

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (4/9)

BUTTER: Grade AA closed at \$1.2475. The weekly average for Grade AA is \$1.2669 (-.0596).

CHEESE: Barrels closed at \$1.0000 and 40# blocks at \$1.0550. The weekly average for barrels is \$1.0638 (-.1347) and blocks, \$1.1094 (-.1901).

NONFAT DRY MILK: Grade A closed at \$.8975. The weekly average for Grade A is \$.8913(+.0128).

DRY WHEY: Extra grade dry whey closed at \$.3500. The weekly average for dry whey is \$.3375 (+.0075).

CHEESE HIGHLIGHTS: Cheese inventories are growing throughout the country, as contacts in all regions report concerns about cheese stocks. Invariably, more cheese is moving into cold storage as food service demand, most notably, has been slammed by the COVID-19 closures of many public and private food establishments. Some larger and smaller city school districts are providing school lunches for students, but the overall effect is resolutely bearish regarding food service demand. Some retail/packaged cheesemakers report generally steady, if not improved, retail orders. Milk available for cheese production is wholly discounted. With milk dumping being reported in pockets throughout the country, cheesemakers are trying to provide some relief to milk handlers. That said, some cheese producers have had to cut production at plants. Still, cheese production in fully functioning plants is reportedly very active. Contacts expected some price declines, but now they are questioning how low the basement is. Undoubtedly, markets are under mounting pressure. United States cheese market participants, at this point, are simply hopeful for a sooner-rather-than-later recovery from the COVID-19 pandemic.

BUTTER HIGHLIGHTS: At a national level, butter production has been very active, driven by abundant cream supplies. Butter makers are doing their best to keep any cream from being discarded, in some cases, looking outside of their localities for additional storage for current production. With most of the food service closed, bulk butter

sales have dropped, considerably, while inventories continue building into cold storage for later usage. In the case of print butter, demands from the retail sector remain generally strong. Across the country, this week, bulk prices are ranging from 5.0 cents below the market to 6.0 cents above the market.

FLUID MILK/CREAM: In pockets throughout the country, milk is being discarded. The timing of the COVID-19 outbreak and spring flush have done little to aid the American dairy farmer. Milk is steady to increasing, with mostly mild weather in all regions. Bottlers are a little busier than last week, which was slow after the onset of the retail clear-outs early in the worldwide pandemic. Cheesemakers are reporting notable spot milk price discounts this week. Some cheese plants are closed or limited, while others are running 7-day workweeks with all the available milk. Condensed skim is plentiful for buyers and processors. Cream is very available, as supplies overshadow demand to a large degree. Contacts are hopeful for a quick turnaround, particularly for food service accounts. Ice cream production is picking up, but some contacts have relayed cream cheese production is quieter than expected. F.O.B. cream multiples are .60-1.00 in the East, .50-.98 in the Midwest, and .50-1.00 in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk (NDM) prices are mostly lower throughout the country. Production is busy, with plenty of condensed skim milk available, and inventories are increasing. That said, markets showed a little resilience after weeks of heavier pressure; the declines this week were subdued in comparison. Buttermilk powder prices were steady to lower in the Central/East, while lower in the West. Condensed buttermilk was reportedly dumped in the West, while drying time is limited for dry buttermilk production with the amount of condensed skim on the market. Dry whole milk prices shifted lower, as component values, namely butterfat, are bearish. Dry whey prices were steady to lower in the United States, but markets are steady in relation to NDM and buttermilk powder markets.

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**DAIRY MARKET NEWS PRICE SUMMARY FOR APRIL 6 - 10, 2020
PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES**

Commodity	Range	Mostly	Commodity	Range	Mostly	Commodity	Range	Mostly
NDM			BUTTERMILK			LACTOSE		
Central Low/Med. Heat	0.8500 0.9900	0.8800 0.9300	Central/East	0.9300 1.1500		Central/West	0.2400 0.5000	0.3000 0.3750
Change	-0.0100 -0.0300	0.0100 -0.0200	Change	-0.1300 N.C.		Change	N.C. 0.0800	0.0200 0.0200
Central High Heat	0.9500 1.1000		West	0.9500 1.0700	1.0000 1.0500	WPC 34%		
Change	N.C. -0.1000		Change	-0.1200 -0.0900	-0.1200 -0.0900	Central/West	0.9000 1.1900	0.9300 1.1000
West Low/Med. Heat	0.8250 1.0225	0.8625 0.9200	WHEY			Change	N.C. N.C.	-0.0100 0.0150
Change	-0.0150 -0.0300	-0.0175 N.C.	Central	0.3200 0.3800	0.3350 0.3600	CASEIN		
West High Heat	0.9000 1.1500		Change	N.C. N.C.	-0.0050 N.C.	Rennet	4.3725 4.4975	
Change	N.C. -0.0500		West	0.2750 0.4050	0.3300 0.3800	Change	-0.0975 -0.0875	
DRY WHOLE MILK			Change	0.0050 -0.0050	N.C. -0.0100	Acid	3.9000 4.1000	
National	1.5100 1.7800		Northeast	0.3500 0.4075		Change	N.C. N.C.	
Change	-0.1900 -0.0700		Change	N.C. -0.0025		ANIMAL FEED WHEY		
						Central	0.2800 0.3100	
						Change	N.C. N.C.	

**DAIRY MARKET NEWS PRICE SUMMARY FOR MARCH 30 - APRIL 10, 2020
PRICES (\$/MT) & CHANGES FROM PREVIOUS PUBLISHED PRICES**

Commodity	Range	Commodity	Range	Commodity	Range
SMP		WHOLE MILK POWDER		BUTTER	
W. Europe	1700 2050	W. Europe	2425 2675	W. Europe	2475 3175
Change	-325 -475	Change	-200 -475	Change	-575 -725
Oceania	2525 2825	Oceania	2800 2850	Oceania	4275 4350
Change	25 -150	Change	50 N.C.	Change	175 -200
S. America	2550 2750	S. America	2800 3100	BUTTEROIL	
Change	N.C. N.C.	Change	N.C. 200	W. Europe	3750 4100
WHEY				Change	N.C. -50
W. Europe	575 825			CHEDDAR CHEESE	
Change	-200 -150			Oceania	4400 4500
				Change	25 N.C.

DAIRY MARKET NEWS AT A GLANCE**COTNINUED FROM PAGE 1A**

The whey protein concentrate 34% (WPC 34%) price range was steady, while the mostly expanded. Lactose prices were steady to higher, as inventories are reportedly tight. Rennet casein prices were lower, while acid casein prices held steady.

INTERNATIONAL DAIRY MARKET NEWS: WESTERN EUROPEAN OVERVIEW: Western European seasonal milk production is moving forward toward the expected peak next month. Dairy sources say that in some of the largest producing states, Germany, France, Italy and Netherlands, production increases have been pleasing to producers. Last week the European Commission released details of a new plan to help agricultural producers make it through the current period of uncertainty. Farmers (including dairy producers) are eligible to receive loans of up to 200,000 euros which need not only be used for on farm investments. The loan proceeds may be also used to help cash flow. Dairy organizations in Western Europe continue to press for additional assistance, such as private storage aid. So far, the commission has not been viewed as being very receptive to the idea. Budgetary factors are one of the obstacles. Nevertheless, farm groups expect to continue to press for additional assistance.

EASTERN EUROPEAN OVERVIEW: Ukrainian government efforts to curb the spread of COVID-19 led to more milk flowing into dairy manufacturing. Restrictions on sales of food in markets and bazaars disrupted normal sales of farm milk in those settings. Culturally, many consumers have regularly purchased fluid milk in these non-supermarket settings. The new restrictions led to the milk being sent to manufacturing plants. The result is increased output of milk powders, butter and casein.

OCEANIA OVERVIEW - AUSTRALIA: The Australian dairy industry is quite focused on sales within Australia to feed the population there. Exports are important too, but a priority is the substantial domestic consumer base. The ongoing stay at home conditions have scrambled some of the typical production channels and demand. As with elsewhere, there was a recent strengthening of retail sales to consumers stocking up. Sales for food service declined. That led to sales boosts for some dairy manufacturing, but less demand for other manufacturing.

OCEANIA OVERVIEW – NEW ZEALAND: Late season buying interest in the main dairy commodities in New Zealand has been better than had been expected several weeks ago after impacts of COVID-19 began to ripple through markets. Recently lower dairy derivatives markets were upended by recent demand strength, especially in whole milk powder. China is typically a major customer for some New Zealand dairy products.

SOUTH AMERICA OVERVIEW: In **Argentina**, farm milk production has plateaued as most cows continue suffering from heat stress due to atypical high temperatures. So far, milk/cream intakes are below satisfactory levels in order to satisfy all manufacturing needs. Some contacts say that due to stagnant milk production and an increase in demand, several processors are offering a premium for raw milk. As mentioned in the previous report, food production is exempt from complying with mandatory and preventive social isolation due to COVID-19. Nevertheless, the country's dairy industry personnel have been applying preventive practices without interrupting their usual business procedures. Speculative buying of some dairy products continues being strong in grocery stores across the country. In **Brazil**, farm milk production has decreased slightly as the climate has been unstable and unfavorable for cows' milk yields. In addition to the wobbly climate, there are two other factors discouraging milk production. One of them is the high prices of concentrate (corn and soybean), as a result of the severe drought in some crop zones of the country. The other factor is the increase of dairy cows' slaughter, driven by a solid beef cattle market. With that said, milk/cream volumes remain below the high demand from the food processing industry.

NATIONAL RETAIL REPORT (DMN): COVID-19 is still impacting how many retail store ads are posted online. Store advertisements are fewer than usual. The total number of conventional advertisements grew by 27 percent whereas the total number of organic ads dropped 19 percent. Butter in 1 # packages was the most advertised conventional dairy product, followed by ice cream in 48-64 oz containers. Organic gallon milk ad numbers increased 166 percent, the highest percentage increase in ad numbers for all organic dairy products this week. The total number of ads for conventional yogurt decreased by 24 percent. There were no organic yogurt ads this week.

APRIL SUPPLY AND DEMAND ESTIMATES (USDA, WAOB): The milk production forecast is reduced from last month on slower growth in milk per cow. The average dairy cow inventory is little changed as a higher-than-expected early year inventory is expected to decline later in the year. The 2020 fat basis export forecast is reduced primarily on lower expected exports of butterfat products and cheese due to weaker global demand. The fat basis import forecast is also reduced on lower imports of butter. On a skim-solids basis, the export forecast is reduced, reflecting slowing international demand for nonfat dry milk (NDM) and lactose. The skim-solids basis import forecast is unchanged from last month. Product prices are forecast lower on weak demand, large supplies, and larger stocks. Thus, both the Class III and Class IV prices are forecast lower. The all milk price is forecast lower than the previous month at \$14.35 per cwt.

CME GROUP COMMODITY	MONDAY APR 6	TUESDAY APR 7	WEDNESDAY APR 8	THURSDAY APR 9	FRIDAY APR 10	:: WEEKLY CHANGE	:: WEEKLY AVERAGE
CHEESE							
BARRELS	\$1.0900 (-0.0475)	\$1.1000 (+0.0100)	\$1.0650 (-0.0350)	\$1.0000 (-0.0650)	No Trading	:: (-0.1375)	:: \$1.0638 (-0.1347)
40 POUND BLOCKS	\$1.1275 (-0.0225)	\$1.1275 (N.C.)	\$1.1275 (N.C.)	\$1.0550 (-0.0725)	No Trading	:: (-0.0950)	:: \$1.1094 (-0.1901)
NONFAT DRY MILK							
GRADE A	\$0.8625 (N.C.)	\$0.9000 (+0.0375)	\$0.9050 (+0.0050)	\$0.8975 (-0.0075)	No Trading	:: (+0.0350)	:: \$0.8913 (+0.0128)
BUTTER							
GRADE AA	\$1.2550 (-0.0250)	\$1.2650 (+0.0100)	\$1.3000 (+0.0350)	\$1.2475 (-0.0525)	No Trading	:: (-0.0325)	:: \$1.2669 (-0.0596)
DRY WHEY							
EXTRA GRADE	\$0.3300 (N.C.)	\$0.3300 (N.C.)	\$0.3400 (+0.0100)	\$0.3500 (+0.0100)	No Trading	:: (+0.0200)	:: \$0.3375 (+0.0075)

Prices shown are in U.S. dollars per lb. in carlot quantities. Carlot unit weights: CHEESE, 40,000-44,000 lbs.; NONFAT DRY MILK, 41,000-45,000 lbs.; BUTTER, 40,000-43,000 lbs.; DRY WHEY, 41,000-45,000 lbs. Weekly Change is the sum of Daily Price Changes. Weekly Average is the simple average of the Daily Cash Close prices for the calendar week. Weekly Average Change is the difference between current and previous Weekly Average. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY

NOTICE: Five days of trading information can be found at www.cmegroup.com/trading/agricultural/spot-call-data.html

BUTTER MARKETS

NORTHEAST

Butter plants in the East continue to churn "all out", what processors classify as maximum capacity. The current butter environment at most balance operations commences with heavier than usual milk intakes, which equates to elevated cream supplies followed by stronger butter production, but with limited domestic butter demand. Hence, butter stocks are growing on little to no interest from foodservice. Some butter makers whose past sales were driven by 80 percent domestic market sales are working through current conditions while exercising new sales opportunities in contracting 82 percent bulk trades into the export market. The domestic bulk butter price for sales in the region are reported 2-6 cents over the market of the CME Group, with various time frames and averages used. Not a lot of transactions occurred in the cash market this week, as first sale contracted trades highlight adjustments to the overage. The market undertone is unstable.

