

## DAIRY MARKET NEWS AT A GLANCE

### CME GROUP CASH MARKETS (5/8)

**BUTTER:** Grade AA closed at \$1.2900. The weekly average for Grade AA is \$1.2480 (+.0745).

**CHEESE:** Barrels closed at \$1.2700 and 40# blocks at \$1.3050. The weekly average for barrels is \$1.2465 (+.1040) and blocks, \$1.2770 (+.0805).

**NONFAT DRY MILK:** Grade A closed at \$.8250. The weekly average for Grade A is \$.8160 (+.0130).

**DRY WHEY:** Extra grade dry whey closed at \$.3975. The weekly average for dry whey is \$.3990 (+.0085).

**CHEESE HIGHLIGHTS:** Cheese market tones, demand and production have changed markedly from previous weeks. Cheese market prices have rebounded, after reaching COVID-19 related valleys. Buyers have received the memo and are taking on more, both in retail and food service sectors. Food service customers, who have held back throughout April, have begun to reengage. Plant managers have responded. They say lines that were all but down as recently as last week are running six days per week. Retail orders are seasonally increasing, as well. Contacts are hopeful for a spring/early summer festival/outdoor activity schedule that somewhat resembles those of previous years. Milk is plentiful. Spot milk prices ranged from \$4 to \$6 under Class.

**BUTTER HIGHLIGHTS:** Across the country, butter market conditions are slightly improving as the food service sector slowly reopens from COVID-19 quarantine. Print butter demands from retailers remain strong. Several processors are actively making butter to clear the abundant supplies of cream. Butter inventories continue building into cold storage for late usage, especially in summer. Across the country, this week, bulk prices are ranging from 4.0 cents below the market to 6.0 cents above the market.

**FLUID MILK/CREAM:** As the spring weather continues, milk production is mixed across the country. In the west, California milk production is strong, while Arizona production is steady to dropping.

Processing plants in New Mexico are receiving abundant milk volumes for full production capacity. In the Pacific Northwest, warmer weather is promoting cow comfort. The mountainous states of Utah, Idaho, and Colorado continue to display seasonally strong milk production. In the Midwest, fat contents are reportedly lower. There are reports farmers are beginning to sell off percentages of their milking herds. Northeast milk production is also shortening up. Market participants report Class I sales are fairly unchanged. The demand for cream is up, as industry contacts relay every Class is purchasing cream loads at higher volumes. Ice cream manufacturers are clearing heavier cream loads as production has ramped up. F.O.B. cream multiples are **.70-1.15** in the East, **.90-1.25** in the Midwest, and **.45-1.10** in the West.

**DRY PRODUCTS:** Low/medium heat nonfat dry milk (NDM) prices are steady to lower. Spot load trades have been slow to moderate. Export demand from Mexico continues to be weaker at this time. High heat NDM prices are mixed on steady/slow spot trading. Manufacturers' supplies are fairly balanced with current sales. Dry buttermilk prices are steady to a bit higher. In parts of the U.S., there are limited offers on the spot market and lighter market activity. The market tone is unsettled. Dry whole milk prices are steady to lower. Market participants relay the demand is fairly balanced with manufactures' supplies. Whey powder prices are mixed throughout the regions. Spot trades are slower, however industry contacts report market prices are well-supported. Whey protein concentrate 34% prices are mostly steady. Market conditions are unchanged. Lactose prices are steady to higher. The demand has strengthened in lactose that meets infant formula requirements. Acid and rennet casein prices are lower. One factor affecting the market is lower skim milk powder prices.

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### DAIRY MARKET NEWS PRICE SUMMARY FOR MAY 4 - 8, 2020 PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range	Mostly	Commodity	Range	Mostly	Commodity	Range	Mostly
<b>NDM</b>			<b>BUTTERMILK</b>			<b>LACTOSE</b>		
Central Low/Med. Heat	0.7700 0.9000	0.8050 0.8500	Central/East	0.8300 1.0000		Central/West	0.2950 0.5200	0.3300 0.4400
Change	-0.0300 -0.0200	-0.0250 -0.0300	Change	0.0300 0.0100		Change	0.0250 0.0050	N.C. 0.0200
Central High Heat	0.9000 1.0500		West	0.8000 0.9700	0.8800 0.9300	<b>WPC 34%</b>		
Change	-0.0500 -0.0400		Change	N.C. N.C.	N.C. N.C.	Central/West	0.7500 1.1750	0.8500 1.0750
West Low/Med. Heat	0.7500 0.9300	0.8050 0.8850	<b>WHEY</b>			Change	N.C. N.C.	-0.0300 N.C.
Change	-0.0500 N.C.	-0.0250 N.C.	Central	0.3400 0.4000	0.3450 0.3800	<b>CASEIN</b>		
West High Heat	0.9500 1.0900		Change	0.0100 N.C.	N.C. N.C.	Rennet	4.0150 4.1950	
Change	N.C. N.C.		West	0.3350 0.4100	0.3600 0.4000	Change	-0.1825 -0.2625	
<b>DRY WHOLE MILK</b>			Change	0.0050 0.0050	0.0100 0.0100	Acid	3.6500 3.9500	
National	1.6000 1.7500		Northeast	0.3500 0.4050		Change	-0.2500 -0.1400	
Change	N.C. -0.0300		Change	-0.0100 -0.0025		<b>ANIMAL FEED WHEY</b>		
						Central	0.2900 0.3200	
						Change	N.C. N.C.	

### DAIRY MARKET NEWS PRICE SUMMARY FOR APRIL 27 - MAY 8, 2020 PRICES (\$/MT) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range	Commodity	Range	Commodity	Range
<b>SMP</b>		<b>WHOLE MILK POWDER</b>		<b>BUTTER</b>	
W. Europe	1700 1900	W. Europe	2350 2500	W. Europe	2350 2600
Change	25 25	Change	25 -50	Change	75 -75
Oceania	2400 2500	Oceania	2625 2800	Oceania	3875 4000
Change	N.C. -75	Change	-50 N.C.	Change	-300 -300
S. America	2400 2600	S. America	2650 2950	<b>BUTTEROIL</b>	
Change	-100 -100	Change	-100 -100	W. Europe	3100 4100
<b>WHEY</b>				Change	-225 50
W. Europe	625 825			<b>CHEDDAR CHEESE</b>	
Change	25 N.C.			Oceania	4000 4400
				Change	-450 -150

DAIRY MARKET NEWS AT A GLANCE

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**INTERNATIONAL DAIRY MARKET NEWS: EUROPEAN OVERVIEW: WESTERN EUROPE:**

The European Commission has approved a regulation authorizing individual dairy producers and producer organizations to deviate from normal competition rules and collectively plan production to offset imbalances resulting from COVID-19 for a six-month period. The time period rationale is that six months coincides with spring and summer, which is the high production season in the milk and milk products sector and should therefore have the most significant impact. This Monday the European Commission also published regulations implementing Private Storage Aid (PSA) for EU produced cheese. Sources note that the background is a determination that the cheese sector is coping with market disturbance resulting from supply – demand imbalance. **EASTERN EUROPE:** There has been active discussion among European dairy sources about recent events in Poland. Many EU countries are encouraging consumers to favor domestic dairy products. According to Eucolait, Poland has gone a step further, launching a campaign to prevent sourcing milk and dairy products from other member states.

**OCEANIA OVERVIEW: AUSTRALIA:** July 2019 – March 2020 milk production in Australia decreased 1.8 percent from the corresponding previous period, according to Dairy Australia. March 2020 milk production, 643.3 million liters, was 7.1 percent higher than March 2019. **NEW ZEALAND:** It is still quite dry. Much of New Zealand has had quite a bit of rain over the past few days, but it hasn't quite improved soil moisture to a more normal level for this time of year. It is looking greener, there is a bit more grass around. Many observers expect that official reports will note milk production trending down for April. The rest of the milk season is projected to be back to more normal levels - either flat on last year or up slightly. Dairy manufacturing plants are mostly not able to operate at full capacity due to the social distancing measures that remain.

**SOUTH AMERICA OVERVIEW:** Farm milk output is slightly improving in the main dairy basins of South America. Year to date, milk intakes are above levels from the previous year. Dry weather, low autumn temperatures and good quality forage have contributed to better milk cows' yields across Argentina, Uruguay, and some states of Brazil. In terms of milk components, the percentage of fat and protein are at high seasonal levels. Milk transportation has had some delays in shipping as some truckers choose to stay home during the COVID-19 pandemic. Nevertheless, most dairy product processors are receiving more than enough raw milk volumes to handle. So far, the impact of coronavirus on milk collection on farms, processing in factories and distribution of dairy products has been minimal.

**NATIONAL RETAIL REPORT (DMN):** While most conventional dairy product ads show a decline, that does not hold true for a summer favorite. Ice cream, 48-64 oz containers, saw the largest volume of conventional ads reported for a dairy product this week. Ads grew 45 percent over last week's number. As well, conventional 1 pound butter ads increased, up 29 percent. The weighted average price is 2.96 per pound, down 23 cents this period compared to the previous period. The number of ads for organic cream cheese in 8 ounces containers grew 41 percent and conventional cream cheese, 8 ounce packaging, grew 5 percent.

**MARCH 2020 DAIRY PRODUCTS HIGHLIGHTS (NASS):**

Butter production was 194 million pounds, 7.5 percent above March 2019, and 3.3 percent above February 2020. American type cheese production totaled 449 million pounds, 1.4 percent above March 2019, and 7.2 percent above February 2020. Total cheese output (excluding cottage cheese) was 1.12 billion pounds, 0.2 percent above March 2019, and 9.0 percent above February 2020. Nonfat dry milk production, for human food, totaled 173 million pounds, 6.7 percent above March 2019, and 8.5 percent above February 2020. Dry whey production, for human food, was 80 million pounds, 5.4 percent above March 2019, and 6.9

percent above February 2020. Ice cream, regular hard production, totaled 64.0 million gallons, 2.9 percent below March 2019, but 22.0 percent above February 2020.

**MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS, JANUARY 2020**

**(FMMO):** In January 2020, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$18.84 per cwt, down \$1.19 from the December 2019 average but up \$2.70 per cwt from the January 2019 average (without California). The component tests of producer milk in January 2020 were butterfat, 4.00 percent; protein, 3.22 percent; and other solids, 5.76 percent.

**NOTICE: USDA Removes Red Tape and Extends Application Deadline to Increase Milk Donations, Program Modifications will help American dairy processors donate more milk for distribution to low-income individuals**

The U.S. Department of Agriculture's (USDA) Under Secretary for Marketing and Regulatory Programs, Greg Ibach, today announced USDA will waive certain documentation requirements in the Commodity Specifications for Fluid Milk and Milk Products Eligible for the Milk Donation Reimbursement Program, allowing American dairy processors to donate more milk for distribution to low-income individuals. These milk donations reduce food waste and provide nutrition assistance to those in need. Information on these changes is available in the *Commodity Specifications* document at [www.ams.usda.gov/mdrp](http://www.ams.usda.gov/mdrp).

CME GROUP COMMODITY	MONDAY MAY 4	TUESDAY MAY 5	WEDNESDAY MAY 6	THURSDAY MAY 7	FRIDAY MAY 8	:: WEEKLY CHANGE	:: WEEKLY AVERAGE
<b>CHEESE</b>							
BARRELS	\$1.2300 (+0.0400)	\$1.2400 (+0.0100)	\$1.2400 (N.C.)	\$1.2525 (+0.0125)	\$1.2700 (+0.0175)	:: (+0.0800)	:: \$1.2465 (+0.1040)
40 POUND BLOCKS	\$1.2125 (+0.0075)	\$1.2575 (+0.0450)	\$1.3050 (+0.0475)	\$1.3050 (N.C.)	\$1.3050 (N.C.)	:: (+0.1000)	:: \$1.2770 (+0.0805)
<b>NONFAT DRY MILK</b>							
GRADE A	\$0.8050 (+0.0125)	\$0.8050 (N.C.)	\$0.8225 (+0.0175)	\$0.8225 (N.C.)	\$0.8250 (+0.0025)	:: (+0.0325)	:: \$0.8160 (+0.0130)
<b>BUTTER</b>							
GRADE AA	\$1.1950 (+0.0075)	\$1.1950 (N.C.)	\$1.2800 (+0.0850)	\$1.2800 (N.C.)	\$1.2900 (+0.0100)	:: (+0.1025)	:: \$1.2480 (+0.0745)
<b>DRY WHEY</b>							
EXTRA GRADE	\$0.3975 (+0.0025)	\$0.4000 (+0.0025)	\$0.4000 (N.C.)	\$0.4000 (N.C.)	\$0.3975 (-0.0025)	:: (+0.0025)	:: \$0.3990 (+0.0085)

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](http://www.cmegroup.com/trading/agricultural/spot-call-data.html)

### BUTTER MARKETS

#### NORTHEAST

A welcomed upward shift is occurring in butter markets. Fundamentally, over the past week, demand has immensely improved market equilibrium as food service gains traction, with the ease of COVID-19 quarantine limitations. As a result, some East butter manufacturers have begun to pull back from bulk butter production to accommodate print schedules. Those processors, just last week, eagerly traded cream at flat and below market, but are now holding onto cream to meet the oncoming print interest, as churning remains active. The cream market is seeing stronger multiples as sources note transactions at multiples of .90-1.15 this week. Butter sales into retail markets are steady to strong and correlate with reports that show retail dairy sales have stayed ahead of year ago sales through March 2020 and the first week of April. International exchanges are steady, as the output of some butter manufacturers fills export orders. The wholesale bulk markup ranges 1 to 6 cents over the CME Group, with various time frames and averages used.

