

## DAIRY MARKET NEWS AT A GLANCE

### CME GROUP CASH MARKETS (7/2)

**BUTTER:** Grade AA closed at \$1.7375. The weekly average for Grade AA is \$1.7544 (-0.0381).

**CHEESE:** Barrels closed at \$2.4150 and 40# blocks at \$2.6750. The weekly average for barrels is \$2.4038 (+0.0253) and blocks, \$2.6438 (-0.0047).

**NONFAT DRY MILK:** Grade A closed at \$1.0100. The weekly average for Grade A is \$1.0081 (-0.0209).

**DRY WHEY:** Extra grade dry whey closed at \$0.3300. The weekly average for dry whey is \$0.3238 (-0.0138).

**CHEESE HIGHLIGHTS:** With the exception of a few disruptions, cheese production is strong in all regions. Limited availability on multiple varieties of cheese, particularly cheddar, have buoyed a market that, as recently as April, was in the \$1 range. Spot milk availability has aided in adding to production rates, as well. Spot milk prices in the Midwest ranged from \$5 under to Class III. Demand remains steady to strong. Retail pushes are particularly notable. This week's DMN Retail Report exhibited how hearty cheese promotions are at the moment. COVID-19 has kept more consumers eating in during the grilling season. Markets are undoubtedly bullish when compared to the height of COVID-19 closures, but some contacts are concerned about the potential market drop, as well.

**BUTTER HIGHLIGHTS:** During this holiday shortened week, butter churning is reported as steady to a bit weaker. Cream supplies are seasonally reduced, pushing some processors to rely on micro-fixing as the primary output method for print butter. In general, butter demand remains strong on the retail side. Food service requests have recovered in recent weeks, but are still below previous years' figures by a considerable margin. Across the country, this week, bulk prices are ranging from flat market to 8.0 cents above the market.

**FLUID MILK:** Midwest farm milk production is steady to lower entering July. Heat indexes in the triple digits in the Midwest, with actual temperatures in the triple digits in the lower portion of the region, have begun to affect farm milk output. Spot milk loads were widely available for cheese producers. They reported spot milk prices as low as \$5 under. California milk supplies and demands are well balanced. Milk production is unchanged from the previous week. Arizona milk production is at seasonally low levels, but manufacturers are not concerned as they planned for this time of the year. A milk production reduction program remains in place through the month of July in New Mexico. Steady loads of milk are being moved to balancing facilities, but the volumes will increase during the holiday when some plants close. Pacific Northwest milk production is stable. Industry contacts report milk intakes are in good balance with processing needs. In the mountain states of Idaho, Utah, and Colorado, milk supplies are getting into better balance with processing needs. Milk production is steady to lower. **Eastern** milk output is level this holiday week. Cream is generally tight nationally, as ice cream producers continue at or near peak levels. F.O.B. cream multiples are 1.25-1.48 in the East, 1.23-1.36 in the Midwest, and 1.13-1.30 in the West.

**DRY PRODUCTS:** Central and East low/medium heat nonfat dry milk (NDM) markets are steady to higher this holiday week. High heat NDM is unchanged to higher. The Central NDM market tone is steady to slightly bullish. In the West, low/medium heat nonfat dry milk prices are a bit up at the bottom of the range, while remaining stable anywhere else. The market is quiet this week. Demands are flat to down. High heat nonfat dry milk prices are unchanged. Central and East dry buttermilk prices were mixed, but bulls outran the bears as prices continued their increase on the top.

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#### DAIRY MARKET NEWS PRICE SUMMARY FOR JUNE 29 - JULY 3, 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	0.9800	1.0650	1.0000	1.0300	Central/East	0.9400	1.0500			Central/West	0.3300	0.6400	0.4400	0.5700
Change	0.0700	0.0150	0.0200	N.C.	Change	-0.0100	0.0300			Change	0.0250	0.0700	0.0400	0.0200
Central High Heat	1.0800	1.2500			West	0.8500	1.0000	0.9000	0.9500	<b>WPC 34%</b>				
Change	N.C.	0.1000			Change	N.C.	N.C.	N.C.	N.C.	Central/West	0.7000	1.1275	0.7800	1.0275
West Low/Med. Heat	0.9200	1.0825	0.9800	1.0300	<b>WHEY</b>					Change	N.C.	N.C.	-0.0100	-0.0275
Change	0.0100	N.C.	N.C.	N.C.	Central	0.2800	0.3700	0.3125	0.3500	<b>CASEIN</b>				
West High Heat	1.0800	1.2100			Change	N.C.	-0.0100	-0.0100	N.C.	Rennet	3.4975	3.7900		
Change	N.C.	N.C.			West	0.2550	0.3900	0.3300	0.3700	Change	-0.1225	N.C.		
<b>DRY WHOLE MILK</b>					Change	-0.0050	N.C.	0.0150	-0.0150	Acid	3.8000	3.9000		
National	1.6500	1.8000			Northeast	0.3200	0.3875			Change	N.C.	N.C.		
Change	0.0500	N.C.			Change	-0.0300	-0.0125			<b>ANIMAL FEED WHEY</b>				
									Central	0.2700	0.2900			
									Change	N.C.	N.C.			

#### DAIRY MARKET NEWS PRICE SUMMARY FOR JUNE 22 - JULY 3, 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	2425	2575	W. Europe	3050	3175	W. Europe	3575	3725
Change	550	600	Change	750	700	Change	875	775
Oceania	2575	2725	Oceania	2750	2875	Oceania	3600	3700
Change	25	N.C.	Change	50	N.C.	Change	25	N.C.
S. America	2600	2700	S. America	2750	3075	<b>BUTTEROIL</b>		
Change	N.C.	N.C.	Change	N.C.	N.C.	W. Europe	3925	4400
<b>WHEY</b>					Change	700	700	
W. Europe	800	1000			<b>CHEDDAR CHEESE</b>			
Change	175	175			Oceania	3575	4050	
					Change	50	N.C.	

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

In the West, f.o.b. prices for dry buttermilk are unchanged on the range and on the mostly series. Inventories are generally in good balance with demand. Western dry buttermilk production is stable, in line with seasonal drying schedules and lower butter outputs. National spot prices for dry whole milk are mixed as a few sales pushed up the bottom price of the range, while the top remained steady. The market conditions are reported as stable as supply is in line with demands from the bakery and confectionery sectors. Central region dry whey prices slipped, again, on the top of the range and bottom of the mostly series. Production has been active. The bottom of the price range moved slightly lower, driven off cash market indices, while the top of the range held steady. Processors report whey is moving well through current contracts, but there is a lull in activity, especially in some international markets. Inventories vary by manufacturer. The mostly price series contracted. Eastern dry whey prices dipped lower on the price range. Plants are running on active dry whey schedules, as stable milk loads are clearing to Class III operations. The price range for WPC 34% is unchanged, but the mostly price series moved lower. WPC34% production is steady to higher. Increased cheese production and weak market conditions for higher whey protein concentrations are compelling some manufacturers to make more WPC34%. As Q2 lactose contracts wrap up and Q3 contract start to ship, lactose prices moved higher on both the price range and mostly price series. Manufacturers report inventories are tight and mostly committed into contracts. Acid casein prices are steady. Rennet casein prices are mixed, steady at the top of the price range but weaker at the low end. The low-end prices reflect pricing for French rennet casein. Stronger Irish rennet casein pricing hold up the top end.

**INTERNATIONAL DAIRY MARKET NEWS: WESTERN OVERVIEW:** The seasonal decline in milk production is well underway. German dairy plants report that late June milk production has tended to remain higher than last year at this time. This is also what is being reported from France. Applications for Private Storage Aid (PSA) for cheese during the last reported week of the current program, June 15 – June 21, 2020, totaled 687 MT according to Eucolait. The total amount of cheese in PSA is 43,772 MT, 44 percent of the fill rate. Country allotments have maxed out for Ireland, Estonia, Italy, Sweden, Lithuania, and the United Kingdom. Belgium is 5 percent away from its allocation. **EASTERN OVERVIEW:** Sources in Poland have been pleased with observations that milk production in late June is reported to be higher than this time last year. **AUSTRALIA:** July 2019 – May 2020 milk production in Australia decreased 0.6 percent from the corresponding previous period, according to Dairy Australia. May 2020 milk production, 650.4 million liters, was 6.0 percent higher than May 2019. **NEW ZEALAND:** May 2020 New Zealand milksolids reported by DCANZ, 91.1 million kg, are up 3.8 percent from May 2019 milksolids, 87.8 million kg. May 2020 milk production, 905 million MT, is up 4.3 percent from May 2019, 868 million MT. **SOUTH AMERICA:** In Argentina and Uruguay, farm milk production is progressively improving driven by favorable weather and cooler temperatures in the main dairy basins. In general, milk/cream volumes are enough to meet most processing needs. With lower imports from Argentina/Uruguay, the Brazilian domestic markets for cheese and dairy products continue in a stable to firm position, mainly due to lower competition. In some dairy processing facilities, COVID-19 has caused interruption or delay of some production lines.

**NATIONAL RETAIL REPORT (DMN):** Retail advertisements for dairy products increased on the conventional aisle, by 18 percent, while the total number of organic dairy ads declined by 23 percent. Ads for conventional 2 lb cheese blocks increased by the largest margin week to week, while conventional 8 oz shred cheese was the most advertised dairy item. In typical fashion, half gallon milk was the most advertised organic dairy item. Cheese advertisements rose 73 percent from last week on the conventional side, and cheese in 8 oz blocks held a weighted average price of \$2.09, down \$.23 from last week. There

were no advertised organic cheese items. Conventional and organic bottled milk advertisements decreased by 71 and 26 percent, respectively. The weighted average price of conventional 1-gallon milk was \$2.65, compared to \$6.99 for organic milk, representing an organic premium of \$4.34. Yogurt advertisements also decreased on both the conventional and organic sectors, 17 and 32 percent respectively. Conventional Greek yogurt in 4-6 oz containers held a weighted average price of \$1.05, compared to \$.94 last week. The weighted average price of organic Greek yogurt, in 32oz containers, was \$4.99, \$1.99 higher than last week.

**MAY AGRICULTURAL PRICE HIGHLIGHTS (NASS):** The All Milk price received by farmers was \$13.60 in May, down \$4.40 from May 2019. The alfalfa hay price was \$179.00 in May, down \$25.00 from May 2019. The corn price was \$3.20 in May, down \$0.43 from May 2019. The soybean price was \$8.28 in May, up \$0.26 from May 2019. The milk-feed price ratio was 1.77 in May, down 0.33 from May 2019. The index of prices received by farmers for dairy products during the month of May 2020 was down 3.9 to 67.7. Compared to May 2019, the index was down 21.9 points (-24.4 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in May 2020 was up 0.1 point to 108.8. Compared with May 2019, the index was down 2.1 points (-1.9 percent).

