	3.0

At GDT Event 197 on October 3, the butter all contracts price, \$5,837, decreased 3.6 percent. The November contract, \$6,180, increased 1.0 percent.

The Dairy Market News international monthly average price in dollars /metric ton for Oceania butter prices in September, 2017, \$6,230, compares with \$3,860 one year earlier.

82% BUTTERFAT:

5,600 – 6,200

CONTINUED ON PAGE 8AA

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered October 2 - 13, 2017

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CONTINUED FROM PAGE 8A

SKIM MILK POWDER (SMP): Oceania skim milk powder prices moved to a wider price range. Prices at the bottom of the price range slightly weakened, while rising at the top. This reflects the inclination of some buyers to hold back for pricing they prefer, while some other buyers scramble to add stocks for short term needs, or seek SMP from certain sources or locations. Overall there is plenty of SMP available and timing/location factors are attributed for the top of range price increase.

January-August Australian SMP exports, 104,780 MT, declined 0.9 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 -0.8 percent in July. Export volumes and primary destinations are shown in the following table:

Australia SMP Exports
Main Three Destinations
January-August 2017

Destination	Quantity(MT)	Percent of Total
Indonesia	23,161	21.8
China	22,685	21.3
Malaysia	13,983	13.2

January-August New Zealand SMP exports, 239,537 MT, declined 14.6 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -22.9 percent in February, to -7.9 percent in January. Export volumes and primary destinations are shown in the following table:

New Zealand SMP Exports
Main Three Destinations
January-August 2017

Destination	Quantity(MT)	Percent of Total
China	68,958	28.8
Malaysia	22,638	9.5
Philippines	18,610	7.8

January-August China SMP imports, 184,676 MT, increased 29.2 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative import volumes varies from -2.0 percent in January, to +29.2 percent in August. Import volumes and primary origins are shown in the following table:

China SMP Imports
Main Three Origins
January-August 2017

Origin	Quantity(MT)	Percent of Total
New Zealand	91,053	49.3
Australia	23,083	12.5
USA	17,667	9.6

January-August Japan SMP imports, 33,402 MT, increased 53.0 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative import volumes varies from -23.9 percent in January, to +53.0 percent in August.

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

Japan SMP Imports
Main Three Origins
January-August 2017

Origin	Quantity(MT)	Percent of Total
New Zealand	14,064	42.1
USA	5,438	16.3
Australia	4,993	15.0

At GDT Event 197 on October 3, the SMP all contracts price, \$1,895, decreased 1.4 percent. The November contract, \$2,052, increased 6.0 percent.

The Dairy Market News international monthly average price in dollars/metric ton for Oceania SMP prices in September, 2017, \$1,944, compares with \$2,344 one year earlier.

1.25% BUTTERFAT:

1,825 - 2,050

CHEDDAR CHEESE: Cheddar prices in Oceania narrowed the price range, up slightly at the bottom and down slightly at the top. Cheddar has been a steady performer and this adjustment will not cause anyone to lose sleep. The tightness of the price range is viewed as an indicator that Oceania cheddar markets are in pretty good balance. China and Japan remain as primary export destinations for cheese from both New Zealand and Australia.

January-August Australian cheese exports, 109,130 MT, declined 3.2 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -4.8 percent in July, to +8 percent in January. Export volumes and primary destinations are shown in the following table:

Australian Cheese Exports
Main Three Destinations
January-August 2017

Destination	Quantity(MT)	Percent of Total
Japan	52,983	46.2
China	16,417	14.3
South Korea	7,323	6.4

January-August New Zealand cheese exports, 229,545 MT, declined 4.2 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -18.9 percent in February, to -2.1 percent in July. Export volumes and primary destinations are shown in the following table:

New Zealand Cheese Exports
Main Three Destinations
January-August 2017

Destination	Quantity(MT)	Percent of Total
Australia	46,022	20.1
Japan	41,253	18.0
China	36,842	16.1

CONTINUED ON PAGE 8AAA

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered October 2 - 13, 2017

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CONTINUED FROM PAGE 8AA

January-August China cheese imports, 79,007 MT, increased 23.4 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative import volumes varies from -1.2 percent in January, to +28.7 percent in June. Import volumes and primary origins are shown in the following table:

China Cheese Imports
Main Three Origins
January-August 2017

Origin	Quantity(MT)	Percent of Total
New Zealand	42,773	54.1
Australia	15,018	19.0
USA	8,449	10.7

January-August Japan cheese imports, 178,157 MT, increased 3.1 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative import volumes varies from -3.0 percent in March, to +6.4 percent in June. Import volumes and primary origins are shown in the following table:

Japan Cheese Imports
Main Three Origins
January-August 2017

Origin	Quantity(MT)	Percent of Total
Australia	56,645	31.8
New Zealand	42,443	23.8
USA	19,598	11.0

At GDT Event 197 on October 3, the cheddar all contracts price, \$4,109, increased 1.9 percent. The November contract, \$4,201, decreased 0.8 percent.

The Dairy Market News international monthly average price in dollars/metric ton for Oceania cheddar prices in September, 2017, \$4,138, compares with \$3,560 one year earlier.

39% MAXIMUM MOISTURE: 4,050 - 4,200

WHOLE MILK POWDER (WMP): Whole milk powder prices in Oceania weakened, to the surprise of many observers. Current export activity has increased from late summer. The tightness of milk supplies in China has led to more interest from China in acquiring WMP. As the most significant regional dairy commodity, the weakness in WMP pricing is of concern, although current pricing is generally still profitable but not as profitable as is desired by most manufacturers.

January-August Australian WMP exports, 32,720 MT, declined 24.6 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -24.6 percent in August, to +14.6 percent in February. Export volumes and primary destinations are shown in the following table:

Australia WMP Exports
Main Three Destinations
January-August 2017

Destination	Quantity(MT)	Percent of Total
China	8,728	25.4
Sri Lanka	5,060	14.7
Singapore	4,448	13.0

January-August New Zealand WMP exports, 824,929 MT, declined 0.2 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative export volumes varies from -11.8 percent in January, to +1.1 percent in July. Export volumes and primary destinations are shown in the following table:

New Zealand WMP Exports
Main Three Destinations
January-August 2017

Destination	Quantity(MT)	Percent of Total
China	244,413	29.6
Algeria	76,467	9.3
UAE	69,656	8.4

January-August China WMP imports, 370,035 MT, increased 10.5 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative import volumes varies from -10.0 percent in January, to +10.5 percent in August. Import volumes and primary origins are shown in the following table:

China WMP Imports
Main Three Origins
January-August 2017

Origin	Quantity(MT)	Percent of Total
New Zealand	350,159	94.6
France	6,633	1.8
Australia	5,823	1.6

January-August Algeria WMP imports, 181,340 MT, increased 23.7 percent from the same period one year earlier, according to Eurolait. The range of monthly percentage changes in cumulative import volumes varies from +23.7 percent in August, to +72.0 percent in April. Import volumes and primary origins are shown in the following table:

Algeria WMP Imports
Main Three Origins
January-August 2017

Origin	Quantity(MT)	Percent of Total
New Zealand	115,881	63.9
Netherlands	21,453	11.8
France	10,475	5.8

At GDT Event 197 on October 3, the WMP all contracts price, \$3,037, decreased 2.7 percent. The November contract, \$3,135, decreased 3.2 percent.

The Dairy Market News international monthly average price in dollars /metric ton for Oceania WMP prices in September, 2017, \$3,130, compares with \$2,858 one year earlier.