The CME Group AA monthly average butter price for March 2020, \$1.7235, declined from the February 2020 monthly average price of \$1.7913. The CME Group monthly average price one year ago was \$2.2773.

Prices for: Eastern U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter
Bulk Basis Pricing - 80% Butterfat \$/LB: +0.0200 - +0.0600

Secondary Sourced Information:

CME TRADING

The CME Group's Tuesday cash butter trading closed at \$1.2650, down from \$1.3350 a week ago.

EXPORT ASSISTANCE

This week, a cooperative export assistance program accepted requests for export assistance to sell 330,693 pounds (150 metric tons) of butter.

service reports are dim. Butter contacts say whether directly or indirectly, food service slowdowns are creating a glut in the milkfat market. That said, they say bulk butter offers are not increasing drastically. Regardless, some more butter is being moved into cold storage, as inventories grow. There was a little light on CME markets early in the week. CME cash prices showed slight increases on Tuesday after weeks of drops. Contacts are hopefully expecting some rebounds after the spring holidays.

Prices for: Central U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter
Bulk Basis Pricing - 80% Butterfat \$/LB: -0.0500 - +0.0200

Secondary Sourced Information:

The CME Group March monthly average price was \$1.7235, compared to \$1.7913 in February.

WEST

In the West, cream churning is active. Butter makers are doing everything possible to avoid that any cream be discarded, but it is becoming more challenging to do so as cream supplies are increasing above processing capacities. According to industry contacts, many local storage facilities are full. As the result, several manufacturers are looking outside of their localities for additional storage availability. Some processors have adequate storage space. After a heavy blast of sales, retail demands for butter have back down. Orders from the food service sector are almost nonexistent, which has led to more bulk butter storage in the past week. This week, bulk butter prices are lower on both ends of the range.

Prices for: Western U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter
Bulk Basis Pricing - 80% Butterfat \$/LB: -0.0400 - +0.0400

Secondary Sourced Information:

The Grade AA butter price at the CME Group on Wednesday closed at \$1.3000, compared to the weekly average price of \$1.3265 from last week.

The CME Group March 2020 monthly average price for AA butter is \$1.7235, compared to the February 2020 monthly average of \$1.7913. One year ago, the CME Group monthly average was \$2.2773.

CENTRAL

Butter plant managers continue to report dealing with multiple hurdles, but they are getting through it. Cream is full for all currently operating butter plants. Therefore, they are running hard. Some plant closures in other regions have butter churning going hard in the Midwestern region. Food

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This week, a cooperative export assistance program accepted requests for 330,693 pounds (150 metric tons) of butter. So far this year, the program has assisted member cooperatives who have contracts to sell 1.607 million pounds of butter (82% milkfat) in export markets. When combined with other dairy products, the program has assisted members with sales of 232 million pounds of milk on a milkfat basis.

Dairy Products Report – Butter Summary

Released April 2, 2020, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Butter Production – States and United States: February 2019 and 2020

Region	Monthly Production (1000 pounds)		Percent Change from	
	Feb 2019	Jan 2020	Feb 2020	Jan 2020
United States	164,525	193,422	179,239	8.9 -7.3
Atlantic	17,605	22,882	19,033	8.1 -16.8
Central	69,170	78,481	73,184	5.8 -6.7
West	77,750	92,059	87,022	11.9 -5.5
California	48,416	60,357	56,603	16.9 -6.2

Butter Production – Cumulative Production January - February

Report Month	Cumulative Production (1000 pounds)		Percent Change from
	2019	2020	2019
February	354,167	372,661	5.2

2020 U.S. Butter and Milkfat Exports (USDA-FAS)

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
February	4.1	- 37
TOTAL, JAN – FEB	8.0	- 31
Exports – Destination Country		
1 Canada	3.6	- 4
2 Mexico	1.5	+ 100
3 South Korea	0.8	- 22
4 Saudi Arabia	0.5	- 73
5 Taiwan	0.3	+ 39

CHEESE MARKETS

NORTHEAST

Northeastern cheese makers continue to receive heavier milk volumes. Mozzarella, provolone, and cheddar cheese production schedules have been robust in the region. Manufacturers' inventories are growing. Restaurant cheese orders are down as the foodservice sector continues to be negatively impacted at this time. In big cities like New York City, there are free school meals for all children and some schools are expanding free meals to adults, as well. Market participants report the demand for aged cheddar cheese from various specialty retailers is slower. Cheese spot prices are considerably lower this week. On the CME Group for this time last year, cheddar cheese block prices were around \$1.6500. Trading activities are currently mixed. Some buyers are purchasing a few spots to store into inventory. However, other buyers are not purchasing at this time. In the Northeast, the wholesale cheese prices for both cheddar and Muenster dropped \$0.4550. In addition, the process cheese prices decreased \$0.2150. The Grade A Swiss price declined \$0.2575 following the release of the March 2020 Announcement of Class and Component Prices. The Class III skim milk price for March 2020 saw a 55 cents decline. The DMN Northeast March 2020 monthly average price for cheddar blocks is \$2.3873, compared to \$2.4757 one month ago. Processed 5# sliced average price is \$1.8913, compared to \$1.9355 one month ago.

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

Cheddar 40 pound Block	1.7550-2.0425
Muenster	1.7425-2.0925
Process American 5 pound Sliced	1.3550-1.8350
Swiss 10-14 pound Cuts	3.3525-3.6750

Secondary Sourced Information:

The CME Group March 2020 monthly average price for barrels was \$1.4399, compared to \$1.5470 a month ago; blocks' average price was \$1.7550, down from \$1.8343 a month ago.

MIDWEST

Many cheese plants in the Midwest are continuing to run in the midst of the pandemic. Some contacts say they have a handful of employees who have stepped aside for health concerns, but most are fully staffed and running somewhat normally, if not more busily. Milk availability is reported as plentiful to excessive. Cheese plant managers say they are processing as much milk as possible. Food service demand lulls have more loads heading into cold storage. Plant managers report working to manage production schedules/inventories with the mounting amount of milk and affected cheese demand due to food service account slowdowns. Spot milk is exclusively reported at notable discounts at this point in the week. Cheese markets are resolutely bearish. Last week's precipitous price declines on the CME were unprecedented. At this point, cheese contacts are simply hopeful for a positive food service response during and following the upcoming spring holidays.

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

Blue 5 pounds	1.9375-3.0075
Brick 5 pounds	1.6700-2.0950
Cheddar 40 pound Block	1.3925-1.7925
Monterey Jack 10 pounds	1.6450-1.8500
Mozzarella 5-6 pounds	1.4700-2.4150
Muenster 5 pounds	1.6700-2.0950
Process American 5 pound Loaf	1.2850-1.6450
Swiss 6-9 pound Cuts	2.8675-2.9850

WEST

West cheese inventories are growing. However, stocks are currently better balanced for those cheese makers with business portfolios that rely more heavily on retail sales. Retail demand is above normal levels, while food service demand is minimal. Industry contacts are working hard to try to find the new equilibrium following the radical shift of dairy and cheese demand from food service to retail consumer demand. Manufacturers have had to get creative when it comes to finding sales channels for the cheese. Some are working with their industry partners to fill cheese needs found in prepared foods or other niche markets. The challenge, however, is that as these avenues become satiated, processors need to look for other opportunities. Export buyers are showing some interest, but the strength of the dollar is making it difficult to complete some sales. Cheese production is steady. Many Western manufacturers continually run their facilities near capacity, however, with the abundant milk supplies, processors are trying to keep production levels in check.

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

Cheddar 10 pound Cuts	1.6300-1.8300
Cheddar 40 pound Block	1.3825-1.8725
Monterey Jack 10 pounds	1.6175-1.8925
Process American 5 pound Loaf	1.3025-1.5575
Swiss 6-9 pound Cuts	2.9500-3.3800

FOREIGN TYPE

The coronavirus pandemic continues to affect the condition of the sliced cheese market in the European Union. Cheese demand is inconsistent. Germany and its neighboring countries continue to see large cheese intakes from grocery stores. However, the orders are lower compared to those of the last two weeks. Cheese demands from the food service sector are almost non-existent. Cheese processing has increased. Supplies are also a bit more available. Export sales have picked up, but containers and transportation costs are trending higher. Although prices for contracted volumes of cheese are stable, there is a downward pressure on spot prices. U.S. domestic prices for blue, gorgonzola, parmesan, and Romano are down \$.4550 compared to a week ago, and Swiss cheese prices are down \$.2575. All other cheese prices are stable.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	2.6400-5.2300	1.8150-3.3025*
Gorgonzola	3.6900-5.7400	2.3225-3.0400*
Parmesan	-0-	3.2025-5.2925*
Romano	-0-	3.0050-5.1600*
Sardo Romano (Argentina)	2.8500-4.7800	-0-
Reggiano (Argentina)	3.2900-4.7800	-0-
Jarlsberg	2.9500-6.4500	-0-
Swiss	-0-	3.3900-3.7125*
Swiss (Finland)	2.6700-2.9300	-0-

* = Price change.

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CHEESE MARKETS

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COLD STORAGE

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

	<u>BUTTER</u>	<u>CHEESE</u>
04/06/2020	75990	77048
04/01/2020	74988	76741
CHANGE	1002	307
% CHANGE	1	0

2020 U.S. CHEESE AND CURD IMPORTS (USDA-FAS)
(Imports for Consumption)

	2020 Imports (Million Lb.)	% Change From 1 Year Ago
February Imports		
TOTAL Cheese and Curd (H.S. Code 0406)	34.6	+ 29
Cheese, Except Fresh (H.S. Code 040690)	30.8	+ 32
Fresh Cheese (H.S. Code 040610)	1.5	+ 50
Cheese, Processed (H.S. Code 040630)	1.4	- 4
Cheese, Blue-Veined (H.S. Code 040640)	0.7	- 2
	2020 Imports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN-FEB	62.9	+ 15
Imports - Country of Origin		
1 Italy	17.6	+ 49
2 France	6.5	+ 3
3 Netherlands	5.2	+ 30
4 Spain	3.8	+ 25
5 Nicaragua	3.5	+ 7

2020 U.S. CHEESE AND CURD EXPORTS (USDA-FAS)

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
February	68.2	- 5
TOTAL, JAN-FEB	129.9	- 2
Exports - Destination Country		
1 Mexico	40.0	+ 23
2 South Korea	20.0	- 24
3 Japan	9.4	- 24
4 Australia	9.0	- 16
5 Chile	4.6	+ 1

Dairy Products Report – Cheese Summary

Released April 2, 2020, by the National Agricultural Statistics Service (NASS),
Agricultural Statistics Board, United States Department of Agriculture (USDA).**Cheese Production – United States: February 2019 and 2020**

<u>Total Cheese</u> ¹ Region	Monthly Production (1000 pounds)		Percent Change from		
	February 2019	January 2020	February 2020	February 2019	January 2020
United	991,346	1,110,515	1,028,069	3.7	-7.4
Atlantic	117,515	140,167	119,365	1.6	-14.8
Central	450,479	503,427	477,811	6.1	-5.1
West	423,352	466,921	430,893	1.8	-7.7

<u>American Cheese</u> ² Region	Monthly Production (1000 pounds)		Percent Change from		
	February 2019	January 2020	February 2020	February 2019	January 2020
United	391,027	437,451	415,025	6.1	-5.1
Atlantic	25,544	29,928	26,960	5.5	-9.9
Central	194,895	216,802	208,695	7.1	-3.7
West	170,588	190,721	179,370	5.1	-6.0

<u>Italian Cheese</u> Region	Monthly Production (1000 pounds)		Percent Change from		
	February 2019	January 2020	February 2020	February 2019	January 2020
United	441,082	485,398	449,242	1.8	-7.4
Atlantic	53,274	58,473	56,195	5.5	-3.9
Central	176,821	195,955	184,555	4.4	-5.8
West	210,987	230,970	208,492	-1.2	-9.7

Cheese Production – Cumulative Production January - February

Cheese Type	Cumulative Production (1000 pounds)		Percent Change from
	2019	2020	2019
Total Cheese ¹	2,089,699	2,138,584	2.3
American	830,310	852,476	2.7
Italian Cheese	921,216	934,640	1.5

1/ Excludes cottage cheese.

2/ Includes cheddar, colby, washed curd, stirred curd, Monterey and jack.