**MAY DAIRY PRODUCTS HIGHLIGHTS (NASS):** Butter production was 178 million pounds, 4.9 percent above May 2019, but 18.0 percent below April 2020. American type cheese production totaled 443 million pounds, 0.2 percent below May 2019, and 1.0 percent below April 2020. Total cheese output (excluding cottage cheese) was 1.10 billion pounds, 0.7 percent below May 2019, but 3.2 percent above April 2020. Nonfat dry milk production, for human food, totaled 158 million pounds, 9.2 percent below May 2019, and 19.2 percent below April 2020. Dry whey production, for human food, was 85 million pounds, 9.1 percent above May 2019, and 11.2 percent above April 2020. Ice cream, regular hard production, totaled 64.3 million gallons, 4.9 percent below May 2019, but 1.7 percent above April 2020.

**JUNE FINAL CLASS PRICES (FMMO):** The following are the June 2020 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$12.99 (\$+0.69), Class III: \$21.04 (\$+8.90), and Class IV: \$12.90 (\$+2.23). Under the Federal milk order pricing system, the butterfat price for June 2020 is \$1.8591 per pound. Thus, the Class II butterfat price is \$1.8661 per pound. The protein and other solids prices for June 2020 are \$4.5349 and \$0.1696 per pound, respectively. These component prices set the Class III skim milk price at \$15.06 per cwt. The June 2020 Class IV skim milk price is \$6.62, which is derived from the nonfat solids price of \$0.7354 per pound. The product price averages for June 2020 are butter \$1.7067, nonfat dry milk \$ 0.9106, cheese \$2.2152, and dry whey \$0.3638.

CME Group, CHICAGO, IL COMMODITY	MONDAY JUN 29	TUESDAY JUN 30	WEDNESDAY JUL 1	THURSDAY JUL 2	FRIDAY JUL 3	WEEKLY CHANGE	WEEKLY AVERAGE
CHEESE							
BARRELS	\$2.4000 (N.C.)	\$2.4000 (N.C.)	\$2.4000 (N.C.)	\$2.4150 (+0.0150)	No Trading	:: (+0.0150)	:: \$2.4038 (+0.0253)
40 POUND BLOCKS	\$2.6200 (+0.0450)	\$2.6400 (+0.0200)	\$2.6400 (N.C.)	\$2.6750 (+0.0350)	No Trading	:: (+0.1000)	:: \$2.6438 (-0.0047)
NONFAT DRY MILK							
GRADE A	\$1.0125 (-0.0075)	\$1.0050 (-0.0075)	\$1.0050 (N.C.)	\$1.0100 (+0.0050)	No Trading	:: (-0.0100)	:: \$1.0081 (-0.0209)
BUTTER							
GRADE AA	\$1.7650 (N.C.)	\$1.7650 (N.C.)	\$1.7500 (-0.0150)	\$1.7375 (-0.0125)	No Trading	:: (-0.0275)	:: \$1.7544 (-0.0381)
DRY WHEY							
EXTRA GRADE	\$0.3175 (+0.0050)	\$0.3175 (N.C.)	\$0.3300 (+0.0125)	\$0.3300 (N.C.)	No Trading	:: (+0.0175)	:: \$0.3238 (+0.0138)

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](http://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

For butter makers in the region, the level of production is driven by milk receipts this July 4th holiday week. Hence, some sources report the volume of milk supply will likely facilitate a 5-day churning week. While cream multiples have settled in the range of 1.25-1.33, butter operations, for now, are not too interested in extra cream. Sources expect multiples to rebound after the holiday. Butter inventories are moderate to heavy. Print sales are down versus last year due to the decline in food service volume. The current bulk butter price for domestic sales is reported 3-8 cents over the market of the CME Group, with various time frames and averages used. The butter market conveys a steady undertone.

Prices for: Eastern U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter  
Bulk Basis Pricing - 80% Butterfat \$/LB: +0.0300 - +0.0800

Secondary Sourced Information:

#### CME TRADING

The CME Group's Tuesday cash butter trading closed at \$1.7650, down from \$1.8125 a week ago.

#### WEST

In the West, the butter market is steady to a bit weaker. Although cream is still tight, it is not as tight as it was a few weeks ago. Nonetheless, cream remains out of the reach of some butter manufacturers, making it impossible for them to increase their production. Generally, print butter outputs are more active, limiting the yield for bulk butter. There has been an uptick in print butter intakes from the restaurant and retail sectors, but sales are still below normal levels. Butter supplies are plentiful and available to meet the needs of all buyers. Bulk butter overages are stable compared to last week.

Prices for: Western U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter  
Bulk Basis Pricing - 80% Butterfat \$/LB: 0.0000 - +0.0750

Secondary Sourced Information:

The Grade AA butter price at the CME Group on Tuesday closed at \$1.7650, compared to the weekly average price of \$1.7925 from last week.

#### CENTRAL

Butter makers were uncertain if cream prices would be in their reach prior to this week. Some butter contacts got their answer early in the week, as multiples were reported in the low/mid 1.20s. They expect cream prices to remain there into next week, as well. Butter makers will add to the churns, but the longevity of churning is in question. Butter demand is and has been strong on the retail side. Food service has picked up in recent weeks but still lags behind previous years' figures by a sizable margin. Butter markets have slid down into the \$1.70s. Some contacts say they have expected, or are expecting, butter markets to regain some momentum in the near term.

Prices for: Central U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter  
Bulk Basis Pricing - 80% Butterfat \$/LB: +0.0200 - +0.0700

## CHEESE MARKETS

## NORTHEAST

Northeastern cheese makers are working strong production schedules to keep up with customers' solid demands. Inventory levels continue to be tight in operations. Healthy interests from the restaurant and retail industries are occurring, although these sectors are still in unique situations in their demand cycles. Cream cheese production is fairly stable with manufacturers purchasing regular cream spot loads. On the CME Group, early in the holiday week, cheddar cheese spot prices are holding at stable prices. In addition, cheese prices have increased on other market exchanges. There are reports some buyers are not purchasing at current market prices.

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

Cheddar 40 pound Block	3.1000-3.3875
Muenster	3.0875-3.4375
Process American 5 pound Sliced	2.4800-2.9600
Swiss 10-14 pound Cuts	3.2625-3.5850

## MIDWEST

Some Midwestern cheesemakers reported COVID-19 related disruptions regarding cheese production. That said, most are busy and some are planning to process cheese through the holiday weekend. Cheese plant managers are planning production around current demand. As cheese curd/barrel demand remains somewhat steady, production of those varieties, particularly curds, remains active. Cheddar and pizza cheese producers are focusing on contractual obligations. That said, as spot milk prices are coming in below Class, cheesemakers are now deciding to, or not to, produce more cheese to add to the spot market. Regarding spot milk availability, it is opening up early in the week and expected to last into the weekend and possibly through next week. In fact, some cheesemakers predict wider milk availability into and throughout July. Cheese market tones are undoubtedly strong and holding steady. That said, concerns remain among cheesemakers regarding a potential drop off after the unprecedented price increase from March/April into the early summer. Additionally, the somewhat large block to barrel price spread, \$.22 as of Monday, on the CME adds another dimension to some contacts' disquietude. All that said, some contacts say cheese is tight and demand is steady, therefore markets may see some day to day drops, but supply/demand imbalances will keep a market correction in check.

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

Blue 5 pounds	3.2825-4.3525
Brick 5 pounds	3.0150-3.4400
Cheddar 40 pound Block	2.7375-3.1375
Monterey Jack 10 pounds	2.9900-3.1950
Mozzarella 5-6 pounds	2.8150-3.7600
Muenster 5 pounds	3.0150-3.4400
Process American 5 pound Loaf	2.4650-2.8250
Swiss 6-9 pound Cuts	2.7775-2.8950

## WEST

Western cheesemakers report production is still running at or above design capacity for a good share of cheese processing facilities. Retail demand has been the stalwart foundation for the cheese industry over the last few months. Some speculate that with summer grilling season on hand, and the safer at home mentality still fresh in consumers' minds, demand for single serve slices has been strong. Earlier this spring, cheese processors aggressively pursued export markets, selling a lot of cheese forward overseas. However, as cash market prices have increased, industry contacts say they are now seeing fewer future export bookings. Food service demand has increased,

and government purchases have developed, making cheese stocks of both blocks and barrels tight. In addition, industry contacts suggest some brokers are actively looking for cheese to close out existing contracts. But with higher prices, food service demand finding a new balance, and some export contracts getting filled, many market participants envision a scenario where cheese availability may increase, and cheese prices may fall. To some contacts, it is almost incontrovertible to think otherwise. However, there may still be enough uncertainty and market volatility to prove otherwise. Will cheese demand return to some semblance of what it was pre-COVID 19, or will current conditions morph into a new normal? How will the mix of cheese products change within retail settings? Will brands hold the same cachet as they once had with consumers? To what degree will schools, restaurants and other public sites open for food service? The industry is wrestling with these questions, and others, but at the crux of the issue is what demand may look like moving forward and how to forecast cheese needs through the rest of the year.

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

Cheddar 10 pound Cuts	2.9750-3.1750
Cheddar 40 pound Block	2.7275-3.2175
Monterey Jack 10 pounds	2.9625-3.2375
Process American 5 pound Loaf	2.4825-2.7375
Swiss 6-9 pound Cuts	2.8600-3.2900

## FOREIGN TYPE

In Germany, large requests for sliced cheese coupled with limited supplies are making it hard for some customers to get their spot orders filled. In response to the onset of COVID-19, sliced cheese sales declined in April and May, causing excess supplies during that timeframe. This triggered a drop in prices. Manufacturers, in an effort to regulate their stocks, cut back on their sliced cheese outputs. Now that the COVID-19 induced restrictions are being eased, hotels, restaurants and other catering services are reopening and boosting their intakes of sliced cheese. However, with the current seasonal decline in milk production, cheese yield can hardly be increased. As the result, prices are firmer. U.S. domestic prices for blue, gorgonzola, parmesan, and Romano have increased by \$.1175 compared to the previous week. All other cheese prices are unchanged.

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

VARIETY	NEW YORK	DOMESTIC
	IMPORTED	
Blue	2.6400-5.2300	3.1600-4.6475*
Gorgonzola	3.6900-5.7400	3.6675-4.3850*
Parmesan	-0-	4.5475-6.6375*
Romano	-0-	4.3500-6.5050*
Sardo Romano (Argentina)	2.8500-4.7800	-0-
Reggiano (Argentina)	3.2900-4.7800	-0-
Jarlsberg	2.9500-6.4500	-0-
Swiss	-0-	3.3000-3.6225
Swiss (Finland)	2.6700-2.9300	-0-

\* = Price change.