Prices for: Eastern U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter  
Bulk Basis Pricing - 80% Butterfat \$/LB: +0.0100 - +0.0600

Secondary Sourced Information:

#### CME TRADING

The CME Group's Tuesday cash butter trading closed at \$1.1950, up from \$1.1575 a week ago.

#### EXPORT ASSISTANCE

This week, a cooperative export assistance program accepted requests for export assistance to sell 372,581 pounds (169 metric tons) of butter.

#### CENTRAL

Cream into butter churns took a turn this week. Butter plant managers relay it remains available, but multiples are hovering around 1.00, when in previous weeks multiples have been half of that, or thereabouts, for butter producers. Food service has perked up for butter plant managers. They say numbers are still quite a bit down from previous, stabler market years. However, retail has been quite a bit stronger. Additionally, retail butter inventories have been moving well, as unexpected market prices and grocery store demand have spurred on buyers. Some butter plant managers say they are not yet working on fall inventories. Butter market tones are resolutely positive when compared to the past month.

Prices for: Central U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter  
Bulk Basis Pricing - 80% Butterfat \$/LB: -0.0400 - +0.0200

#### WEST

The western butter market conditions are steady to firming a bit as some states are slowly going back to normal activities post-quarantine, while others remain in quarantine. Butter retail demands are mostly stable compared to the previous week. The food service and the ingredient industries continue to see limited movements of butter. However, sales have increased a bit compare to the prior week. According to contacts, some buyers are looking to purchase at low prices for delivery later in the year. In an effort to clear the abundant supplies of cream in the West, many processors are actively making butter. As the result, butter inventories are growing. Storage space has tightened up. Bulk butter overages declined slightly at the bottom of the range this week.

Prices for: Western U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter  
Bulk Basis Pricing - 80% Butterfat \$/LB: -0.0300 - +0.0500

#### Dairy Products Report – Butter Summary

Released May 5, 2020, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

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

Region	Monthly Production (1000 pounds)			Percent Change from	
	Mar 2019	Feb 2020	Mar 2020	Mar 2019	Feb 2020
United States	180,694	188,035	194,287	7.5	3.3
Atlantic	17,170	19,013	19,819	15.4	4.2
Central	69,798	73,271	73,253	4.9	...
West	93,726	95,751	101,215	8.0	5.7
California	55,353	57,624	60,902	10.0	5.7

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**Butter Production – Cumulative Production January - March**

Report Month	Cumulative Production (1000 pounds)		Percent Change from 2019
	2019	2020	
March	551,903	575,744	4.3

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

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
March	4.2	- 24
TOTAL, JAN – MAR	12.2	- 29
Exports – Destination Country		
1 Canada	5.2	- 6
2 Mexico	2.2	+ 6
3 South Korea	1.2	- 6
4 Saudi Arabia	0.5	- 79
5 Taiwan	0.4	+19

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

(Imports for Consumption)

	2020 Imports (Million Lb.)	% Change From 1 Year Ago
March Imports		
Total Butter, Fats, Milk (H.S. Code 0405)	8.7	- 14
Butter		
Quota (H.S. Code 405101000)	0.8	...
Over Quota (H.S. Code 405102000)	2.8	- 61
AMF		
Quota (H.S. Code 405901020)	1.0	+ 121
Over Quota (H.S. Code 405902020)	2.9	+ 88
Other Milk Fat	1.3	+1599
TOTAL, JAN – MAR	26.4	+ 5
Imports – Country of Origin		
1 Ireland	8.6	- 37
2 Mexico	6.1	+ 32
3 India	5.3	+456
4 France	1.5	+115
5 New Zealand	1.3	+ 76

**CHEESE MARKETS**

**NORTHEAST**

In the Northeast, cheese makers are running strong production schedules. Milk volumes continue to flow into manufacturers' intakes, although milk loads are not burdensome in cheese plants. The food-service sector is positively improving. In several states, cheese orders from restaurants and specialty retail stores are picking up. Additionally, Italian type cheese orders from pizzerias are increasing. Cheddar cheese spot prices have increased. Spot market activities are currently more active in comparison to previous weeks. Some buyers are negotiating for lower spot prices. The DMN Northeast April 2020 monthly average price for cheddar blocks is \$1.8020, compared to \$2.3873 one month ago. Processed 5# sliced average price is \$1.4847, compared to \$1.8913 one month ago. In the Northeast, the wholesale cheese prices for both cheddar and Muenster picked up \$0.1650. In addition, the process cheese prices increased \$0.1175. The Grade A Swiss price declined \$0.0050 following the release of the April 2020 Announcement of Class and Component Prices. The Class III skim milk price for April 2020 saw a \$1.13 decline.

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

Cheddar 40 pound Block	1.6500-1.9375
Muenster	1.6375-1.9875
Process American 5 pound Sliced	1.2450-1.7250
Swiss 10-14 pound Cuts	3.3475-3.6700

Secondary Sourced Information:

The CME Group April 2020 monthly average price for barrels was \$1.0690, compared to \$1.4399 a month ago; blocks' average price was \$1.1019, down from \$1.7550 a month ago. This week, a cooperative export assistance program accepted requests for export assistance to sell 37,479 pounds (17 metric tons) of cream cheese.

**MIDWEST**

Cheese producers are busier across the board. Food service pipelines, which in some cases had gone completely dry during COVID-19 slowdowns, are being refilled. Buyers have reacted to the increase in market prices, as continued bullishness is expected, at least in the short term. Curd, specialty cheese, mozzarella and barrel producers are all reporting upticks in demand, therefore production has increased markedly. Milk, at least currently, remains widely available. Spot milk prices remain similar to previous weeks at this point of week 19. A number of contacts have relayed milk dumping has ceased. Cheese market tones are currently bullish when compared to the short-term COVID-19 response.

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

Blue 5 pounds	1.8325-2.9025
Brick 5 pounds	1.5650-1.9900
Cheddar 40 pound Block	1.2875-1.6875
Monterey Jack 10 pounds	1.5400-1.7450
Mozzarella 5-6 pounds	1.3650-2.3100
Muenster 5 pounds	1.5650-1.9900
Process American 5 pound Loaf	1.2300-1.5900
Swiss 6-9 pound Cuts	2.8625-2.9800

**WEST**

Western cheese makers say demand is stable to slightly higher. Lower market prices have spurred on some buyer interest as end users see an opportunity to take on a physical hedge. Industry contacts speculate that food service distributors, after using up some of their cheese stocks, are willing to place new orders, taking advantage of lower market prices. Although retail sales have slowed from the peak, they are still above normal levels. In the West, cheese production has been active. Some cheese plants that had slowed production or had planned maintenance or cleaning are again ramping up. Cheese inventories are growing. Some contacts report finding additional cold storage space has been challenging.

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

Cheddar 10 pound Cuts	1.5250-1.7250
Cheddar 40 pound Block	1.2775-1.7675
Monterey Jack 10 pounds	1.5125-1.7875
Process American 5 pound Loaf	1.2475-1.5025
Swiss 6-9 pound Cuts	2.9450-3.3750

**FOREIGN TYPE**

In the European Union (EU), there is inconsistency in the cheese market, partly due to the measures put in place to curb the spread of COVID-19. The retail sector requests for cheese increased across Europe, whereas the food service sales declined. In France, some reports indicate the coronavirus has caused a 60 percent drop in total cheese sales. In the EU, processors' buying interests were comparatively higher in March and April. EU imports of cheese from other countries fell in the last two months of this year when compared to last year at the same period. However, exports had remained stable. Cheese production is generally unchanged from the previous week. Prices vary from one seller to another. Supplies are plentiful to meet all needs. U.S. domestic prices for blue, gorgonzola, parmesan, and Romano have climbed by \$.1650 compared to the prior week, whereas Swiss cheese prices declined \$.0050. All other cheese prices are unchanged.

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

VARIETY	NEW YORK	IMPORTED	DOMESTIC
Blue	2.6400-5.2300		1.7100-3.1975*
Gorgonzola	3.6900-5.7400		2.2175-2.9350*
Parmesan	-0-		3.0975-5.1875*
Romano	-0-		2.9000-5.0550*
Sardo Romano (Argentina)	2.8500-4.7800		-0-
Reggianito (Argentina)	3.2900-4.7800		-0-
Jarlsberg	2.9500-6.4500		-0-
Swiss	-0-		3.3850-3.7075*
Swiss (Finland)	2.6700-2.9300		-0-

\* = Price change.

**COLD STORAGE**

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

	BUTTER	CHEESE
05/04/2020	84771	90892
05/01/2020	84373	90978
CHANGE	398	-86
% CHANGE	0	0

## CHEESE MARKETS

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## Dairy Products Report – Cheese Summary

Released May 5, 2020, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

**Cheese Production – United States: March 2019 and 2020**

<u>Total Cheese</u> <u>1</u>	Monthly Production (1000 pounds)		Percent Change from		
	March 2019	February 2020	March 2020	March 2019	February 2020
United States	1,122,414	1,031,672	1,124,368	0.2	9.0
Atlantic	138,982	119,376	137,721	-0.9	15.4
Central	511,558	482,191	519,482	1.5	7.7
West	471,874	430,105	467,165	-1.0	8.6

<u>American Cheese</u> <u>2</u>	Monthly Production (1000 pounds)		Percent Change from		
	March 2019	February 2020	March 2020	March 2019	February 2020
United States	442,723	418,605	448,877	1.4	7.2
Atlantic	29,397	26,957	29,061	-1.1	7.8
Central	217,985	212,689	225,262	3.3	5.9
West	195,341	178,959	194,554	-0.4	8.7

<u>Italian Cheese</u>	Monthly Production (1000 pounds)		Percent Change from		
	March 2019	February 2020	March 2020	March 2019	February 2020
United States	493,275	448,190	487,613	-1.1	8.8
Atlantic	61,052	56,208	59,969	-1.8	6.7
Central	198,664	184,200	199,095	0.2	8.1
West	233,559	207,782	228,549	-2.1	10.0

**Cheese Production – Cumulative Production January - March**

Cheese Type	Cumulative Production (1000 pounds)		Percent Change from
	2019	2020	2019
Total Cheese	3,242,687	3,266,555	0.7
American	1,293,799	1,304,933	0.9
Italian	1,416,911	1,421,201	0.3

1/ Excludes cottage cheese.

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

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

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
March	73.5	- 10
TOTAL, JAN-MAR	203.4	- 5
Exports – Destination Country		
1 Mexico	59.2	+ 22
2 South Korea	33.7	- 25
3 Japan	16.3	- 31
4 Australia	15.3	+ 6
5 Chile	6.7	+ 5

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

	2020 Imports (Million Lb.)	% Change From 1 Year Ago
March Imports		
TOTAL Cheese and Curd (H.S. Code 0406)	26.5	- 14
Cheese, Except Fresh (H.S. Code 040690)	23.3	- 14
Fresh Cheese (H.S. Code 040610)	1.3	- 13
Cheese, Processed (H.S. Code 040630)	1.0	- 23
Cheese, Blue-Veined (H.S. Code 040640)	0.7	-17
TOTAL, JAN-MAR	89.4	+ 5
Imports - Country of Origin		
1 Italy	20.9	+ 9
2 France	10.3	+ 9
3 Netherlands	7.8	+ 26
4 Switzerland	5.6	+ 19
5 Spain	5.4	+ 9

FLUID MILK AND CREAM

EAST

**Northeast** milk supplies are shortening up off farms, as feed quality is changing, and culling rates have increased in the area. Manufacturers are receiving fairly steady milk volumes. In addition, Class I sales are improving. **Mid-Atlantic** manufacturing plants are receiving stable milk loads. Market participants relay Class I sales are fairly healthy as milk loads are finding immediate homes. Milk continues to tighten up in the East region. **Southeast** milk output is still moving up and manufacturers' immediate needs are increasing. Some manufacturers are receiving steady milk loads, however milk managers are pulling loads out of manufacturing for Class I add-ons. Foodservice and retail demands are improving in the East. **Florida** milk production is gradually trending lower. Retail milk sales are fairly unchanged. Bottlers' Class I sales are higher. **Cream** markets have strengthened at this time. There are reports manufacturers from all Class groups are buying cream loads at higher volumes. Spot load prices are higher compared to last week. Ice cream production is picking up. **Condensed skim** markets are starting to follow suit and tighten, in comparison to previous soft market weeks. The DMN April average for Northeast Class II cream was \$0.9716, compared to \$1.9637 a month ago. The DMN April monthly average for Northeast Class II condensed skim was \$0.4341, compared to \$0.8500 a month ago.