26% BUTTERFAT: 3,000 - 3,150

CONTINUED ON PAGE 8AAAA

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered October 2 - 13, 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 8AAA**Exchange rates for selected foreign currencies:****October 9, 2017**

.0573 Argentina Peso	.0153 India Rupee
.7754 Australian Dollar	.0089 Japan yen
.3136 Brazil Real	.0536 Mexican Peso
.7968 Canadian Dollar	.7064 New Zealand Dollar
.0016 Chile Peso	.2730 Poland Zloty
1.1743 Euro	.0343 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0536) = 18.6567$ Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS

US\$/MT	Global/Dairy Trading (gDT) Event 197 Recap - October 3, 2017													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	Nov-17		Dec-17		Jan-18		Feb-18		Mar-18		Apr-18			
Anhydrous Milk Fat	\$6,980	-8.3%	\$6,638	-1.5%	\$6,372	-4.4%	\$6,363	-4.4%	\$6,401	-3.5%	n.a.		\$6,504	-3.4%
Butter	\$6,180	1.0%	\$6,187	1.1%	\$5,610	-8.3%	\$5,520	-4.7%	\$5,535	-7.4%	n.a.		\$5,837	-3.6%
Buttermilk Powder	n.a.		\$1,758	-12.5%	\$1,820	-8.3%	\$1,900	-8.4%	\$1,870	-9.0%	n.a.		\$1,804	-10.3%
Cheddar	\$4,201	-0.8%	\$4,098	2.3%	\$4,099	2.6%	\$4,097	2.0%	\$4,220	-0.9%	n.a.		\$4,109	1.9%
Lactose	n.a.		n.a		n.a		n.a.		n.a.		n.a.		n.a	
Rennet Casein	\$5,965	-6.1%	\$6,195	1.7%	\$6,016	0.8%	\$6,137	2.1%	\$6,255	-0.5%	n.a.		\$6,123	0.9%
Skim Milk Powder	\$2,052	6.0%	\$1,954	1.5%	\$1,824	-6.1%	\$1,858	-2.3%	\$1,863	-1.8%	n.a.		\$1,895	-1.4%
Whole Milk Powder	\$3,135	-3.2%	\$3,033	-2.5%	\$3,008	-3.4%	\$3,023	-2.3%	\$3,029	-1.9%	n.a.		\$3,037	-2.7%

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

US\$/Pound	Global/Dairy Trading (gDT) Event 197 Recap - October 3, 2017												
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts
	Nov-17		Dec-17		Jan-18		Feb-18		Mar-18		Apr-18		
Anhydrous Milk Fat	\$3.1661	-8.3%	\$3.0110	-1.5%	\$2.8903	-4.4%	\$2.8862	-4.4%	\$2.9035	-3.5%	n.a.	\$2.9502	-3.4%
Butter	\$2.8032	1.0%	\$2.8064	1.1%	\$2.5447	-8.3%	\$2.5039	-4.7%	\$2.5107	-7.4%	n.a.	\$2.6476	-3.6%
Buttermilk Powder	n.a.		\$0.7974	-12.5%	\$0.8255	-8.3%	\$0.8618	-8.4%	\$0.8482	-9.0%	n.a.	\$0.8183	-10.3%
Cheddar	\$1.9056	-0.8%	\$1.8588	2.3%	\$1.8593	2.6%	\$1.8584	2.0%	\$1.9142	-0.9%	n.a.	\$1.8638	1.9%
Lactose	n.a.		n.a		n.a		n.a.		n.a.		n.a.	n.a	
Rennet Casein	\$2.7057	-6.1%	\$2.8100	1.7%	\$2.7288	0.8%	\$2.7837	2.1%	\$2.8372	-0.5%	n.a.	\$2.7774	0.9%
Skim Milk Powder	\$0.9308	6.0%	\$0.8863	1.5%	\$0.8274	-6.1%	\$0.8428	-2.3%	\$0.8451	-1.8%	n.a.	\$0.8596	-1.4%
Whole Milk Powder	\$1.4220	-3.2%	\$1.3758	-2.5%	\$1.3644	-3.4%	\$1.3712	-2.3%	\$1.3739	-1.9%	n.a.	\$1.3776	-2.7%

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

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered October 2 - 13, 2017

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

SOUTH AMERICA OVERVIEW: In terms of farm milk production, during the past year, the South American dairy industry has transitioned from a deep crisis, to a drastic recovery, mainly due to a climatic improvement throughout the Continent.

In the main dairy basins of **Argentina** and **Uruguay**, farm milk output continues shifting up as the spring flush approaches. Milk/cream supply is large, above last year's levels. Heavy milk volumes are clearing into bottled milk/UHT, cheese, yogurt, and dry milk manufacturing. Shipments to several retail channels and food services are strong this week. Overall, inventories for dairy products are steady to building.

In **Brazil**, farm milk production is robust, more than sufficient to cover most domestic processing needs. With large milk/cream volumes readily available in the market, processors are paying less to producers. This is negatively affecting the revenues of several dairy operations (tambos). Some producers blame dairy imports as the cause of negative profit margins. Thus, many tambos put pressure on the Brazilian government in order to regulate the dairy imports coming from Uruguay. In fact, during the current week, the Brazilian government suspended the importation of dairy products from Uruguay. This measure is in force until Uruguay proves the origin of the milk that has been exported to Brazil. Meanwhile, in the Brazilian market, the demand for cheese is improving while production is very active. In addition, due to the large stocks of UHT milk, some processors are curtailing UHT manufacturing.

The September 2017 Dairy Market News monthly average price per metric ton for SMP in the southern Cone of South America is \$2,533.

According to the Brazilian government, SMP imports from January to September 2017 totaled 21.7 million tons, down 19 percent from the same period in 2016. From this total, imports from Uruguay, Argentina, and United States represented 42, 39, and 12 percent, respectively.

At the GDT Event 197 on October 3, skim milk powder (SMP) prices across all contract periods averaged \$1,895 per metric ton, down 1.4 percent from the last event.

1.25% BUTTERFAT:

2,500– 2,850

WHOLE MILK POWDER (WMP): In the Southern Cone region of South America, whole milk powder (WMP) f.o.b. export prices are mixed on a wider range. Unlike one year ago, the Brazilian demand for WMP is weak, which is negatively affecting WMP imports from nearby countries. The blockade of dairy imports from Uruguay by the Brazilian government is causing much uncertainty in the market. Hence, the bulk of WMP exports in the Southern Cone are occurring outside the Mercosur bloc. WMP production is active as there is enough milk available throughout the region. Inventories are mixed across the continent.

The September 2017 Dairy Market News monthly average price per metric ton for WMP in the southern Cone of South America is \$3,336.

According to the Brazilian government, WMP imports from January to September 2017 totaled 64.8 million tons, down 34 percent from the same period in 2016. From this total, imports from Uruguay, Argentina, and Chile represented 60, 35, and 4 percent, respectively.

At the GDT Event 197 on October 3, whole milk powder (WMP) prices across all contract periods averaged \$3,037 per metric ton, down 2.7 percent from the last event.

26% BUTTERFAT:

3,000 - 3,500

SKIM MILK POWDER (SMP): In the Southern Cone region of South America, f.o.b. export prices for skim milk powder (SMP) adjusted down, in line with the recent GDT results. The regional demand for SMP is weakening while supplies continue building. SMP production is active as large condensed skim volumes are still clearing into drying.