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## CHEESE MARKETS

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## COLD STORAGE

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

	:	<u>BUTTER</u>	:	<u>CHEESE</u>
06/29/2020	:	81448	:	80734
06/01/2020	:	80524	:	92726
CHANGE	:	924	:	-11992
% CHANGE	:	1	:	-13

## FLUID MILK AND CREAM

## EAST

**Northeast** milk output is flat this holiday week. Class I sales are lower with bottlers on shorter schedules. Class II and III sales are stable, with operations clearing healthy amounts of milk. **Mid-Atlantic** milk production is level. Milk is tight in the area. A few manufacturers are receiving the majority of loads for their immediate needs. Market participants report dairy markets are steady at this time. **Southeast** milk production is level. Bottlers are receiving lighter milk loads into their intakes. Bottlers are receiving most loads, although there are a few loads clearing to Class II and Class III operations. **Florida** milk output is flat. Hotter temperatures continue to sweep the state. Class I sales are lower compared to last week. **Cream** multiples dipped a bit due to some operations shutting down for the holiday, leaving available cream in the market. Ice cream and cream cheese operations continue to support cream prices. A few butter plants are taking advantage of lower cream prices and increasing churning schedules. **Condensed skim** availability is unchanged, with manufacturers receiving adequate loads. Markets are steady.

Northeastern U.S., F.O.B. Condensed Skim	
Price Range - Class II; \$/LB Solids:	0.70 - 1.00
Price Range - Class III; \$/LB Solids:	0.65 - 0.90

Northeastern U.S., F.O.B. Cream	
Multiples Range - All Classes:	1.2500 - 1.4800
Price Range - Class II; \$/LB Butterfat:	2.2406 - 2.6529

## MIDWEST

Farm milk production is steady to lower entering July. Heat indexes in the triple digits in the Midwest, with actual temperatures in the triple digits in the lower portion of the region, have begun to affect farm milk output along with self-regulation. Class I demand remains underwhelming and lighter than in previous years at this time. Spot milk loads were widely available for cheese producers. They reported spot milk prices as low as \$5 under. Pre-holiday discounts were expected last week, but prices have been slipping in recent weeks. Last year, during week 27, spot milk prices ranged from \$2.50 under to \$.50 over Class. **Cream** availability increased, as well. Butter churning has increased, as butter plant managers relay finding regional and Western sourced cream at reasonable prices. Ice cream production is reportedly at or near its peak. Typically, ice cream production begins to ebb following the Fourth of July holiday. Contacts suggest 2020 may present a different narrative. As COVID-19 continues to affect food service accounts nationwide, retail sales of certain dairy items, notably ice cream, have increased. Therefore, questions remain as to what is to come of ice cream processing later into the summer. There are mixed expectations on cream availability for next week. Some contacts suggest cream will be available with holiday production days off. Others say demand is already strong next week, and multiples may push right back up. Planted corn acres are lower than some earlier expectations. Corn fields in pockets of Wisconsin took on heavy rainfall earlier this week, but some Minnesota farmers reported recent precipitation as beneficial. Winter wheat harvest is ongoing in Kansas. Some winter wheat farmer contacts in Oklahoma say harvest yields varied by county, but some were notably bountiful. Bushel counts, in some cases, nearly doubled their average per acre. They say rains came at optimal times this spring.

Price Range - Class III Milk; \$/CWT; Spot Basis:	-5.00 - 0.00
Trade Activity:	Active

Midwestern U.S., F.O.B. Cream	
Multiples Range - All Classes:	1.2300 - 1.3600
Price Range - Class II; \$/LB Butterfat:	2.2944 - 2.4378
Multiples Range - Class II:	1.2800 - 1.3600

## WEST

**California** milk supplies and demands are well balanced. Handlers report not having any issue with milk volume management. Milk production is unchanged from the previous week. Class I sales are steady to declining. As processing plant managers prepare to close for the Fourth of July holiday, their intakes will be lower toward the end of the week. In **Arizona**, milk production is at seasonally low levels, but manufacturers are not concerned as they planned for this time of the year. Some of them are taking advantage of the slowdown in their activities to focus on repair and maintenance projects. Milk volumes are enough for pressing processing needs. With several plants preparing to close for the upcoming holiday, Class I sales are decreasing. According to industry contacts, there is a push to put more milk toward cheese outputs. Dryers are not running at full capacities. According to industry contacts, a milk production reduction program remains in place through the month of July in **New Mexico**. This is helping to keep milk volumes manageable in the state. Steady loads of milk are being moved to balancing facilities, but the volumes will increase during the holiday when some plants close. Class I sales are flat to trending lower, but Class III demands have augmented. There were more repairs and maintenance projects this week, but they had minor impacts on milk processing schedules. **Pacific Northwest** milk production is stable. Industry contacts report milk intakes are in good balance with processing needs. As some plants ease back over the upcoming holiday weekend, others continue to run at full capacity. Class II and III manufacturers are pulling heavily at available milk and cream volumes. Cream supplies are tight and buying spot loads of milk remains one of the less expensive ways market participants can buy milk fat. In the mountain states of **Idaho, Utah, and Colorado**, milk supplies are getting into better balance with processing needs. Milk production is steady to lower. Most manufacturers are running near peak capacity, but have also maintained milk production supply controls to keep milk output in check. Industry contacts report milk supplies are a little tighter than earlier this spring, but some spots loads are still available at \$4 under Class IV. **Condensed skim** is just enough to meet planned processing needs, but it is a bit limited for spot buying. Manufacturers are shipping out a few loads to help meet customers' needs whenever they can. Western **cream** remains tight. Class II buyers, particularly ice cream makers, are taking many loads of cream. Butter processors, on the other end, cannot always afford cream due to the higher costs. Cream multiples for all Classes are slightly down at the top of the range.

Western U.S., F.O.B. Cream	
Multiples Range - All Classes:	1.1300 - 1.3000

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

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

## NONFAT DRY MILK - CENTRAL AND EAST

**CENTRAL:** Low/medium heat nonfat dry milk (NDM) spot prices gathered some traction on the short trading week. Prices, regionally, have been in a fairly tight range around \$1. Although prices are higher on the spot market, views are mixed regarding availability from fairly available to tight. Some producers relayed offers at \$1.05 and thereabouts are not getting the same amount of responses from end users. Additionally, end users able to use WPC 34% are finding it at a value compared to \$1+ NDM prices. High heat NDM prices shot up on the top of the range, but prices within the Central region are mostly steady on somewhat steady/slower trading. The NDM market tone is steady to slightly bullish. Questions remain as to what July will bring to all dairy markets with all the uncertainty related to COVID-19.

**EAST:** Low/medium heat nonfat dry milk (NDM) markets are steady to higher this holiday week. In the East, farm milk output is down and limits the condensed skim moving to drying. However, dryer operations expect milk surpluses to improve NDM production, this week, as July 4th milk carryovers add to manufacturers' milk intakes. Domestic NDM demand is mixed, albeit some buyers noted that availability is limited. NDM sales remain steady for manufacturers whose bulk of inventory is committed into Q4. High heat NDM is unchanged to higher in a tight East spot market. Purchases are intermittent as buyers primarily look to cover their immediate needs. The majority of the region's available high heat stocks are reserved for customers. There are no reports of high heat NDM being manufactured this week.

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: 0.9800 - 1.0650  
Mostly Range - Low & Medium Heat; \$/LB: 1.0000 - 1.0300

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: 1.0800 - 1.2500

## NONFAT DRY MILK - WEST

In the West, low/medium heat nonfat dry milk prices are a bit up at the bottom of the range, while remaining stable anywhere else. The market is quiet this week. Demands are flat to down. Some purchasers report that they are receiving low/medium heat nonfat dry milk stocks that were made two to three months ago, which makes them believe that supplies are available. Buyers have their needs covered for the most parts, so they are less active in the spot market. Exports to Mexico are level to declining. Most buyers are avoiding non-pressing purchases as they try to figure where the market is heading. Low/medium heat nonfat dry milk production is somewhat down. High heat nonfat dry milk prices are unchanged. Drying is irregular and scheduled around contractual orders' delivery obligations. Inventories are in equilibrium with the needs of the market. Overall, the market tone is steady.

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk

Price Range - Low & Medium Heat; \$/LB: .9200 - 1.0825  
Mostly Range - Low & Medium Heat; \$/LB: .9800 - 1.0300

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk

Price Range - High Heat; \$/LB: 1.0800 - 1.2100

## DRY BUTTERMILK - CENTRAL AND EAST

**CENTRAL:** Dry buttermilk prices were mixed, but bulls outran the bears as prices continued their increase on the top. Regionally, prices are in a tighter range falling closer to the \$1 mark. Dry buttermilk output is noted as limited. In typical fashion, condensed skim is receiving more dryer time than buttermilk. Condensed and dried buttermilk is moving into ice cream production, which is and has been active. Dry buttermilk market tones are steady, if not slightly bullish.

**EAST:** The dry buttermilk price declined at the bottom of the range, but shifted higher at the top of the range. Dry buttermilk production is mixed. Moderate butter production and concerted condensed skim drying limits the volume of dry buttermilk output for a few dry buttermilk manufacturers. Dry buttermilk demand is good from ice cream, but condensed buttermilk is preferred as supplies move to ice cream operations. Availability is tight when it comes to dry buttermilk spot needs. The market undertone is steady.

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk  
Price Range ; \$/LB: .9400 - 1.0500

## DRY BUTTERMILK - WEST

In the West, f.o.b. prices for dry buttermilk are unchanged on the range and on the mostly series. Inventories are generally in good balance with demands. Dry buttermilk production is stable, in line with seasonal drying schedules and lower butter outputs. Dry buttermilk contractual orders are flowing steadily out of processing plants to their final destinations, but spot demands are a bit lower. Overall, the market undertone is stable.

Prices for: Western U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk

Price Range ; \$/LB: .8500 - 1.0000  
Mostly Range - ; \$/LB: .9000 - 0.9500

## DRY WHOLE MILK - U.S.

During this holiday shortened week, national spot prices for dry whole milk are mixed as a few sales pushed up the bottom price of the range, while the top remained steady. The market conditions are reported as stable as supply is in line with demands from the bakery and confectionery sectors. Some contractual negotiations for Q3 have been closed this week. The production of dry whole milk is sporadic as most plant managers focus on processing NDM/SMP, which restricts the drying time for condensed whole milk. Nevertheless, dry whole milk inventories remain in balance to cover spot and contractual needs.