Northeastern U.S., F.O.B. Condensed Skim  
 Price Range - Class II; \$/LB Solids: 0.45 - 0.70  
 Price Range - Class III; \$/LB Solids: 0.40 - 0.65

Northeastern U.S., F.O.B. Cream  
 Multiples Range - All Classes: 0.7000 - 1.1500  
 Price Range - Class II; \$/LB Butterfat: 0.8215 - 1.3495

MIDWEST

Farm milk output is steady to lower. Notably, fat components are also reportedly lower. Some contacts have said milk dumping, at least in their respective areas, has ceased altogether. Also, some milk handlers suggest dairy farm production is sliding because of self-regulation as some dairy farmers have begun selling off percentages of their milking herds. Bottlers are suggesting retail is stronger, but they are facing some definitive hurdles as most school districts are not planning to reopen until fall semester. Cheese producers are finding discounted spot milk, even with busier production schedules throughout the Midwest. **Cream** is still available, but multiples have sharply increased week to week. Demand reports across all Classes have increased. Namely, though, ice cream producers' pulls are reportedly much stronger when compared to all of April. Cream multiple upticks were expected this week, but some contacts were caught off guard by the marked increases. Contacts in the upper Midwest say corn planters are in the fields, but unlike last year, fields may be a little dry. Winter wheat in the south Central portion of the country is in good shape. Some severe storms/hail have done damage in pockets, but crop yields are expected to be positive at this point. The DMN monthly average of the range price series for Upper Midwest Class II cream during April was \$1.1746, compared to \$2.0912 in March.

Price Range - Class III Milk; \$/CWT; Spot Basis: - 6.00 - -4.00  
 Trade Activity: Slow

Midwestern U.S., F.O.B. Cream  
 Multiples Range - All Classes: 0.9000 - 1.2500  
 Price Range - Class II; \$/LB Butterfat: 1.1735 - 1.4669  
 Multiples Range - Class II: 1.0000 - 1.2500

WEST

In **California**, milk yield is still solid. Milk volumes are moving to processing plants without any major issue. With the closing of schools for the rest of the school year, bottled milk intakes are mostly unchanged. Processing schedules are very active, but spot loads of milk are not as available as in the previous week. The market continues to recoup one step at a time from the coronavirus crisis. **Arizona** milk output is steady to dropping. Milk supplies are still above requests, but handlers report that they can better manage current loads as they are less compared to previous weeks. Class II intakes are higher whereas Class I demands are unchanged from last week. Class IV processing remains active. **New Mexico** milk output is steady to declining. Demands and supplies of milk are balancing out as industry participants find different ways to manage the milk that is not being used by schools. Class I sales are unchanged, whereas Class II demands are trending up. Processing plants are running at full capacities to ensure that all milk volumes are being efficiently used. Overall, the market tone is stabilizing. Milk production in the **Pacific Northwest** is finding a new balance. While favorable weather is promoting cow comfort and milk production, early efforts by manufacturers and farmers helped keep milk output from overwhelming processing facilities. Many of the manufacturing plants are working at or near full capacity. As bottling demand has pulled back from the peak and ice cream manufacturing has ramped up, cream supplies are firming. There is now more stability in cream markets. **Mountain state** (Idaho, Utah, and Colorado) milk production is strong and growing seasonally. The abundance of milk has been a challenge all spring. While milk is finding homes in the southern part of the region, in the northern part of the region, milk supplies surpass the available processing space. Some milk is getting spurned by processors or discounted to prices that only cover freight. In this lorn situation, some milk handlers and farmers are feeling considerable financial stress. **Condensed skim** is available to all buyers in the West. Supplies, although abundant, are manageable. Drying schedules are ongoing. The **cream** market is mixed in the West. While some processors are seeing increased intakes from Class II, others report that they still have a lot of cream going to churns. Cream supplies vary from one seller to another. Cream multiples for all Classes have a wider range this week.

Western U.S., F.O.B. Cream  
 Multiples Range - All Classes: 0.4500 - 1.1000

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**Dairy Products Report - Ice Cream, Regular, Hard**

Released May 5, 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: March 2019 and 2020

Region	Monthly Production (1000 lbs)		Percent Change from		
	March 2019	February 2020	March 2020	March 2019	February 2020
United States	65,957	52,484	64,026	-2.9	22
Atlantic	14,258	11,984	13,812	-3.1	15.3
Pennsylvania	3,351	3,419	3,294	-1.7	-3.7
Central	40,062	31,759	39,176	-2.2	23.4
Missouri	3,403	2,907	3,222	-5.3	10.8
Ohio	2,011	1,839	2,111	5.0	14.8
West	11,637	8,741	11,038	-5.1	26.3
California	6,196	4,312	5,491	-11.4	27.3
Oregon	1,307	1,017	1,422	8.8	39.8
Utah	1,927	1,627	2,125	10.3	30.6

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

Report Month	Cumulative Production (1000 lbs)		Percent Change from 2019
	2019	2020	
March	172,390	168,667	-2.2

**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**

**CENRAL:** Low/medium heat nonfat dry milk (NDM) prices continued to decrease in all facets on a slower trading week. Interestingly, market prices are firming somewhat, but spot trading in the region has yet to receive the memo. Condensed skim is still available, but contacts say it is levelling off after weeks/months of noteworthy accessibility. Still, NDM production is busy. End users in the Central region say offers are aplenty. High heat NDM trading in the region is mostly contractual, as prices slid on the range. Generally, nonfat dry milk market tones are mixed.

**EAST:** The East nonfat dry milk (NDM) f.o.b. prices are lower in the range and mostly series. Overall, trading has been slow with some occasional activity. Multiple sources share the view that the market may be at its bottom. However, there is no lack of uncertainty while the market is characterized by the heavy domestic NDM inventories, COVID-19 distribution issues, and relaxed purchases from Mexico. Sources note these as having a huge impact on how the market could adjust after having reached the bottom. While buyer/seller activity would generally expect to improve, market sources do not imagine a consistent uptick in prices. Some contacts suggest prices could potentially fluctuate near the bottom for an extended period of time. In the region, NDM production is strong, but indicators point to decreasing seasonal milk production, which in all likelihood is shrinking NDM output at some dryer operations. High heat NDM prices are lower, too. Spot buyers are able to locate loads, but stocks are primarily in place to fulfill committed customer needs. The NDM market undertone suggests uncertainty, as prices continue to shift. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during April was \$.8898, compared to \$1.0935 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: .7700 - .9000  
 Mostly Range - Low & Medium Heat; \$/LB: .8050 - .8500

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: .9000 - 1.0500

**Secondary Sourced Information:**

Grade A nonfat dry milk price at the CME Group on Wednesday closed at \$.8225, up from last week's average price of \$.8030.

The CME Group monthly average price for Grade A NDM during April was \$.8485, compared to \$0.9986 a year ago.

At the GDT Event 259 on May 5, 2020 skim milk powder (SMP) prices across all contract periods averaged \$1.0764 per pound, up 0.1 percent from the last event.

**NONFAT DRY MILK - WEST**

In the West, low/medium heat nonfat dry milk prices are lower at both the bottom of the range and the bottom of the mostly series, whereas they remained steady at the top of both ranges. The market is unsettled as COVID-19 continues to impact all its aspect. Domestic buyers are playing it safe, mostly only filling out immediate needs. As a few states come out of the quarantine, many industry participants hope that market conditions will improve in the weeks to come. Meanwhile, exports to Mexico are being affected by the strong value of the U.S. dollar. Low/medium heat nonfat dry milk inventories are trending up. Storage spaces, although available, are tightening

up a bit. Low/medium heat nonfat dry milk production is active. High heat nonfat dry milk prices are stable. Production is still limited to what contractual buyers' needs. Supplies are in good balance with sales. The April 2020 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$0.8789 compared to \$0.9873 a year ago. The average for Western high heat nonfat dry milk is \$1.0468 compared to \$1.1297 a year ago.

**Dairy Products Report – Nonfat Dry Milk, Human Summary**

Released May 5, 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: March 2019 and 2020**

Region	Monthly Production (1000)		Percent Change from		
	March 2019	February 2020	March 2020	March 2019	February 2020
United States	161,829	159,128	172,685	6.7	8.5
Atlantic Pennsylvania	31,201	27,464	28,375	-9.1	3.3
Central	27,719	29,257	30,394	9.7	3.9
West California	102,909	102,407	113,916	10.7	11.2
Other States 1/	68,561	70,087	76,422	11.5	9.0
Other States 1/	77,708	72,937	80,967	4.2	11.0

1/ States not shown when fewer than 3 plants reported or individual plant operations could be disclosed.

**Nonfat Dry Milk, Human Production – Cumulative Production:**

Report Month	Cumulative Produc-		Percent Change
	(1000 pounds)		from
	2019	2020	2019
March	492,526	508,072	3.2

**Manufacturers' stocks end-of-month 3/**

Product	End of month stocks (1000 pounds)		Percent Change from		
	March 2019	February 2020	March 2020	March 2019	February 2020
Nonfat dry milk, human	289,892	318,255	349,188	20.5	9.7

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

**Manufacturers' shipments 4/**

Product	March 2019	February 2020	March 2020	March 2019	February 2020
	Nonfat dry milk, human	173,109	124,613	130,308	-24.7

4/ For dry products, shipments of bulk goods.

## NONFAT DRY MILK, BUTTERMILK &amp; WHOLE MILK

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

-CONTINUED FROM PAGE 5-

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

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
MARCH Total	137.4	+ 4
TOTAL, JAN - MAR	410.8	+ 13
1 México	145.9	- 18
2 Indonesia	55.9	+ 87
3 Philippines	47.0	+ 12
4 Vietnam	33.3	- 3
5 Malaysia	19.8	+ 112

## DRY BUTTERMILK - CENTRAL AND EAST

**CENTRAL:** Dry buttermilk prices shifted a bit higher this week, on fairly slow trading. Some contacts are still finding prices in the lower end of the range, but brand-preferred inventories are nearing \$1.00 in the region. Condensed buttermilk trades are still busier, with ice cream producers finding discounts following a busy churning period as cream multiples fell to historic lows throughout most of April. That said, butter makers reported stiffer cream prices this week, more in line with normal years. Buttermilk powder market tones are steadier. Contacts suggest as NDM prices have seemed to find their basement, buttermilk market prices will follow suit.

**EAST:** Dry buttermilk prices adjusted higher this week. Regional stocks are lower as butter production declines and dry buttermilk manufacturers channel heavier volumes of condensed buttermilk to ice cream customers. Limited offers and little demand in the marketplace led to light trading this week. The dry buttermilk market remains unsettled. The DMN monthly average of the range price series for Central and East dry buttermilk during April was \$.9736, compared to \$1.1303 in March.

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk  
Price Range ; \$/LB: .8300 - 1.0000

## DRY BUTTERMILK - WEST

In the West, f.o.b. prices for dry buttermilk are stable. Although there is a lot of condensed buttermilk available, processors do not always have the time to dry it. As a result, a few of them are discarding some loads as they put more emphasize on nonfat dry milk production. Manufacturers report being able to satisfy contractual needs. Due to lighter spot demands, dry buttermilk supplies are balanced with the needs of buyers. The April 2020 Dairy Market News monthly average for the West dry buttermilk mostly series is \$0.9936 compared to \$0.9807 a year ago.

Prices for: Western U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk  
Price Range ; \$/LB: .8000 - .9700  
Mostly Range - ; \$/LB: .8800 - .9300

## Dairy Products Report – Dry Buttermilk Summary

Released May 5, 2020, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States

## Dry Buttermilk – United States: March 2019 and 2020

Region	Monthly Production (1000 pounds)		Percent Change from		
	March 2019	February 2020	March 2020	March 2019	February 2020
United States	9,979	13,509	13,430	34.6	-0.6

## Manufacturers' stocks end-of-month 3/

Product	End of month stocks (1000 pounds)		Percent Change from		
	March 2019	February 2020	March 2020	March 2019	February 2019
Dry buttermilk, total	19,052	20,195	25,827	35.6	27.9

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

## DRY WHOLE MILK - U.S.

National dry whole milk cash prices are steady to slightly lower. The market has been very stable considering the pressure COVID-19 has been putting on other dairy products. So far, demands for dry whole milk within the food processing industry are in line with supplies. Drying schedules for condensed whole milk vary in each region of the country. Dry whole milk inventories are reported as balanced.