CME GROUP, INC FUTURES

Selected settling prices

Month	09/29	10/02	10/03	10/04	10/05	10/06	10/09	10/10	10/11	10/12
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
SEP 17	16.38	16.38	16.37	16.36	-----	-----	-----	-----	-----	-----
OCT 17	16.24	16.33	16.43	16.63	16.75	16.80	16.74	16.70	16.71	16.69
NOV 17	16.16	16.20	16.28	16.49	16.50	16.57	16.40	16.24	16.17	16.11
DEC 17	16.04	16.09	16.11	16.30	16.30	16.35	16.14	15.93	15.80	15.75
JAN 18	15.72	15.74	15.77	15.90	15.90	15.97	15.79	15.59	15.51	15.45
FEB 18	15.66	15.61	15.63	15.79	15.80	15.87	15.74	15.58	15.51	15.45
MAR 18	15.61	15.53	15.49	15.65	15.71	15.74	15.69	15.51	15.45	15.40
APR 18	15.57	15.47	15.47	15.56	16.67	15.67	15.60	15.45	15.41	15.38
MAY 18	15.66	15.60	15.60	15.62	15.70	15.70	15.70	15.51	15.52	15.52
JUNE 18	15.82	15.80	15.80	15.83	15.90	15.88	15.95	15.75	15.74	15.77
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
SEP 17	15.93	15.93	15.89	15.86	-----	-----	-----	-----	-----	-----
OCT 17	15.25	15.14	15.01	15.06	15.14	15.07	15.07	14.93	14.91	14.91
NOV 17	15.20	15.01	15.02	15.22	15.22	15.22	15.15	15.01	14.92	14.82
DEC 17	15.24	15.07	15.07	15.21	15.22	15.22	15.22	15.03	14.93	14.81
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
SEP 17	252.80	252.78	252.70	252.98	-----	-----	-----	-----	-----	-----
OCT 17	238.95	234.50	234.25	235.75	237.00	236.00	236.48	236.98	237.50	236.53
NOV 17	238.00	233.00	234.13	238.68	238.65	237.50	236.75	237.13	238.00	237.65
DEC 17	237.50	232.50	235.60	239.00	239.03	239.00	237.03	237.70	239.50	238.25
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
SEP 17	85.25	85.25	85.73	84.99	-----	-----	-----	-----	-----	-----
OCT 17	84.33	84.43	84.18	84.18	83.98	83.95	83.95	82.80	81.50	81.03
NOV 17	84.50	84.90	84.75	84.75	84.75	84.25	84.25	82.75	80.50	79.65
DEC 17	84.90	85.25	85.00	85.00	85.20	84.53	84.50	82.15	79.40	78.65
WHEY (Electronic-Traded) (¢/lb)										
SEP 17	41.75	41.75	41.75	41.67	-----	-----	-----	-----	-----	-----
OCT 17	38.73	38.63	38.25	38.53	38.53	38.53	38.48	38.48	38.48	38.25
NOV 17	36.75	36.53	36.53	36.85	36.75	36.75	36.25	35.70	35.00	35.00
DEC 17	34.75	34.75	34.75	34.83	34.83	35.00	34.50	34.00	32.88	32.50
CHEESE CSC (Electronic-Traded) (\$/lb)										
SEP 17	1.66	1.66	1.66	1.66	-----	-----	-----	-----	-----	-----
OCT 17	1.67	1.69	1.70	1.72	1.73	1.73	1.73	1.72	1.72	1.72
NOV 17	1.68	1.69	1.69	1.71	1.71	1.72	1.71	1.69	1.69	1.68
DEC 17	1.68	1.68	1.68	1.70	1.70	1.71	1.69	1.67	1.67	1.66
JAN 18	1.65	1.66	1.66	1.66	1.67	1.68	1.67	1.66	1.65	1.64

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

August Milk Sales

During August, 4.0 billion pounds of packaged fluid milk products are estimated to have been sold in the United States. This was 2.6 percent lower than August 2016. Estimated sales of total conventional fluid milk products decreased 2.8 percent from August 2016 and estimated sales of total organic fluid milk products decreased 0.2 percent from a year earlier.

Estimated Total U.S. Sales of Fluid Milk Products, August 2017, with Comparisons ¹				
Product Name	Sales		Change from: ²	
	August	Year to Date	Previous Year	Year to Date
	(million pounds)		(percent)	
Conventional Production Practice				
Whole Milk	1,265	9,725	1.9	2.3
Flavored Whole Milk	59	432	9.7	8.8
Reduced Fat Milk (2%)	1,291	10,024	-3.3	-3.0
Low Fat Milk (1%)	518	4,182	-7.1	-7.1
Fat-Free Milk (Skim)	341	2,765	-11.9	-12.3
Flavored Fat-Reduced Milk	285	2,437	-1.2	2.1
Buttermilk	43	333	-2.9	-1.0
Other Fluid Milk Products	3	34	-45.8	-5.8
Total Fat-Reduced Milk ³	2,435	19,408	-5.2	-4.7
Total Conventional Milk Products	3,804	29,933	-2.8	-2.3
Organic Production Practice				
Whole Milk	86	663	4.1	7.3
Reduced Fat Milk (2%)	67	526	-0.8	0.6
Low Fat Milk (1%)	32	262	-7.7	-9.7
Fat-Free Milk (Skim)	22	183	-11.8	-13.5
Flavored Fat-Reduced Milk	10	79	33.2	38.6
Other Fluid Milk Products	0	1	-5.6	-2.8
Total Fat-Reduced Milk ³	131	1,049	-2.8	-2.9
Total Organic Milk Products	218	1,714	-0.2	0.8
Total Fluid Milk Products	4,022	31,647	-2.6	-2.2

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

Packaged Sales of Total Fluid Milk Products in Federal Milk Orders and California, August 2017, with Comparisons ¹					
Marketing Area	Order Number	Sales		Change from: ²	
		August	Year to Date	Previous Year	Year to Date
		(million pounds)		(percent)	
Northeast	001	651	5,329	-2.6	-2.7
Appalachian	005	277	2,103	-0.5	-1.7
Florida	006	230	1,829	-0.3	-0.3
Southeast	007	387	2,935	-3.4	-1.3
Upper Midwest	030	297	2,368	-3.5	-4.4
Central	032	352	2,716	-1.9	-0.8
Mideast	033	451	3,502	-0.8	-1.9
Pacific Northwest	124	148	1,272	-9.3	-2.9
Southwest	126	371	2,904	-3.1	-1.2
Arizona	131	90	673	-0.8	-3.9
California	---	446	3,485	-3.8	-3.4
All Orders (Total)		3,254	25,630	-2.5	-2.0
All Areas (Total)		3,700	29,115	-2.6	-2.2

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

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

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

In July 2017, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.91 per cwt, unchanged from the June 2017 average but up \$1.16 per cwt from the July 2016 average. The component tests of producer milk in July 2017 were: butterfat, 3.70%; protein, 3.05%; and other solids, 5.75%. When compared to the previous month, the July Mailbox prices increased in 14 of the 19 Federal milk order reporting areas and decreased in 5 of the 19 areas. The Southern Missouri reporting area reported the greatest increase of \$3.28 per cwt, while the Wisconsin reporting area reported a decrease of \$0.82 per cwt from the previous month. Averaged over all Federal milk order reporting areas, the July 2017 Mailbox price increased an average of \$0.42 per cwt. Mailbox prices in July 2017 ranged from \$19.48 in Florida to \$14.86 in the New Mexico reporting area.

Reporting Area ¹	Mailbox Milk Price ²		
	July 2016	June 2017	July 2017
	<i>(dollars per hundredweight)</i>		
New England States ³	17.04	18.37	18.54
New York	15.76	17.13	17.57
Eastern Pennsylvania ⁴	15.75	17.05	17.40
Appalachian States ⁵	15.87	17.32	18.42
Southeast States ⁶	15.88	16.10	18.23
Southern Missouri ⁷	15.90	14.93	18.21
Florida	16.79	17.71	19.48
Western Pennsylvania ⁸	15.79	17.29	17.39
Ohio	15.83	17.19	17.35
Indiana	15.60	16.67	17.01
Michigan	13.98	15.05	15.33
Wisconsin	16.52	17.75	16.93
Minnesota	16.52	17.25	16.67
Iowa	16.15	17.51	16.99
Illinois	16.04	17.44	17.26
Corn Belt States ⁹	14.93	15.93	15.99
Western Texas ¹⁰	14.87	16.36	16.42
New Mexico	14.07	14.77	14.86
Northwest States ¹¹	16.03	17.38	17.19
All Federal Order Areas ¹²	15.75	16.91	16.91
California ¹³	14.55	16.22	16.09

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

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

³ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

⁴ Includes all counties to the east of those listed in ⁸.

⁵ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

⁶ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi.

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

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

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

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

¹¹ Includes Oregon and Washington.

¹² Weighted average of prices for all reporting areas.

