

## DAIRY MARKET NEWS AT A GLANCE

### CME GROUP CASH MARKETS (7/31)

**BUTTER:** Grade AA closed at \$1.6075. The weekly average for Grade AA is \$1.6415 (-0.0480).

**CHEESE:** Barrels closed at \$2.2350 and 40# blocks at \$2.2525. The weekly average for barrels is \$2.3850 (-0.0680) and blocks, \$2.3575 (-0.2565).

**NONFAT DRY MILK:** Grade A closed at \$0.9775. The weekly average for Grade A is \$0.9880 (-0.0045).

**DRY WHEY:** Extra grade dry whey closed at \$0.3425. The weekly average for dry whey is \$0.3420 (+0.0020).

**CHEESE HIGHLIGHTS:** Cheese production remains stable to strong. Widely available milk supplies, with reported Midwestern Class III spot prices discounted from \$1 to \$5 under Class this week, have kept cheese production apace. Some plant disruptions in the Midwest region had milk suppliers looking for destinations. Order reports, and cheese inventory reports, vary by manufacturer, but both East and West contacts say orders have begun to ebb some. Some Midwestern plant managers say inventories are tight. Cheese markets have begun to meet recent predictions from cheese market actors since block prices reached their \$3 peak on July 13th. Block prices have slid down to converge with barrel prices early in the week and fell below them later this week. Contacts have said prices are currently too high to compete internationally.

**BUTTER HIGHLIGHTS:** At the national level, the butter market undertone has been described as unsettled. With the increasing emergence of new COVID-19 cases across the country, some contacts noted an increase in butter print orders at a retail level. Meanwhile, butter requests from the food service sector have been steadily rising since the early days of the COVID-19 outbreak. Butter production remains active. Despite strong cream requests for ice cream production, churners are still finding enough cream for butter manufacturing. Across the country, this week, bulk prices are ranging from flat market to 7.0 cents above the market.

**FLUID MILK:** In general, throughout the country, farm milk output is steady to lower as summer temperatures continue to add heat stress to dairy cows. At the moment, bottled milk sales are generally stable. However, as the school year is about to start in a few weeks, bottlers are reevaluating market conditions and pondering how COVID-19 restrictions will affect Class I milk requests. Milk shipments into Class II, and III are reported as strong. Meanwhile, a significant portion of condensed skim milk intakes continues clearing into NDM manufacturing. The competition for cream among processors remains strong as ice cream producers are near the end of their peak season, while butter makers continue actively churning for fall needs. Cream multiples for all classes are 1.34-1.40 in the East, 1.24-1.40 in the Central region, and 1.10-1.28 in the West.

**DRY PRODUCTS:** Low/medium heat nonfat dry milk (NDM) free on board prices are mostly down this week. Availability has increased, while demand is steady to lighter. High heat NDM prices are mixed, while production is done as needed to primarily satisfy contracted obligations. Dry buttermilk price trends vary in each region. The market tone is defined as steady to unsettled. National free on board prices for dry whole milk are steady to higher. The strong demand for butterfat could be a factor pushing up the top of the price range of dry whole milk. Dry whey prices are mixed across the country. Dry whey has become more available. As cheese outputs continue to be strong, more liquid whey continues to move to the dryers. WPC 34% spot prices are mostly down this week. Interchangeable loads of WPC 34% are still moving well below prices of nonfat dry milk, but loads meeting specific requirements such as infant grade standards, are keeping the market price higher. Lactose prices are unchanged on moderate to slower trading. Prices for acid casein and rennet casein are steady, reflecting slow trading.

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### DAIRY MARKET NEWS PRICE SUMMARY FOR JULY 27 - 31, 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	0.9500 1.0400	0.9900 1.0250	Central/East	0.9500 1.0500		Central/West	0.4000 0.6300	0.4600 0.5800
Change	-0.0400 -0.0250	-0.0100 -0.0150	Change	N.C. -0.0300		Change	N.C. N.C.	N.C. N.C.
Central High Heat	1.0700 1.2500		West	0.8500 0.9850	0.9000 0.9300	<b>WPC 34%</b>	0.7100 1.0700	0.7400 1.0200
Change	-0.0500 0.1000		Change	N.C. N.C.	N.C. 0.0100	Central/West	N.C. -0.0150	-0.0100 -0.0100
West Low/Med. Heat	0.9350 1.0650	0.9800 1.0300	<b>WHEY</b>			<b>CASEIN</b>		
Change	-0.0150 -0.0100	N.C. N.C.	Central	0.2500 0.3600	0.2950 0.3350	Rennet	3.4975 3.7900	
West High Heat	1.0800 1.1950		Change	N.C. -0.0100	N.C. -0.0050	Change	N.C. N.C.	
Change	N.C. -0.0150		West	0.2850 0.4000	0.3400 0.3700	Acid	3.8000 3.9000	
<b>DRY WHOLE MILK</b>			Change	0.0150 N.C.	0.0150 N.C.	Change	N.C. N.C.	
National	1.6000 1.8500		Northeast	0.3200 0.3875		<b>ANIMAL FEED WHEY</b>		
Change	N.C. 0.1000		Change	N.C. 0.0075		Central	0.2500 0.2700	
						Change	N.C. N.C.	