Prices for: U.S., All First Sales, F.O.B., Conventional, and Edible Dry Whole Milk  
Price Range - 26% Butterfat; \$/LB: 1.6000 - 1.7500

**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 trading was slow, as most prices were steady while the bottom of the range inched up by one cent. Offers are quiet, and most contacts say inventories still seem limited. However, production rates have increased. Cheesemakers are reporting that their food service accounts are beginning to refill some nearly depleted pipelines, therefore they are producing much more heavily than they were last week and last month. Although the general trend would say offers/inventories are lighter, some end users say they are not in a rush to land more inventories. Animal feed whey prices and trading were unchanged, steady to slow. Whey markets, overall, are steady to firm. Newly reinvigorated production schedules, though, may create a different market in the short term. The DMN monthly average of the mostly price series for Central dry whey during April was \$0.3528, compared to \$0.3540 in March. The monthly average of the range price series for Central animal feed whey during April was \$0.2968, compared to \$0.2973 in March.

Prices for: Central U.S., All First Sales, F.O.B., Conventional, and Non-Edible Dry Whey  
Price Range - Animal Feed; \$/LB: .2900 - .3200

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: .3400 - .4000  
Mostly Range - Non-Hygroscopic; \$/LB: .3450 - .3800

**DRY WHEY-NORTHEAST**

Eastern dry whey prices have slightly inched down on limited spot trading in the region. Market conditions have not changed directions, but have stayed fairly stable at this time. Although spot trades are a bit slower this week, prices are relatively steady on various market exchanges. Market participants relay buyers are bidding for spot loads at reasonable price levels. Dry whey production is stable, and manufacturers' inventory levels are mostly balanced with contract and spot load demands. The April 2020 Dairy Market News monthly average for Northeast dry whey was \$0.3795 compared to \$0.3738 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 - .4050

**DRY WHEY-WEST**

Western whey prices stepped higher across both the price range and mostly price series. Industry contacts say market prices are well-supported. Manufacturers report getting a few inquiries from buyers, but have limited supplies of whey to offer. Contracted shipments are taking most of the available whey. Manufacturers say they have seen an increase in demand from some international markets, but overall spot activity is quiet. Whey production is steady. The DMN monthly average of the mostly price series for West dry whey during April was \$0.3635 compared to \$0.3691 one month ago and \$0.3807 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: .3350 - .4100  
Mostly Range - Non-Hygroscopic; \$/LB: .3600 - .4000

**Dairy Products Report – Whey Summary**

Released May 5, 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		
	March 2019	February 2020	March 2020	March 2019	February 2020
United States	76,090	75,006	80,199	5.4	6.9
Atlantic	19,363	19,902	18,878	-2.5	-5.1
Central	34,516	35,855	39,169	13.5	9.2
Wisconsin	24,711	23,274	25,190	1.9	8.2
West	22,211	19,249	22,152	-0.3	15.1

**Dry Whey – Cumulative Production February - March**

Dry Whey	Cumulative Production (1000 pounds)		Percent Change from
	2019	2020	2019
Total <sup>1</sup>	236,289	242,313	2.5
Human <sup>2</sup>	231,676	237,865	2.7

1. Excludes all modified dry whey products.

2. Values are calculated from Dairy Products report data.

**Manufacturers' stocks end of month <sup>3</sup>**

Dry Whey	End of month stocks (1000 pounds)		Percent Change from		
	March 2019	February 2020	March 2020	March 2019	February 2020
Human	82,920	73,739	72,588	-12.5	-1.6
Animal	1,087	766	680	-37.4	-11.2
Total	84,007	74,505	73,268	-12.8	-1.7

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

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

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
MARCH Total	38.3	+ 9
TOTAL, JAN - MAR	101.7	+ 9
1 China	30.4	- 4
2 Indonesia	9.3	+ 150
3 Mexico	8.3	+ 9
4 Canada	7.6	+ 33
5 Malaysia	6.7	+ 176

CONTINUED ON PAGE 6A

**WHEY, WPC 34%, LACTOSE & CASEIN**

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

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**WHEY PROTEIN CONCENTRATE**

Whey protein concentrate 34% prices are unchanged, aside from the bottom of the mostly price series moving lower. Little has changed in the market for WPC34%. WPC 34% that meets infant formula requirements or other strict end user specifications is in high demand and tight supply. Buyers are having a tough time finding some brands. WPC 34% that is interchangeable with other dairy proteins is more available, but under price pressures from inexpensive nonfat dry milk. In some cases, manufacturers have truckled to lower prices in order to maintain market share or clear inventory. Some other manufactures say they are not willing to chase after prices just to make a sale. WPC 34% production is steady to higher. The April 2020 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% is \$1.0027, compared to \$1.0148 in March 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: .7500 - 1.1750  
 Mostly Range - 34% Protein; \$/LB: .8500 - 1.0750

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

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
MARCH Total	56.7	- 13
TOTAL, JAN - MAR	165.1	+ 4
1 New Zealand	24.8	+ 8
2 China	21.7	- 17
3 Japan	19.6	+ 16
4 Mexico	19.2	- 27
5 Indonesia	12.0	+ 33

**CASEIN**

Prices are weaker for acid casein and rennet casein. Rennet casein followed most Oceania powder prices lower this week at the GDT event. To some extent, volumes offered were greater than anticipated. This weighed on prices. Some observers are attuned to various historical relationships between skim milk powder pricing and acid casein prices. The weakening of SMP prices was a factor weighing on acid casein this late in the New Zealand production season.

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: 3.6500-3.9500  
 Rennet; Price Range - \$/LB: 4.0150-4.1950

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

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
MARCH Total	21.6	- 3
TOTAL, JAN - MAR	69.3	+ 25
1 China	21.7	+ 82
2 Mexico	11.8	- 24
3 Canada	9.5	+ 14
4 Philippines	6.3	+ 34
5 Singapore	4.3	+ 48

**LACTOSE**

Lactose prices continue to move upwards across the price range and at the top of the mostly price series. The bottom of the mostly prices series is unchanged. Manufacturers say they wish they had held back more loads of lactose to sell in spot markets. Spot market prices are higher than contracted prices, pulled along by greater interest from buyers and highly committed stocks. Industry contacts suggest there has been a surge in demand for lactose that meets infant formula requirements and for lactose used in standardization. In addition, dairy carbohydrates used in animal feeds are in high demand in Southeast Asia. Some processors relay they are getting pressed to move up shipment dates or set up Q3 contracts. A few Q3 contracts have already been established. Lactose production is steady to lower, but well below last year's lactose production. The April 2020 Dairy Market News average of the mostly price series for Central and West lactose was \$0.3467, compared to \$0.3107 in March, and \$.3525 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: .2950 - .5200  
 Mostly Range - Non Pharmaceutical; \$/LB: .3300 - .4400

**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
04/25/2020	63.0	1,111.7	58.3	1,135.5

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

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

**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	12.95							
II	17.05	16.84	16.75	13.87								
III	17.05	17.00	16.25	13.07								
IV	16.65	16.20	14.87	11.40								

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
05/02/2020	1,1281 4,249,467	1,1734 9,899,361	1,0717 12,774,662	3744 4,393,231	8585 22,998,958

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	05/01	05/04	05/05	05/06	05/07	DATE	05/01	05/04	05/05	05/06	05/07
MAY 20	11.23	11.50	11.54	11.50	11.48	MAY 20	84.93	84.50	83.75	84.68	84.00
JUN 20	12.19	12.94	13.63	13.62	13.30	JUN 20	83.88	85.50	86.03	85.58	85.00
JUL 20	13.61	14.34	14.78	14.72	14.41	JUL 20	86.68	88.43	90.00	89.28	89.25
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)						WHEY (Electronic-Traded) (¢/lb)					
DATE	05/01	05/04	05/05	05/06	05/07	DATE	05/01	05/04	05/05	05/06	05/07
MAY 20	10.03	10.07	10.15	10.17	10.17	MAY 20	37.75	37.63	37.30	37.60	37.60
JUN 20	10.51	10.66	11.15	11.01	11.01	JUN 20	37.20	38.00	38.70	38.70	38.70
JUL 20	10.99	11.12	11.59	11.55	11.55	JUL 20	38.50	38.58	39.00	38.98	39.00
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)						CHEESE CSC (Electronic-Traded) (\$/lb)					
DATE	05/01	05/04	05/05	05/06	05/07	DATE	05/01	05/04	05/05	05/06	05/07
MAY 20	118.05	118.65	121.40	121.40	121.00	MAY 20	1.22	1.23	1.25	1.24	1.24
JUN 20	124.08	126.98	131.98	136.50	135.83	JUN 20	1.31	1.38	1.45	1.44	1.42
JUL 20	129.75	131.45	136.45	141.13	143.00	JUL 20	1.45	1.52	1.56	1.55	1.53

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

## INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered April 27 - May 8, 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**

The United Kingdom remains within the EU trade zone through 2020. Historically among top EU milk producers, UK March 2020 milk production is 2.4 percent below March 2019 according to Eurostat. Milk production January – March 2020 is -1.2 percent YTD compared with January – March 2019.

The European Commission has approved a regulation authorizing individual dairy producers and producer organizations to deviate from normal competition rules and collectively plan production to offset imbalances resulting from COVID-19 for a six-month period. The time period rationale is that six months coincides with spring and summer, which is the high production season in the milk and milk products sector and should therefore have the most significant impact.

The cited challenges for looser competition rules include collecting, transporting, manufacturing and selling dairy products. Contract cancellations and port congestion are also cited. These factors are expected to lead to reduced milk production. Planning for milk production might involve payments to not produce.

A link to the European Commission's evaluation of challenges facing the dairy industry is here: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2020.140.01.0001.01.ENG&toc=OJ:L:2020:140:TOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2020.140.01.0001.01.ENG&toc=OJ:L:2020:140:TOC)

This Monday the European Commission also published regulations implementing Private Storage Aid (PSA) for EU produced cheese. Sources note that the background is a determination that the cheese sector is coping with market disturbance resulting from supply – demand imbalance. Many cheese manufacturers are not able to process milk into non-cheese dairy products. This has led to production of cheeses which have lower current demand. A goal of PSA for cheese is to help maintain price levels. A feature of the new regulation extends cheese PSA beyond cheese with a protected designation of origin or a protected geographical indication, the standby scheme, to most EU produced cheese. According to Eucolait, those seeking aid may apply beginning May 7, 2020. The application period ends June 30, 2020.

European Commission regulations make various rules and standards for the current cheese PSA program. Storage aid is allocated among EU countries in specified volumes. The top 5 Western European country volumes are: Germany, 21,726 MT; France, 18,394 MT; Italy, 12,654 MT; Netherlands, 8,726 MT; and Spain, 4,592 MT. To be eligible for cheese PSA, the contractual storage period must be between 60 and 180 days. The amount of aid is the combination of 15.57 euros/MT of storage for fixed storage costs, and 0.40 euros/MT per day of contractual storage.

**EASTERN OVERVIEW**

There has been active discussion among European dairy sources about recent events in Poland. Many EU countries are encouraging consumers to favor domestic dairy products. According to Eucolait, Poland has gone a step further, launching a campaign to prevent sourcing milk and dairy products from other member states. The Polish government has published lists of companies buying product from abroad, indicating the volumes imported, and accusing them of

lacking economic patriotism. The European Commission has been asked to investigate whether this violates business confidentiality and data protection laws.

**BUTTER/BUTTEROIL**

Western European butter prices are mixed. The highest prices are in Germany. The lower price range is higher. The upper price range moved lower. Butteroil prices are lower at the bottom, higher on the top.

Packaged butter sales within the EU in early May have slowed, following heavier late April orders. Butter manufacturers expect order interest to pick up in coming weeks. There is a lot of butter in cold storage. This has resulted in some unevenness among manufacturers as to current production schedules, related to whether new production can be sold right away or whether storage is available. Export shipments are still dealing with some disruption in normal patterns and timing. That further affects production interest.

Sources in Germany report new orders for bulk butter exports. That is helping keep butter production schedules there active. Even with butter prices a bit lower than manufacturers prefer, they are more willing to execute longer term contracts for the assurance of sales so as to avoid dealing with the tight storage situation. Buyers are comfortable with longer term contracts with current pricing.

Final regulations governing Private Storage Aid (PSA) for butter were published by the European Commission Monday of this week. Some changes were made to preliminary proposals. Final rules allow PSA only for butter already in storage. The butter aid rate is 9.83 euros/MT for fixed storage costs and 0.43 euros/MT per day of contractual storage. The threshold to qualify is 10 MT in storage. Applications must be submitted between May 7, 2020 and June 30, 2020. No volume ceiling has been set so far concerning the butter program.

Western Europe, 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT: 2,350 - 2,600

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

**SKIM MILK POWDER**

Skim milk powder prices in Western Europe moved slightly higher. The small magnitude of increases reflects a generally stable market. There was some variation among manufacturers and countries. Germany had the highest prices, followed by Netherlands and France.