FLUID MILK AND CREAM

EAST

In the **Northeast**, farm milk output is increasing. Milk is readily available for manufacturers that are currently at or near capacity. Bottlers are pulling more milk loads this week in comparison to late March. **Mid-Atlantic** manufacturing plants are receiving steady to higher milk supplies. There are reports of shortened hours for some storage warehouses and limiting of some haulers' operating hours in the East. Milk output continues to increase off **Southeastern** farms. Milk managers relay business has been chaotic. At this time, Class I sales have increased, as bottlers are pulling stronger milk loads for their immediate needs. There is some milk in manufacturing, however milk has been pulled from operations, as market participants continue to receive Class I add-ons. **Florida** milk production is mostly at its peak. Class I sales have picked up a bit in the area. Retail sales are fairly unchanged, as interest from consumers is stable. **Cream** markets are weak at this time. Ice cream plants are receiving some cream for their production schedules. Currently, cream cheese production is slower. Butter production is mixed in the East, as some are churning heavily, while a few are shut down. Cream supplies are outweighing current demand. Eastern cream loads are traveling to other regions to find manufacturing capacity right now. **Condensed** skim markets continue to be negatively impacted. Inventories are greater than manufacturers' immediate operating needs. The DMN March average for Northeast Class II cream was \$1.9637, compared to \$2.0461 a month ago. The DMN March monthly average for Northeast Class II condensed skim was \$0.8500, compared to \$0.9000 a month ago.

Northeastern U.S., F.O.B. Condensed Skim
 Price Range - Class II; \$/LB Solids: 0.45 - 0.55
 Price Range - Class III; \$/LB Solids: 0.40 - 0.50

Northeastern U.S., F.O.B. Cream
 Multiples Range - All Classes: 0.6000 - 1.0000
 Price Range - Class II; \$/LB Butterfat: 0.7959 - 1.3265

MIDWEST

Spring flush is upon the Midwest, and timing could not be much more untenable for dairy producers. Milk dumping is taking place in dairy country, and additionally in other parts of the U.S. and the world. Dairy producers are expecting an uphill battle to come, and some are expecting more of their partners and fellow patrons to exit the industry. Some dairy farmer contacts relay their month to month production is drifting higher seasonally, but others suggest component levels are shifting lower which has them pointing to feed quality. Regarding feed, some report hay is in fairly short supply, but silage is plentiful. Bottlers have passed on that their milk intakes are slightly higher, but they say recent ups and downs are akin to a whipsaw. The first retail rush related to COVID-19 a few weeks ago had bottlers busy filling orders, clearing many loads of spot milk. But the week after, retail slowed down drastically, hence the ups and downs for Class I contacts. Cheese producers are reporting the lowest overall spot prices in recent years. Some Class III closures or interruptions have milk handlers scrambling to find takers. Ice cream production is going, but cream is so plentiful, prices took a further hit this week. Butter churning is busy in the region, and butter plant managers are finding cream at prices even they find baffling. Some contacts relay cream cheese production, relative to previous years, is quiet right now. The DMN monthly average of the range price series for Upper Midwest Class II cream during March was \$2.0912, compared to \$2.1408 in February.

Price Range - Class III Milk; \$/CWT; Spot Basis: -8.00 - -6.00
 Trade Activity: Moderate

Midwestern U.S., F.O.B. Cream
 Multiples Range - All Classes: 0.5000 - 0.9800
 Price Range - Class II; \$/LB Butterfat: 1.1939 - 1.3000
 Multiples Range - Class II: 0.9000 - 0.9800

WEST

In **California**, milk production is unchanged compared to the past week. Milk availability has grown due to lower demands from grocery and school accounts. Class II and III makers have sufficient milk for their day to day production and are already running at their maximum capacity. Class IV production is very active. Handlers continue to look for additional options for clearing their milk intakes. In **Arizona**, some customers have pushed back on milk orders as they have enough supplies and can't afford to take more. Processing plants continue to run at full capacities. Grocery store intakes have diminished, and according to contacts, milk prices have dropped in some areas as there are more offers compared to requests. The weather condition has been great in Arizona, favoring more milk production. Class II and III sales are stable to balanced. Processors continue to balance as much milk as possible. They are not taking outside milk and some of them had to discard a few loads of milk due to the lack of processing room. **New Mexico** milk supplies are still plentiful, surpassing what handlers are comfortable with. Most destinations for Class I milk are not fully functional right now, putting pressure on handlers to find alternative ways to use the milk. A lot of milk is going to balancing plants, but most plants within the state are full and can't take additional loads. Class II and III sales are steady to declining. Transportation doesn't seem to be a problem. **Pacific Northwest** milk production is steady to seasonally rising, even as manufacturers would prefer to take in less milk. Processors are working to encourage farmers to curb milk output. However, producers, faced with shrinking milk checks, are also under a financial squeeze. In addition, slaughter capacity restraints may make it difficult to shrink the herd, and cow biology does not provide an off switch for milk production. Retail bottling demand, like many consumer dairy goods, has faded somewhat. While still above normal, the industry is trying to figure out the new balance to dairy supply and demand. After the surge in consumer retail demand a few weeks ago, industry contacts wonder what reorders will look like. Many market observers think that while retail demand is helping cover some of the loss in restaurant and institutional demand, it cannot completely cover the difference. Milk production in the mountain states of **Idaho**, **Utah**, and **Colorado**, continues to slowly rise. There is a long way to go before parts of the region typically reach the zenith of seasonal milk production. In most years, spring flush is reached in late June in Idaho. Industry contacts report offers aplenty of heavily discounted milk. In some cases, discounts are as much as \$9 below Class IV. Processors are not overly eager to take on any added milk with the uncertainty of markets in which to sell finished goods. Some milk and cream are getting turned away from processing plants and are being discarded. Western **condensed skim** is plentiful, and buyers are taking fewer spot loads. Drying is ongoing. In the West, **cream** supplies are heavy. Churns are full. Manufacturers continue to look for other sale outlets, but buyers are very limited. Many sellers prefer to clear cream at discounted prices rather than discard it. Cream multiples for all Classes are unchanged.

Western U.S., F.O.B. Cream
 Multiples Range - All Classes: 0.5000 - 1.0000

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Dairy Products Report - Ice Cream, Regular, Hard

Released April 2, 2020, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Ice Cream, Regular (Hard) Production – States and United States: February 2019 and 2020

Region	Monthly Production (1000 lbs)			Percent Change from	
	Feb	Jan	Feb	Feb	Jan
	2019	2020	2020	2019	2020
United States	52,120	52,157	51,790	-0.6	-0.7
Atlantic	12,447	11,956	11,971	-3.8	0.1
Pennsylvania	2,631	2,969	3,419	30.0	15.2
Central	30,099	30,467	31,128	3.4	2.2
Missouri	2,965	1,847	2,907	-2.0	57.4
Ohio	1,721	2,013	1,839	6.9	-8.6
West	9,574	9,734	8,691	-9.2	-10.7
California	4,337	5,397	4,312	-0.6	-20.1
Oregon	980	1,167	1,017	3.8	-12.9
Utah	2,276	1,587	1,582	-30.5	-0.3

Ice Cream, Regular (Hard) – Cumulative Production: January - February

Report Month	Cumulative Production		Percent Change from 2019
	(1000 lbs)		
	2019	2020	
Feb	105,671	103,947	-1.6

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 shifted slightly lower in most facets, although the bottom of the mostly came up a penny. This week's overall slides paled in comparison to those of previous weeks. Although some buyers/end users are looking for low to mid \$.80s before entering the fray, others are finding the current prices reasonable. Therefore, trading was a bit more active and friendlier to the overall market. With widely available milk supplies, cheesemakers do report not needing to use much NDM for fortification in production. Condensed skim is plentiful and drying is very active. High heat NDM prices slipped on the top of the range. High heat NDM trading was quiet in the region. Although market tones are far from firm, there were some bright spots on the CME this week, particularly when compared to the notable dips in recent week.

EAST: Market prices for nonfat dry milk (NDM) are slightly lower in the range, but mixed in the mostly series. F.O.B. spot and contract sales led to adjustments in market movement. Most NDM manufacturing operations are producing substantial volumes of the low/medium heat NDM, due to upticks in seasonal milk receipts and milk redistributions from the impact of COVID-19. As a result, some NDM processors are pushed to use outside NDM storage facilities as onsite space dwindles. However, NDM order volumes appear to have increased marginally this week, per market sources, with the suggestion that government intervention is pending. This prompted a few new accounts. Accompanying the talk of government action, a few traders report limited pushback against offers to sell at the top of the range, as some exchanges were driven by customers' NDM preferences. Prices for high heat nonfat dry milk are steady to lower. Stocks are tight, on limited production, as NDM market sources report little to no availability in East marketplaces. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during March was \$1.0935, compared to \$1.2305 the previous month.

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk
Price Range - Low & Medium Heat; \$/LB: .8500 - .9900
Mostly Range - Low & Medium Heat; \$/LB: .8800 - .9300

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk
Price Range - High Heat; \$/LB: .9500 - 1.1000

NONFAT DRY MILK - WEST

In the West, f.o.b. prices for low/medium heat nonfat dry milk are trending lower on the range and at the bottom of the mostly series. Production is very active, whereas sales are generally trending down. Mexican buyers are taking fewer loads of low/medium heat nonfat dry milk, but demands from the Asian Pacific region are slightly up. Domestic demands are steady to a bit down. Some contacts report that they are unable to meet customers' delivery schedules due to limitations in trucks/drivers' availability. However, others don't have any transportation issue. Low/medium heat nonfat dry milk inventories are growing. Several processors are concerned that they may run out of storage room in the coming weeks. Low/medium heat nonfat dry milk production is very active. High heat nonfat dry milk prices are lower at the top of the range while remaining stable on the bottom. The production of high heat nonfat dry milk is limited to what is needed to fill out current orders. Stocks are stable, and sales are unchanged from the previous week. The March 2020 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$1.0818 compared to \$0.9660 a year ago. The average for Western high heat nonfat dry milk is \$1.2341 compared to \$1.1060 a year ago.

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk
Price Range - Low & Medium Heat; \$/LB: .8250 - 1.0225
Mostly Range - Low & Medium Heat; \$/LB: .8625 - 0.9200

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk
Price Range - High Heat; \$/LB: .9000 - 1.1500

Dairy Products Report – Nonfat Dry Milk, Human Summary

Released April 2, 2020, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

**Nonfat Dry Milk, Human Production – States & United States:
February 2019 and 2020**

Region	Monthly Production (1000 pounds)			Percent Change from	
	Feb 2019	Jan 2020	Feb 2020	Feb 2019	Jan 2020
United States	153,806	176,259	156,128	1.5	-11.4
Atlantic	27,506	33,317	27,464	-0.2	-17.6
Pennsylvania	14,119	16,473	16,104	14.1	-2.2
Central	30,509	30,959	29,077	-4.7	-6.1
West	95,791	111,983	99,587	4.0	-11.1
California	61,538	72,527	67,267	9.3	-7.3
Other States 1/	78,149	87,259	72,757	-6.9	-16.6

1/ States not shown when fewer than 3 plants reported or individual plant operations

**Nonfat Dry Milk, Human Production – Cumulative Production:
January-February**

Report Month	Cumulative Production (1000 pounds)		Percent Change from
	2019	2020	2019
February	326,496	332,387	1.8

Manufacturers' stocks end-of-month 3/

Product	End of month stocks (1000 pounds)			Percent Change from	
	Feb 2019	Jan 2020	Feb 2020	Feb 2019	Jan 2020
Nonfat dry milk, human	310,447	280,516	317,508	2.3	13.2

3/ Stocks held by manufacturers at all points and in transit.

Manufacturers' shipments 4/

Product	Feb		Jan	
	2019	2020	2020	2019
Nonfat dry milk, human	126,000	132,325	125,243	-0.6

4/ For dry products, shipments of bulk goods.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

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DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices shifted quite a bit lower on the bottom and remained steady at the top. Brand preference is strong among buyers, and even with lots of condensed buttermilk trading hands at discounts, drying time is very limited for processors. Therefore, end users looking to take on specified loads are still paying recently normal prices. However, prices have begun to shift lower for brokers and end users who are looking for loads that may have a few months of age or interchangeable loads. Butter churning is running hard in the Midwest and South Central. Therefore, there are plentiful condensed buttermilk loads changing hands at discounts. Again, though, drying time is limited for the production of dried buttermilk, particularly when condensed skim is also discounted and available. Dried buttermilk market tones are definitely under some of the same pressure as other dried dairy powders, but sought after, freshly produced loads are still maintaining some market strength. **EAST:** Dry buttermilk prices are steady to lower. The spot market saw little to no sales this week in the East. Supplies are limited as plants dryer time center on nonfat dry milk. Hence, some are circumventing drying, instead, moving condensed buttermilk to ice cream. Sources report that a major manufacturer is declining orders of dry buttermilk powder for a minimum of 60 days. The market undertone is unsettled.

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk
 Price Range ; \$/LB: .9300 - 1.1500

Secondary Sourced Information:

The DMN monthly average of the range price series for Central and East dry buttermilk during March was \$1.1303, compared to \$1.1613 in February.

DRY BUTTERMILK - WEST

In the West, f.o.b. prices for dry buttermilk are trending lower on the range and on the mostly series. Dry buttermilk processing is done whenever possible, but it is becoming more difficult to find the time to fit it in the production schedule. According to industry participants, some manufacturers had no other choice than to discard of some of their condensed buttermilk, as it is cost efficient to do so. They are focusing more on nonfat dry milk drying. Spot buyers are cautious about making purchases above current needs. Dry buttermilk supplies are available to satisfy current requests. The market is starting to feel the effect of COVID-19. The March 2020 Dairy Market News monthly average for the West dry buttermilk mostly series is \$1.1391 compared to \$0.9600 a year ago.