### DAIRY MARKET NEWS PRICE SUMMARY FOR JULY 20 - 31, 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	2400 2600	W. Europe	3150 3325	W. Europe	3825 4050
Change	25 75	Change	125 125	Change	100 100
Oceania	2675 2775	Oceania	3225 3350	Oceania	3475 3575
Change	N.C. -100	Change	275 -175	Change	-225 -225
S. America	2650 2750	S. America	3000 3350	<b>BUTTEROIL</b>	
Change	N.C. N.C.	Change	100 100	W. Europe	4650 4975
<b>WHEY</b>				Change	-25 125
W. Europe	800 1050			<b>CHEDDAR CHEESE</b>	
Change	25 25			Oceania	3700 3800
				Change	N.C. -400

DAIRY MARKET NEWS AT A GLANCE

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**INTERNATIONAL DAIRY MARKET NEWS: EUROPE OVERVIEW: WESTERN:** Dairy industry contacts in Western Europe comment on feed costs being quite reasonable now. With recent rain helping bolster pastures, confidence is increasing in dairy production increases moving forward. Cheese markets are stable in Western Europe. Retail cheese sales are very good. Orders are generally consistent, which is helpful to manufacturers. **EASTERN:** Milk production in Poland during May 2020 was 1.8 percent higher than May 2019, according to Eurostat. Milk production in the Czech Republic during May 2020 was 3.7 percent higher than May 2019, according to Eurostat. **OCEANIA OVERVIEW: AUSTRALIA:** Australian sources report that current projected milk pay prices provide a solid platform for seasonal dairy profitability. An uncertainty being watched is rain. During June most of Australia recorded below average rainfall. Producers in some regions are already voicing concern about current conditions being too dry to sustain the summer and maintain profitability. **NEW ZEALAND:** There has been some concern as to the outlook for the developing New Zealand dairy season ahead. Weather so far has been viewed as favorable to pasture growth and dairy production. Yet some observers are voicing uncertainty about the potential for not so good weather and how that would impact production and pricing. **SOUTH AMERICA OVERVIEW:** Farm milk production has increased slightly in Brazil. The temperate climate has slightly improved the productive performance of dairy cows and grain development in various dairy basins. However, raw milk volumes are still less than enough to meet its strong demand among the national food processing industry. That being said, farmgate milk prices have increased markedly in recent weeks. In the same fashion, spot values for raw milk continue ramping up in the domestic cash market. In Argentina and Uruguay, farm milk production is seasonally up. Available milk supplies are enough to meet most processing needs.

**NATIONAL RETAIL REPORT (DMN):** Dairy retail advertisement totals decreased in the conventional sector, although totals are higher in the organic sector this reporting period. Conventional retail ads decreased by 19 percent, while organic ads increased by 52 percent. Conventional cheese, in 8 oz shred packaging, was the most advertised cheese item. Conventional cheese ads, in 1 pound block and 1 pound shred packaging, were both higher, by 120 percent and 920 percent, respectively. Organic milk, in half gallon containers, saw a percentage increase, 38 percent. The weighted average price for conventional milk, in half gallon containers, was \$1.98, compared to \$3.79 for organic milk, an organic premium of \$1.81.

**JUNE MILK MARKET AND UTILIZATION HIGHLIGHTS (FMMO):** During June, 9.5 billion pounds of milk were received from Federally pooled producers. This volume of milk is 34.0 percent lower than the June 2019 volume. Regulated handlers pooled 3.5 billion pounds of producer milk as Class I products, up 7.3 percent when compared to the previous year. Class I utilization increased from last year in all 11 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 36%, Class II = 18%, Class III = 14%, and Class IV = 32%. The weighted average statistical uniform price was \$14.74 per cwt, \$1.93 higher than last month and \$2.71 lower than last year.

**RETAIL PRICES FOR CONVENTIONAL AND ORGANIC MILK, JULY 2020 (FMMO):** A survey of retail prices conducted by the Federal Milk Market Order administrators found conventional whole milk prices for July 2020 average \$3.45 per gallon. July organic whole milk prices average \$4.09 per half gallon. In July, conventional reduced fat (2%) milk gallons average \$3.41 and organic reduced fat (2%) milk half gallons average \$4.09.