Some manufacturers have been surprised by the new buying interest in recent weeks. There is decent interest in short term deliveries. This interest is both internal EU as well as export interest. Deals have been finalized. The recent buying interest had little impact on pricing because so much SMP has accumulated in storage. Manufacturers and brokers are motivated to move product out the door.

**CONTINUED ON PAGE 8A**

**INTERNATIONAL DAIRY MARKET NEWS - EUROPE**

Information gathered April 27 - May 8, 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**

Final regulations governing Private Storage Aid (PSA) for SMP were published by the European Commission Monday of this week. Some changes were made to preliminary proposals. Final rules allow PSA only for SMP already in storage. The SMP aid rate is 5.11 euros/MT for fixed storage costs and 0.13 euros/MT per day of contractual storage. The threshold to qualify is 10 MT in storage. Applications must be submitted between May 7, 2020 and June 30, 2020. No ceiling has been set so far concerning the SMP PSA program.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder  
Price Range - 1.25% Butterfat; \$/MT: 1,700 - 1,900

**DRY WHEY**

Western European prices for dry whey are up slightly at the lower end of the price range, but steady at the top. This reflects what German and French sources call quiet demand. Available uncommitted supplies are small.

Most customers have contracted and not many spot market buyers step forward. Generally steady pricing is expected in coming weeks. An uncertainty is whether food manufacturing customers significantly increase or decrease their own production using food grade whey. For now, the market is steady.

Prices for: Western Europe, All First Sales, Free on Board - Port, Conventional, and Edible Dry Whey  
Price Range - Non-Hygroscopic; \$/MT: 625 - 825

**WHOLE MILK POWDER**

Whole milk powder prices in Western Europe are mixed. Lower price range prices are up slightly while upper range prices are lower. Germany has the highest pricing. There is inconsistency among countries and plants within Western Europe. WMP is overall a calm market.

Some manufacturers have increased production schedules. Internal European demand is steady. Export demand is a bit weaker. New contracting is slow. Deliveries are being taken on time.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder  
Price Range - 26% Butterfat; \$/MT: 2,350 - 2,500

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered April 27 - May 8, 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: July 2019 – March 2020 milk production in Australia decreased 1.8 percent from the corresponding previous period, according to Dairy Australia. March 2020 milk production, 643.3 million liters, was 7.1 percent higher than March 2019. More detailed production data are in the table which follows.

AUSTRALIA MILK PRODUCTION, MILKFAT and PROTEIN

July 2019 - March 2020

State	Million Liters		Percentage	
	From 1 Year Ago	Change	Milkfat	Protein
New South Wales	798.2	- 5.0	4.09	3.33
Victoria	4,427.4	- 1.2	4.57	3.56
Queensland	242.0	-12.7	4.04	3.31
South Australia	371.6	- 3.7	4.05	3.39
Western Australia	275.8	- 3.9	4.07	3.22
Tasmania	759.1	+ 4.2	4.67	3.73
Australia (Total)	6,874.2	- 1.8	4.44*	3.52**

- +0.1 percent from prior year period
- \*\* +2.6 percent from prior year period

Data from Dairy Australia

**NEW ZEALAND:** New Zealand is moving away from previous COVID-19 restrictions. Sources say that as of mid-week, restrictions have eased off. Many restaurants and fast food outlets are now open for delivery or takeout, but no sit-down service as yet. It will be announced next week whether restrictions are to ease further again. New Zealand has had no new cases for the past two days.

It is still quite dry. Much of New Zealand has had quite a bit of rain over the past few days, but it hasn't quite improved soil moisture to a more normal level for this time of year. It is looking greener, there is a bit more grass around. Many observers expect that official reports will note milk production trending down for April. The rest of the milk season is projected to be back to more normal levels - either flat on last year or up slightly. Dairy manufacturing plants are mostly not able to operate at full capacity due to the social distancing measures that remain.

BUTTER/BUTTEROIL

Oceania butter prices are lower. Sources mention several factors. At this week's GDT event some sources commented that more butter was offered than they had expected. Another factor mentioned is the lower butter pricing in Western Europe. There is so much butter in cold storage in Western Europe that Private Storage Aid (PSA) has become available.

Oceania butter coming on the market this week faced some price resistance from buyers willing to source from Western Europe. At this late point in the Oceania milk production season, it is uncommon for regular butter buyers to not already be covered for needs. Most production is committed.

Oceania, 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT: 3,875 - 4,000

Secondary Sourced Information:

At GDT event 259 on May 5, the butter all contracts price, \$3,867, decreased 5.8 percent. The June contract did not trade.

Butter exports from New Zealand January – March 2020 declined 21 percent from January – March 2019, according to Eucolait. March 2020 butter exports declined 23 percent YOY.

SKIM MILK POWDER

Oceania skim milk powder prices are steady to slightly lower. Buyers turning to brokers are paying a bit more than current manufacturer pricing. Oceania SMP pricing is also leading to more buyer interest in shopping Western Europe for needs. Not only is Western European pricing lower, but SMP in storage there is burdensome, encouraging deals to move inventories. New Zealand manufacturers also report very recently changing production plans by directing unexpectedly higher volumes of milk into SMP because it is currently more profitable than WMP. This eases even more SMP to be sold.

This led to SMP pricing increases for deliveries during July and August. Milk is expected to shift back toward whole milk powder in a month or so to meet contractual obligations. Current contracting reflects price increases when that is expected.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder  
Price Range - 1.25% Butterfat; \$/MT: 2,400 - 2,500

Secondary Sourced Information:

At GDT event 259 on May 5, the SMP all contracts price, \$2,373, increased 0.1 percent. The June contract, \$2,415, decreased 5.1 percent.

New Zealand exports of SMP during March 2020 declined 8 percent YOY, according to Eucolait. The decline is attributed to weaker demand from Southeast Asia. This was the sixth consecutive month of declining SMP exports.

CHEESE

Cheddar prices in Oceania are lower. This partly results from milk being diverted into cheddar by manufacturers who already make it. Production schedules have been expanded. More normalization of demand has resulted as COVID-19 factors recede in Oceania and Asia. However, increased production is staying ahead of increased demand. Price levels remain profitable and some manufacturers also do not mind buffering stocks a bit.

Prices for: Oceania Cheese, Cheddar, 39% Maximum Moisture, Free on Board - Port  
Price Range - \$/MT: 4,000 - 4,400

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered April 27 - May 8, 2020

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**CONTINUED FROM PAGE 8B**

## Secondary Sourced Information:

At GDT event 259 on May 5, the cheddar all contracts price, \$4,115, decreased 6.8 percent. The June contract, \$4,000, decreased 12.1 percent.

Cheese exports from New Zealand January – March 2020 increased 2 percent from January – March 2019, according to Eucolait. March 2020 cheese exports declined 14 percent YOY.

**WHOLE MILK POWDER**

Whole milk powder pricing in Oceania is mixed. Lower range prices are weaker. Upper range prices are steady. Manufacturers report displeasure with current pricing and the weaker trend. Profit margins are quite slim at these price levels. This has led to some milk being diverted to making SMP, which is more profitable now.

That is hoped to also help strengthen WMP prices in the near term, if less is being made. WMP emphasis will increase in a month or so to meet obligations due at the end of the milk production season. There is a lot of focus on WMP prices because this is the most significant driver of the seasonal milk price. Pricing in coming weeks will also roll into projections estimating prices for the coming new season.

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

Price Range - 26% Butterfat; \$/MT: 2,625 - 2,800

## Secondary Sourced Information:

At GDT event 259 on May 5, the WMP all contracts price, \$2,745, increased 0.1 percent. The June contract, \$2,800, increased 1.2 percent.

New Zealand exports of WMP January – March 2020 declined 10 percent from January – March 2019, according to Eucolait. March 2020 WMP exports declined 13 percent YOY. The weaker exports are attributed to weaker demand from Southeast Asia, China, the Middle East, and North Africa.

## Exchange rates for selected foreign currencies:

May 4, 2020

.0150 Argentina Peso	.0132 India Rupee
.6424 Australian Dollar	.0094 Japan yen
.1803 Brazil Real	.0415 Mexican Peso
.7099 Canadian Dollar	.6050 New Zealand Dollar
.0012 Chile Peso	.2298 Poland Zloty
1.0905 Euro	.0237 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.0415) = 24.0964$  Mexican Pesos. Source: "Wall Street Journal"

**INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA**

Information gathered April 27 - May 8, 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**

Farm milk output is slightly improving in the main dairy basins of South America. Year to date, milk intakes are above levels from the previous year. Dry weather, low autumn temperatures and good quality forage have contributed to better milk cows' yields across Argentina, Uruguay, and some states of Brazil. In terms of milk components, the percentage of fat and protein are at high seasonal levels. Milk transportation has had some delays in shipping as some truckers choose to stay home during the COVID-19 pandemic. Nevertheless, most dairy product processors are receiving more than enough raw milk volumes to handle. So far, the impact of coronavirus on milk collection on farms, processing in factories and distribution of dairy products has been minimal. In other words, the dairy market supply chain continues operating without major issues. Even so, the governments of Argentina, Uruguay, Chile and Brazil have issued aid programs to mitigate the economic impact of COVID-19 on the dairy industry. Since quarantine protocols were implemented across the continent, the demand for fluid milk, particularly UHT milk, has been very strong at the retail level. Some contacts say that people are maximizing their time at the supermarket by buying large volumes of UHT milk on less frequent visits. On the other hand, with the food service and hospitality sectors practically closed, the volume of sales of cheese, yogurt, and milk caramel has decreased sharply. Due to lower demand for cheese, some manufacturers have been forced to reroute more milk volumes into dryers.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder  
Price Range - 26% Butterfat; \$/MT: 2,650 - 2,950

## Secondary Sourced Information:

At the GDT Event 259 on May 5, whole milk powder (WMP) prices across all contract periods averaged \$2,745 per metric ton, up 0.1 percent from the last event.

**SKIM MILK POWDER**

F.O.B. export prices for skim milk powder (SMP) shifted lower in the Southern Cone of South America, following bearish pricing tendencies at the international level. Due to COVID-19, more milk volumes are clearing into milk powder, resulting in higher SMP production. SMP inventories are readily available throughout the region. Export trading is very light inside and outside the Mercosur bloc.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder  
Price Range - 1.25% Butterfat; \$/MT: 2,400 - 2,600

## Secondary Sourced Information:

At the GDT Event 259 on May 5, skim milk powder (SMP) prices across all contract periods averaged \$2,373 per metric ton, down 0.1 percent from the last event.

**WHOLE MILK POWDER**

Free on board export prices of whole milk (WMP) adjusted down among the main exporting countries of dairy products in the Southern Cone region of South America. The market tone is unsettled right now due to COVID-19. With the food service industry closed, more milk intakes have been balanced into dryers. Therefore, WMP production is very active, while inventories are steadily building. It seems that the WMP supply is exceeding the immediate interest of regional and international customers. Exports from Argentina/Uruguay to Brazil are reported as lethargic. Nevertheless, WMP export trades to Algeria remain relatively solid.

## 2020 INTERNATIONAL MONTHLY AVERAGES

AREA and PRODUCT	: JAN	: FEB	: MAR	: APR
DAIRY MARKET NEWS <sup>1</sup>				
BUTTER (82% BUTTERFAT)				
-- OCEANIA	4096	4169	4273	4210
-- WEST EUROPE	4045	3938	3626	2602
BUTTEROIL (99% BUTTERFAT)				
-- WEST EUROPE	5056	4981	4414	3758
CHEDDAR CHEESE (39% MAXIMUM MOISTURE)				
-- OCEANIA	4034	4431	4365	4427
SKIM MILK POWDER (1.25% BUTTERFAT)				
-- OCEANIA	3076	3006	2755	2549
-- SOUTH AMERICA	3020	2875	2695	2600
-- WEST EUROPE	2906	2838	2460	1816
WHEY POWDER (NONHYGROSCOPIC)				
-- WEST EUROPE	923	913	882	710
WHOLE MILK POWDER (26% BUTTERFAT)				
-- OCEANIA	3185	3006	2870	2765
-- SOUTH AMERICA	3183	3050	2905	2900
-- WEST EUROPE	3416	3350	3061	2476

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

## March 2020 Dairy Products Highlights

**Butter** production was 194 million pounds, 7.5 percent above March 2019, and 3.3 percent above February 2020. **American type cheese** production totaled 449 million pounds, 1.4 percent above March 2019, and 7.2 percent above February 2020. **Total cheese** output (excluding cottage cheese) was 1.12 billion pounds, 0.2 percent above March 2019, and 9.0 percent above February 2020. **Nonfat dry milk** production, for human food, totaled 173 million pounds, 6.7 percent above March 2019, and 8.5 percent above February 2020. **Dry whey** production, for human food, was 80 million pounds, 5.4 percent above March 2019, and 6.9 percent above February 2020. **Ice cream, regular hard** production, totaled 64.0 million gallons, 2.9 percent below March 2019, but 22.0 percent above February 2020.