¹³ Calculated by California Department of Food and Agriculture, and published at:

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

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

October Supply and Demand Estimates

The milk production forecast for 2017 and 2018 is raised on a slightly more rapid pace of growth in milk per cow. However, forecast cow numbers for late 2017 and 2018 are slightly lower. Fat basis imports for 2017 and 2018 are raised on strength in butter imports but skim-solids imports are lowered for 2017 and unchanged for 2018. Exports on a fat basis are raised for 2017 on stronger butter and cheese exports, and increased sales of butter and anhydrous milkfat are expected to support higher fat basis exports in 2018. Skim-solids exports for 2017 and 2018 are raised, primarily on stronger expected shipments of whey products. For 2017, butter and nonfat dry milk (NDM) prices are lowered on large supplies, but the whey price is unchanged at the midpoint and the cheese price forecast is raised on current demand strength. For 2018, continued demand strength for cheese is reflected in a higher price forecast, while butter, NDM, and whey prices are lowered on larger supplies and pressure from international prices. The Class III price is raised for 2017 on stronger cheese prices, but for 2018, lower whey prices are expected to more than offset the increases in cheese prices, and the price forecast is lowered. The Class IV price is lowered for both years due to lower forecast butter and NDM prices. The 2017 all milk price forecast range is \$17.75 to \$17.85 per cwt, unchanged at the midpoint, but the 2018 price is lowered to \$17.45 to \$18.35 per cwt.

U.S. Milk Supply and Use					
Commodity	2016	2017 Projected		2018 Projected	
		Sep	Oct	Sep	Oct
Milk	(billion pounds)				
Production	212.4	216.0	216.2	220.1	220.4
Farm Use	1.0	1.0	1.0	1.0	1.0
Fat Basis Supply					
Beginning Commercial Stocks	12.3	12.7	12.7	12.8	13.0
Marketings	211.4	215.0	215.2	219.1	219.4
Imports	7.0	6.1	6.2	5.7	5.9
Total Commercial Supply	230.8	233.8	234.1	237.6	238.3
Fat Basis Use					
Commercial Exports	8.4	9.2	9.5	9.2	9.6
Ending Commercial Stocks	12.7	12.8	13.0	12.1	12.1
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	209.7	211.8	211.7	216.3	216.7
Skim-Solid Basis Supply					
Beginning Commercial Stocks	9.2	9.5	9.5	10.2	11.1
Marketings	211.4	215.0	215.2	219.1	219.4
Imports	6.5	6.4	6.3	6.2	6.2
Total Commercial Supply	227.1	230.9	231.0	235.5	236.7
Skim-Solids Basis Use					
Commercial Exports	39.0	40.6	40.9	41.8	42.0
Ending Commercial Stocks	9.5	10.2	11.1	9.4	9.7
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	178.5	180.1	179.1	184.3	185.0

NOTE: Totals may not add due to rounding.

Continued on page 13

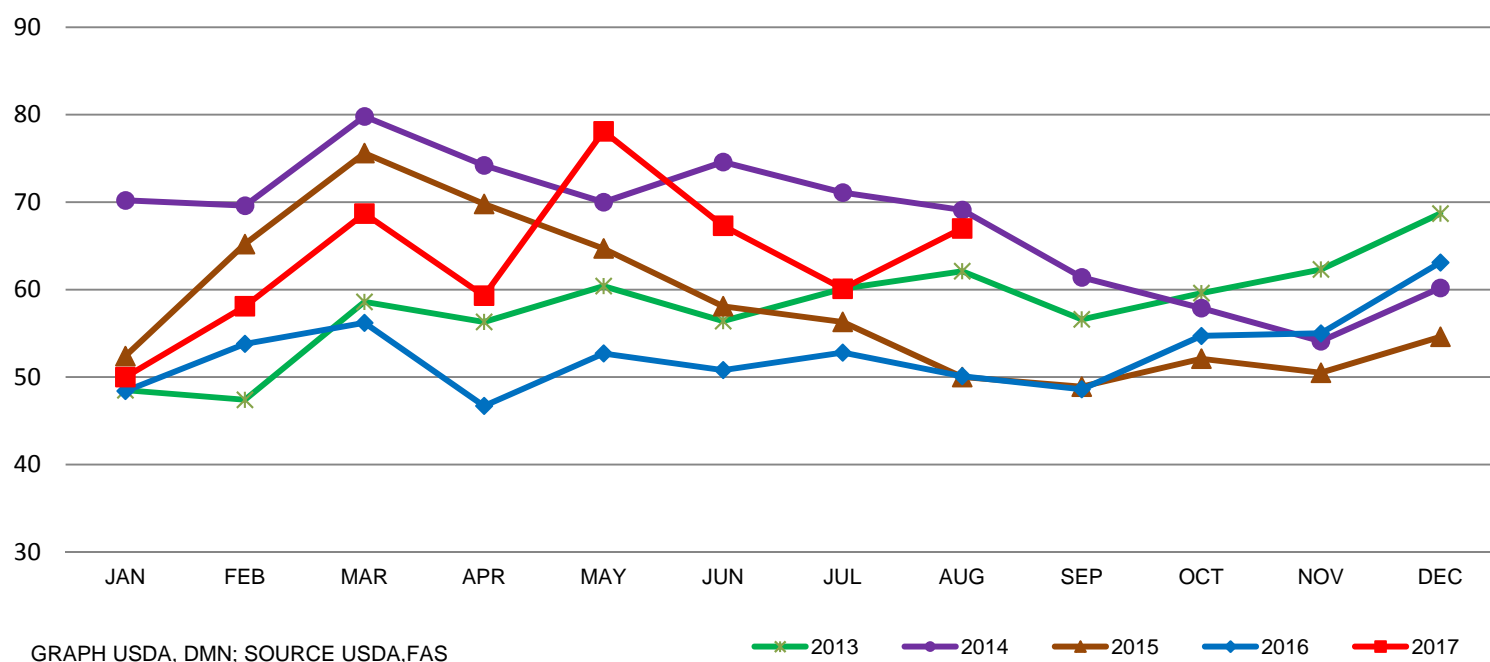
October Milk Supply and Demand Estimates-cont'd

U.S. Dairy Prices						
Commodity	2016	2017 Projected		2018 Projected		
		Sep	Oct	Sep	Oct	
Product Prices ¹	(dollars per pound)					
	Cheese	1.6050	1.610-1.630	1.625-1.635	1.630-1.730	1.645-1.735
	Butter	2.0777	2.355-2.395	2.335-2.365	2.330-2.460	2.315-2.435
	Nonfat Dry Milk	0.8292	0.880-0.900	0.870-0.890	0.860-0.930	0.815-0.885
	Dry Whey	0.2875	0.445-0.465	0.450-0.460	0.410-0.440	0.380-0.410
	(dollars per cwt)					
	Milk Prices ²					
	Class III	14.87	16.05-16.25	16.15-16.25	16.00-17.00	16.00-16.90
	Class IV	13.77	15.40-15.70	15.25-15.45	15.10-16.20	14.70-15.70
	All Milk ³	16.30	17.70-17.90	17.75-17.85	17.55-18.55	17.45-18.35
Milk Production	Quarterly					
	2016 III	2016 IV ⁴	2017 I ⁴	2017 II ⁴	2017 III ⁴	
	(billion pounds)					
	53.7	53.6	54.7	56.5	54.6	
	(dollars per cwt)					
All Milk Price ^{2,3}	17.70-17.80	18.10-18.50	17.60-18.30	16.90-17.90	17.20-18.20	
Class III Price ²	16.10-16.20	16.35-16.75	15.85-16.55	15.75-16.75	16.00-17.00	
Class IV Price ²	16.25-16.45	14.70-15.20	14.60-15.40	14.45-15.55	14.95-16.05	