Prices for: Western U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk
 Price Range ; \$/LB: 0.9500 - 1.0700
 Mostly Range - ; \$/LB: 1.0000 - 1.0500

DRY WHOLE MILK - U.S.

Free on board spot prices for national dry whole are down this week, parallel to lower milk component values, in particular, butterfat. The market remains on an unsettled status mainly due to COVID-19. Drying schedules for condensed whole milk have been reduced as the production of NDM has been the priority in most balancing plants. With that said, dry whole milk spot inventories vary in each region of the country.

Prices for: U.S., All First Sales, F.O.B., Conventional, and Edible Dry Whole Milk
 Price Range - 26% Butterfat; \$/LB: 1.5100 - 1.7800

Dairy Products Report – Dry Buttermilk Summary

Released April 2, 2020, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Dry Buttermilk – United States: February 2019 and 2020

Region	Monthly Production (1000 pounds)		Percent Change from		
	Feb 2019	Jan 2020	Feb 2020	Feb 2019	Jan 2020
United States	9,470	13,178	13,229	39.7	0.4

Manufacturers' stocks end-of-month 3/

Product	End of month stocks (1000 pounds)			Percent Change from	
	Feb 2019	Jan 2020	Feb 2020	Feb 2019	Jan 2020
Dry butter-milk, total	20,094	18,860	20,195	0.5	7.1

3/ Stocks held by manufacturers at all points and in transit.

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

Dry whey prices shifted slightly lower on the mostly, while the extra grade and animal feed whey ranges were steady. Generally, demand and inventories are in balance. Class III plants are in a notable disruption period due to closures and COVID-19 related limitations, particularly when it comes to food service accounts. Therefore, dry whey stocks are being held in check, creating a semblance of supply/demand balance in an otherwise disruptive market tenure. That being said, there are a number of cheese plants running seven days per week in light of the widely available milk supplies. Animal feed trading was quiet, but end users say offers are ongoing. Dry whey market tones are generally steady, particularly when viewing the volatility elsewhere. The DMN monthly average of the mostly price series for Central dry whey during March was \$0.3540, compared to \$0.3591 in February. The monthly average of the range price series for Central animal feed whey during March was \$0.2973, compared to \$0.2997 in February.

Prices for: Central U.S., All First Sales, F.O.B., Conventional, and Non-Edible Dry Whey
Price Range - Animal Feed; \$/LB: .2800 - .3100

Prices for: Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey
Price Range - Non-Hygroscopic; \$/LB: .3200 - .3800
Mostly Range - Non-Hygroscopic; \$/LB: .3350 - .3600

DRY WHEY- NORTHEAST

Dry whey prices have slightly decreased on the top of the price range this week. Trading activities have slowed down a bit on various market exchanges. On the CME Group, spot prices are mostly steady currently. In the East, dry whey production is active and inventory levels are adequate for contract and spot load requests. Many market participants report dry whey markets have not been as interfered with in comparison to other dairy dry products at this time. The market tone is fairly unchanged in the region. The March 2020 Dairy Market News monthly average for Northeast dry whey was \$0.3738 compared to \$0.3585 one month ago.

Prices for: Eastern U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey
Price Range - Non-Hygroscopic; \$/LB: .3500 - .4075

DRY WHEY- WEST

The Western whey price range narrowed slightly, and the top of the mostly price series moved lower. Industry contacts suggest whey inventories are growing slowly, but are still in relatively good balance. Domestic demand is pulling steadily at supplies, and some contacts feel that Southeast Asia and China are starting to look for more whey and dairy carbohydrates. However, dairy contacts also add that demand from Mexico has slackened as the strong U.S. dollar is making it more difficult to complete sales. Whey production is lower. Some contacts relay that the retraction of cheese production due to evaporating food service markets has lessened production of whey. The DMN monthly average of the mostly price series for West dry whey during March was \$0.3691 compared to \$0.3720 one month ago and \$0.3976 a year ago.

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey
Price Range - Non-Hygroscopic; \$/LB: .2750 - .4050
Mostly Range - Non-Hygroscopic; \$/LB: .3300 - .3800

U.S. DRY WHEY EXPORTS. H.S. CODE 0404104000(FAS)

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
FEBRUARY Total	33.4	+ 27
TOTAL, JAN - FEB	63.4	+ 9
1 China	17.0	- 13
2 Mexico	5.9	+ 22
3 Indonesia	5.4	+170
4 Vietnam	5.1	- 15
5 Canada	4.6	+ 23

Dairy Products Report – Whey Summary

Released April 2, 2020, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Dry Whey (Human) Production – States and United States

State	Monthly Production (1000 pounds)		Percent Change from		
	February 2019	January 2020	February 2020	February 2019	January 2020
United States	73,675	82,660	75,006	1.8	-9.3
Atlantic	18,735	21,579	19,902	6.2	-7.8
Central	29,528	39,131	35,855	21.4	-8.4
Wisconsin	20,481	24,939	23,274	13.6	-6.7
West	25,412	21,950	19,249	-24.3	-12.3

Dry Whey – Cumulative Production January - February

Dry Whey	Cumulative Production (1000 pounds)		Percent Change from 2019
	2019	2020	
Total ¹	156,150	160,762	3.0
Human ²	153,378	157,666	2.8

- 1. Excludes all modified dry whey products.
- 2. Values are calculated from Dairy Products report data.

Manufacturers' stocks end of month ³

Dry Whey	End of month stocks (1000 pounds)		Percent Change from		
	February 2019	January 2020	February 2020	February 2019	January 2020
Human	68,217	62,120	73,660	8.0	18.6
Animal	707	803	766	8.3	-4.6
Total	68,924	62,923	74,426	8.0	18.3

- 3. Stocks held by manufacturers at all points and in transit.

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**WHEY PROTEIN CONCENTRATE**

While the price range for whey protein concentrate 34% held steady, the mostly price series expanded. Industry contacts describe a divergence between the top and bottom of the WPC34% market. WPC34% that can be easily substituted by other dairy proteins is weak and under pressure from lower nonfat dry milk prices. Prices for these brands of WPC34% need to be closer the prices of nonfat in order to peak any limited buyer interest. WPC34% that cannot be easily substituted, such as WPC34% for infant formula and some confectionary markets is in higher demand. End users are seeking added loads when possible. Prices for WPC34% that meet infant formula requirements are firm and often at the top of the range or top of the mostly price series. Inventories of WPC34% are available to tight depending on brand. Production is steady. The March 2020 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% is \$1.0148, compared to \$1.0140 in February and \$.9025 one year ago.

Prices for: Central and Western U.S., All First Sales, F.O.B., Extra Grade, Conventional, and Edible Whey Protein Concentrate
Price Range - 34% Protein; \$/LB: .9000 - 1.1900
Mostly Range - 34% Protein; \$/LB: .9300 - 1.1000

U.S. WPC < 80% EXPORTS, H.S. CODE 0404100500(FAS)

2020 Exports % Change From
(Million Lb.) 1 Year Ago

FEBRUARY Total	18.2	+ 31
TOTAL, JAN - FEB	47.7	+ 44
1 China	14.4	+ 185
2 Mexico	8.6	- 19
3 Canada	5.9	+ 15
4 Philippines	4.7	+ 47
5 Singapore	3.1	+ 120

LACTOSE

Lactose prices are steady to higher as the market transitions from Q1 to Q2 contracts. While a few remaining Q1 contracts held the bottom of the price range in place, manufacturers report Q2 contract prices took a step higher. As a result, both ends of the mostly price series moved higher. In addition, a few spot sales created a bump at the top of the price range. Spot sales activity is limited as many processors are working hard to fill contracted obligations first. Lactose inventories are tight. Industry contacts say demand is active and some end users are asking to add volumes to their orders. Contacts also say demand for other dairy carbohydrates is strong and helping support lactose markets. Some processors say prices for permeates are in the upper \$.20s into the low \$.30s. A few manufacturers report lactose production is lower, due to disruptions in cheese production caused by the massive consumer demand shift away from food service to retail products. The March 2020 Dairy Market News average of the mostly price series for Central and West lactose was \$0.3107, compared to \$0.3043 in February, and \$.3650 one year ago.

Prices for: Central and Western U.S., Spot Sales And Up to 3 Month Contracts, F.O.B., Conventional, and Edible Lactose
Price Range - Non Pharmaceutical; \$/LB: .2400 - .5000
Mostly Range - Non Pharmaceutical; \$/LB: .3000 - .3750

U.S. LACTOSE EXPORTS, H.S. CODE 1702110000(FAS)

2020 Exports % Change From
(Million Lb.) 1 Year Ago

FEBRUARY Total	54.0	+ 15
TOTAL, JAN - FEB	108.4	+ 15
1 New Zealand	15.8	+ 13
2 China	14.8	- 4
3 Japan	14.0	+ 17
4 Mexico	12.7	- 20
5 Indonesia	6.2	+ 36

CASEIN

Rennet casein prices moved lower. Acid casein prices are steady. Acid casein is pretty well committed through this milk season in Oceania. Not much in the way of new transactions is happening. Rennet casein markets have some more spot activity occurring, which resulted in the fluctuations reflected this week. Ukraine has been striving to become a more significant supplier of casein. In recent weeks varied COVID-19 factors have sent more milk into casein production. However, exports tend to primarily go to a few European countries so there has been no discernible impact on global markets.

Prices for: Spot Sales And Up to 3 Month Contracts, Free on Board - Warehouse, Non-Restricted, All Mesh Sizes, Conventional, and Edible Casein

Acid; Price Range - \$/LB: 3.9000-4.1000
Rennet; Price Range - \$/LB: 4.3725-4.4975

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

WEEK ENDING	2020 WEEKLY DAIRY COWS	2020 CUMULATIVE DAIRY COWS	2019 WEEKLY DAIRY COWS	2019 CUMULATIVE DAIRY COWS
03/21/2020	67.5	784.7	71.2	819.2
03/28/2020	67.5	852.2	67.1	886.3

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

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

FEDERAL MILK ORDER CLASS III MILK PRICES (3.5% Butterfat)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2017	16.77	16.88	15.81	15.22	15.57	16.44	15.45	16.57	16.36	16.69	16.88	15.44
2018	14.00	13.40	14.22	14.47	15.18	15.21	14.10	14.95	16.09	15.53	14.44	13.78
2019	13.96	13.89	15.04	15.96	16.38	16.27	17.55	17.60	18.31	18.72	20.45	19.37

FEDERAL MILK ORDER CLASS IV MILK PRICES (3.5% Butterfat)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2017	16.19	15.59	14.32	14.01	14.49	15.89	16.60	16.61	15.86	14.85	13.99	13.51
2018	13.13	12.87	13.04	13.48	14.57	14.91	14.14	14.63	14.81	15.01	15.06	15.09
2019	15.48	15.86	15.71	15.72	16.29	16.83	16.90	16.74	16.35	16.39	16.60	16.70

FEDERAL MILK ORDER CLASS PRICES FOR 2020 (3.5% Butterfat)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I (BASE)	19.01	17.55	17.46	16.64								
II	17.05	16.84	16.75									
III	17.05	17.00	16.25									
IV	16.65	16.20	14.87									

Further information may be found at: <https://www.ams.usda.gov/rules-regulations/mmr/dmr>

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

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
04/04/2020	1,6209 2,829,798	1,8215 9,954,632	1,4784 12,900,153	.3767 3,489,409	1.0773 13,572,232

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

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

CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)						NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)					
DATE	04/03	04/06	04/07	04/08	04/08	DATE	04/03	04/06	04/07	04/08	04/08
APR 20	14.07	13.88	14.04	13.78	13.56	APR 20	87.50	87.50	88.60	88.90	93.80
MAY 20	12.18	11.83	12.58	11.83	11.43	MAY 20	86.10	87.08	91.08	88.00	88.13
JUN 20	13.13	13.05	13.80	13.26	12.82	JUN 20	87.58	88.00	92.00	91.20	90.53
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)						WHEY (Electronic-Traded) (¢/lb)					
DATE	04/03	04/06	04/07	04/08	04/08	DATE	04/03	04/06	04/07	04/08	04/08
APR 20	11.36	11.36	11.41	11.41	11.57	APR 20	35.20	35.30	36.05	36.10	37.20
MAY 20	11.15	11.02	11.77	11.53	11.41	MAY 20	34.03	34.00	34.93	35.03	36.05
JUN 20	11.54	11.54	11.85	12.09	11.82	JUN 20	32.18	32.18	34.50	34.05	35.00
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)						CHEESE CSC (Electronic-Traded) (\$/lb)					
DATE	04/03	04/06	04/07	04/08	04/08	DATE	04/03	04/06	04/07	04/08	04/08
APR 20	139.50	140.50	142.00	140.73	140.25	APR 20	1.51	1.49	1.50	1.48	1.45
MAY 20	139.23	137.03	142.03	141.50	138.00	MAY 20	1.33	1.28	1.38	1.25	1.23
JUN 20	140.75	140.75	145.75	146.25	143.25	JUN 20	1.43	1.43	1.50	1.44	1.39

Further information may be found at: <http://www.cmegroup.com/market-data/daily-bulletin.html>

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered March 30 - April 10, 2020

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

Western European seasonal milk production is moving forward toward the expected peak next month. Dairy sources say that in some of the largest producing states, Germany, France, Italy and Netherlands, production increases have been pleasing to producers. Germany and France each had a hiccup where weekly production was lower than the previous week. Even so, official data through January and anecdotal observations into early April indicate that YTD production leads last year.