CME Group, CHICAGO, IL COMMODITY	MONDAY JUL 27	TUESDAY JUL 28	WEDNESDAY JUL 29	THURSDAY JUL 30	FRIDAY JUL 31	:: WEEKLY CHANGE	:: WEEKLY AVERAGE
CHEESE							
BARRELS	\$2.4500 (N.C.)	\$2.4400 (-0.0100)	\$2.4400 (N.C.)	\$2.3600 (-0.0800)	\$2.2350 (-0.1250)	:: (-0.2150)	:: \$2.3850 (-0.0680)
40 POUND BLOCKS	\$2.4800 (-0.0600)	\$2.4400 (-0.0400)	\$2.3200 (-0.1200)	\$2.2950 (-0.0250)	\$2.2525 (-0.0425)	:: (-0.2875)	:: \$2.3575 (-0.2565)
NONFAT DRY MILK							
GRADE A	\$0.9900 (N.C.)	\$0.9900 (N.C.)	\$0.9925 (+0.0025)	\$0.9900 (-0.0025)	\$0.9775 (-0.0125)	:: (-0.0125)	:: \$0.9880 (-0.0045)
BUTTER							
GRADE AA	\$1.7275 (-0.0025)	\$1.7100 (-0.0175)	\$1.5550 (-0.1550)	\$1.6075 (+0.0525)	\$1.6075 (N.C.)	:: (-0.1225)	:: \$1.6415 (-0.0480)
DRY WHEY							
EXTRA GRADE	\$0.3425 (+0.0025)	\$0.3425 (N.C.)	\$0.3425 (N.C.)	\$0.3400 (-0.0025)	\$0.3425 (+0.0025)	:: (+0.0025)	:: \$0.3420 (+0.0020)

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

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

Milk supplies are steady to somewhat lower into most butter plants. Butter makers who were offered cream last week are not seeing those offers this week. Class II production continues to absorb available cream, therefore, surplus volumes for churning are lighter. Generally, there is a combination of how the regions' butter makers handle the unpredictable cream supply. Courses of action tend to vary: not churn at all, churn for immediate sale, sell cream, inventory rebuilding. Retail butter orders picked up slightly this week following a short-lived decline. Sources noted retail sales typically show distinctive slides in July, but sales in the East have held up quite well during the month. Food service orders are stable. Manufacturers' butter stocks range from light to fully adequate. The market undertone is unsettled. Bulk butter ranges 2 to 7 cents over the market of the CME Group, with various time frames and averages used. The cash butter price at the CME Group ended last week on a high note, although this current week has shown declines, so far.

Prices for: Eastern U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter

Bulk Basis Pricing - 80% Butterfat \$/LB: +0.0200 - +0.0700

Secondary Sourced Information:

### CME TRADING

CME Group's Tuesday spot butter trading ended at \$1.7100, up from \$1.6625 a week ago.

### WEST

In the West, the butter market is a bit unsettled due to uncertainties about how the coronavirus might affect it. In the past several days, there has been a surge in demands for print butter. As the result, processors are actively running as much butter as possible to meet the growing demands. Despite strong cream requests for ice cream production, processors are still finding enough cream for butter manufacturing. However, there have been reports of machine time issues for print butter production. Food service demands for butter have declined because of new restrictions put in place to control the growing number of COVID-19 cases. Although bulk butter outputs are limited, there are enough supplies in storages. Print butter inventories are mostly limited to what is needed in the short term.

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 - +0.0700

Secondary Sourced Information:

The Grade AA butter price at the CME Group on Wednesday closed at \$1.5550, compared to the weekly average price of \$1.6895 from last week.

### CENTRAL

In recent weeks, butter makers have given mixed reports on cream availability. This week, however, more are in agreement that cream is available. Cream multiples are in the low 1.20s in the Midwest. Some are securing cream loads out of the West and locally. Butter demand has ebbed in recent weeks. Contacts say although still robust, retail demand has steadied somewhat since last month. Food service demand has inched its way back up since the early days of the COVID-19 outbreak, but it remains short of previous years. Butter market tones remain somewhat soft. That said, contacts have relayed they think the butter market is close to its basement.

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

Eastern cheese production is stable. Milk is available for cheese makers' needs. There are reports mozzarella and provolone demands from pizzerias are healthy. Inventory levels are fairly adequate for spot/contract requests. Market participants note manufacturers' orders are flattening out. Foodservice sales are steady to lower in some areas. Also, some retailers have pulled back a bit on orders. Early in the week, CME Group cheese block and barrel prices are at similar price points. Market participants are speculating if cheese markets will soften.