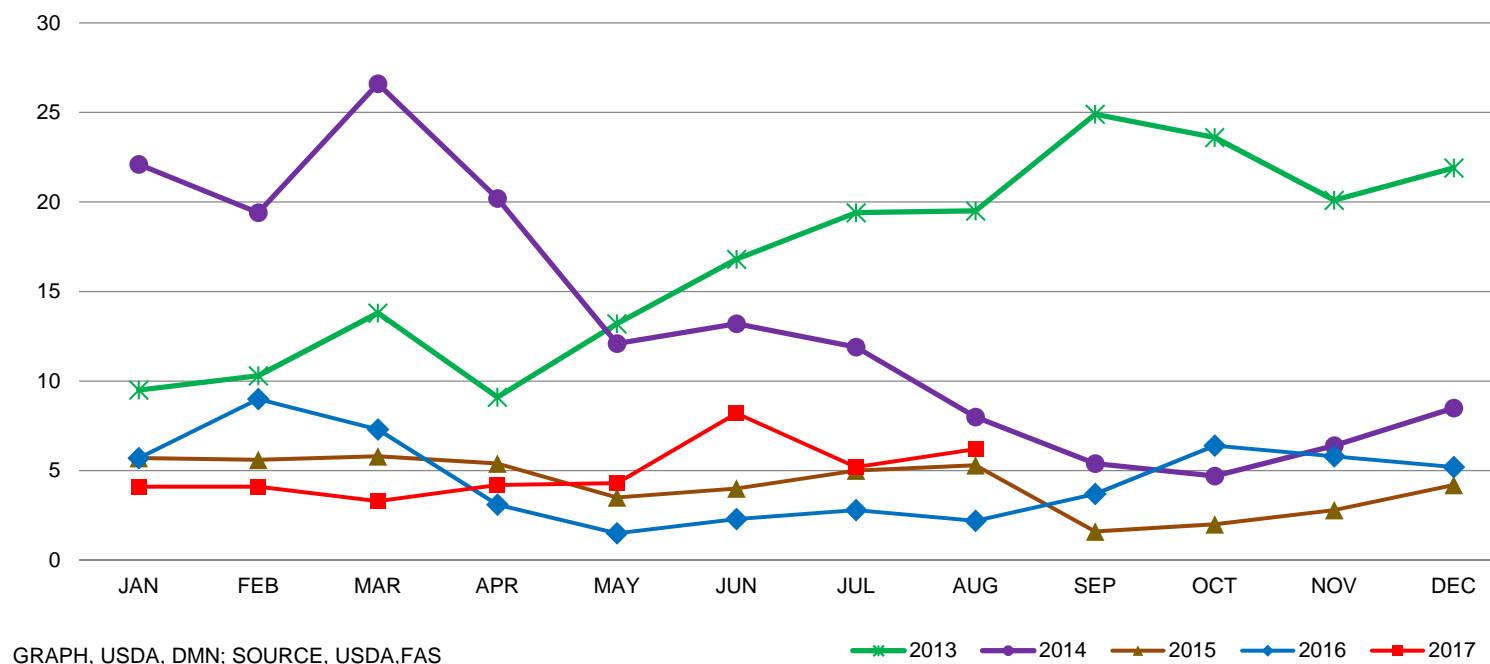
¹ Simple average of monthly prices calculated from AMS weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/rules-regulations/mmr/dmr>; scroll down to Publications, National Dairy Products Sales Reports, and select Current Release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

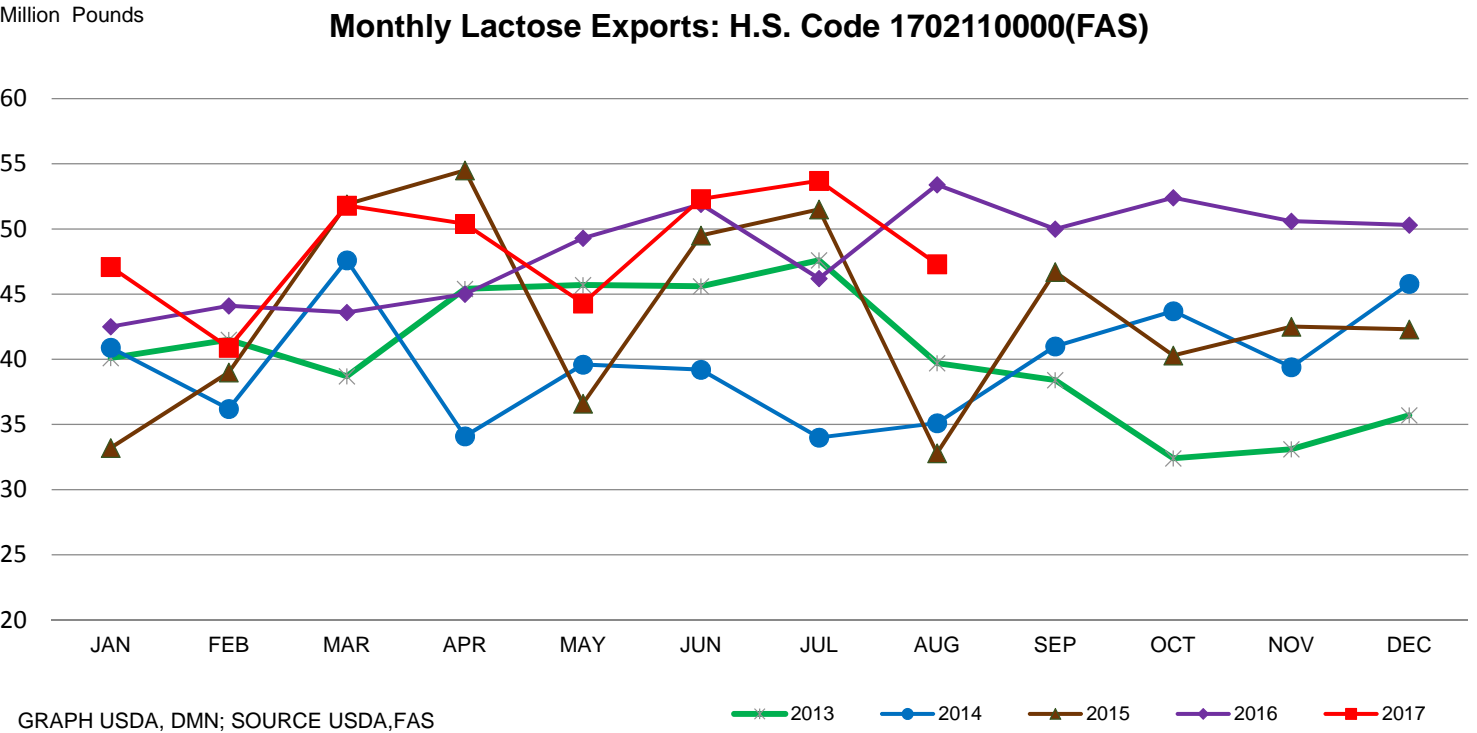
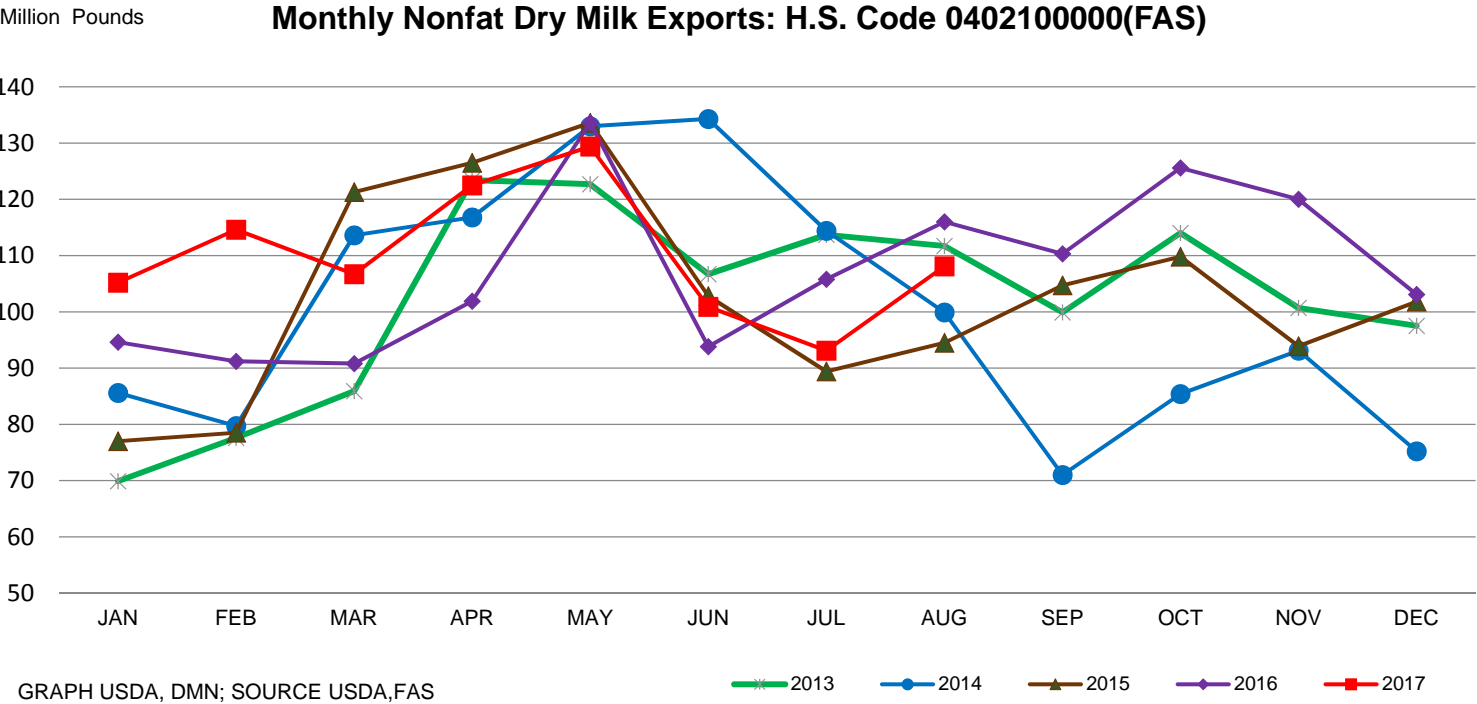
Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-570, October 12, 2017*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Carolyn Liebrand, AMS; Paul Kiendl, FAS; Jerry Cessna, ERS; and Milton Madison, FSA].