Stay at home orders of varied types continue to be in force in most of Western Europe. Time does slop by. A source in Belgium commented that it is already week four of stay at home restrictions there. That is expected to continue at least through April. In most countries this has led to a dairy supply/demand disruption, exacerbated by the severe reduction in food service business activity.

Last week the European Commission released details of a new plan to help agricultural producers make it through the current period of uncertainty. Farmers (including dairy producers) are eligible to receive loans of up to 200,000 euros which need not only be used for on farm investments. The loan proceeds may be also used to help cash flow. Dairy organizations in Western Europe continue to press for additional assistance, such as private storage aid. So far, the commission has not been viewed as being very receptive to the idea. Budgetary factors are one of the obstacles. Nevertheless, farm groups expect to continue to press for additional assistance.

Cheese markets in Western Europe reflect significantly reduced demand from restaurants, catering and other food service channels. Home consumption is higher. A new dimension being noted is increasing calls from Asia for cheese exports. This seems to be a resumption of interest. Costs for containers and logistics are higher, but the increasing export demand is welcome.

ments in almost all of Western Europe. There was an initial surge in consumers stocking butter for in home consumption. That has subsided, but a result is less retail store butter purchasing by consumers with more than normal butter currently in home refrigerators. Overlying this is a drastic drop in butter purchasing for food service. All and all, the weaker butter prices were not much of a surprise to butter manufacturers. Butteroil prices are mixed, steady to slightly lower.

Western European butter plant managers in Germany and France, the major producers, have active packaged butter schedules and hope to increase production further moving into May. Demand is characterized as coming primarily from within the four walls of homes, not from food service. Packaged butter for home consumption is the focus of butter manufacturing. Due to the unusual pattern of home stocking, it is not certain whether the normal spike of butter sales before religious holidays will occur this April. Butter manufacturers have cut back schedules for bulk butter production. Current new demand is slight. Even some contracted bulk butter is reported to be slow in being accepted.

Some butter manufacturers are reviewing rules governing intervention purchases of butter, a program providing a price floor. Eucolait recently summarized the program as having been open since March 1. It continues until September 30. The fixed butter intervention price is 2,217.50 euros/MT. When offered by sellers, the European Commission has to buy up to 50,000 MT of butter, subject to various requirements for date of manufacture, packaging, etc.

Western Europe, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 2,475 - 3,175

Western Europe, 99% Butterfat, Free on Board - Port Butteroil
Price Range - \$/MT: 3,750 - 4,100

EASTERN OVERVIEW

Ukrainian government efforts to curb the spread of COVID-19 led to more milk flowing into dairy manufacturing. Restrictions on sales of food in markets and bazaars disrupted normal sales of farm milk in those settings. Culturally, many consumers have regularly purchased fluid milk in these non-supermarket settings. The new restrictions led to the milk being sent to manufacturing plants. The result is increased output of milk powders, butter and casein.

BUTTER/BUTTEROIL

Butter prices in Western Europe are lower. The highest prices are in France, followed by Belgium, then Germany. Current butter prices are quite a bit lower than one year ago when the Dairy Market News price range for Western European butter was 4,600-4,750.

Current price weakness follows markedly lower current cream prices in many countries. Partly it reflects new consumption patterns which followed imposition of COVID-19 stay at home type require-

SKIM MILK POWDER

Skim milk powder prices in Western Europe moved lower. Prices are highest in France, followed by Belgium, Germany and Netherlands. SMP markets are buffeted by several factors weighing on pricing. Uncertainty is often mentioned. Buyers in the EU are very slow to undertake new contracts at this time. With SMP being a commodity used in other food products, the slowdown in dairy manufacturing impacts SMP. Another factor is that many potential SMP buyers are covered and can step back before committing further. Manufacturing of SMP remains active in terms of fulfilling existing contracts. Some buyers have been a bit slow in picking up product, but that has diminished as a factor. Serious buyers negotiating new deals now are increasingly from China and other Asian countries. Buyers in China have also begun to return to normal acceptance of shipments from Western Europe. Recent new deals signed by China have generally been at lower prices than contracts signed several months ago. Finally, seasonally higher milk production, coupled with diminished demand for cheese from food service, leaves an increase in milk available for drying.

May is typically the high SMP production month in Western Europe. That may not be the case in 2020, according to some Western European dairy officials. The unexpectedly low prices are discouraging discretionary production.

CONTINUED ON PAGE 8A

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered March 30 - April 10, 2020

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

CONTINUED FROM PAGE 8

Some SMP manufacturers are reviewing rules governing intervention purchases of SMP, a program providing a price floor. Eucolait recently summarized the program as having been open since March 1. It continues until September 30. The fixed SMP intervention price is 1,698 euros/MT. When offered by sellers, the European Commission has to buy up to 109,000 MT of SMP, subject to various requirements for date of manufacture, packaging, etc. If the ceiling is reached, the Commission must continue buying by tendering.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder

Price Range - 1.25% Butterfat; \$/MT: 1,700 - 2,050

DRY WHEY

Dry whey prices in Western Europe are lower. No specific reason is universally cited. Often mentioned is less buying activity and urgency. This factor is coupled to more availability of whey concentrate. Export interest has slowed as well. Prices are lower than manufacturers ideally prefer. For now, it is a matter of biding time. Some whey manufacturers comment that Russia has temporarily relaxed one element of its ban on imports of EU-origin dairy products. Until the end of 2020, demineralized whey powder for use as an ingredient in infant formula will be permitted for import into Russia.

Prices for: Western Europe, All First Sales, Free on Board - Port, Conventional, and Edible Dry Whey

Price Range - Non-Hygroscopic; \$/MT: 575 - 825

WHOLE MILK POWDER

Whole milk powder prices in Western Europe are lower. As usual, it is used primarily for dairy manufacturing within the EU. It is currently considered to be a calm market. Nevertheless, the weakness of other dairy markets contributed to pulling on WMP. Current pricing is noticeably lower than one year ago when the Dairy Market News price range for Western European WMP was 3,200-3,450.

Western European whole milk powder plants have been reducing production schedules. April typically lags some higher production months. It is noted that few incentives exist to push more production this April than in past years. Manufacturers in top producing countries, Germany, France and Netherlands, also say that export interest outside the EU has recently been weaker.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder

Price Range - 26% Butterfat; \$/MT: 2,425 - 2,675

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered March 30 - April 10, 2020

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.

OCEANIA DAIRY MARKET OVERVIEW

AUSTRALIA: The Australian dairy industry is quite focused on sales within Australia to feed the population there. Exports are important too, but a priority is the substantial domestic consumer base.

The ongoing stay at home conditions have scrambled some of the typical production channels and demand. As with elsewhere, there was a recent strengthening of retail sales to consumers stocking up. Sales for food service declined. That led to sales boosts for some dairy manufacturing, but less demand for other manufacturing.

A result is more challenges for multi plant processors to manage milk across a number of plants, also dealing with supply routes to plants from dairy producers. While most balancing plants strive to take all the milk available from contracted producers, some plants have stopped taking milk from other sources. A primary challenge has been increased production of retail dairy goods. Some other plants previously focused on food service demand, are trying to adapt. There are some concerns with dairy products which had been made for food service which remain unsold. The concern is with items getting closer to the expiration date.

NEW ZEALAND: February 2020 New Zealand milk production reported by DCANZ was 1,875 million MT. February 2020 milk solids, 167,874 million kg, are up 1.7 percent from February 2019, 165,025 million kg.

Late season buying interest in the main dairy commodities in New Zealand has been better than had been expected several weeks ago after impacts of COVID-19 began to ripple through markets. Recently lower dairy derivatives markets were upended by recent demand strength, especially in whole milk powder. China is typically a major customer for some New Zealand dairy products. Chins moving back toward more normal dairy import patterns is a welcome aspect to the current dairy situation in New Zealand. Limited late season product availability, facing resurgent demand, has given some welcome price strength. Producers are hoping this will give a tailwind to the season's final milk price.

BUTTER/BUTTEROIL

Oceania butter prices are mixed. Low range prices firmed while upper range prices are lower. The price strength results from buyers trying to cover expected needs later this spring. Not much activity to meet current needs is reported. Butter prices higher in the range are well above Western European pricing. While the strong preference of some buyers for Oceania butter helps maintain prices to an extent, the weakened prices in Western Europe results in a more evident price spread which some manufacturers believe may shuffle a bit of buying moving ahead.

Oceania, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 4,275 - 4,350

Secondary Sourced Information:

Butter exports from New Zealand January - February 2020, 87,000 MT, decreased 14.5 percent from January - February 2019 according to CLAL data made available to USDA.

At GDT event 257 on April 7, the butter all contracts price, \$4,263, increased 4.5 percent. The May contract did not trade.

SKIM MILK POWDER

Oceania skim milk powder prices contracted the price range. Lower range prices firmed but upper range prices are down. The magnitude of the price range above that in Western Europe, where greater volumes of SMP are manufactured, is believed to have diminished interest at new sales near the top of the Oceania range.

Manufacturers have noticed more favorable recent signs from China. Deliveries of contracted SMP are returning to more normal patterns. New deals are being made and discussed. The trade horizon is showing more glimmers of light. However, with the production season getting closer to the end, there will be less and less Oceania SMP available in coming months.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,525 - 2,825

Secondary Sourced Information:

SMP exports from New Zealand January - February 2020, 76,000 MT, decreased 6.0 percent from January - February 2019 according to CLAL data made available to USDA.

At GDT event 257 on April 7, the SMP all contracts price, \$2,514, decreased 0.8 percent. The May contract, \$2,851, decreased 5.2 percent.

CHEESE

Cheddar prices in Oceania moved up very slightly at the low end of the price range but remained steady at the top. Not much has changed in cheddar markets. This late in the production season most seasonal production is already spoken for. Few new sales are being made. Volumes coming from plants are declining seasonally, but are sufficient to fill contracts. Nothing is at play to change the ongoing dynamic.

Prices for: Oceania Cheese, Cheddar, 39% Maximum Moisture, Free on Board - Port
Price Range - \$/MT: 4,400 - 4,500

Secondary Sourced Information:

Cheese exports from New Zealand January - February 2020, 61,000 MT, increased 11.2 percent from January - February, 2019 according to CLAL data made available to USDA.

At GDT event 257 on April 7, the cheddar all contracts price, \$4,4395, increased 0.2 percent. The May contract did not trade.

CONTINUED ON PAGE 8C

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered March 30 - April 10, 2020

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 8B**WHOLE MILK POWDER**

Oceania whole milk prices are up at the low end of the price range but steady at the top. The somewhat unexpected strength is viewed as demonstrating that demand is greater than had recently been believed. More buyers seem to be focused on the fact that the end of the current milk production season is months away. Product availability will be increasingly limited.

As always, much of the WMP production in the region is headed to export markets outside Oceania. Renewed stronger export sales to North Asia and Southeast Asia helped strengthen prices. This more than offset lower sales to Africa and the Middle East, where lower oil revenue is believed to be a current factor limiting affordability. There is hope that export interest will remain active in coming months.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder

Price Range - 26% Butterfat; \$/MT: 2,800 - 2,850

Secondary Sourced Information:

WMP exports from New Zealand January – February 2020, 283,000 MT, decreased 9.0 percent from January – February 2019 according to CLAL data made available to USDA.

At GDT event 257 on April 7, the WMP all contracts price, \$2,820 increased 2.1 percent. The May contract, \$2,843, increased 2.9 percent.

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered March 30 - April 10, 2020

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

SOUTH AMERICA OVERVIEW

In Argentina, farm milk production has plateaued as most cows continue suffering from heat stress due to atypical high temperatures. So far, milk/cream intakes are below satisfactory levels in order to satisfy all manufacturing needs. Some contacts say that due to stagnant milk production and an increase in demand, several processors are offering a premium for raw milk. As mentioned in the previous report, food production is exempt from complying with mandatory and preventive social isolation due to COVID-19. Nevertheless, the country's dairy industry personnel have been applying preventive practices without interrupting their usual business procedures. Speculative buying of some dairy products continues being strong in grocery stores across the country. Due to the prolonged shelf life, UHT milk has been a highly demanded item during this pandemic.