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

Cheddar 40 pound Block	3.0650-3.3525
Muenster	3.0525-3.4025
Process American 5 pound Sliced	2.5550-3.0350
Swiss 10-14 pound Cuts	2.9000-3.2225

## MIDWEST

Cheese production is mostly busy in the Midwest. Milk supplies are aplenty. After a fire at a plant in the region, a ripple effect has added to more production elsewhere. Some contacts expected with block price drops on the CME, cheese production would slow, but most producer contacts suggest they are remaining busy. Some relay they are turning customers away. Curd production and demand is strong. Block and barrel availability is reported as tight to nonexistent. Cheese markets remain robust. Even as cheese blocks have dropped, block and barrel prices are in the same tight area. Most contacts agree that a similar block/barrel price is a benchmark of steadying market tones.

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

Blue 5 pounds	3.2475-4.3175
Brick 5 pounds	2.9800-3.4050
Cheddar 40 pound Block	2.7025-3.1025
Monterey Jack 10 pounds	2.9550-3.1600
Mozzarella 5-6 pounds	2.7800-3.7250
Muenster 5 pounds	2.9800-3.4050
Process American 5 pound Loaf	2.5400-2.9000
Swiss 6-9 pound Cuts	2.4150-2.5325

## WEST

The Western cheese market conditions haven't changed much from last week. Although some cheese prices have seen recent declines, U.S. prices are not very competitive in the international market. Domestic retail demands for cheese are stronger, whereas intakes from the food service industry have declined a bit. According to the weekly retail survey data, nationwide advertisements for conventional cheese increased from 16,125 last week to 21,993 this week. Cheese production remains active throughout the West. Inventories are sufficient to meet current needs. In the West, wholesale prices are up \$.0350 for process, but down \$.2175 for cheddar block, cuts and Monterey Jack. Swiss cut wholesale prices are unchanged from the previous week.

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

Cheddar 10 pound Cuts	2.9400-3.1400
Cheddar 40 pound Block	2.6925-3.1825
Monterey Jack 10 pounds	2.9275-3.2025
Process American 5 pound Loaf	2.5575-2.8125
Swiss 6-9 pound Cuts	2.4975-2.9275

## Secondary Sourced Information:

This week, a cooperative export assistance program accepted requests for export assistance on contracts to sell 862,008 pounds (391 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 22.108 million pounds of American-type cheeses in export markets. When combined with butter, cream cheese and whole milk powder, the program has assisted members with sales of 642.6 million pounds of milk on a milkfat basis.

## FOREIGN TYPE

Currently, the sliced cheese market is in good balance. Domestic sales are flat. Retail orders are at seasonal levels. Demands from large consumers are above expectations partly due to many Germans spending their vacations in their country instead of travelling to other countries. Exports to southern Europe vary by country. While some of the countries have higher orders, others, especially those with increasing cases of coronavirus, are waiting to see how market conditions will evolve in the future. Other non-European countries are taking contracted loads of sliced cheese. Negotiations for the fourth quarter needs are underway. Compared to last month, sliced cheese prices are higher this month. Manufacturers are requesting higher prices for the month of August deliveries. In the U.S., domestic prices for blue, gorgonzola, parmesan, and Romano have decreased \$.2175 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	3.1250-4.6125*
Gorgonzola	3.6900-5.7400	3.6325-4.3500*
Parmesan	-0-	4.5125-6.6025*
Romano	-0-	4.3150-6.4700*
Sardo Romano (Argentina)	2.8500-4.7800	-0-
Reggiano (Argentina)	3.2900-4.7800	-0-
Jarlsberg	2.9500-6.4500	-0-
Swiss	-0-	2.9375-3.2600
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
07/27/2020	80619	78624
07/01/2020	81623	80344
CHANGE	-1004	-1720
% CHANGE	-1	-2

## FLUID MILK AND CREAM

## EAST

Milk output is steady in the **Northeast**. Class I sales are level. Class II and III are also receiving steady to strong milk volumes for manufacturing needs. Balancing operations are running on strong production schedules. **Mid-Atlantic** milk production is flat. Milk loads are tight for some operations. Hot weather conditions continue to take a toll on milk in the **Southeast**. Milk production is steadily dropping. Market participants relay little to no milk loads are clearing to manufacturing due to Class I demand. There are reports milk is moving from other regions to the Southeast. **Florida** milk output is down. Bottlers are clearing the majority of milk in the area. Spot **cream** interest from cream cheese and other cream-based products has softened. Ice cream makers are still receiving some spot cream. A few butter plants are churning for fall inventory. Market participants note **condensed skim** is readily available in the region. Ice cream makers are receiving condensed skim loads. Condensed skim markets are stable.