Million Pounds

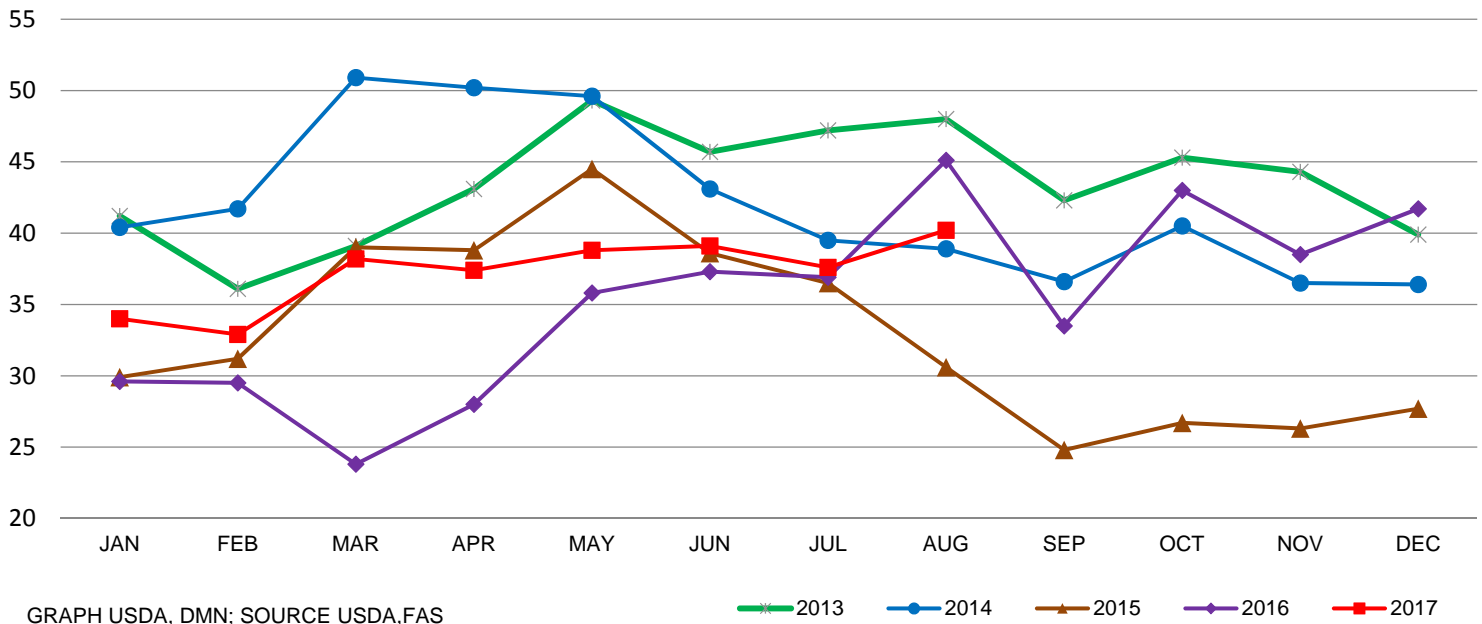
Cheese Exports (various H.S. Codes)

Million Pounds

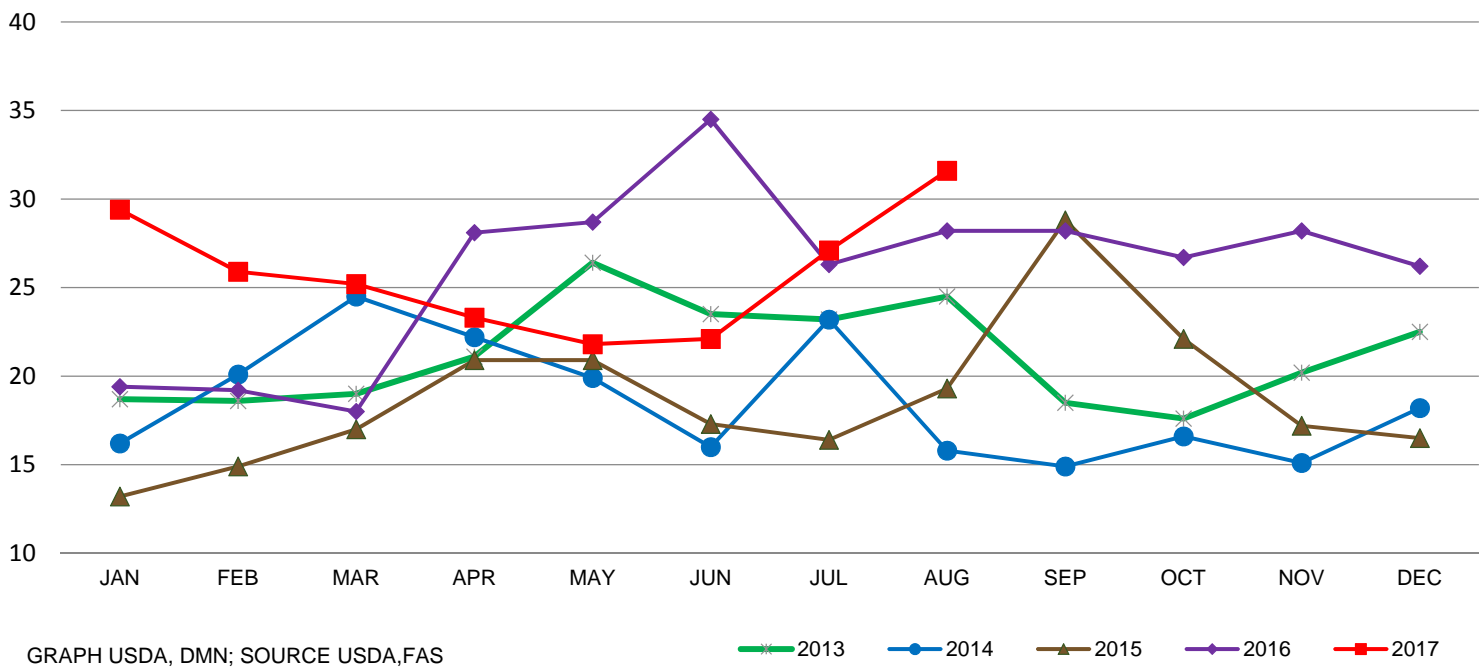
U.S. Butter and Milkfat Exports (various H.S. Codes)