Prices for: U.S., All First Sales, F.O.B., Conventional, and Edible Dry Whole Milk

Price Range - 26% Butterfat; \$/LB: 1.6500 - 1.8000

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

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

**DRY WHEY- CENTRAL**

Central region dry whey prices slipped, again, on the top of the range and bottom of the mostly series. Production has been active. Plentiful milk supplies and strong cheese demand have spurred many Class III processors to run at or close to full bore. Producers say offers in the mid to high \$.30s are no longer garnering attention from end users. End users who can choose are opting for high protein blends, such as WPC 70% and 80%, as they say offers are aplenty. The entire whey complex has undoubtedly struggled during COVID-19, as gyms and brick and mortar supplement stores, have been closed or open on a limited basis. Animal feed whey prices remained the same. Animal feed whey is being offered out, but some customers say some off-grades are being offered out at food-grade prices. Dry whey market tones are questionable.

Prices for: Central U.S., All First Sales, F.O.B., Conventional, and Non-Edible Dry Whey  
 Price Range - Animal Feed; \$/LB: .2700 - .2900

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: .2800 - .3700  
 Mostly Range - Non-Hygroscopic; \$/LB: .3125 - .3500

**DRY WHEY- NORTHEAST**

Eastern dry whey prices dipped lower on the price range. On various market exchanges, several buyers are purchasing at current market prices. Market participants report trading activities are moderate with buyers purchasing loads ahead of the holiday weekend. Plants are running on active dry whey schedules, as stable milk loads are clearing to Class III operations. Manufacturers' weekly orders are keeping supplies at healthy inventory levels. Some operations do not have surplus loads to offer on the spot market. Market conditions are softer this week.

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: .3200 - .3875

**DRY WHEY- WEST**

Western whey prices are mixed this week. The bottom of the price range moved slightly lower, driven off cash market indices, while the top of the range held steady. The mostly price series contracted. Processors report whey is moving well through current contracts, but there is a lull in activity, especially in some international markets. Inventories vary by manufacturer. Some contacts suggest whey supplies are plentiful, others suggest comfortable. Regardless, many market participants expect whey availability to increase through the next quarter. If higher cheese prices hold, prompting more cheese production, more whey could hit the market. Current whey production is steady to higher.

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: .2550 - .3900  
 Mostly Range - Non-Hygroscopic; \$/LB: .3300 - .3700

**WHEY PROTEIN CONCENTRATE**

The price range for WPC 34% is unchanged, but the mostly price series moved lower. Some manufacturers are witnessing more inquiries coming out of China and other Southeast Asian countries for WPC34% that meets infant formula requirements. But other processors are feeling pressure as dry blenders find it more economical to mix higher whey protein concentrations and dry whey than use WPC 34% in their recipes. WPC34% production is steady to higher. Increased cheese production and weak market conditions for higher whey protein concentrations are compelling some manufacturers to make more WPC34%. Inventory levels range from tight to readily available and vary by brand.

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: .7000 - 1.1275  
 Mostly Range - 34% Protein; \$/LB: .7800 - 1.0275

**LACTOSE**

As Q2 lactose contracts wrap up and Q3 contract start to ship, lactose prices moved higher on both the price range and mostly price series. Manufacturers report inventories are tight and mostly committed into contracts. Buyers are seeking price offers for Q4 to assure supply for longer durations. Lactose processing has increased as cheese production has increased, but weakness in higher whey protein concentration markets has held back some lactose production. A few contacts suggest higher lactose prices are opening the door for substitutions in some markets. Mexican buyers are looking for more maltodextrin to use in place of higher priced lactose. Many industry contacts do not think the current market conditions are sustainable, but with lactose shipping as soon as it clears testing and manufacturer and buyer safety stocks very low, it is difficult to see a correction coming in the next few months.

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: .3300 - .6400  
 Mostly Range - Non Pharmaceutical; \$/LB: .4400 - .5700

**CASEIN**

Acid casein prices are steady. Rennet casein prices are mixed, steady at the top of the price range but weaker at the low end. The low-end prices reflect pricing for French rennet casein. Stronger Irish rennet casein pricing holds up the top end. Global casein markets are generally steady. Manufacturers and traders expect generally quiet markets for coming months. Most buyers are contracted. Spot market purchases occur and nudge pricing, but are few and far between.

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: 3.8000-3.9000  
 Rennet; Price Range - \$/LB: 3.4975-3.7900

**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
06/20/2020	52.7	1,545.1	57.9	1,588.4

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	11.42	16.56					
II	17.05	16.84	16.75	13.87	12.30	12.99						
III	17.05	17.00	16.25	13.07	12.14	21.04						
IV	16.65	16.20	14.87	11.40	10.67	12.90						

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
06/27/2020	1,8244 2,415,546	2,5328 11,066,799	2,3748 12,853,438	3,650 5,035,636	9,577 18,243,311

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)**

DATE	06/26	06/29	06/30	07/01	07/02
JUN 20	20.93	20.94	20.97	21.04	Not Available
JUL 20	21.64	22.20	22.35	22.85	
AUG 20	19.07	19.20	19.75	20.41	

**NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)**

DATE	06/26	06/29	06/30	07/01	07/02
JUN 20	91.35	91.35	91.25	91.06	Not Available
JUL 20	101.00	101.23	101.00	101.03	
AUG 20	102.60	103.05	102.80	103.03	

**CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)**

DATE	06/26	06/29	06/30	07/01	07/02
JUN 20	13.02	13.02	13.01	12.90	Not Available
JUL 20	14.45	14.40	14.37	14.34	
AUG 20	14.89	14.73	14.73	14.74	

**WHEY (Electronic-Traded) (¢/lb)**

DATE	06/26	06/29	06/30	07/01	07/02
JUN 20	36.00	36.00	35.95	36.38	Not Available
JUL 20	33.50	33.55	33.55	34.23	
AUG 20	33.00	33.00	33.03	34.00	

**CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)**

DATE	06/26	06/29	06/30	07/01	07/02
JUN 20	171.85	171.85	171.53	170.67	Not Available
JUL 20	183.73	183.83	184.00	183.03	
AUG 20	187.50	186.50	187.00	186.05	

**\*\*CHEESE CSC (Electronic-Traded) (\$/lb)**

DATE	06/26	06/29	06/30	07/01	07/02
JUN 20	2.21	2.21	2.21	2.22	Not Available
JUL 20	2.29	2.35	2.36	2.42	
AUG 20	2.02	2.03	2.09	2.16	

\*\* Switching to coverage of CME Block Cheese as of August 3, 2020 (week 32)

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

**INTERNATIONAL DAIRY MARKET NEWS - EUROPE**

Information gathered June 22 - July 3, 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 seasonal decline in milk production is well underway. German dairy plants report that late June milk production has tended to remain higher than last year at this time. This is also what is being reported from France.

There have been discussions underway this week attempting to clarify whether China has informed some Western European dairy exporters that additional certification may be required to prove that products are free from COVID-19. The uncertainty seems to be whether such recent requirements imposed on exports of meat, fish, fruit and vegetables, has been expanded to dairy. Efforts are underway to survey dairy manufacturers in each individual EU country to find out whether this requirement has been imposed in that country.

Applications for Private Storage Aid (PSA) for cheese during the last reported week of the current program, June 15 – June 21, 2020, totaled 687 MT according to Eucolait. The total amount of cheese in PSA is 43,772 MT, 44 percent of the fill rate. Country allotments have maxed out for Ireland, Estonia, Italy, Sweden, Lithuania, and the United Kingdom. Belgium is 5 percent away from its allocation. Among the largest cheese manufacturers, Germany has used only 3 percent of its allocation. France has used 34 percent. Poland alone has used none of its allocation.

**EASTERN OVERVIEW**

Sources in Poland have been pleased with observations that milk production in late June is reported to be higher than this time last year. Dairy plant managers are especially interested in making more cheese, which is an important dairy export. There is capacity to increase cheese production.

**BUTTER/BUTTEROIL**

Western European butter and butteroil prices are stronger. Butter prices in Germany have strengthened more than other countries. German prices are highest, followed by France, Belgium and Netherlands among some major producers. Butter manufacturers and brokers report that many buyers expect pricing to notch up into 2021, so sales tend to be readily made when buyers are ready to act.

Packaged butter demand has been strong. Retailers have noted that store sales of butter are up. This is attributed to fewer people taking summer trips abroad this summer. Bulk butter demand is also stronger. Spot market activity is noted to be more active than is typical in early summer. Contracting for Q3 is ongoing but buyers and sellers are still talking prices in many cases.

Applications for Private Storage Aid (PSA) for butter during the last reported week of the current program, June 15 – June 21, 2020, totaled 4,765 MT according to Eucolait. The total amount of butter in PSA is 54,978 MT. The top countries with butter in PSA are Netherlands, Germany, and Ireland.

Western Europe, 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT: 3,575 - 3,725

Western Europe, 99% Butterfat, Free on Board - Port Butteroil  
Price Range - \$/MT: 3,925 - 4,400

**SKIM MILK POWDER**

Prices for skim milk powder in Western Europe are stronger. Prices are highest in Germany, followed by Belgium, France and Netherlands.

SMP production is steady. New sales come from within the European Union as well as export markets. Buyers and sellers tend to expect pricing to notch up through 2020, so sales tend to be readily made when buyers are ready to act. This year there seems to be somewhat more spot market activity. Buyers inclined to contract are said to be mostly contracted through Q3. New export interest is light.

Applications for Private Storage Aid (PSA) for SMP during the last reported week of the current program, June 15 – June 21, 2020, totaled 2,008 MT according to Eucolait. The total amount of SMP in PSA is 13,302 MT. Nearly one-half of the SMP in program storage is from Germany. Germany and Netherlands are the top two participants.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder  
Price Range - 1.25% Butterfat; \$/MT: 2,425 - 2,575

**DRY WHEY**

Dry whey prices in Western Europe are higher. Customers within the EU are reported to be continuously seeking new deals in recent weeks. German prices are highest, followed by Netherlands. Manufacturers report being able to hold pricing from customers interested in discounts. Many whey buyers expect pricing to trend slightly higher into fall. There is also new contracting interest from Asia. Customers are eager to finalize deals.

Prices for: Western Europe, All First Sales, Free on Board - Port, Conventional, and Edible Dry Whey  
Price Range - Non-Hygroscopic; \$/MT: 800 - 1,000

**WHOLE MILK POWDER**

Western European prices for whole milk powder moved higher. Demand from within the EU has been higher since mid-June. Manufacturers in the main producing countries, Germany, Netherlands, France, Belgium and Denmark, report being able to keep up with recently higher demand. German WMP manufacturers tend to produce to meet demand so production is reported to be higher. Production is currently higher than typical at this time of year in other WMP producing countries in Western Europe. Export interest is also higher and new sales are being made.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder  
Price Range - 26% Butterfat; \$/MT: 3,050 - 3,175

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered June 22 - July 3, 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 – May 2020 milk production in Australia decreased 0.6 percent from the corresponding previous period, according to Dairy Australia. May 2020 milk production, 650.4 million liters, was 6.0 percent higher than May 2019. More detailed production data are in the table which follows.