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: 1.3400 - 1.4000

Price Range - Class II; \$/LB Butterfat: 2.2639 - 2.3653

## MIDWEST

As seasonal drops on farm milk production have been reported throughout most of the summer, more reports are pointing to some drops or steadiness this week. Temperatures have cooled recently and weather forecasts are in line with more positive milk yields in the near future. Class I demand slipped again this week, and expectations are limited for next week, as well. Class I contacts are, along with others, naturally concerned with what school districts are planning to do in the fall. A number of school districts are planning to limit student populations by alternating days between online (at-home) learning and at-school attendance. In any case, bottlers are facing some strategic and business hurdles in the next couple months, if not longer. Cheesemakers are busy in the region, and milk is plentiful. Of note, there was a fire at a plant in the upper Midwest and other cheese plants are taking on the extra milk at lower prices. **Cream** availability is more open this week. After weeks of mixed reports, this week a growing number of contacts relayed higher availability. Butter makers found cream at lower multiples than last week. Ice cream producers say they are near the end of their peak season, but they are still taking on some spot cream loads currently.

Price Range - Class III Milk; \$/CWT; Spot Basis: -5.00 - -1.00

Trade Activity: Active

Midwestern U.S., F.O.B. Cream

Multiples Range - All Classes: 1.2400 - 1.4000

Price Range - Class II; \$/LB Butterfat: 2.2639 - 2.3653

Multiples Range - Class II: 1.3400 - 1.4000

## WEST

In **California**, milk production is unchanged from a week ago. Class I sales are stable. Class II and III requests are strong. As the school year is about to start in a few weeks, industry players are reassessing market conditions and wondering how the COVID-19 restrictions will affect Class I milk demands. Meanwhile, processing schedules are not

as busy. In **Arizona**, milk volumes produced are at low levels. With hotter summer weather conditions, cows are beginning to feel less comfortable. Bottled milk sales are generally stable. Class II requests are still strong. Not much milk is leaving the state. Milk supplies are just enough to satisfy buyers' needs. **New Mexico** milk production has come up a bit. Despite some issues at a couple of plants, there were no major disruptions in milk distribution schedules this week. Balancing needs have decreased as total requests for milk have increased this week. Class I sales have declined, whereas Class II demands are trending higher. Class III intakes are steady. In the **Pacific Northwest**, temperatures have been warmer than normal, reaching the three-digit numbers. As so, milk production has declined a bit, but remains within seasonal norms. Some processors are bringing in out of state milk to help meet current needs. Manufacturing plants are running below full capacities. Class II intakes remain solid, whereas Class I requests are flat. In the mountain states of **Idaho, Utah, and Colorado**, milk yield is stable to declining. The warmer weather conditions are affecting how much milk cows are producing. Although there are a few discounted loads of milk available for sale, milk supplies and demands are more balanced this week compared to a few months ago. Processors are pulling heavily on milk supplies. **Condensed skim** is available to meet the immediate needs of buyers. Sales are steady. In the West, **cream** supplies have further loosened. Although ice cream is flying off the shelves, and ice cream makers are still taking many loads of cream, there are still enough supplies for butter production. Cream multiples for all Classes have decreased at the top of the range.

Western U.S., F.O.B. Cream

Multiples Range - All Classes:

1.1000 - 1.2800

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

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

## NONFAT DRY MILK - CENTRAL AND EAST

**CENTRAL:** Low/medium heat nonfat dry milk (NDM) prices slipped in all facets this week. Availability has increased, while demand is steady to lighter. Buyers/end users in the region are under little pressure, as WPC 34% and other high protein blends are experiencing price drops week to week. Additionally, with plentiful milk supplies, cheesemakers are ebbing fortification in production. Condensed skim is and has been generally available. High heat NDM prices slipped on the bottom of the range, while increasing sharply on the top of the range. As prices in the West have been higher than in the Central/East region, buyers have fewer options. Both Central and Eastern producers of high heat NDM have found buyers willing to pay up for high heat NDM spot loads. That said, low/medium heat NDM market tones are softening.