Production of Dairy Products									
Product	March 2020	Change from			Product	March 2020	Change from		
		March 2019	February 2020	Year to Date <sup>1</sup>			March 2019	February 2020	Year to Date <sup>1</sup>
	<i>(1,000 lbs)</i>	<i>(percent)</i>				<i>(1,000 lbs)</i>	<i>(percent)</i>		
Butter	194,287	7.5	3.3	4.3	Yogurt (plain and flavored)	418,178	4.6	11.5	-0.3
Cheese					Dry whey, human food	80,199	5.4	6.9	---
American types <sup>2</sup>	448,877	1.4	7.2	0.9	Dry whey, animal feed	1,352	5.0	-8.9	---
Cheddar	318,739	1.1	5.4	-0.1	Dry whey, total <sup>8</sup>	81,551	5.4	6.6	2.5
Other American	130,138	2.1	12.0	---	Reduced lactose & minerals				
Brick & Muenster	16,166	9.2	7.5	---	Human food	1,598	-5.3	2.4	---
Cream & Neufchatel	78,065	-1.4	24.5	---	Animal feed	3,439	11.9	8.6	---
Hispanic	30,117	4.7	12.3	---	Lactose, human food & animal feed	96,115	-15.8	9.9	-16.6
Total Italian types	487,613	-1.1	8.8	0.3	Whey protein concentrate				
Mozzarella	389,515	-0.4	10.3	0.5	Human food <sup>9</sup>	38,549	-6.9	9.5	---
Other Italian	98,098	-3.9	3.3	---	Animal feed <sup>9</sup>	404	-33.0	6.0	---
Swiss	27,029	-2.4	1.5	---	Total <sup>9</sup>	38,953	-7.3	9.4	-6.4
All other types	36,501	1.5	8.4	---	25.0-49.9 percent <sup>10</sup>	14,964	3.2	11.4	---
Total	1,124,368	0.2	9.0	0.7	50.0-89.9 percent <sup>10</sup>	23,989	-12.8	8.2	---
Cottage cheese, curd <sup>3</sup>	33,847	1.4	16.8	---	Whey protein isolates <sup>11</sup>	10,818	6.6	25.2	---
Cottage cheese, cream <sup>4</sup>	32,439	8.7	23.9	-2.7					
Cottage cheese, lowfat <sup>5</sup>	27,691	-0.3	13.3	-6.7					
Dry buttermilk	13,430	34.6	-0.6	---	Frozen products				
Dry whole milk	11,041	-40.2	-2.0	---	Ice cream, regular hard	64,026	-2.9	22.0	-2.2
Milk protein conc. (MPC), total <sup>6</sup>	14,518	0.8	-33.5	---	Ice cream, lowfat, hard	23,199	3.7	22.2	---
Nonfat dry milk (NDM), human	172,685	6.7	8.5	3.2	Ice cream, lowfat, soft	14,738	-26.9	3.1	---
Skim milk powders (SMP) <sup>7</sup>	40,843	-15.4	6.3	0.9	Ice cream, lowfat, total	37,937	-10.8	14.0	-8.6
Sour cream	118,736	9.3	16.6	2.5	Sherbet, hard	3,107	-3.7	2.8	4.1
					Frozen yogurt, total	5,615	-1.3	35.0	-11.1

Manufacturers' Stocks, End of Month <sup>12</sup>									
Product	March 2020	March 2019	February 2020	Product	March 2020	March 2019	February 2020		
								<i>(1,000 lbs)</i>	<i>(percent)</i>
Dry whey, human food	72,588	-12.5	-1.6	Whey protein concentrate					
Dry whey, animal feed	680	-37.4	-11.2	Human food <sup>9</sup>	67,225	11.3	5.1		
Reduced lactose & minerals—human & animal <sup>13</sup>	4,587	-11.1	0.9	Animal feed <sup>9</sup>	558	-37.8	-7.8		
Lactose, human food & animal feed	102,540	-3.0	0.4	Total <sup>9</sup>	67,783	10.6	4.9		
Dry buttermilk	25,827	35.6	27.9	25.0-49.9 percent <sup>10</sup>	28,834	8.1	5.7		
Nonfat dry milk, human food	349,188	20.5	9.7	50.0-89.9 percent <sup>10</sup>	38,949	12.4	4.4		
				Whey protein isolates <sup>11</sup>	15,847	-22.5	-0.9		

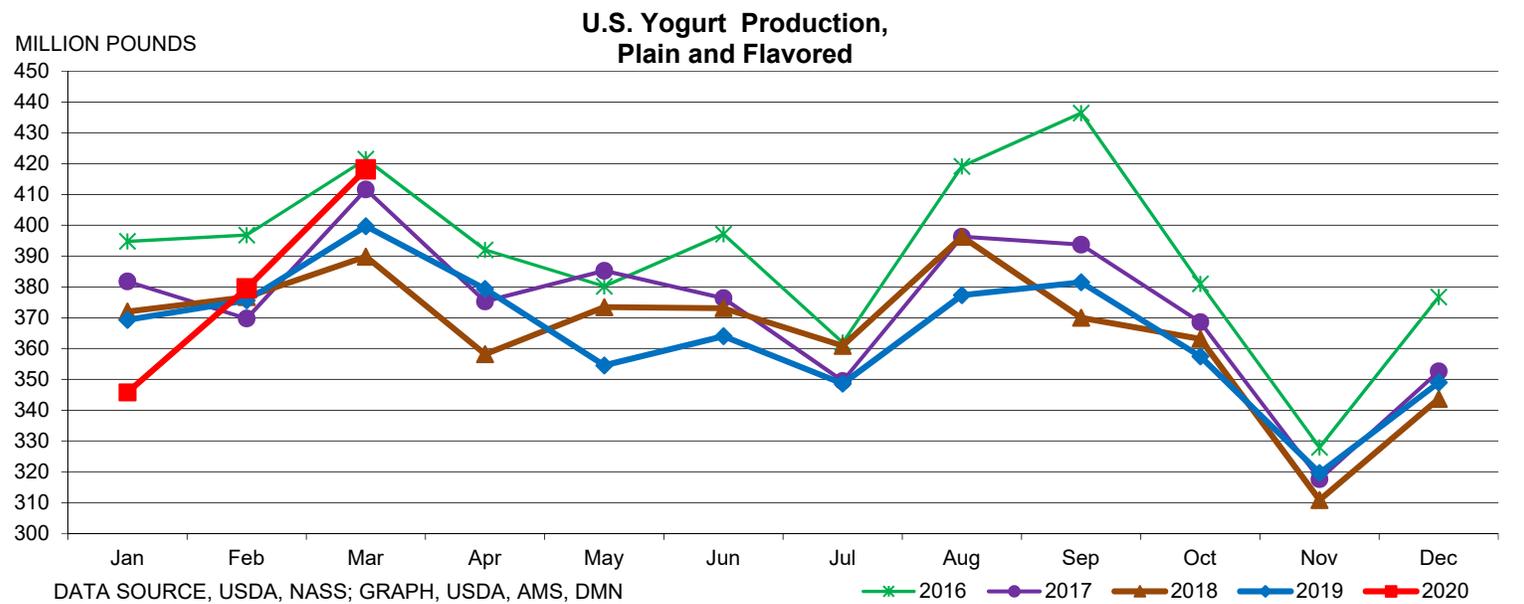
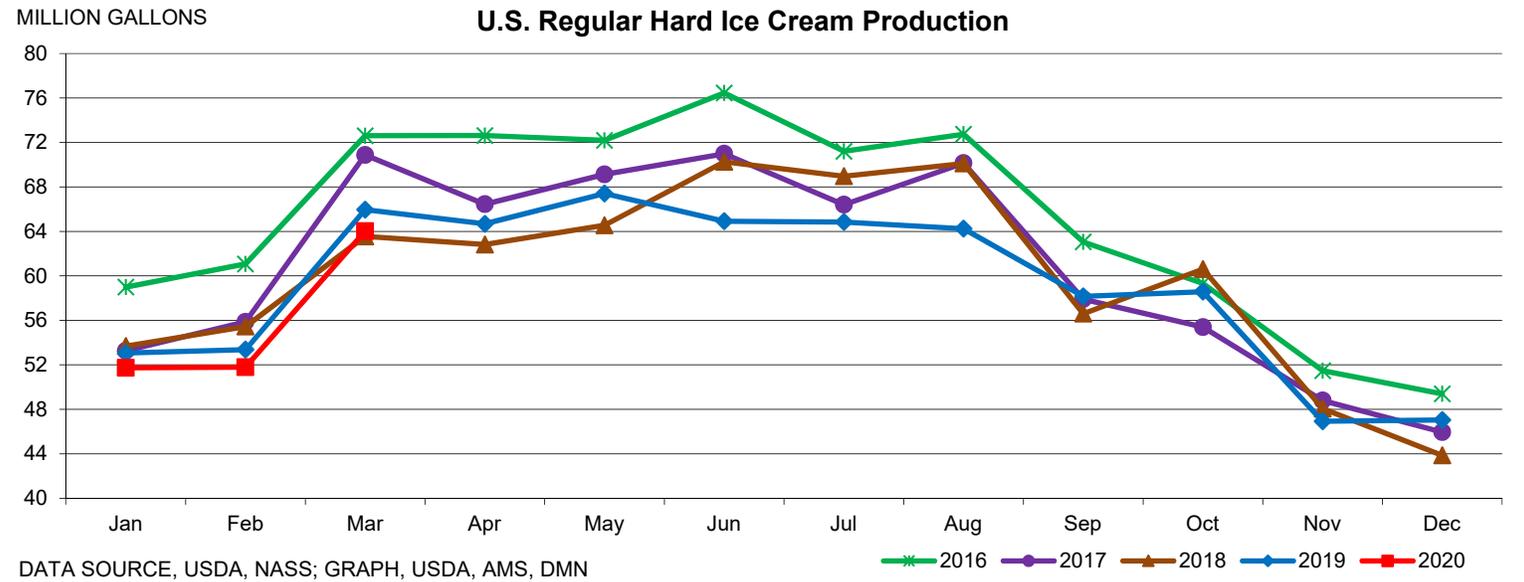
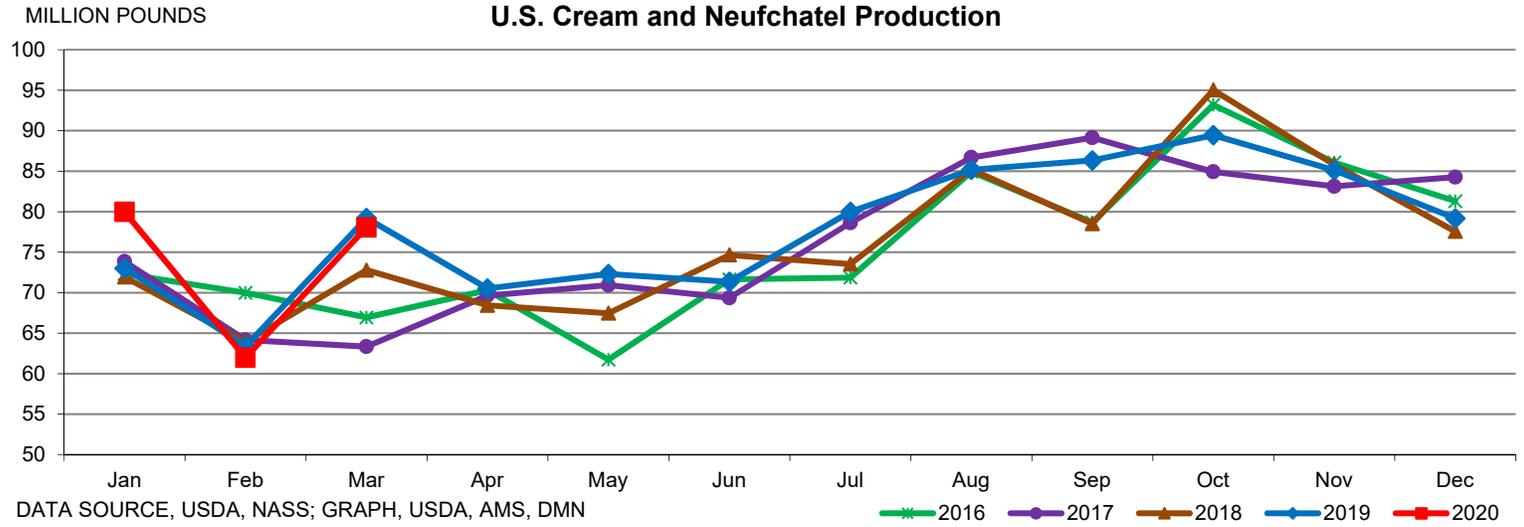
<sup>1</sup> 2019 cumulative as percent change of 2018 cumulative. <sup>2</sup> Includes Cheddar, Colby, Monterey and Jack. <sup>3</sup> Mostly used for processing into cream or lowfat cottage cheese. <sup>4</sup> Fat content 4 percent or more. <sup>5</sup> Fat content less than 4 percent. <sup>6</sup> Dry milk protein concentrate, 40-89.9 percent. <sup>7</sup> Includes protein standardized and blends. <sup>8</sup> Excludes all modified dry whey products. <sup>9</sup> Whey protein concentrate, 25.0 to 89.9 percent. <sup>10</sup> Whey protein concentrate, human and animal. <sup>11</sup> Whey protein isolates, 90.0 percent or greater. <sup>12</sup> Stocks held by manufacturers at all points and in transit. <sup>13</sup> Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. **Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Dairy Products, May 2020.*

## Mailbox Milk Prices for Selected Reporting Areas in Federal Milk Orders, January 2020, With Comparisons

In January 2020, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$18.84 per cwt, down \$1.19 from the December 2019 average but up \$2.70 per cwt from the January 2019 average (without California). The component tests of producer milk in January 2020 were butterfat, 4.00%; protein, 3.22%; and other solids, 5.76%.