## AUSTRALIA MILK PRODUCTION, MILKFAT and PROTEIN

July 2019 - May 2020

State	Million Liters	Percent Change From 1 Year Ago	Percentage	
			Milkfat	Protein
New South Wales	956.6	- 4.4	4.18	3.43
Victoria	5,209.3	+ 0.4	4.51	3.55
Queensland	286.6	- 13.3	4.24	3.43
South Australia	450.0	- 2.6	4.23	3.42
Western Australia	334.3	- 3.4	4.17	3.34
Tasmania	906.8	+ 4.6	4.93	3.83
Australia (Tot)	8,143.6	- 0.6	4.47*	3.54**

- +0.9 percent from prior year period
- \*\* +2.4 percent from prior year period
- 
- Data from Dairy Australia

Recent rainfall has left pastures in good shape for the new season, except Western Australia. The season begins July 1. This has led to moderation of hay prices in many areas. Dairy producers welcome this initiation of the new dairy season.

**NEW ZEALAND:** May 2020 New Zealand milksolids reported by DCANZ, 91.1 million kg, are up 3.8 percent from May 2019 milksolids, 87.8 million kg. May 2020 milk production, 905 million MT, is up 4.3 percent from May 2019, 868 million MT.

A large dairy cooperative in New Zealand is developing details of a plan to pay a premium to dairy producers who deliver sustainable high-quality milk. Quality standards are still being developed but are intended to reflect water protection, riparian planting and milk quality. The concept is to pay up to 10 New Zealand cents per kg of milk solids. This is said to increasingly focus an individual dairy producer's milk pay price determination on value added to the milk pool, which already recognizes fat and protein. The cooperative said the new initiative was motivated by consumer demand for sustainability. No additional details are yet available. The payment will be funded from the total farmgate pay price, not by an increase in the announced pay price.

There are no GDT results this week. We are in a period with three weeks between events.

## BUTTER/BUTTEROIL

Butter prices in Oceania are higher at the low end of the price range but steady at the top. The increased low price reflects some buyers filling last minute needs from low stocks available. The view going forward from a number of Oceania dairy sources is for butter prices remaining generally steady in coming months.

Oceania butter export markets are varied. Customers can find available butter in New Zealand. Butter production in New Zealand is near seasonal lows. Available stocks for new sale in Australia are very tight. Sources note that overall regional butter exports this year have been lighter than in the past.

Oceania, 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT: 3,600 - 3,700

## SKIM MILK POWDER

Skim milk powder prices in Oceania firmed at the low end of the price range but remained steady at the top. Pricing expectations into fall are for generally steady pricing.

Customers looking for Oceania SMP are looking toward New Zealand rather than Australia, where stocks are tight. Even with very light drying schedules in New Zealand and new season SMP some months ahead, at least some stocks remain available. Negotiations for later year contracts are ongoing.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder  
Price Range - 1.25% Butterfat; \$/MT: 2,575 - 2,725

## CHEESE

Cheddar pieces in Oceania are mixed. There is slight firming in low range pricing. Top of range pricing is steady. Sources believe that some recent cheddar sales for the Australian market account for the firming. Almost no cheddar is currently being made at this time of year.

Current spot market buyers are not finding many price breaks on cheddar. Some uncommitted stocks remain but with remaining uncommitted seasonal stocks being limited, sellers are not much inclined to offer price concessions. Buyers who wait too long may be out of luck in making last minute spot purchases.

Prices for: Oceania Cheese, Cheddar, 39% Maximum Moisture, Free on Board - Port,  
Price Range - \$/MT: 3,575 - 4,050

## WHOLE MILK POWDER

Whole milk powder prices in Oceania are steady at the top of the price range but slightly higher at the low end. The low range firming is attributed to some buyers acting to secure additional WMP beyond contracted amounts. Most buyers and sellers see pricing remaining firm to higher through the next few months.

Whole milk powder is still available in New Zealand. Most plants there close the financial year at the end of July. Deals are being made with little price change. As the new season rolls out, WMP will be a priority manufactured dairy product in terms of milk allocation.

CONTINUED ON PAGE 8B

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered June 22 - July 3, 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.

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**CONTINUED FROM PAGE 8A**

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

Price Range - 26% Butterfat; \$/MT: 2,750 - 2,875

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**Exchange rates for selected foreign currencies:****June 29, 2020**

.0142 Argentina Peso	.0132 India Rupee
.6868 Australian Dollar	.0093 Japan yen
.1851 Brazil Real	.0433 Mexican Peso
.7320 Canadian Dollar	.6420 New Zealand Dollar
.0012 Chile Peso	.2523 Poland Zloty
1.1244 Euro	.0238 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.0433) = 23.0947$  Mexican Pesos. Source: "Wall Street Journal"

**INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA**

Information gathered June 22 - July 3 2020

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

**SOUTH AMERICA OVERVIEW**

In Argentina and Uruguay, farm milk production is progressively improving driven by favorable weather and cooler temperatures in the main dairy basins. In general, milk/cream volumes are enough to meet most processing needs. At a retail level, bottled milk sales, particularly UHT milk, remain strong, mainly prompted by the COVID-19 crisis. Cheese sales into the food service are slow, but steadily improving as some restaurants/pizzerias slowly reopen after been in quarantine. Most educational institutions are expected to remain closed during the upcoming winter break. Therefore, several industry stakeholders are anticipating higher manufacturing milk volumes in the upcoming weeks.

In Brazil, farm milk production is stagnant to lower as a persistent drought has been adversely affecting the main dairy states of the country. UHT milk sales to retail channels are slowing as some supermarket managers try to cut inventories. With lower imports from Argentina/Uruguay, the Brazilian domestic markets for cheese and dairy products continue in a stable to firm position, mainly due to lower competition. Some manufacturers began to indicate great concern about the increase in cases of COVID-19 in the interior of Brazil. In some dairy processing facilities, COVID-19 has caused interruption or delay of some production lines. The protocol established between the public and private sectors to mitigate the spread of coronavirus in dairy plants seeks to minimize this effect. However, the risks of COVID-19 seem to be increasing as indicated by various industry contacts.

**SKIM MILK POWDER**

In the Southern Cone of South America, free on board SMP export prices remained unchanged. Most balancing plant managers are focusing on WMP production, curtailing, in some cases, SMP drying schedules. Accordingly, inventories of SMP are becoming less available on a slightly firmer niche market.

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

Price Range - 1.25% Butterfat; \$/MT: 2,600 - 2,700

**WHOLE MILK POWDER**

In the Southern Cone region, whole milk powder (WMP) export prices have remained unchanged, resilient to COVID-19. The top price of the range is reflecting slow export activity to Brazil, while the bottom is mirroring moderate sales outside the Mercosur zone, mainly to Algeria. Compared to a couple of weeks ago, WMP processing has been moderately active, as more condensed whole milk is becoming available for drying in Argentina and Uruguay. WMP supplies are slowly building, but are highly committed thru Q3. In general, the demand for WMP is stable and expected to improve in the upcoming weeks.

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

Price Range - 26% Butterfat; \$/MT: 2,750 - 3,075

## May Agricultural Prices Highlights

The All Milk price received by farmers was \$13.60 in May, down \$4.40 from May 2019. The alfalfa hay price was \$179.00 in May, down \$25.00 from May 2019. The corn price was \$3.20 in May, down \$0.43 from May 2019. The soybean price was \$8.28 in May, up \$0.26 from May 2019. The milk-feed price ratio was 1.77 in May, down 0.33 from May 2019.

The index of prices received by farmers for dairy products during the month of May 2020 was down 3.9 to 67.7. Compared to May 2019, the index was down 21.9 points (-24.4 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in May 2020 was up 0.1 point to 108.8. Compared with May 2019, the index was down 2.1 points (-1.9 percent).

### Selected Milk Prices, Milk Cows, and Feed Prices, Selected States and U.S., May 2020 with Comparisons

State	All-Milk price <sup>1,2</sup>		Alfalfa hay, baled		Corn for Grain		Soybeans	
	May		May		May		May	
	2019	2020	2019	2020	2019	2020	2019	2020
	<i>(dollars per cwt)</i>		<i>(dollars per ton)</i>		<i>(dollars per bushel)</i>		<i>(dollars per bushel)</i>	
AZ	17.40	12.60	240.00	190.00	---	---	---	---
CA	17.80	13.20	220.00	195.00	---	---	---	---
CO	18.40	14.50	230.00	230.00	3.97	3.36	---	---
GA	19.30	16.00	---	---	---	---	---	---
ID	17.40	14.50	155.00	150.00	---	---	---	---
IN	17.60	13.60	---	---	3.81	3.43	8.39	8.62
IA	18.60	14.80	168.00	123.00	3.59	3.12	7.89	8.28
MI	16.80	12.10	195.00	165.00	3.70	3.50	8.08	8.59
MN	18.50	14.70	180.00	147.00	3.51	3.09	8.03	8.17
NM	16.50	11.60	245.00	225.00	---	---	---	---
NY	18.40	13.30	186.00	233.00	---	---	---	---
OH	18.00	14.70	195.00	195.00	3.79	3.46	8.14	8.72
PA	18.70	14.00	230.00	251.00	4.14	3.74	---	---
TX	18.40	13.50	203.00	179.00	4.30	3.46	---	---
WA	18.30	13.00	190.00	175.00	---	---	---	---
WI	18.20	13.60	232.00	163.00	3.51	3.09	7.92	8.13
U.S.	18.00	13.60	204.00	179.00	3.63	3.20	8.02	8.28

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

### Milk-Feed Price Ratio, Selected States and U.S., May 2020 with Comparisons

Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk<sup>1</sup>

State <sup>2</sup>	May 2019	April 2020	May 2020
IA	2.27	2.14	2.10
MI	2.03	(D)	1.59
MN	2.11	1.92	1.66
OH	2.11	1.72	1.66
WI	2.03	1.96	1.80
U.S.	2.10	1.84	1.77

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

### General Price Measures, U.S., May 2020 with Comparisons

Item	May 2019	April 2020	May 2020
<b>Index Numbers (1990-92=100):</b>			
Prices received by farmers for dairy production	89.6	71.6	67.7
Prices paid by farmers for commodities and services, interest taxes, and wage rates	110.9	108.7	108.8

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Agricultural Prices, June 2020*.