In Brazil, farm milk production has decreased slightly as the climate has been unstable and unfavorable for cows' milk yields. In addition to the wobbly climate, there are two other factors discouraging milk production. One of them is the high prices of concentrate (corn and soybean), as a result of the severe drought in some crop zones of the country. The other factor is the increase of dairy cows' slaughter, driven by a solid beef cattle market. With that said, milk/cream volumes remain below the high demand from the food processing industry. The strong competition among processors for milk/cream is boosting farm gate prices, which has been beneficial for some dairy farmers. COVID-19 is a new reality, and dairy industry personnel continue to apply recommended health protocols to prevent the spread of the coronavirus. In general, milk shipments, processing, and distribution are reported to continue to operate normally. However, there are some delay issues as some truckers prefer to remain in quarantine during this COVID-19 juncture. The demand for bottled milk, especially UHT, is very strong at the retail level. With most of the food service sector closed, cheese sales have dropped substantially, forcing some processors to sell cheese at lower prices on the cash market in order to prevent stock build-up.

WHOLE MILK POWDER

In the Southern Cone region of South America, free on board export prices for whole milk powder (WMP) adjusted steady to higher, shadowing recent uptick trends in some offshore auctions. Due to lower regional manufacturing milk volumes, WMP processing has been atypically slow in several balancing facilities. In other words, not all dryers are running at full capacity as condensed whole milk supplies remain tight throughout the region. Accordingly, WMP stock levels are steady to slightly lower. As a measure to mitigate COVID-19 spreading, some ports have been partially closed across the Southern Cone coasts, in some instances delaying milk powder export shipments within and outside the Mercosur bloc.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 2,800 - 3,100

Secondary Sourced Information:

At the GDT Event 257 on April 7, whole milk powder (WMP) prices across all contract periods averaged \$2,820 per metric ton, up 2.1 percent from the last event.

SKIM MILK POWDER

The manufacture of skim milk powder (SMP) is limited in the Southern Cone region of the continent as condensed skim milk volumes remain short in the region and most drying time is devoted to WMP production. This market remains relatively steady, with no major changes from the previous report. Unlike other dairy ingredients, worldwide, COVID-19 is not playing a major role in this regional niche, at least for the time being. SMP free on board (f.o.b.) export prices remained unchanged during the past two weeks.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,550 - 2,750

Secondary Sourced Information:

At the GDT Event 257 on April 7, skim milk powder (SMP) prices across all contract periods averaged \$2,514 per metric ton, down 0.8 percent from the last event.

2020 INTERNATIONAL MONTHLY AVERAGES

AREA and PRODUCT	: JAN	: FEB	: MAR
DAIRY MARKET NEWS ¹			
BUTTER (82% BUTTERFAT)			
-- OCEANIA	4096	4169	4273
-- WEST EUROPE	4045	3938	3626
BUTEROIL (99% BUTTERFAT)			
-- WEST EUROPE	5056	4981	4414
CHEDDAR CHEESE (39% MAXIMUM MOISTURE)			
-- OCEANIA	4034	4431	4365
SKIM MILK POWDER (1.25% BUTTERFAT)			
-- OCEANIA	3076	3006	2755
-- SOUTH AMERICA	3020	2875	2695
-- WEST EUROPE	2906	2838	2460
WHEY POWDER (NONHYGROSCOPIC)			
-- WEST EUROPE	923	913	882
WHOLE MILK POWDER (26% BUTTERFAT)			
-- OCEANIA	3185	3006	2870
-- SOUTH AMERICA	3183	3050	2905
-- WEST EUROPE	3416	3350	3061

¹ Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month – Saturdays and Sundays excluded.

April Supply and Demand Estimates

The milk production forecast is reduced from last month on slower growth in milk per cow. The average dairy cow inventory is little changed as a higher-than-expected early year inventory is expected to decline later in the year. The 2020 fat basis export forecast is reduced primarily on lower expected exports of butterfat products and cheese due to weaker global demand. The fat basis import forecast is also reduced on lower imports of butter. On a skim-solids basis, the export forecast is reduced, reflecting slowing international demand for nonfat dry milk (NDM) and lactose. The skim-solids basis import forecast is unchanged from last month. Product prices are forecast lower on weak demand, large supplies, and larger stocks. Thus, both the Class III and Class IV prices are forecast lower. The all milk price is forecast lower than the previous month at \$14.35 per cwt.

U.S. Milk Supply and Use					
Commodity	2018	2019 Estimated		2020 Projected	
		Mar	Apr	Mar	Apr
		<i>(billion pounds)</i>			
Milk					
Production	217.6	218.4	218.4	222.3	222.2
Farm Use	1.0	1.0	1.0	1.0	1.0
Fat Basis Supply					
Beginning Commercial Stocks	13.4	13.8	13.8	13.7	13.7
Marketings	216.5	217.4	217.4	221.2	221.2
Imports	6.3	7.0	7.0	6.8	6.6
Total Commercial Supply	236.2	238.1	238.1	241.7	241.4
Fat Basis Use					
Commercial Exports	10.4	9.1	9.1	9.2	8.9
Ending Commercial Stocks	13.8	13.7	13.7	14.1	15.3
CCC Donations	0.0	0.2	0.2	0.3	0.3
Domestic Commercial Use	212.1	215.1	215.1	218.2	217.0
Skim-Solid Basis Supply					
Beginning Commercial Stocks	11.8	10.7	10.7	10.2	10.2
Marketings	216.5	217.4	217.4	221.2	221.2
Imports	5.5	5.8	5.8	5.6	5.6
Total Commercial Supply	233.8	233.9	233.9	237.1	237.0
Skim-Solids Basis Use					
Commercial Exports	44.7	41.6	41.6	43.9	42.1
Ending Commercial Stocks	10.7	10.2	10.2	10.4	11.4
CCC Donations	0.0	0.2	0.2	0.1	0.1
Domestic Commercial Use	178.5	181.9	181.9	182.7	183.3

NOTE: Totals may not add due to rounding.

Continued on page 11

April Milk Supply and Demand Estimates-cont'd

U.S. Dairy Prices					
Commodity	2018	2019 Estimated		2020 Projected	
		Mar	Apr	Mar	Apr
<i>(dollars per pound)</i>					
Product Prices ¹					
Cheese	1.5377	1.7586	1.7586	1.7550	1.3800
Butter	2.2572	2.2431	2.2431	1.8450	1.4300
Nonfat Dry Milk	0.7945	1.0419	1.0419	1.1750	0.9550
Dry Whey	0.3422	0.3799	0.3799	0.3550	0.3450
<i>(dollars per cwt)</i>					
Milk Prices ²					
Class III	14.61	16.96	16.96	16.65	12.75
Class IV	14.23	16.30	16.30	15.75	12.15
All Milk ³	16.27	18.60	18.60	18.25	14.35
Quarterly					
	2019 IV	2020 I ⁴	2020 II ⁴	2020 III ⁴	2020 IV ⁴
<i>(billion pounds)</i>					
Milk Production	54.0	55.9	56.7	54.9	54.6
<i>(dollars per cwt)</i>					
All Milk Price ^{2,3}	20.53	18.90	12.90	12.10	13.45
Class III Price ²	19.51	16.77	11.49	10.92	11.92
Class IV Price ²	16.56	15.91	10.86	10.44	11.29

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-599, April 9, 2020*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, ICEC Chair, WAOB; Carolyn Liebrand, AMS; Paul Kiendl, FAS; Jerry Cessna, ERS; and Georgi Gabrielyan, FPAC].

MARKET NEWS INFORMATION BY PHONE

The system is accessible via a touch-tone telephone. By listening to the menu and pressing the appropriate numbers, you will have access to the latest CME Group daily pricing for cheese, NDM, and butter, weekly domestic DMN dry product prices, and biweekly DMN international dairy product prices. Release day (s) and times (Central) are in parenthesis. 1/

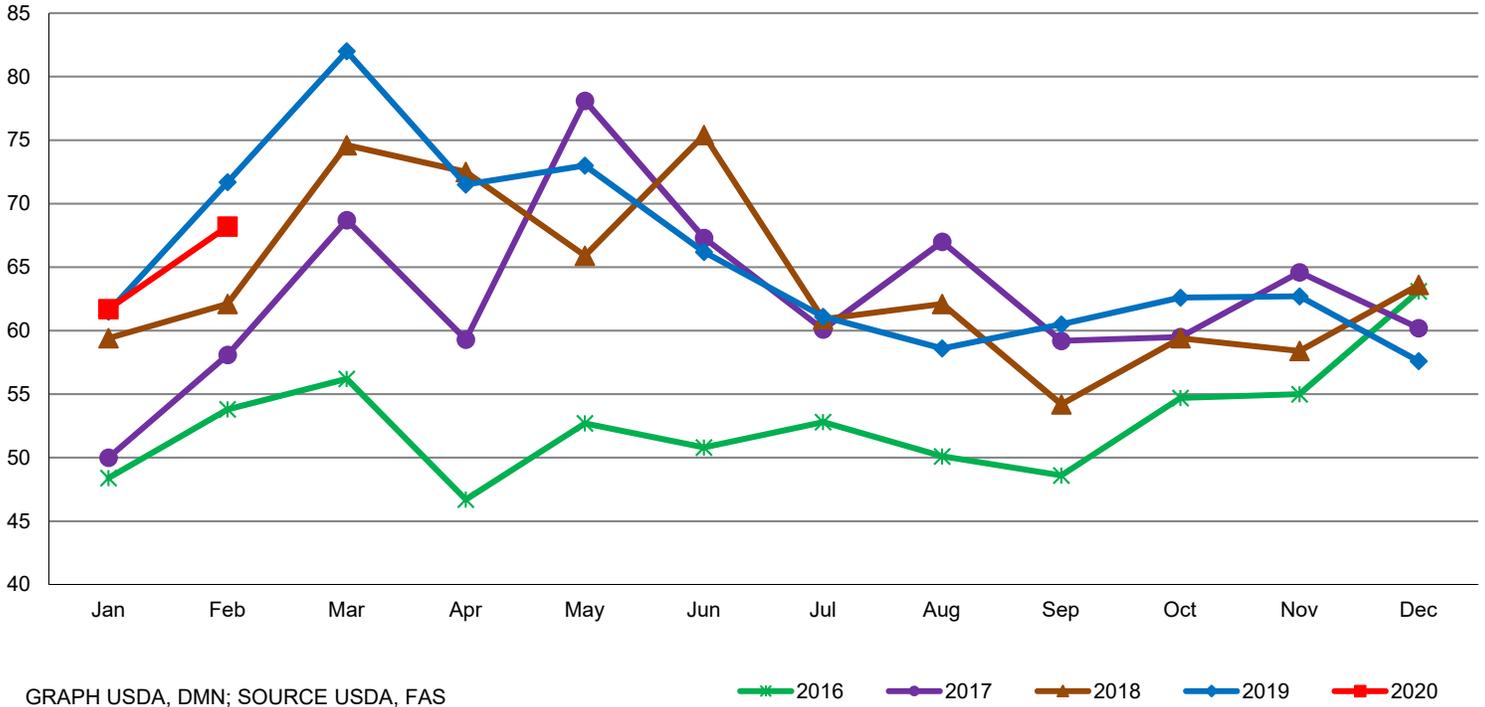


UNITED STATES DEPARTMENT
OF AGRICULTURE
DAIRY MARKET NEWS
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1/ Holidays may affect release days and times.

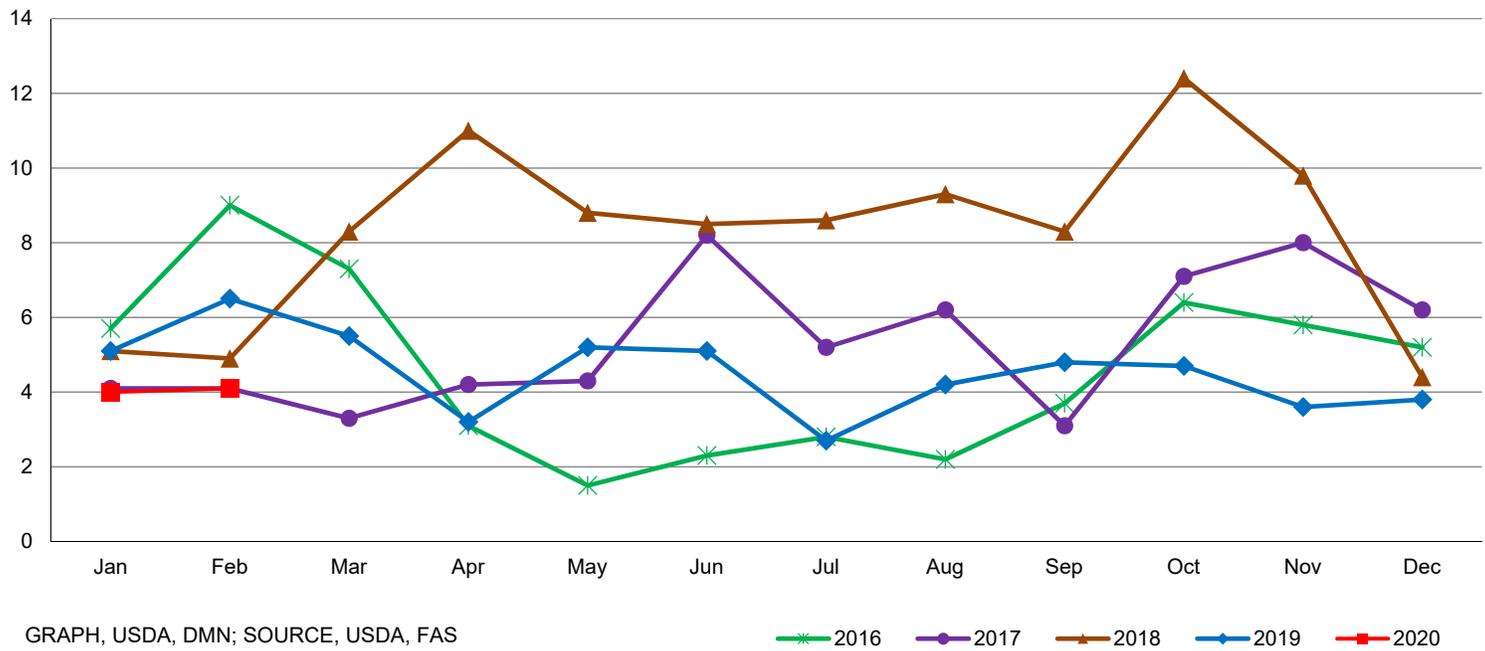
Million Pounds

Cheese Exports (various H.S. Codes)