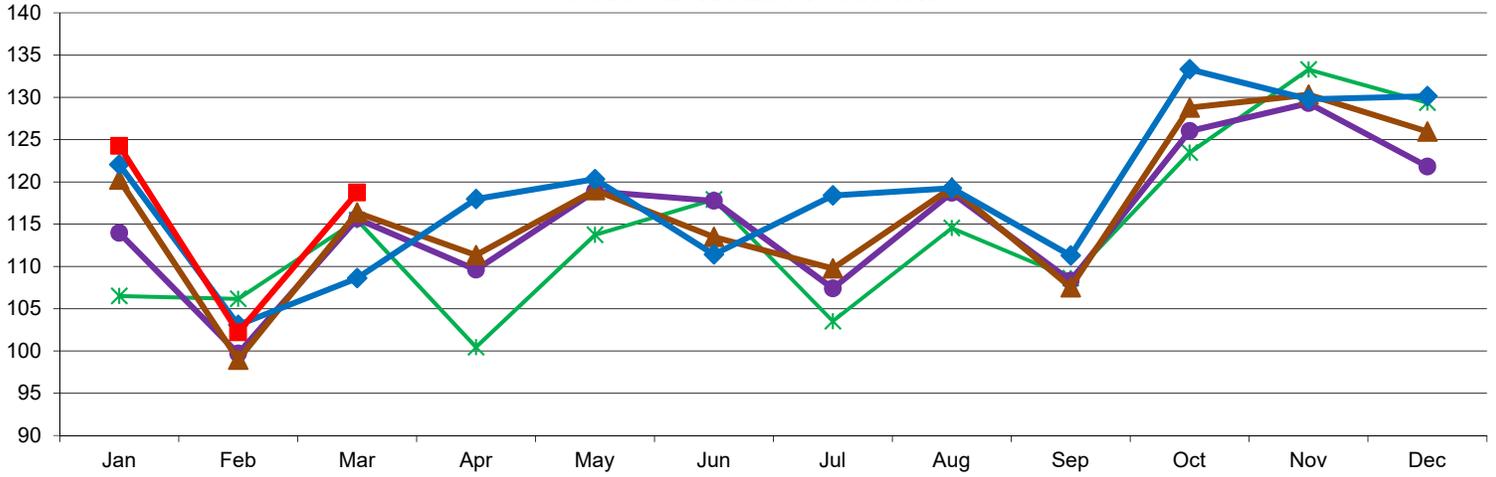
Reporting Area <sup>1</sup>	Mailbox Milk Price <sup>2</sup>		
	Jan 2019	Dec 2019	Jan 2020
	<i>(dollars per hundredweight)</i>		
New England States <sup>3</sup>	17.92	20.60	19.72
New York	16.67	19.58	18.85
Eastern Pennsylvania <sup>4</sup>	16.52	19.78	18.96
Appalachian States <sup>5</sup>	17.04	20.36	20.04
Southeast States <sup>6</sup>	16.99	20.58	20.44
Southern Missouri <sup>7</sup>	16.77	20.48	19.78
Florida	18.58	21.20	22.11
Western Pennsylvania <sup>8</sup>	16.63	20.13	19.25
Ohio	16.57	20.20	19.19
Indiana	16.09	19.77	19.03
Michigan	14.83	18.56	17.50
Wisconsin	16.18	21.14	19.00
Minnesota	16.20	21.66	19.53
Iowa	16.28	20.45	19.00
Illinois	16.70	20.74	19.44
Corn Belt States <sup>9</sup>	15.05	18.96	17.31
Western Texas <sup>10</sup>	15.47	20.03	18.96
New Mexico	14.01	18.49	17.05
Northwest States <sup>11</sup>	16.54	20.56	19.18
California <sup>12</sup>	NA	NA	NA
All Federal Order Areas <sup>13</sup>	16.14	20.03	18.84

\* Revised. <sup>1</sup> Areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. <sup>2</sup> Net pay prices received by dairy farmers for milk. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are weighted averages of the prices reported for all orders receiving milk from the reporting area and are reported at the average butterfat tests. Prices include, for the most part, the assessment under the Cooperatives Working Together (CWT) program. <sup>3</sup> Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. <sup>4</sup> Includes all counties to the east of those listed in <sup>8</sup>. <sup>5</sup> Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. <sup>6</sup> Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. <sup>7</sup> Includes the counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. <sup>8</sup> Includes the counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. <sup>9</sup> Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in <sup>7</sup>. <sup>10</sup> Includes all counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. <sup>11</sup> Includes Oregon and Washington. <sup>12</sup> The California Federal Milk Marketing Order became effective on November 1, 2018. Monthly mailbox data are not yet available for the California Federal Milk Marketing Order. <sup>13</sup> Weighted average of prices for all reporting areas (excluding California).



MILLION POUNDS

### U.S. Sour Cream Production

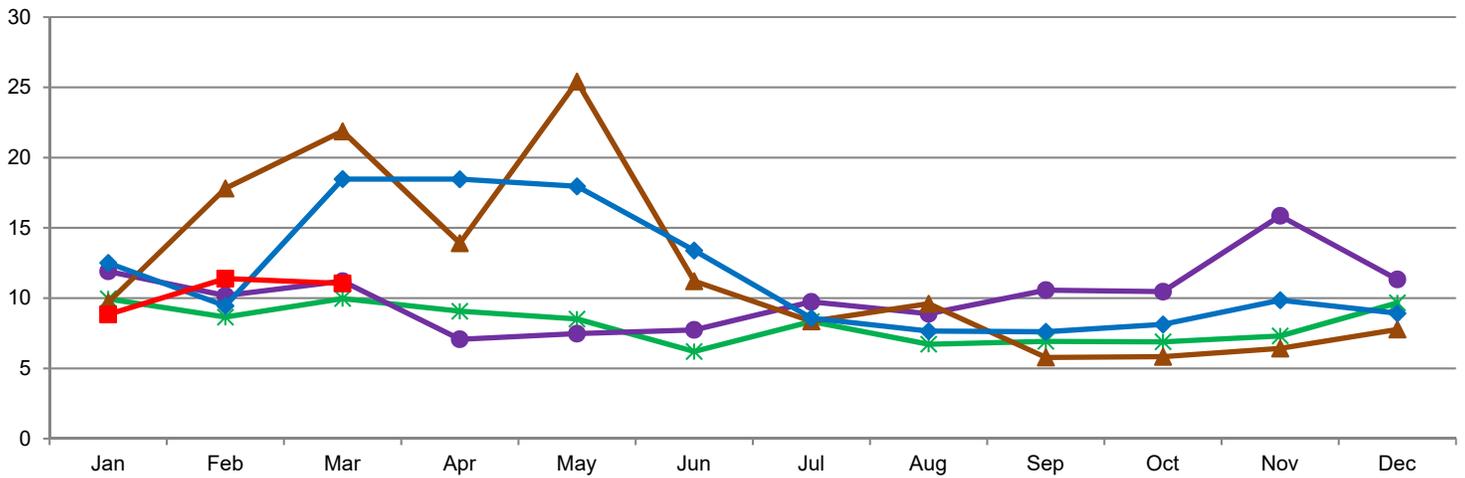


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2016 2017 2018 2019 2020

MILLION POUNDS

### U.S. Dry Whole Milk Production

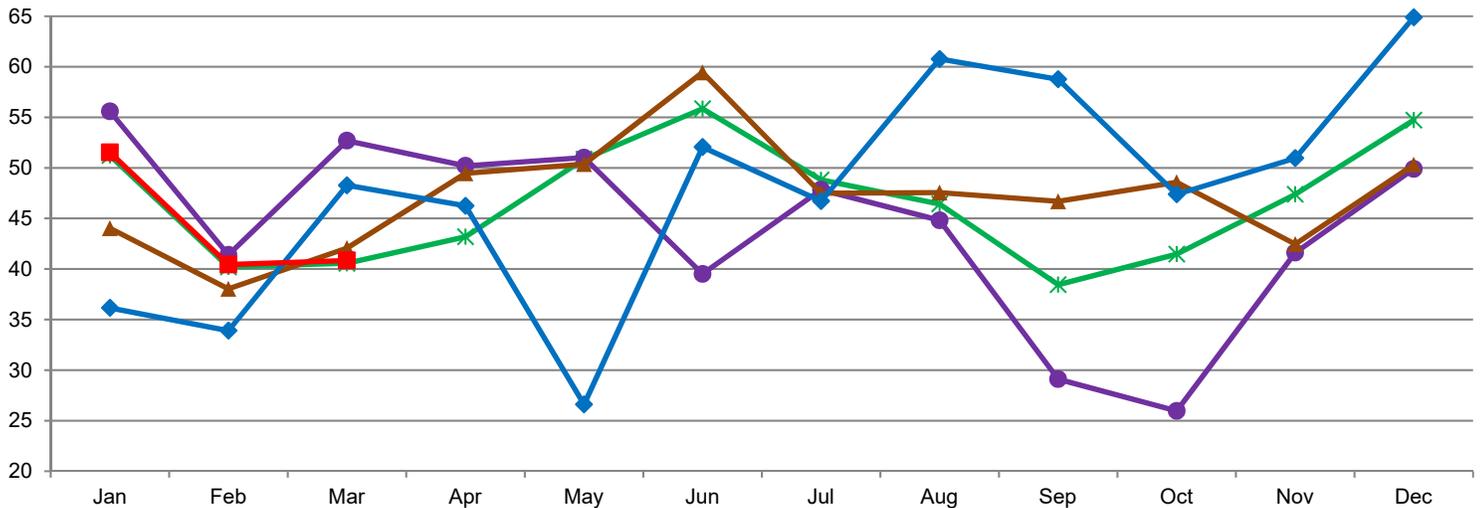


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2016 2017 2018 2019 2020

MILLION POUNDS

### U.S. Skim Milk Powder Production



DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2016 2017 2018 2019 2020



## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Retail Report-Dairy

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

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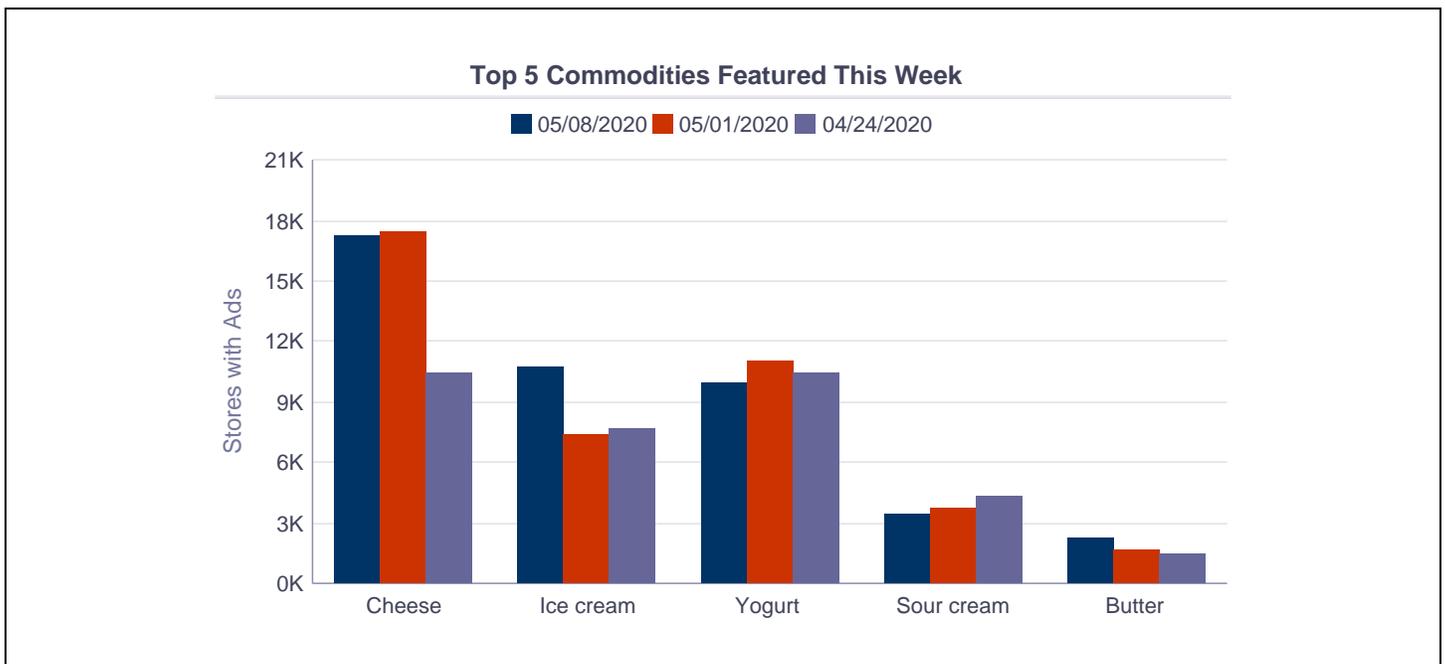
Friday, May 8, 2020

### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 05/08/2020 to 05/14/2020

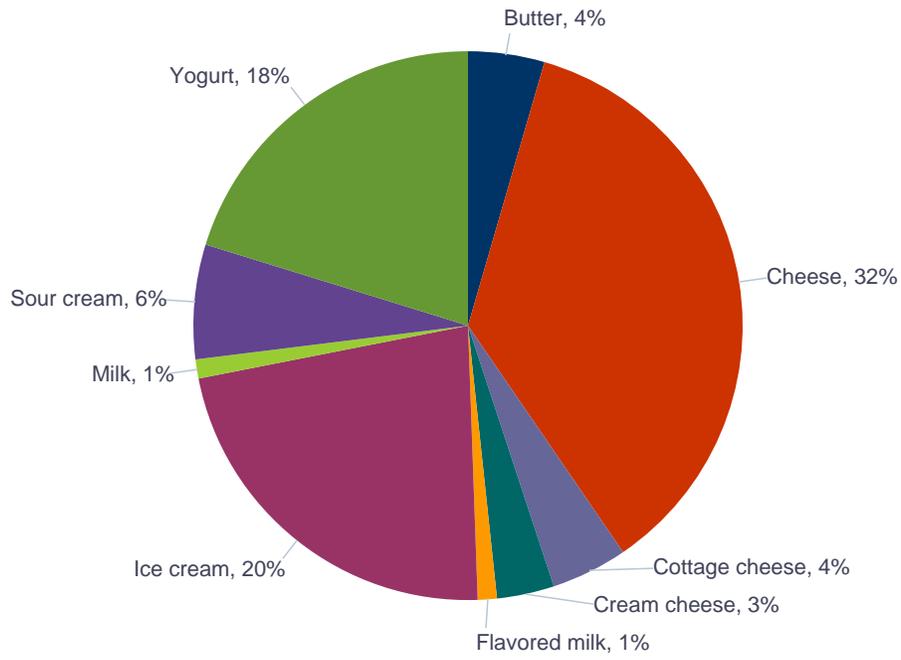
This week, the total number of conventional dairy advertisements are unchanged from the last retail report period, but organic dairy ads increased 177 percent compared to the previous report week.

While most conventional dairy product ads show a decline, that does not hold true for a summer favorite. Ice cream, 48-64 oz containers, saw the largest volume of conventional ads reported for a dairy product this week. Ads grew 45 percent over last week's number. As well, conventional 1 pound butter ads increased, up 29 percent. The weighted average price is 2.96 per pound, down 23 cents this period compared to the previous period. The number of ads for organic cream cheese in 8 ounces containers grew 41 percent and conventional cream cheese, 8 ounce packaging, grew 5 percent.

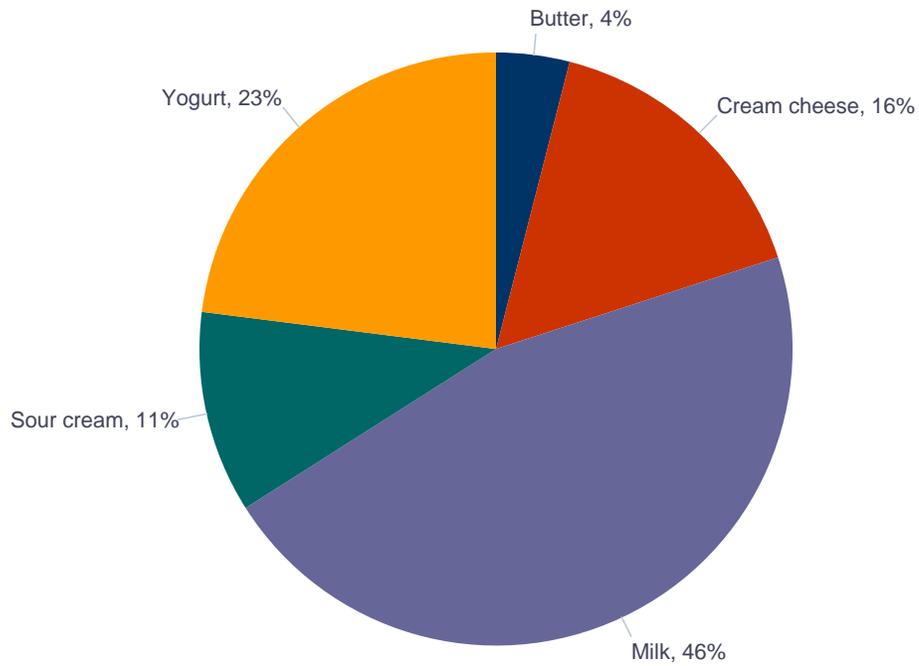
Conventional yogurt ads declined 12 percent, but organic yogurt ads grew 100 percent. Conventional cheese ads declined 1 percent, but there were no organic cheese ads this week. Conventional milk ads declined 60 percent, while organic milk ads increased 246 percent. The national weighted average advertised price for conventional half gallon milk is \$2.79 and \$3.61 for organic, resulting in an organic premium of \$.82.



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 #	2191	2.96	1697	3.19	1928	3.60
Cheese	Natural Varieties	8 oz block	7637	2.46	5626	2.80	6827	2.01
Cheese	Natural Varieties	1 # block	1329	4.92	1604	4.73	1741	3.92
Cheese	Natural Varieties	2 # block	269	6.73	1491	6.25	702	5.17
Cheese	Natural Varieties	8 oz shred	6921	2.38	7373	2.86	7053	2.22
Cheese	Natural Varieties	1 # shred	1105	4.58	1289	4.38	592	4.34
Cottage cheese		16 oz	2124	2.18	2570	2.05	4346	2.02
Cream cheese		8 oz	1433	1.89	1362	1.91	3843	1.82
Flavored milk	All fat tests	half gallon			427	2.25	556	2.65
Flavored milk	All fat tests	gallon	285	3.25	285	3.88	630	3.38
Ice cream		48-64oz	10701	2.89	7369	2.93	11475	2.97
Milk	All fat tests	half gallon	583	2.79	1164	1.40	133	1.89
Milk	All fat tests	gallon	105	1.99	561	2.29	326	2.56
Sour cream		16 oz	3284	1.93	3783	1.70	6301	1.91
Yogurt	Greek	4-6 oz	4850	.94	5388	.96	7519	.94
Yogurt	Greek	32 oz	1175	3.73	1197	3.96	1792	4.17
Yogurt	Yogurt	4-6 oz	2776	.56	3742	.55	2147	.51
Yogurt	Yogurt	32 oz	706	2.36	511	2.79	485	2.39

## 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 #	2.00-4.49	732	3.22	3.50-3.99	298	3.64	2.50	595	2.50
Cheese	Natural Varieties	8 oz block	1.65-3.00	1026	2.20	2.00-3.00	3753	2.58	1.88-2.99	713	2.00
Cheese	Natural Varieties	1 # block	6.99	161	6.99	3.99-4.99	850	4.93			
Cheese	Natural Varieties	8 oz shred	1.65-2.99	1218	2.21	2.00-3.00	3425	2.52	1.88-2.99	869	2.12
Cheese	Natural Varieties	1 # shred	2.50	137	2.50	3.99-4.99	850	4.93			
Cottage cheese		16 oz	1.99-2.79	726	2.36	2.00-2.50	1216	2.09	1.99	127	1.99
Cream cheese		8 oz	1.69-2.00	619	1.84	1.99	508	1.99			
Flavored milk	All fat tests	gallon							3.99	180	3.99
Ice cream		48-64oz	1.97-5.29	1796	2.83	1.97-5.99	2874	2.67	2.29-3.98	2174	2.92
Milk	All fat tests	half gallon	3.69	161	3.69	0.99	114	.99			
Sour cream		16 oz	1.39-2.50	1001	1.88	1.50-2.00	1303	1.92	1.89-2.39	491	2.09
Yogurt	Greek	4-6 oz	0.69-1.00	1092	.93	0.75-1.00	1535	.88	0.88-1.00	598	.97
Yogurt	Greek	32 oz	3.49-4.19	296	3.81	3.50-5.00	301	4.57			
Yogurt	Yogurt	4-6 oz	0.50-0.79	775	.57	0.40-0.60	371	.51	0.60	894	.60
Yogurt	Yogurt	32 oz							1.99-2.00	355	1.99



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-4.99	329	2.92				2.50	226	2.50
Cheese	Natural Varieties	8 oz block	1.88-2.99	693	2.48	1.99-3.00	1404	2.56			
Cheese	Natural Varieties	1 # block	4.99	55	4.99	3.49-3.99	263	3.61			
Cheese	Natural Varieties	2 # block				6.99	200	6.99	5.99	69	5.99
Cheese	Natural Varieties	8 oz shred	1.88-2.50	314	2.05	1.99-3.00	981	2.38	2.99	66	2.99
Cheese	Natural Varieties	1 # shred	4.99	55	4.99	3.99	63	3.99			
Cottage cheese		16 oz	2.29	55	2.29						
Cream cheese		8 oz				1.25-1.99	306	1.84			
Flavored milk	All fat tests	gallon							1.99	105	1.99
Ice cream		48-64oz	0.50-4.99	1498	3.02	1.97-5.99	1249	3.27	1.97-3.99	1064	2.85
Milk	All fat tests	half gallon	1.99-4.29	188	2.66	3.49	120	3.49			
Milk	All fat tests	gallon							1.99	105	1.99
Sour cream		16 oz	1.79-2.29	247	1.96	2.00	137	2.00	1.67	105	1.67
Yogurt	Greek	4-6 oz	0.80-1.00	287	.96	0.99-1.00	754	1.00	0.88-1.00	584	.98
Yogurt	Greek	32 oz							3.00-3.50	578	3.25
Yogurt	Yogurt	4-6 oz	0.33-0.60	132	.49	0.49-0.60	210	.55	0.39-0.60	394	.54
Yogurt	Yogurt	32 oz				2.50	62	2.50	2.79	289	2.79

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	11	3.00			
Cheese	Natural Varieties	8 oz block	2.50	21	2.50	3.00	27	3.00
Cheese	Natural Varieties	8 oz shred	2.50	21	2.50	3.00	27	3.00
Ice cream		48-64oz	2.99-3.99	22	3.49	4.25	24	4.25

### 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 #	69	6.99			142	6.18
Cheese	Natural Varieties	8 oz shred					503	3.29
Cream cheese		8 oz	301	2.21	214	2.50	214	2.50
Milk	All fat tests	half gallon	770	3.61	148	4.88	1328	4.02
Milk	All fat tests	gallon	105	5.00	105	5.00	610	6.29
Milk	All fat tests	8 oz UHT					294	.92

Wtd Avg - Simple weighted average



Sour cream		16 oz	214	2.50			214	2.50
Yogurt	Greek	32 oz	428	4.50	214	3.00	620	5.27
Yogurt	Yogurt	4-6 oz					292	.74

### REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #							6.99	69	6.99
Cream cheese		8 oz				1.49-2.50	301	2.21			
Milk	All fat tests	half gallon				3.79	87	3.79	2.99-3.29	468	3.23
Sour cream		16 oz				2.50	214	2.50			
Yogurt	Greek	32 oz				3.00-5.99	428	4.50			

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
Milk	All fat tests	half gallon	3.29	78	3.29	4.99	137	4.99			
Milk	All fat tests	gallon							5.00	105	5.00

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



# Dairy Market News

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

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