Million Pounds

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

Million Pounds

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



Dairy Market News Branch

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Friday, October 13, 2017

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 10/13/2017 to 10/19/2017

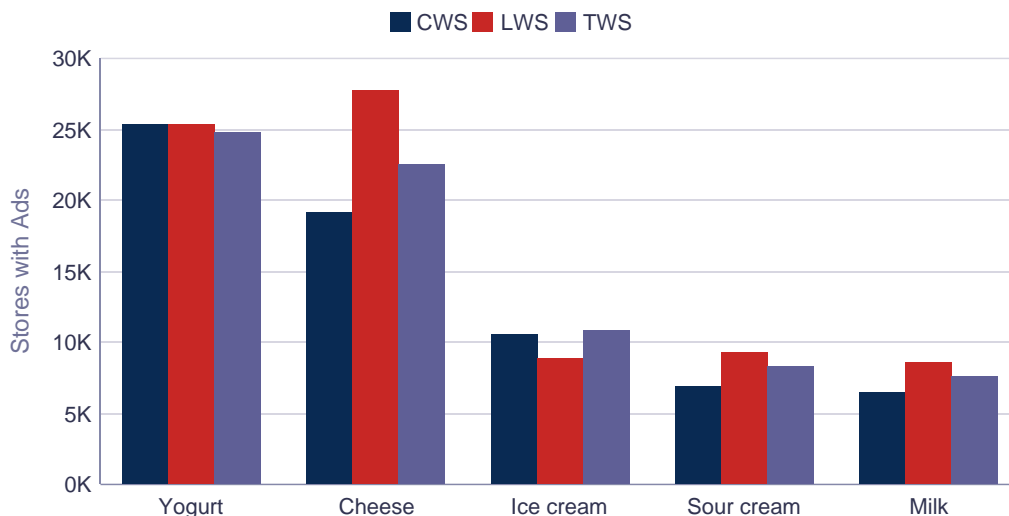
This week, total conventional dairy ads decreased 13 percent, and organic dairy ads decreased 26 percent. Conventional 1 pound butter ad numbers declined 63 percent. The national weighted average advertised price, \$3.37, is down 9 cents from last week. Organic 1 pound butter ad numbers declined 14 percent. The national weighted average advertised price, \$5.10, is up 32 cents from last week.

The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.23. The U.S. advertised price for 8 ounce conventional cheese shreds averaged \$2.14, compared to \$3.49 for 8 ounce organic cheese shreds, an organic premium of \$1.35. Total conventional cheese ads decreased by 32 percent from last week, while total organic cheese ads slightly more than doubled.

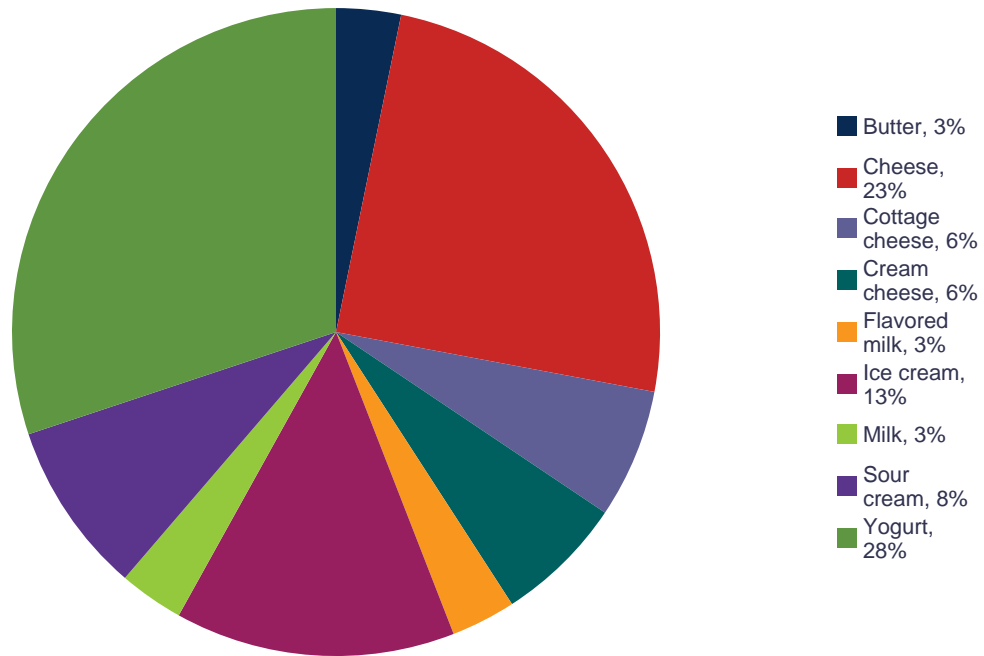
Conventional 4-6 ounce Greek yogurt has an average sale price of \$0.95, up 1 cent from last week. The average price for 4-6 ounce conventional yogurt is \$0.49, down 1 cent from last week. The average price for 4-6 ounce organic Greek yogurt was \$1.03, down \$.20 from last week. Total conventional yogurt ads are unchanged from last week, while total organic yogurt ads increased 9 percent.

The weighted average price for conventional half gallon milk is \$2.76. The weighted average price for organic half gallon milk is \$3.59, resulting in an organic price premium of \$.83. While conventional milk ad numbers decreased by 10 percent from last week, ads for organic milk decreased 32 percent.