**EAST:** The low/medium heat nonfat dry milk price is undergoing a downward trend, as prices weaken in the f.o.b. spot market. In general, NDM market activity continues to be light. Buyers are taking some loads, but are not seeing the need to make large purchases at this time. NDM production is inevitably lighter, as hot and humid conditions encourage the movement of milk to Class I operations in other parts of the region. Offerings are limited at some plants, as those manufacturers evaluate current stock levels against future NDM production needs. Relaxed drying schedules are allowing some manufacturers to accomplish regular equipment maintenance. High heat nonfat dry milk prices are mixed. Supplies are mostly tight in the spot market. However, a few brokers are more than willing to pay higher prices, in order to meet customers' requirements for a particular brand. Some plants are able to schedule dryer time to make high heat NDM.

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: .9500 - 1.0400  
Mostly Range - Low & Medium Heat; \$/LB: .9900 - 1.0250

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: 1.0700 - 1.2500

## NONFAT DRY MILK - WEST

In the West, low/medium heat nonfat dry milk prices are lower on the range, but steady on the mostly series. International sale volumes, especially those to Mexico, are steady. According to industry participants, they are also close to historical numbers. Domestic demands, on the other hand, are active. Production and supplies are stable. Cheese processors are still using low/medium heat nonfat dry milk for fortification. The market tone for low/medium heat nonfat dry milk seems to be weakening. Uncertainties related to COVID-19 could be affecting buyers' decisions. High heat nonfat dry milk prices are trending down at the top of the range. Demands are mainly unchanged. Buyers have started to look for ways to prepare for the fall baking season. High heat nonfat dry milk production is done as needed to primarily satisfy contracted obligations. Inventories remain tight.

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: .9350 - 1.0650  
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 - 1.1950

## DRY BUTTERMILK - CENTRAL AND EAST

**CENTRAL:** Dry buttermilk prices were steady on the low end, but slipped again on the top of the range. Availability reports remain mixed. Some contacts say there are very limited spots, while others are finding suppliers willing to offer loads in the high \$.90s to low \$1 area, within the Central region. Churning has been up and down in the region, as cream availability shifts from one week to the next. That said, ice cream production is on the tail end of its peak season. Dry buttermilk availability is expected to increase in the near term. In general, market tones are steady to softer.

**EAST:** Prices for dry buttermilk in the East range from steady to lower this week. The market tone is defined as steady to unsettled. Drying schedules are mixed. Movement of condensed buttermilk into ice cream accounts is active seasonally. Inventories are light to moderate as prices move lower, stimulating buyer interest. Demand for dry buttermilk is light and sales are slow.

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk  
Price Range ; \$/LB: .9500 - 1.0500

## DRY BUTTERMILK - WEST

In the West, f.o.b. prices for dry buttermilk are stable on the range, but up at the top of the mostly series. Although ice cream processors are taking a good amount of condensed buttermilk, many loads are also clearing through the dryers. As a result, dry buttermilk supplies are becoming a bit more prevalent compared to the previous weeks. However, most of the stocks are committed to Q3 and Q4 contractual needs' fulfillment. Sales to bakers and confectioners are stable. Generally, the market tone is unchanged from a week ago.

Prices for: Western U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk  
Price Range ; \$/LB: .8500 - .9850  
Mostly Range - ; \$/LB: .9000 - .9300

## DRY WHOLE MILK - U.S.

National free on board prices for dry whole milk are steady to higher. The strong demand for butterfat could be a factor pushing up the top of the price range of dry whole milk. That being said, drying schedules for condensed whole milk have been less active due to two main reasons. First, more cream is going to the manufacturing of ice cream and other frozen desserts. Second, the production of NDM has been the emphasis in most balancing plants, limiting drying time to make dry whole milk. Spot trading activity for national dry whole milk has been moderate this week, while inventories vary in each region of the United States, but in general terms, are steady to lower.

Prices for: U.S., All First Sales, F.O.B., Conventional, and Edible Dry Whole Milk  
Price Range - 26% Butterfat; \$/LB: 1.6000 - 1.8500

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

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

**DRY WHEY- CENTRAL**

Dry whey prices moved lower on the top of the range and top of the mostly series. Undoubtedly, dry whey has become more available as the entire whey complex has been under pressure. Contacts relay they expect as high protein blends, WPC 70% and WPC 80%, among others, are experiencing a notably bearish period, more dry whey and WPC 34% could be on the production line. That said, offers have increased in recent weeks and some customers/end users are taking advantage of prices moving into the high \$.20s and low \$.30s. Animal feed whey trading was quiet, as prices are unchanged. Dry whey market tones are bearish.