## May 2020 Dairy Products Highlights

Butter production was 178 million pounds, 4.9 percent above May 2019, but 18.0 percent below April 2020. American type cheese production totaled 443 million pounds, 0.2 percent below May 2019, and 1.0 percent below April 2020. Total cheese output (excluding cottage cheese) was 1.10 billion pounds, 0.7 percent below May 2019, but 3.2 percent above April 2020. Nonfat dry milk production, for human food, totaled 158 million pounds, 9.2 percent below May 2019, and 19.2 percent below April 2020. Dry whey production, for human food, was 85 million pounds, 9.1 percent above May 2019, and 11.2 percent above April 2020. Ice cream, regular hard production, totaled 64.3 million gallons, 4.9 percent below May 2019, but 1.7 percent above April 2020.

Product	Production of Dairy Products				Product	Year to Date <sup>1</sup>	Change from		Year to Date <sup>1</sup>
	May 2020	May 2019	April 2020	May 2020			May 2019	April 2020	
	(1,000 lbs)		(percent)	(1,000 lbs)			(percent)		
Butter	178,346	4.9	-18.0	379,216	Yogurt (plain and flavored)	8.8	7.0	4.3	0.3
Cheese	442,579	-0.2	-1.0	84,999	Dry whey, human food	1.3	9.1	11.2	---
American types <sup>2</sup>	319,394	-0.5	-3.5	1,158	Dry whey, animal feed	1.4	0.6	-19.5	---
Cheddar	123,185	0.5	6.1	86,157	Dry whey, total <sup>8</sup>	---	8.9	10.7	4.2
Other American	17,905	-1.4	29.1	1,622	Reduced lactose & minerals	---	6.7	4.1	---
Brick & Muenster	71,732	-0.8	7.8	3,134	Human food	---	2.6	17.1	---
Cream & Neufchatel	29,671	-0.5	1.8	93,334	Animal feed	---	-14.9	2.4	-15.8
Hispanic	481,712	1.5	6.8	38,672	Lactose, human food & animal feed	-0.6			
Total Italian types	378,208	0.9	7.5	1,206	Whey protein concentrate	-0.7	-7.2	2.3	---
Mozzarella	103,504	3.8	4.2	1,206	Human food <sup>9</sup>	---	371.1	40.4	---
Other Italian	24,335	-18.4	-5.9	39,878	Animal feed <sup>9</sup>	---	-4.9	3.2	-5.4
Swiss	30,134	-19.7	-0.3	14,184	Total <sup>9</sup>	---	-4.7	-7.5	---
All other types	1,098,068	-0.7	3.2	25,694	25.0-49.9 percent <sup>10</sup>	-0.1	-5.0	10.2	---
Total	32,445	1.4	-6.0	9,959	50.0-89.9 percent <sup>10</sup>	---	-2.9	8.7	---
Cottage cheese, curd <sup>3</sup>	32,395	10.5	-1.7	(1,000 gal)	Whey protein isolates <sup>11</sup>	---			---
Cottage cheese, cream <sup>4</sup>	27,713	0.7	-2.1			1.8			
Cottage cheese, lowfat <sup>5</sup>	12,018	18.9	5.3			-4.4			
Dry buttermilk	14,384	-19.9	1.0		Frozen products	---			
Dry whole milk	13,612	-20.1	-33.9	64,112	Ice cream, regular hard	---	-4.9	1.7	-2.9
Milk protein conc. (MPC), total <sup>6</sup>	157,705	-9.2	-19.2	22,481	Ice cream, lowfat, hard	---	-8.9	7.7	---
Nonfat dry milk (NDM), human	47,070	76.9	16.5	19,793	Ice cream, lowfat, soft	3.2	-14.7	35.1	---
Skim milk powders (SMP) <sup>7</sup>	136,268	13.2	21.8	42,274	Ice cream, lowfat, total	8.2	-11.7	19.0	-11.8
Sour cream				2,643	Sherbet, hard	3.2	-17.2	-4.2	-3.9
				6,011	Frozen yogurt, total		-7.4	26.2	-9.5

Product	Manufacturers' Stocks, End of Month <sup>12</sup>				Product	Year to Date <sup>1</sup>	Change from		Year to Date <sup>1</sup>
	May 2020	May 2019	April 2020	May 2020			May 2019	April 2020	
	(1,000 lbs)		(percent)	(1,000 lbs)			(percent)		
Dry whey, human food	84,021	29.3	12.7	65,907	Whey protein concentrate	11.4	11.4	4.0	
Dry whey, animal feed	810	-17.3	-13.3	1,176	Human food <sup>9</sup>	12.2	127.9	12.2	
Reduced lactose & minerals—human & animal <sup>13</sup>	5,108	-6.1	10.2	67,083	Animal feed <sup>9</sup>	4.2	12.4	4.2	
Lactose, human food & animal feed	99,867	-21.1	1.6	26,007	Total <sup>9</sup>	8.3	8.3	-3.5	
Dry buttermilk	24,675	55.5	10.8	41,076	25.0-49.9 percent <sup>10</sup>	9.7	15.2	9.7	
Nonfat dry milk, human food	344,654	18.8	-12.2	15,720	50.0-89.9 percent <sup>10</sup>	5.7	-28.1	5.7	
					Whey protein isolates <sup>11</sup>				

<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 isolate, human and animal. <sup>11</sup> Whey protein isolate, 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, July 2020.

## Final Class Prices by Order, June 2020

### June 2020 Highlights

**Class Prices:** The following are the June 2020 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$12.99 (\$+0.69), Class III: \$21.04 (\$+8.90), and Class IV: \$12.90 (\$+2.23).

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for June 2020 is \$1.8591 per pound. Thus, the Class II butterfat price is \$1.8661 per pound. The protein and other solids prices for June 2020 are \$4.5349 and \$0.1696 per pound, respectively. These component prices set the Class III skim milk price at \$15.06 per cwt. The June 2020 Class IV skim milk price is \$6.62, which is derived from the nonfat solids price of \$0.7354 per pound.

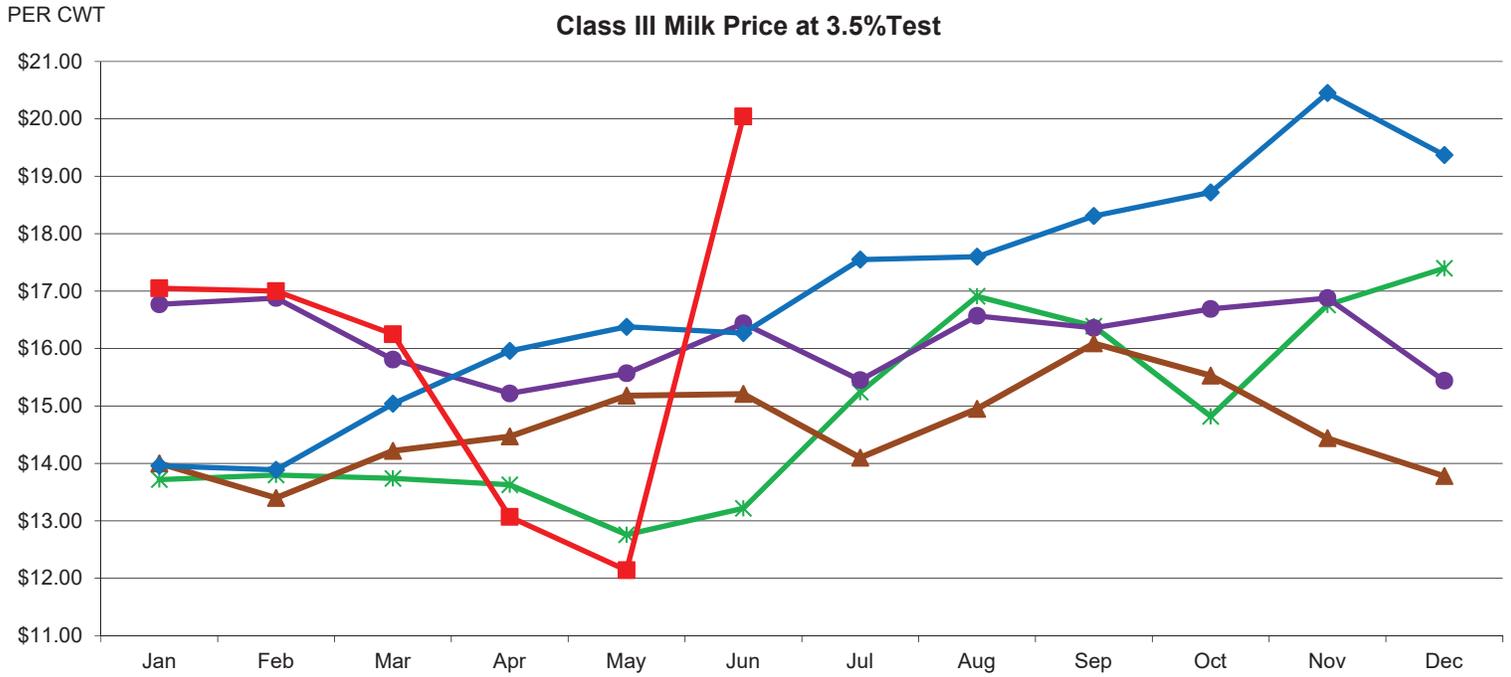
**Product Price Averages:** The product price averages for June 2020 are butter \$1.7067, nonfat dry milk \$0.9106, cheese \$2.2152, and dry whey \$0.3638.