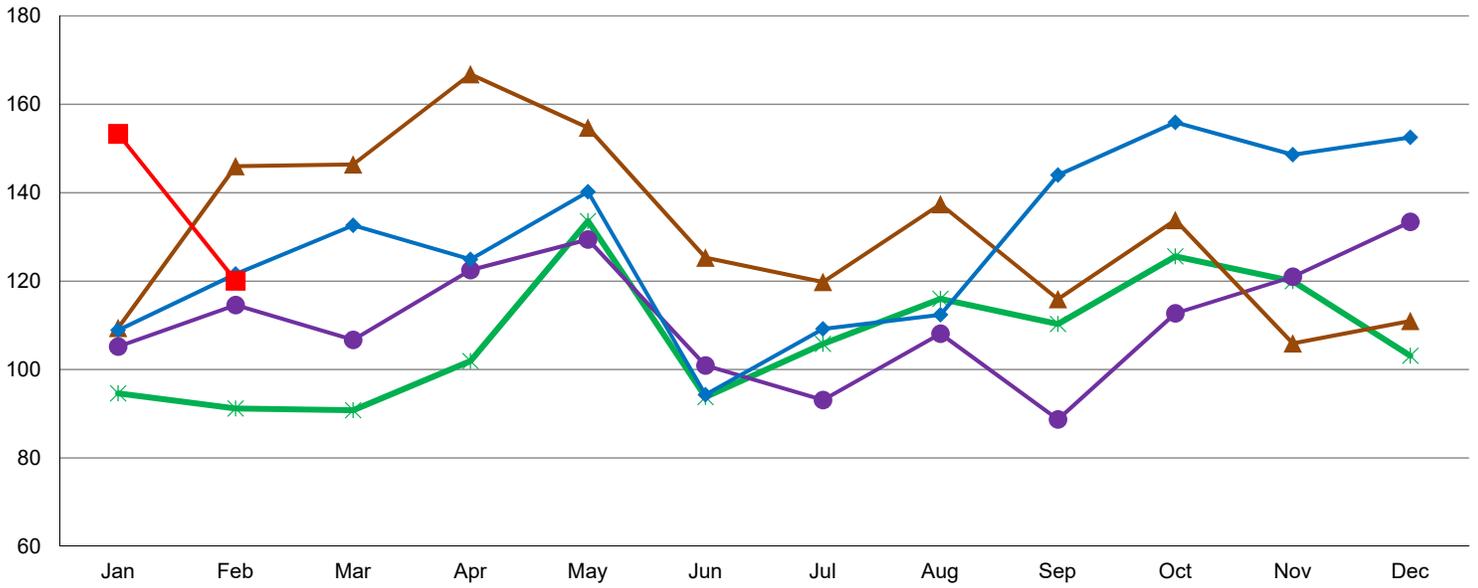
Million Pounds

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



Million Pounds

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

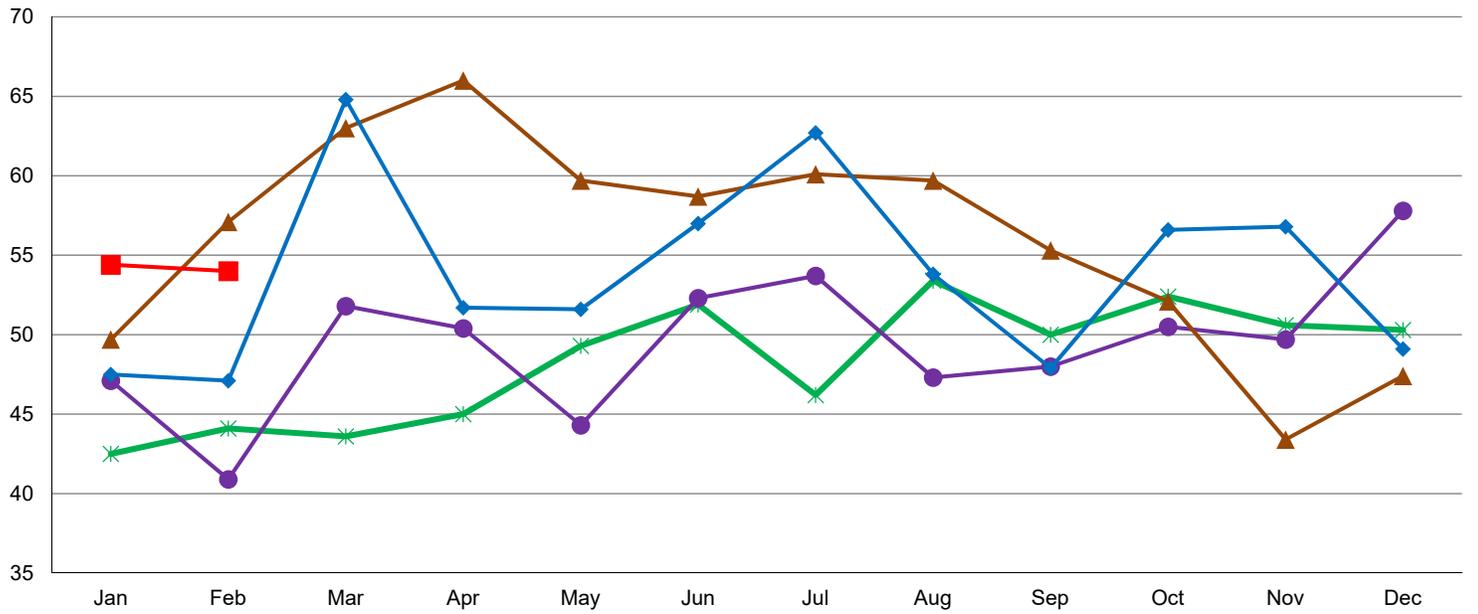


GRAPH USDA, DMN; SOURCE USDA, FAS

2016 2017 2018 2019 2020

Million Pounds

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

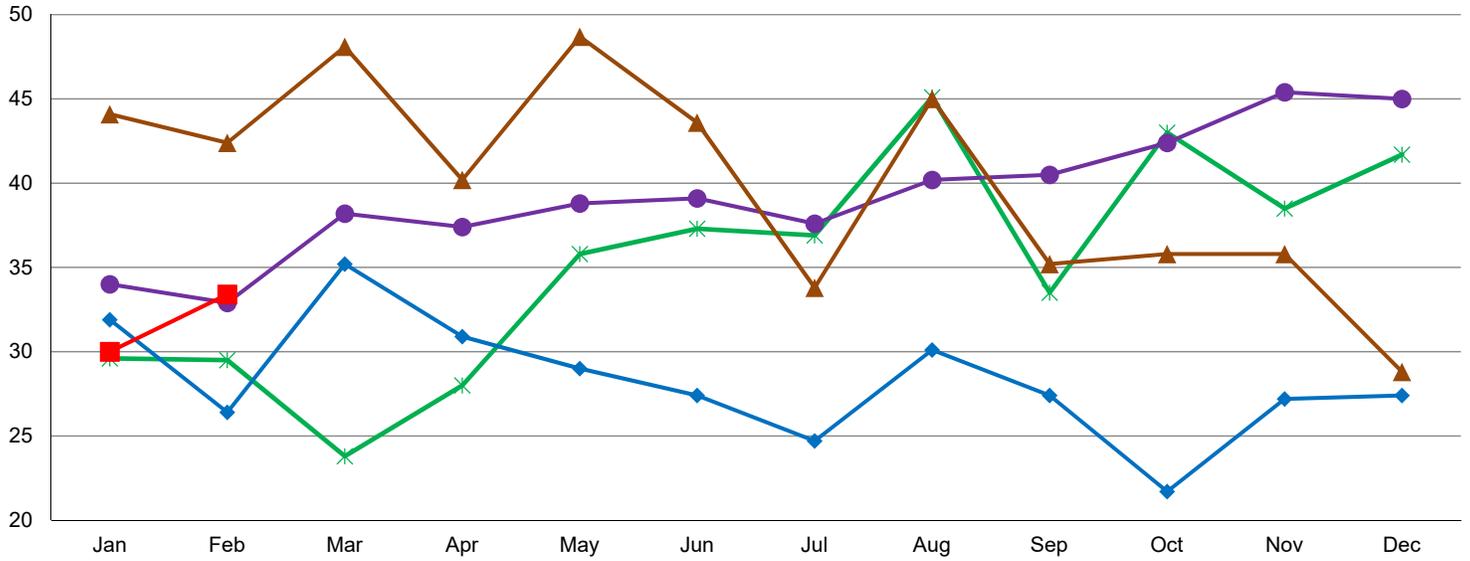


GRAPH USDA, DMN; SOURCE USDA, FAS

2016 2017 2018 2019 2020

Million Pounds

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

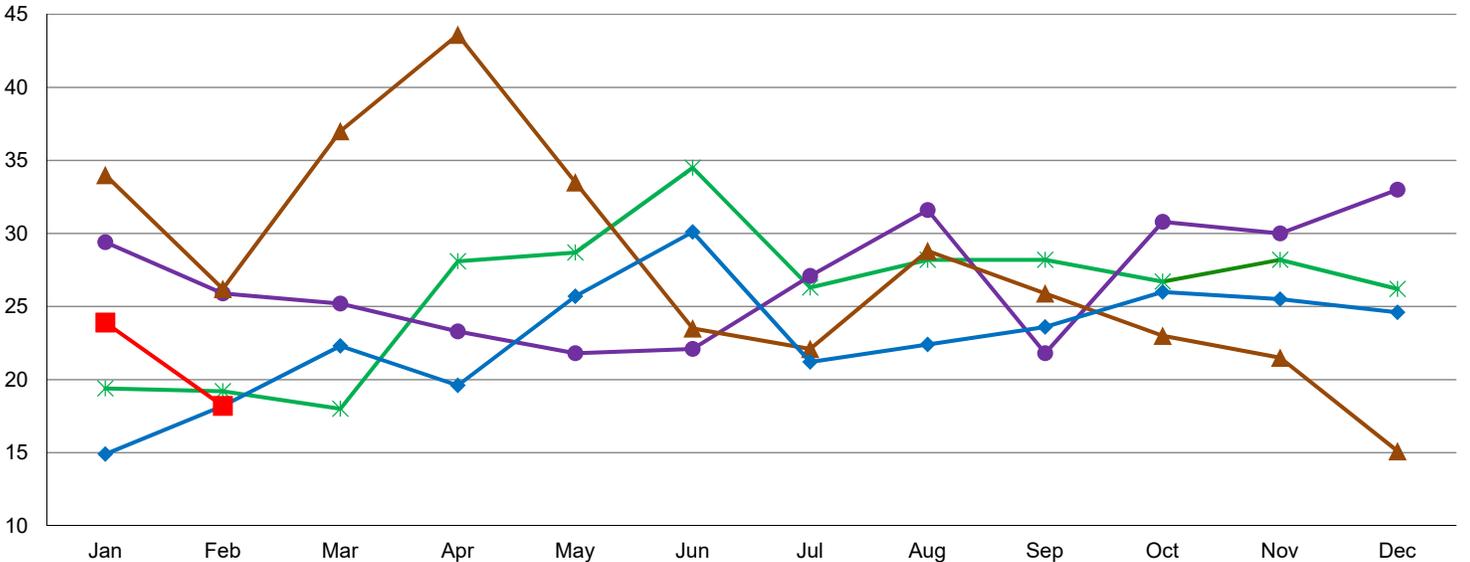


GRAPH USDA, DMN; SOURCE USDA,FAS

2016 2017 2018 2019 2020

Million Pounds

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



GRAPH USDA, DMN; SOURCE USDA,FAS

2016 2017 2018 2019 2020



Dairy Market News Branch

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National Retail Report-Dairy