Prices for: Central U.S., All First Sales, F.O.B., Conventional, and Non-Edible Dry Whey  
 Price Range - Animal Feed; \$/LB: .2500 - .2700

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: .2500 - .3600  
 Mostly Range - Non-Hygroscopic; \$/LB: .2950 - .3350

**WHEY PROTEIN CONCENTRATE**

As higher protein blends, namely WPC 80% and WPC 90%, falter, there are growing concerns regarding WPC 34% markets. Producers say they are getting less traction and if possible, holding off on finalizing sales until buyers are more willing to move at stronger price points. Even still, trading activity was moderate this week, while the price range and mostly series decreased. All that said, WPC 34% producers that are meeting specific criteria, namely infant grade standards, are still finding customers willing to pay \$1+. As is typically the case, WPC 34% is a tale of two markets. Interchangeable loads are still moving well below prices of nonfat dry milk, but loads meeting specific requirements are keeping the market price higher.

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: .7100 - 1.0700  
 Mostly Range - 34% Protein; \$/LB: .7400 - 1.0200

**LACTOSE**

Lactose prices were steady, as spot trading was moderate to slower. Some contacts share there is a notable loss of steam regarding demand for lactose. Lactose is one of the firmer dairy commodity markets at the moment, but there is a sentiment that the wind in the market sails is waning, as Southeast Asian customers have fulfilled most of their 2020 needs and cheese production is, and has been, robust in light of historically strong market prices/demand. Still, a number of contacts suggest their lactose is already claimed for the rest of the year. All said, lactose markets are quieter, but they remain somewhat steady, albeit less hearty than in much of the first half of 2020.

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: .4000 - .6300  
 Mostly Range - Non Pharmaceutical; \$/LB: .4600 - .5800

**DRY WHEY- NORTHEAST**

In the East, dry whey prices inched higher at the top of the range. Spot trading activities are mixed. Some buyers are comfortable with their current inventory. However, some buyers are purchasing spots at higher prices for their immediate needs this week. Dry whey operations are working through strong production schedules. Inventories are available for spot/contract orders. On the CME Group, spot prices are steady around the \$0.3425 mark. Market conditions are unsettled.

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

**CASEIN**

This is a slow time of year in casein markets, especially in New Zealand. Prices for acid casein and rennet casein are steady, reflecting the slow trading. Regular buyers generally plan to be contracted for anticipated needs. This keeps spot markets quiet. New production tends to be available from the EU at this time of year, more likely to be rennet than acid casein. New Zealand production is awaiting increased milk availability.

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

**DRY WHEY- WEST**

In the West, dry whey prices are higher at the bottom of the range and at the bottom of the mostly series. The market has started to recoup bit by bit from lower price points. As cheese outputs continue to be strong, more liquid whey continues to move to the dryers. Recently, demands for dry whey have improved from international buyers. Domestic sales are mostly stable. Although inventories have diminished due to increased demands, there are still plenty of dry whey available for all future needs' fulfillments.

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: .2850 - .4000  
 Mostly Range - Non-Hygroscopic; \$/LB: .3400 - .3700

**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
07/18/2020	50.9	1,744.4	57.4	1,810.1

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

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

**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	19.78				
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
07/25/2020	1,7572 1,360,419	2,7737 14,135,893	2,4592 11,272,481	.3596 5,543,515	.9769 14,026,993

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	07/24	07/27	07/28	07/29	07/30
JUL 20	24.41	24.41	24.42	24.42	24.54
AUG 20	21.75	22.11	21.91	21.16	20.80
SEP 20	20.15	20.49	20.09	19.34	18.76

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

DATE	07/24	07/27	07/28	07/29	07/30
JUL 20	97.90	98.28	98.28	98.28	97.98
AUG 20	98.10	97.78	97.20	96.80	97.00
SEP 20	101.35	102.75	101.50	101.00	100.00

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

DATE	07/24	07/27	07/28	07/29	07/30
JUL 20	13.65	13.65	13.65	13.65	13.66
AUG 20	13.76	13.72	13.63	13.39	13.33
SEP 20	14.15	14.15	14.03	13.77	13.65

**WHEY (Electronic-Traded) (¢/lb)**

DATE	07/24	07/27	07/28	07/29	07/30
JUL 20	34.30	34.18	34.20	34.20	34.78
AUG 20	32.25	32.30	33.00	33.00	33.78
SEP 20	32.00	31.50	32.00	31.50	32.25

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

DATE	07/24	07/27	07/28	07/29	07/30
JUL 20	174.80	175.25	175.00	174.30	175.30
AUG 20	176.98	176.50	175.00	169.40	170.00
SEP 20	179.25	176.55	175.75	169.75	169.75

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

DATE	07/24	07/27	07/28	07/29	07/30
JUL 20	2.58	2.58	2.58	2.58	2.59
AUG 20	2.32	2.34	2.32	2.25	2.21
SEP 20	2.16	2.18	2.15	2.07	2.01

\*\* 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 July 20 - 31, 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

Dairy industry contacts in Western Europe comment on feed costs being quite reasonable now. With recent rain helping bolster pastures, confidence is increasing in dairy production increases moving forward.