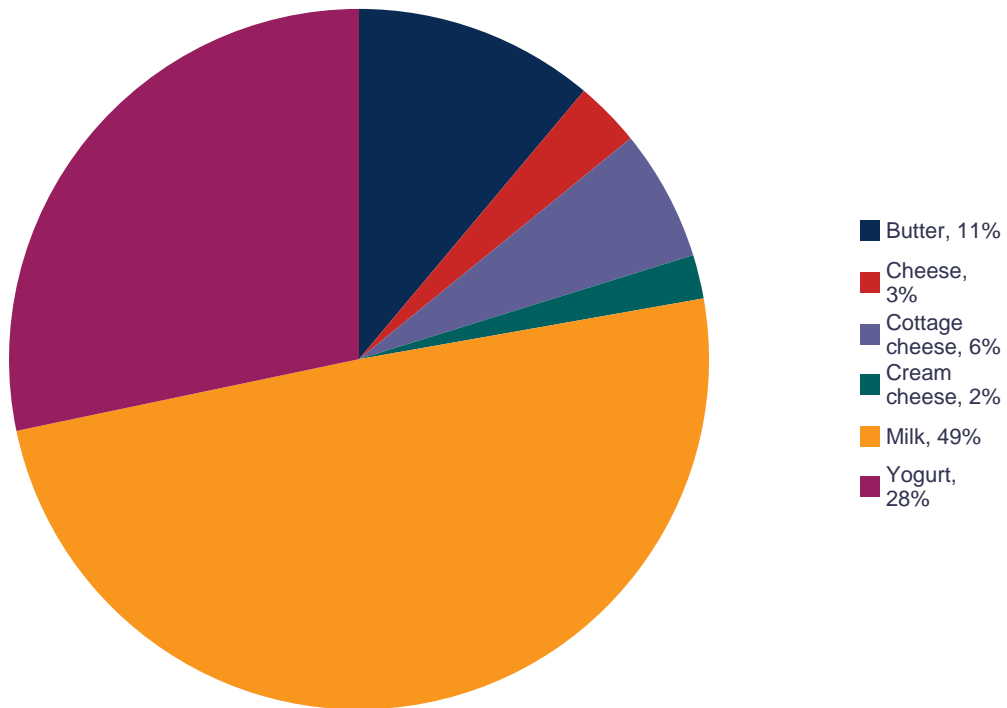
Top 5 Commodities Featured This Week



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 #	2731	3.37	7380	3.46	3748	3.29
Cheese	Natural Varieties	8 oz block	4827	2.23	10720	2.52	9347	2.45
Cheese	Natural Varieties	1 # block	2572	3.67	2052	3.36	2435	4.44
Cheese	Natural Varieties	2 # block	512	5.23	288	6.30	502	6.27
Cheese	Natural Varieties	8 oz shred	7339	2.14	12764	2.47	9672	2.30
Cheese	Natural Varieties	1 # shred	3585	4.03	1716	3.24	788	2.89
Cottage cheese		16 oz	4572	1.96	3549	1.87	4747	1.77
Cream cheese		8 oz	4911	1.84	5544	1.73	5605	1.69
Flavored milk	All fat tests	half gallon	1679	2.56	233	2.00	304	2.53
Flavored milk	All fat tests	gallon	595	2.46	288	2.42	668	2.50
Ice cream		48-64oz	10610	3.09	8826	2.98	12446	3.17
Milk	All fat tests	half gallon	415	2.76			371	2.33
Milk	All fat tests	gallon	1878	2.96	2540	2.97	3489	2.55
Sour cream		16 oz	6919	1.69	8840	1.71	8616	1.68
Yogurt	Greek	4-6 oz	10350	.95	11120	.94	13496	.96
Yogurt	Greek	32 oz	1872	3.79	2557	3.78	1330	4.46
Yogurt		4-6 oz	119	.50				
Yogurt	Yogurt	4-6 oz	7772	.49	8120	.50	6980	.48
Yogurt	Yogurt	32 oz	2896	2.55	1005	2.49	1039	2.35

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-4.99	958	3.47	2.99	61	2.99	2.50-3.99	581	3.03
Cheese	Natural Varieties	8 oz block	1.66-2.99	2236	2.14	1.67-2.50	408	1.95	1.67-2.50	467	2.31
Cheese	Natural Varieties	1 # block	1.99-4.79	621	3.20	3.50-3.99	1063	3.96	3.49	348	3.49
Cheese	Natural Varieties	8 oz shred	1.66-3.00	2225	2.19	1.67-2.50	1104	2.10	0.99-2.50	1389	2.21
Cheese	Natural Varieties	1 # shred	3.79-4.79	546	4.14	3.99-4.50	2172	4.24	3.49-3.50	401	3.49
Cottage cheese		16 oz	1.67-2.99	1698	2.22	1.25-2.50	1132	2.19	1.00	247	1.00
Cream cheese		8 oz	1.49-2.99	2155	1.98	1.50-2.50	1548	1.67	1.67-2.00	122	1.81
Flavored milk	All fat tests	half gallon	2.49-2.99	944	2.73	1.99-2.50	735	2.34			
Flavored milk	All fat tests	gallon							3.29	213	3.29
Ice cream		48-64oz	1.50-3.89	2185	2.71	2.50-5.99	4640	3.21	1.99-3.50	845	2.58
Milk	All fat tests	half gallon	2.99	221	2.99						
Milk	All fat tests	gallon	3.69	137	3.69	2.49	210	2.49	2.77-3.29	266	3.19
Sour cream		16 oz	1.50-2.00	1378	1.80	1.25-2.00	2420	1.70	1.00-2.00	427	1.42
Yogurt	Greek	4-6 oz	0.60-1.66	2878	.97	0.65-1.25	3485	.98	0.69-1.00	1084	.81
Yogurt	Greek	32 oz	3.99	280	3.99	3.49-5.00	369	3.95	2.99-3.99	1056	3.49

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt		4-6 oz							0.50	119	.50
Yogurt	Yogurt	4-6 oz	0.30-0.60	2295	.45	0.50-0.88	1597	.51	0.39-0.60	1339	.48
Yogurt	Yogurt	32 oz	2.50-2.69	482	2.62				2.00-2.99	191	2.36

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-3.50	487	3.23	3.49-3.99	539	3.88	2.50	105	2.50
Cheese	Natural Varieties	8 oz block	0.88-3.99	763	2.23	1.67-3.00	559	2.17	1.67-3.49	394	3.00
Cheese	Natural Varieties	1 # block	3.49-3.99	540	3.74						
Cheese	Natural Varieties	2 # block	4.99	141	4.99	4.99	120	4.99	4.99-6.99	251	5.48
Cheese	Natural Varieties	8 oz shred	0.88-3.99	1605	2.09	1.67-3.00	622	2.14	1.67-1.99	394	1.90
Cheese	Natural Varieties	1 # shred	2.49-3.99	466	3.33						
Cottage cheese		16 oz	1.00-2.50	552	1.51	1.00-2.50	464	1.94	1.00-1.79	479	1.55
Cream cheese		8 oz	1.49-2.50	417	1.75	1.50-2.50	495	1.73	1.50-2.50	174	2.10
Flavored milk	All fat tests	gallon	1.99	141	1.99	1.99	120	1.99	1.99	121	1.99
Ice cream		48-64oz	1.88-4.99	1454	3.48	2.50-3.99	1163	3.00	2.49-3.99	295	3.40
Milk	All fat tests	half gallon	2.50	194	2.50						
Milk	All fat tests	gallon	1.99-3.99	732	2.63	1.89-5.99	412	3.69	1.99	121	1.99
Sour cream		16 oz	1.00-2.49	890	1.55	1.00-2.50	1220	1.81	1.00-1.79	584	1.57
Yogurt	Greek	4-6 oz	0.65-1.00	1046	.90	0.80-1.00	1159	.94	0.88-1.00	698	.97
Yogurt	Greek	32 oz				4.99	167	4.99			
Yogurt	Yogurt	4-6 oz	0.33-0.50	682	.46	0.40-0.75	1108	.49	0.39-0.99	751	.63
Yogurt	Yogurt	32 oz	1.99-3.49	559	2.78	1.99-2.50	1140	2.45	2.49-2.89	524	2.54

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
Ice cream		48-64oz	9.99	28	9.99			

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 #	905	5.10	1054	4.78		
Cheese	Natural Varieties	8 oz block			83	3.50		

Wtd Avg - Simple weighted average



Cheese	Natural Varieties	8 oz shred	289	3.49	55	3.49		
Cottage cheese		16 oz	488	3.33	1294	3.38		
Cream cheese		8 oz	180	2.50				
Ice cream		48-64oz					189	4.99
Milk	All fat tests	half gallon	2807	3.59	5335	3.78	2026	4.03
Milk	All fat tests	gallon	863	6.51	685	5.94	121	5.99
Milk	All fat tests	8 oz UHT	459	1.11	69	1.00	617	1.00
Sour cream		16 oz			382	2.10		
Yogurt	Greek	4-6 oz	1058	1.03	1155	1.23	1438	1.10
Yogurt	Greek	32 oz	59	3.79	490	5.13	316	3.84
Yogurt	Yogurt	4-6 oz	180	1.05			248	1.05
Yogurt	Yogurt	32 oz	945	4.10	524	4.27	161	3.50

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 #	3.99-5.49	470	5.07	4.47	61	4.47	4.99	180	4.99
Cottage cheese		16 oz							3.29	225	3.29
Cream cheese		8 oz							2.50	180	2.50
Milk	All fat tests	half gallon	2.50-5.99	633	3.72	3.50	214	3.50	2.95-3.79	981	3.22
Milk	All fat tests	gallon	5.97-7.49	558	6.80	5.97	61	5.97			
Milk	All fat tests	8 oz UHT	0.83-1.25	459	1.11						
Yogurt	Greek	4-6 oz	1.25	147	1.25	1.00	90	1.00	1.00	229	1.00
Yogurt	Greek	32 oz	3.79	59	3.79						
Yogurt	Yogurt	4-6 oz	0.75-1.25	180	1.05						
Yogurt	Yogurt	32 oz	3.50	72	3.50	3.00	214	3.00	3.79	180	3.79

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 shred							3.49	289	3.49
Cottage cheese		16 oz	3.50	194	3.50				3.00	69	3.00
Milk	All fat tests	half gallon	3.49-3.99	274	3.84	3.49-4.99	705	3.93			
Milk	All fat tests	gallon				5.99	244	5.99			
Yogurt	Greek	4-6 oz	1.00	351	1.00	1.00	120	1.00	1.00	121	1.00
Yogurt	Yogurt	32 oz	3.39	121	3.39				4.99-6.49	358	5.28

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price

REGIONAL DEFINITIONS

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

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



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