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

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Friday, April 10, 2020

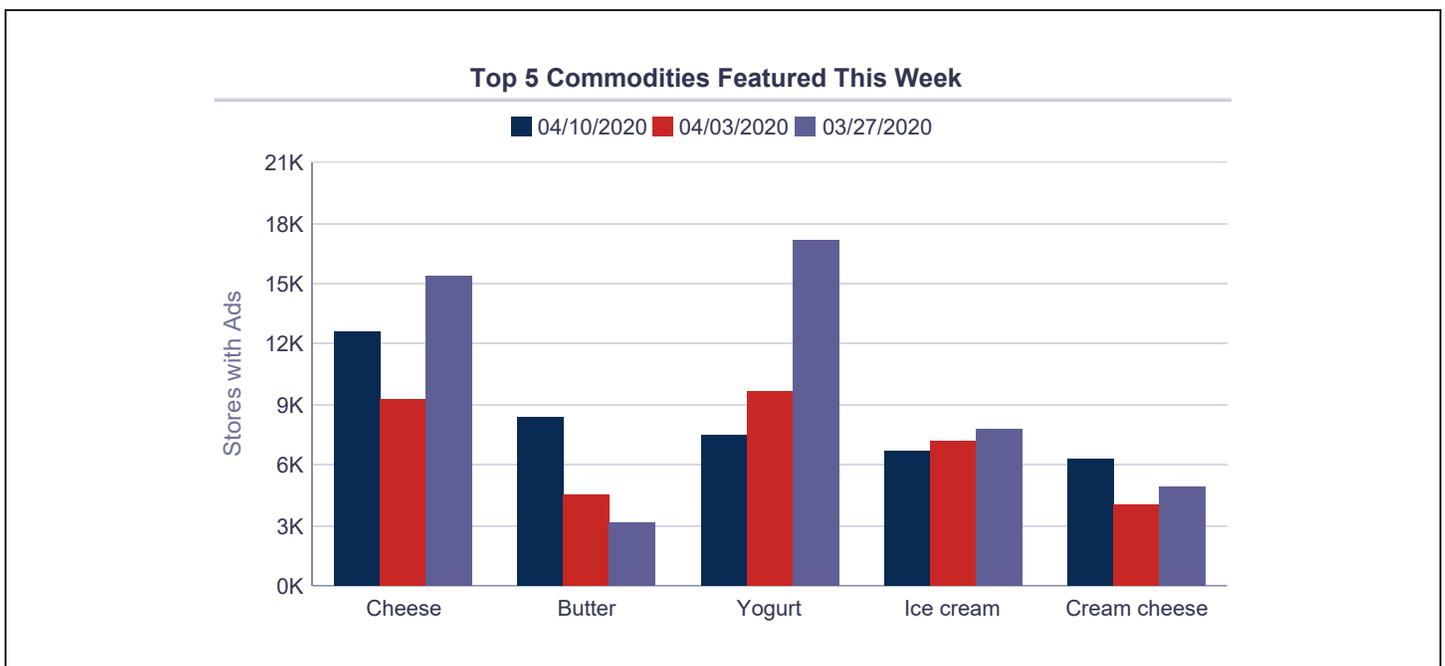
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 04/10/2020 to 04/16/2020

COVID-19 is still impacting how many retail store ads are posted online. Store advertisements are fewer than usual. As the result, the retail report may not fully reflect current market conditions.

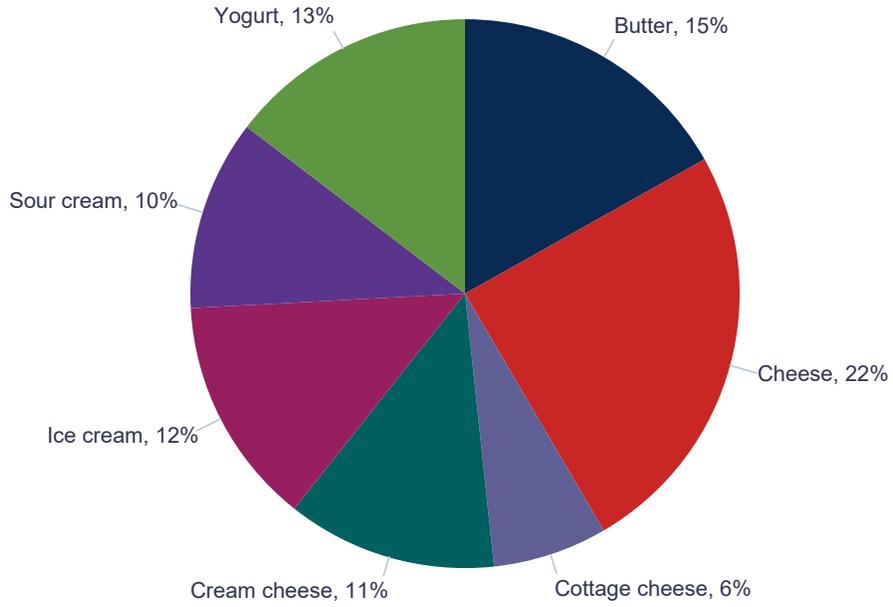
The total number of conventional advertisements grew by 27 percent whereas the total number of organic ads dropped 19 percent. Butter in 1 # packages was the most advertised conventional dairy product, followed by ice cream in 48-64 oz containers. Aside from the conventional 8 oz shred cheese category that was not advertised this week, all other conventional cheese prices increased. Block cheese in 2 # packages had the highest percentage increase in ad numbers.

The national weighted average advertised price for conventional gallon milk is \$1.99, compared to \$5.66 for organic milk in one gallon containers, creating an organic price premium of \$3.67. Organic gallon milk ad numbers increased 166 percent, the highest percentage increase in ad numbers for all organic dairy products this week.

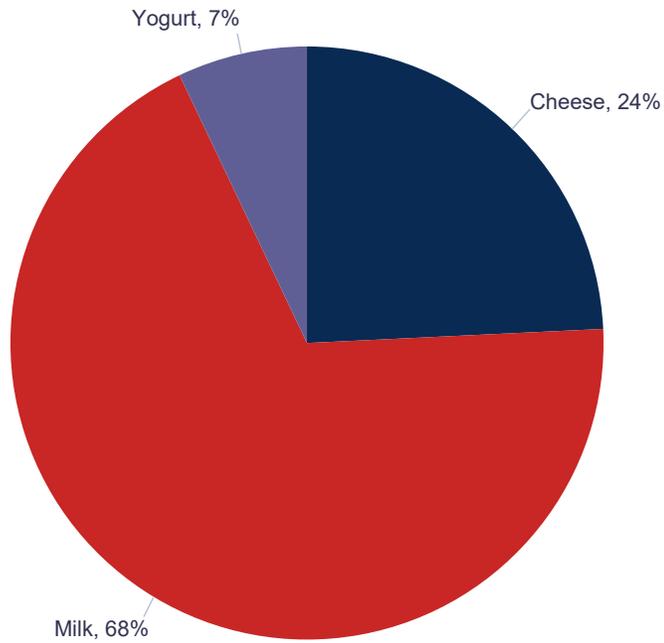
The total number of ads for conventional yogurt decreased by 24 percent. There were no organic yogurt ads this week. The total number of ads for conventional cheese increased 34 percent, but there were no organic cheese ads this week.



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 #	8338	3.03	4399	3.31	9963	3.03
Cheese	Natural Varieties	8 oz block	4415	2.48	3566	2.32	6799	2.11
Cheese	Natural Varieties	1 # block	1123	3.54	1155	3.33	795	4.30
Cheese	Natural Varieties	2 # block	568	6.03	121	5.99	757	5.49
Cheese	Natural Varieties	8 oz shred	5615	2.27	3673	2.18	8158	2.14
Cheese	Natural Varieties	1 # shred	594	3.72	702	3.37	302	4.10
Cottage cheese		16 oz	3119	2.03	2237	2.00	4904	1.88
Cream cheese		8 oz	6298	1.79	3882	1.65	8337	1.71
Flavored milk	All fat tests	half gallon					454	2.60
Flavored milk	All fat tests	gallon	180	4.99	180	4.99	423	2.87
Ice cream		48-64oz	6691	3.09	7221	3.15	14903	2.88
Milk	All fat tests	half gallon					978	2.19
Milk	All fat tests	gallon	105	1.99			759	2.74
Sour cream		16 oz	5576	1.90	2584	1.89	5766	1.76
Yogurt	Greek	4-6 oz	2807	.93	2384	.93	10389	.95
Yogurt	Greek	32 oz	3251	3.52	4210	3.59	1227	3.63
Yogurt	Yogurt	4-6 oz	770	.47	2685	.54	4098	.51
Yogurt	Yogurt	32 oz	546	2.13	403	1.98	357	2.52

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 #	2.29-3.99	1625	2.92	2.29-4.00	3579	3.00	2.50-2.99	750	2.90
Cheese	Natural Varieties	8 oz block	2.00-3.00	956	2.43	2.00-3.50	2378	2.56	1.67-2.50	576	2.03
Cheese	Natural Varieties	1 # block	2.88-4.79	655	3.76				2.99-3.49	468	3.24
Cheese	Natural Varieties	8 oz shred	1.99-2.99	1496	2.30	2.00-2.99	2101	2.06	1.67-2.99	974	2.57
Cheese	Natural Varieties	1 # shred	4.99	135	4.99				2.99-3.49	370	3.30
Cottage cheese		16 oz	1.99-2.99	478	2.34	1.99-2.00	1886	2.00	2.00	69	2.00
Cream cheese		8 oz	0.79-2.00	1514	1.59	1.66-2.00	2013	1.87	1.79-2.00	733	1.84
Flavored milk	All fat tests	gallon							4.99	180	4.99
Ice cream		48-64oz	1.99-3.99	1151	2.66	2.50-5.99	1814	3.08	1.99-3.99	1901	3.06
Sour cream		16 oz	1.49-2.99	1447	1.86	1.99-2.00	1886	2.00	1.49-2.00	564	1.86
Yogurt	Greek	4-6 oz	0.69-1.00	806	.86	0.80-1.00	518	.93	0.90-1.00	463	.97
Yogurt	Greek	32 oz	2.99-5.49	718	3.71	3.47	1086	3.47			
Yogurt	Yogurt	4-6 oz	0.60	62	.60	0.50	61	.50	0.37	180	.37
Yogurt	Yogurt	32 oz	2.79	135	2.79						



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 #	1.99-3.00	731	2.77	2.88-3.99	986	3.39	2.49-3.99	584	3.34
Cheese	Natural Varieties	8 oz block	2.00	55	2.00	1.88-2.99	304	2.76	2.49-2.99	135	2.73
Cheese	Natural Varieties	2 # block	6.99	121	6.99	5.49-6.99	262	5.84	4.99-5.99	174	5.59
Cheese	Natural Varieties	8 oz shred	1.99-2.00	109	2.00	1.88-3.29	729	2.34	2.49	174	2.49
Cheese	Natural Varieties	1 # shred	3.49	78	3.49						
Cottage cheese		16 oz	1.97	60	1.97	1.79	244	1.79	1.69-2.00	358	1.94
Cream cheese		8 oz	0.79-1.99	284	1.29	1.67-2.00	1271	1.93	1.67-1.99	400	1.79
Ice cream		48-64oz	2.99-4.99	396	4.12	2.29-5.99	751	3.10	2.49-3.49	584	3.04
Milk	All fat tests	gallon							1.99	105	1.99
Sour cream		16 oz	1.50-2.00	236	1.74	1.67-1.99	684	1.84	1.69-2.00	708	1.88
Yogurt	Greek	4-6 oz	0.79-1.00	184	.86	0.99-1.00	418	.99	0.99-1.00	418	1.00
Yogurt	Greek	32 oz	3.47	973	3.47	3.47	344	3.47	3.47	130	3.47
Yogurt	Yogurt	4-6 oz	0.49	210	.49	0.49-0.50	257	.50			
Yogurt	Yogurt	32 oz							1.67-3.00	411	1.92

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.00-3.99	32	3.65	3.50-4.99	51	4.29
Cheese	Natural Varieties	8 oz block	4.00	11	4.00			
Cheese	Natural Varieties	2 # block	6.99	11	6.99			
Cheese	Natural Varieties	8 oz shred	2.50-4.00	32	3.02			
Cheese	Natural Varieties	1 # shred	3.49	11	3.49			
Cottage cheese		16 oz				2.50	24	2.50
Cream cheese		8 oz	2.00	32	2.00	2.50	51	2.50
Ice cream		48-64oz	3.88-4.99	43	4.45	4.88-4.99	51	4.93
Sour cream		16 oz				2.00-2.50	51	2.26

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 #			161	5.49	117	3.99
Cheese	Natural Varieties	8 oz block					178	4.99
Cheese	Natural Varieties	8 oz shred	289	3.79				
Cottage cheese		16 oz					51	3.97
Cream cheese		8 oz			161	2.99	356	2.84

Wtd Avg - Simple weighted average



Ice cream		48-64oz						69	5.99
Milk	All fat tests	half gallon	493	4.11	1023	4.15	1429	4.11	
Milk	All fat tests	gallon	322	5.66	121	5.69			
Milk	All fat tests	8 oz UHT					198	1.00	
Yogurt	Greek	32 oz	87	3.50			163	6.33	
Yogurt	Yogurt	4-6 oz					123	1.11	
Yogurt	Yogurt	32 oz					1261	3.10	

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon	3.99	135	3.99						
Milk	All fat tests	gallon	6.99	108	6.99	4.99	214	4.99			
Yogurt	Greek	32 oz				3.50	87	3.50			

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz shred							3.79	289	3.79
Milk	All fat tests	half gallon							3.99-4.19	358	4.15

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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