## Final Class Prices by Order for June 2020

### Federal Milk Order Minimum Class Prices for Milk of 3.5 Percent Butterfat<sup>1, 2</sup>

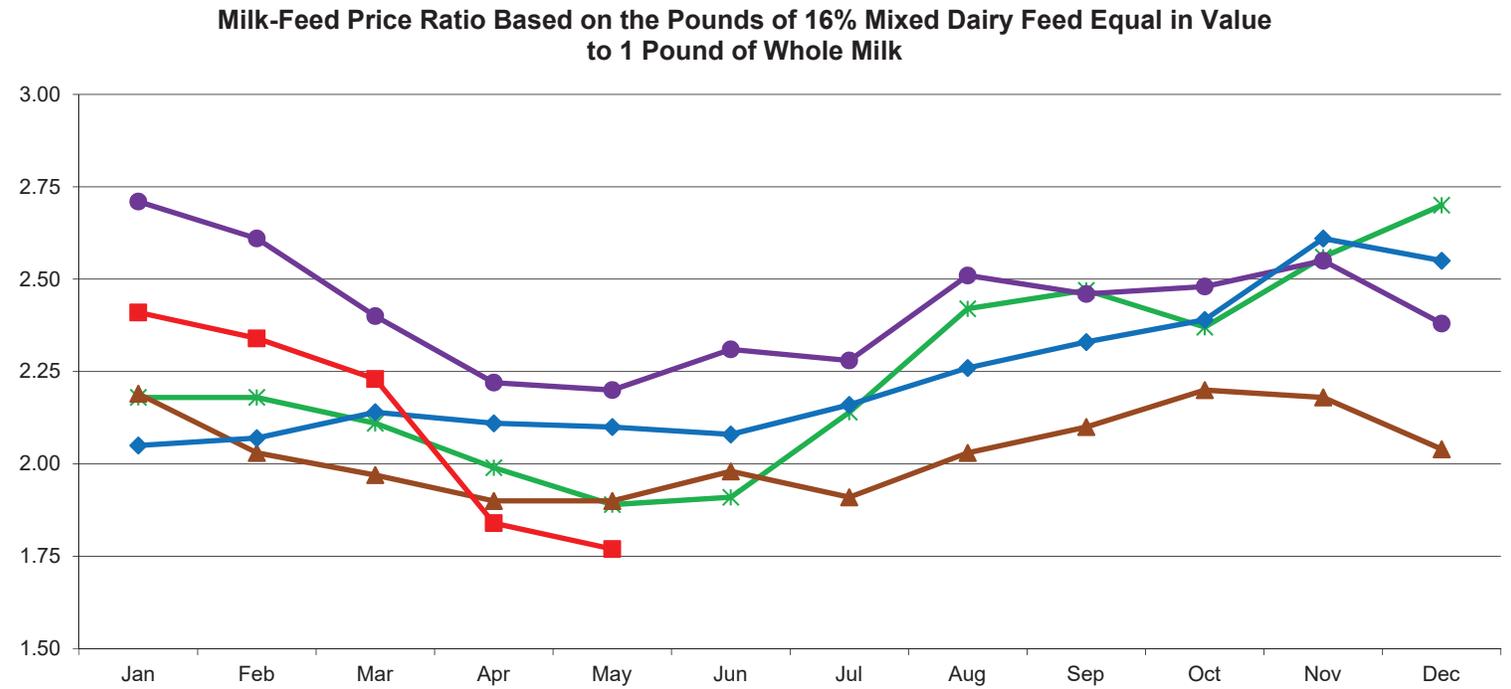
Federal Milk Order Marketing Area <sup>3</sup>	Order Number	Jun 2020				Jul 2020
		Class I	Class II	Class III	Class IV	Class I
<i>(dollars per cwt)</i>						
Northeast (Boston)	001	14.67	12.99	21.04	12.90	19.81
Appalachian (Charlotte)	005	14.82	12.99	21.04	12.90	19.96
Florida (Tampa)	006	16.82	12.99	21.04	12.90	21.96
Southeast (Atlanta)	007	15.22	12.99	21.04	12.90	20.36
Upper Midwest (Chicago)	030	13.22	12.99	21.04	12.90	18.36
Central (Kansas City)	032	13.42	12.99	21.04	12.90	18.56
Mideast (Cleveland)	033	13.42	12.99	21.04	12.90	18.56
California (Los Angeles)	051	13.52	12.99	21.04	12.90	18.66
Pacific Northwest (Seattle)	124	13.32	12.99	21.04	12.90	18.46
Southwest (Dallas)	126	14.42	12.99	21.04	12.90	19.56
Arizona (Phoenix)	131	13.77	12.99	21.04	12.90	18.91
All-Market Average		14.24	12.99	21.04	12.90	19.38

<sup>1</sup> To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk. <sup>2</sup> The mandatory \$0.20 per cwt processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. <sup>3</sup> Names in parentheses are the major city in the principal pricing point of the markets. Class I prices at other cities are: Northeast (Boston): New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25, and Washington, DC, minus \$0.25; Appalachian (Charlotte): Knoxville, minus \$0.20; and Louisville, minus \$1.10; Florida (Tampa): Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40; Southeast (Atlanta): New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40; Upper Midwest (Chicago): Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10; Central (Kansas City): Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55; Mideast (Cleveland): Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20; California (Los Angeles): San Francisco, minus \$0.30; Sacramento, minus \$0.40; Tulare, minus \$0.50. Pacific Northwest (Seattle): Portland, same; and Spokane, same; Southwest (Dallas): Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. Report Contact: Randal Stoker, [randal.stoker@usda.gov](mailto:randal.stoker@usda.gov)



SOURCE, USDA, AMS, MIB; GRAPH, USDA, AMS, DMN

2016 2017 2018 2019 2020



DATA SOURCE, USDA, ERS; 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/dybretil.pdf>

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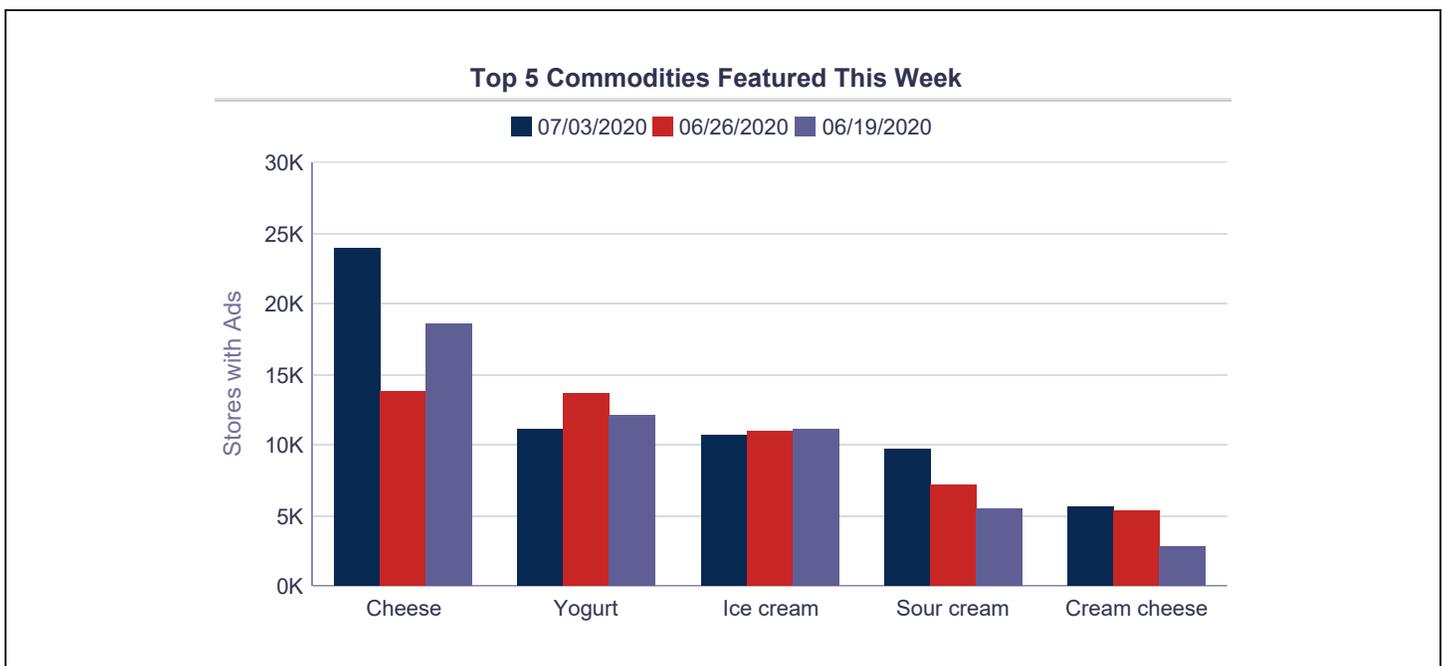
### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 07/03/2020 to 07/09/2020

Retail advertisements for dairy products increased on the conventional aisle, by 18 percent, while the total number of organic dairy ads declined by 23 percent. Ads for conventional 2 lb cheese blocks increased by the largest margin week to week, while conventional 8 oz shred cheese was the most advertised dairy item. In typical fashion, half gallon milk was the most advertised organic dairy item.

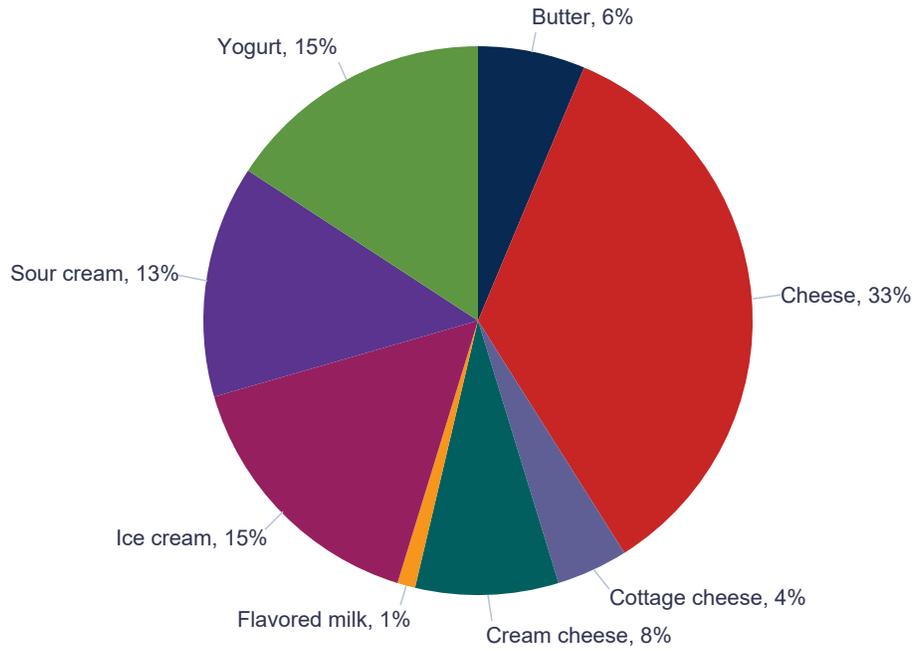
Cheese advertisements rose 73 percent from last week on the conventional side, and cheese in 8 oz blocks held a weighted average price of \$2.09, down \$.23 from last week. There were no advertised organic cheese items.

Conventional and organic bottled milk advertisements decreased by 71 and 26 percent, respectively. The weighted average price of conventional 1-gallon milk was \$2.65, compared to \$6.99 for organic milk, representing an organic premium of \$4.34.

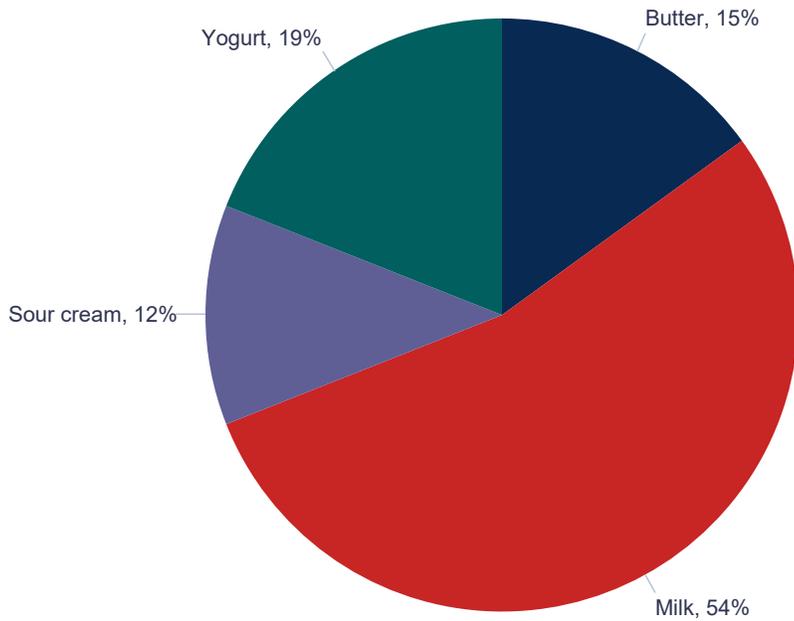
Yogurt advertisements also decreased on both the conventional and organic sectors, 17 and 32 percent respectively. Conventional Greek yogurt in 4-6 oz containers held a weighted average price of \$1.05, compared to \$.94 last week. The weighted average price of organic Greek yogurt, in 32oz containers, was \$4.99, \$1.99 higher than last week.



Percentage of Total Conventional Ads by Commodity



Percentage of Total Organic Ads by Commodity





## NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	4593	3.04	3682	3.11	3503	3.05
Cheese	Natural Varieties	8 oz block	8952	2.09	5038	2.32	6789	2.06
Cheese	Natural Varieties	1 # block	427	3.71	927	4.03	819	3.64
Cheese	Natural Varieties	2 # block	2586	5.53	283	5.68	662	6.25
Cheese	Natural Varieties	8 oz shred	11720	2.09	7161	2.28	9481	2.25
Cheese	Natural Varieties	1 # shred	170	4.35	360	4.07	255	4.45
Cottage cheese		16 oz	2651	1.85	2551	1.73	4223	2.01
Cream cheese		8 oz	5700	1.87	5410	1.94	6657	1.76
Flavored milk	All fat tests	half gallon	107	1.99	226	2.49	465	2.55
Flavored milk	All fat tests	gallon	285	3.25	180	3.98	120	1.99
Ice cream		48-64oz	10647	2.94	10961	2.91	19025	2.84
Milk	All fat tests	half gallon			375	1.63	719	1.71
Milk	All fat tests	gallon	307	2.65	674	3.55	825	1.95
Sour cream		16 oz	9465	1.73	6943	1.75	6795	1.91
Yogurt	Greek	4-6 oz	6043	1.05	7749	.94	6715	.92
Yogurt	Greek	32 oz	1055	4.69	1542	4.24	3732	3.88
Yogurt	Yogurt	4-6 oz	2887	.50	2939	.50	3439	.54
Yogurt	Yogurt	32 oz	842	2.16	879	2.19	555	3.34

## 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 #	2.49-3.50	1324	3.08	1.99-3.99	1310	3.09	1.88-3.50	877	2.52
Cheese	Natural Varieties	8 oz block	1.88-2.50	1839	2.13	1.89-3.00	2046	2.14	1.88-2.49	2079	2.09
Cheese	Natural Varieties	1 # block	2.99	304	2.99	4.99-5.99	123	5.49			
Cheese	Natural Varieties	2 # block				5.34	1086	5.34			
Cheese	Natural Varieties	8 oz shred	1.88-3.50	2220	2.14	1.84-2.99	4091	2.12	1.88-2.00	1659	1.93
Cheese	Natural Varieties	1 # shred	3.99	108	3.99	4.99	62	4.99			
Cottage cheese		16 oz	1.99-3.50	443	2.62	1.50-2.00	1326	1.92	0.99-1.25	479	1.12
Cream cheese		8 oz	1.49-2.99	1224	2.13	0.99-2.00	1331	1.86	0.99-1.99	1154	1.44
Flavored milk	All fat tests	half gallon							1.99	107	1.99
Flavored milk	All fat tests	gallon							3.98	180	3.98
Ice cream		48-64oz	1.50-3.99	3005	2.81	2.49-5.99	2614	3.18	1.99-3.99	1846	2.85
Milk	All fat tests	gallon							3.00	69	3.00
Sour cream		16 oz	1.50-2.00	2271	1.76	1.25-2.00	2457	1.80	0.99-2.00	965	1.36
Yogurt	Greek	4-6 oz	0.69-1.00	2113	.93	0.88-1.25	1661	1.00	0.99-1.00	476	1.00
Yogurt	Greek	32 oz	3.99	118	3.99	5.00	214	5.00	3.99	106	3.99
Yogurt	Yogurt	4-6 oz	0.50-0.60	843	.54	0.50-0.60	951	.51	0.39-0.60	541	.47

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz							1.99	180	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 #	1.99-4.99	413	3.19	2.99-4.99	538	3.65	1.99	69	1.99
Cheese	Natural Varieties	8 oz block	1.84-2.00	1554	1.88	1.88-2.99	912	2.29	1.49-2.99	484	2.06
Cheese	Natural Varieties	2 # block	5.34	973	5.34	5.49-6.99	422	6.36	5.99	105	5.99
Cheese	Natural Varieties	8 oz shred	1.84-2.50	1831	1.91	1.88-3.00	1337	2.38	1.49-1.99	523	1.92
Cottage cheese		16 oz	2.00	55	2.00	1.49	244	1.49	1.49	69	1.49
Cream cheese		8 oz	1.99	192	1.99	1.59-2.50	1485	2.06	1.00-1.99	279	1.49
Flavored milk	All fat tests	gallon							1.99	105	1.99
Ice cream		48-64oz	1.99-4.99	946	3.47	2.49-3.00	1956	2.60	1.88-3.98	130	2.87
Milk	All fat tests	gallon	2.99	133	2.99				1.99	105	1.99
Sour cream		16 oz	1.25-2.49	1596	1.77	1.49-2.00	1789	1.78	1.00-1.77	304	1.44
Yogurt	Greek	4-6 oz	0.89-4.99	694	1.68	1.00	816	1.00	0.88-1.00	251	.96
Yogurt	Greek	32 oz	4.99	54	4.99	4.99	274	4.99	4.67	289	4.67
Yogurt	Yogurt	4-6 oz	0.40-0.49	284	.47	0.49-0.50	268	.50			
Yogurt	Yogurt	32 oz	1.87	60	1.87				1.67-2.69	578	2.18

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 #	2.50	11	2.50	3.50-3.99	51	3.76
Cheese	Natural Varieties	8 oz block	2.50	11	2.50	2.50	27	2.50
Cheese	Natural Varieties	8 oz shred	2.50-3.00	32	2.83	2.50	27	2.50
Cottage cheese		16 oz	1.67	11	1.67	2.50	24	2.50
Cream cheese		8 oz	1.49	11	1.49	2.00	24	2.00
Ice cream		48-64oz	2.50-4.99	75	3.28	3.00-5.99	75	4.27
Sour cream		16 oz	1.50-1.67	32	1.56	2.00-2.50	51	2.24
Yogurt	Greek	4-6 oz	1.00-1.25	32	1.09			
Yogurt	Yogurt	32 oz				3.69	24	3.69

**NATIONAL -- ORGANIC DAIRY PRODUCTS**

Commodity	Type	Pack Size	THIS PERIOD	LAST WEEK	LAST YEAR
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			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	283	5.86	335	5.42		
Cheese	Natural Varieties	8 oz block					244	4.99
Cheese	Natural Varieties	1 # block					244	5.99
Cottage cheese		16 oz					244	3.99
Milk	All fat tests	half gallon	804	4.12	1058	3.78	1041	4.33
Milk	All fat tests	gallon	180	6.99	266	6.20	252	5.58
Sour cream		16 oz	214	2.50	214	2.50	458	2.76
Yogurt	Greek	32 oz	137	4.99	214	3.00	214	5.99
Yogurt	Yogurt	4-6 oz					137	1.25
Yogurt	Yogurt	32 oz	214	3.00	304	3.49	439	3.77

### 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 #				5.49	214	5.49	6.99	69	6.99
Milk	All fat tests	half gallon	3.69	161	3.69	4.49	214	4.49	3.49-4.46	429	4.10
Milk	All fat tests	gallon							6.99	180	6.99
Sour cream		16 oz				2.50	214	2.50			
Yogurt	Yogurt	32 oz				3.00	214	3.00			

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
Yogurt	Greek	32 oz				4.99	137	4.99			

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

### 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

Wtd Avg - Simple weighted average



MIDWEST U.S.	Iowa, Illinois, Indiana, Kentucky, Michigan, Minnesota, North Dakota, Nebraska, Ohio, South Dakota and Wisconsin
SOUTH CENTRAL U.S.	Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas
SOUTHWEST U.S.	Arizona, California, Nevada and Utah
NORTHWEST U.S.	Idaho, Montana, Oregon, Washington, and Wyoming
ALASKA	Alaska
HAWAII	Hawaii
NATIONAL	Continental United States



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## GENERAL NUMBER

(608) 422-8587

Elizabeth Frederick

(608) 422-8587

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

## ORGANIC/ EAST

Daniel Johnson

(608) 422-8605

[Daniel.Johnson4@USDA.GOV](mailto:Daniel.Johnson4@USDA.GOV)

## EAST

Jessica Mueller

(608) 422-8589

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

## CENTRAL

Israel Weber

(608) 422-8601

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

## SOUTHWEST/SOUTH AMERICA

AJ (Angel José) Terán

(608) 422-8593

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

## SOUTHWEST

Florence Kone-Gonzalez

(608) 422-8594

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

## NORTHWEST/MOUNTAIN

Mike Bandli

(608) 422-8592

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

## EUROPE/OCEANIA

Eric Graf

(608) 422-8590

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

## DEPUTY DIRECTOR, DAIRY MARKET NEWS

Janet Linder

(608) 422-8588

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

## DIRECTOR, DAIRY MARKET NEWS

Butch Speth

(608) 422-8586

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

## RECORDED INFORMATION SYSTEM

(608) 422-8602

## FAX

(608) 240-6689

---

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

Additional Dairy Market News Information:

DMN Website: <https://www.ams.usda.gov/market-news/dairy>

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