EU milk production during May 2020 was 0.4 percent higher than May 2019, according to Eurostat. January – May 2020 milk production was reported as 1.3 percent higher than January – May 2019.

Looking at some of the primary Western European milk producing countries January – May 2020 compared with January – May 2019, the percentage changes are Germany, +1.1 percent; France, +0.9 percent; Netherlands, +2.4 percent; Italy, +3.1 percent; and United Kingdom, +0.9 percent, according to CLAL data provided to USDA.

Cheese markets are stable in Western Europe. Retail cheese sales are very good. Orders are generally consistent, which is helpful to manufacturers. Export orders on the books are being satisfied. Many anticipated contracts for later in 2020 remain in negotiation. There is a divergence among cheese plants as to how aging stocks are viewed. Some plants report stocks are sufficient while other plants describe aging stocks as low.

EU cheese production during May 2020 was 2.2 percent lower than May 2019, according to Eurostat. In some of the primary Western European cheese producing countries January – May 2020 compared with January – March 2019, the percentage changes are Germany, +2.5 percent; France, -0.8 percent; Netherlands, -3.0 percent; Italy, -0.3 percent; and United Kingdom, +0.1 percent, according to CLAL data provided to USDA.

EU cheese exports January – May 2020, 525,811 MT, decreased 3.7 percent from January – May 2019, according to Eucolait. The main export destinations for the first third of 2020, quantity, and percent of the total, were the UK, 138,047 MT, 31.9 percent; the United States, 38,165 MT, 8.8 percent; and Japan, 35,110 MT, 8.1 percent.

## EASTERN OVERVIEW

Milk production in Poland during May 2020 was 1.8 percent higher than May 2019, according to Eurostat. January – May 2020 milk production was reported as 1.7 percent higher than January – May 2019. Production of some dairy commodities in Poland January – May 2020 compared with January – March 2019, are cheese, +4.4 percent; butter, 10.2 percent; SMP, -1.7 percent; and WMP, -0.1 percent, according to CLAL data provided to USDA.

Milk production in the Czech Republic during May 2020 was 3.7 percent higher than May 2019, according to Eurostat. January – May 2020 milk production was reported as 4.5 percent higher than January – May 2019. Production of some dairy commodities in the Czech Republic January – May 2020 compared with January – March 2019, are cheese, +8.7 percent; butter, 3.3 percent; SMP, +8.3 percent; and WMP, -9.1 percent, according to CLAL data provided to USDA.

## BUTTER/BUTTEROIL

Butter prices are higher. Butteroil prices are mixed. Demand for packaged butter has increased in many larger Western European countries. Butter manufacturers in Germany report that retail packaged butter sales are quite strong for this time of year, reflecting that more people are staying home for summer vacation.

Block butter contracts are being filled for the internal market but new contracting for later this year is slow. Buyers are more inclined to close deals for lower price range bulk butter when available. Manufacturers are challenged to close new deals for higher priced bulk butter. Price expectations are cited as a sticking point. Export demand has slowed. A number of plants with contracted cream supplies are perfectly happy to sell unneeded cream as that brings a good return currently.

Western Europe, 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT: 3,825 - 4,050

Western Europe, 99% Butterfat, Free on Board - Port Butteroil  
Price Range - \$/MT: 4,650 - 4,975

## Secondary Sourced Information:

EU butter production during May 2020 was 1.6 percent lower than May 2019, according to Eurostat. January – May 2020 butter production was reported as 1.3 percent higher than January – May 2019.

Looking at some of the primary Western European butter producing countries January – May 2020 compared with January – May 2019, the percentage changes are Germany, +2.4 percent; France, +0.7 percent; Netherlands, -4.7 percent; Italy, +0.6 percent; and United Kingdom, -1.0 percent, according to CLAL data provided to USDA.

EU butter exports January – May 2020, 122,858 MT, increased 38.7 percent from January – May 2019, according to Eucolait. The main export destinations for the first third of 2020, quantity, and percent of the total, were the UK, 19,716 MT, 20.3 percent; The United States, 12,987 MT, 13.4 percent; and Saudi Arabia, 7,912 MT, 8.1 percent.

EU butteroil exports January – May 2020, 19,964 MT, increased 26.3 percent from January – May 2019, according to Eucolait. The main export destinations for the first third of 2020, quantity, and percent of the total, were the UK, 4,774 MT, 28.6 percent; Philippines, 2,292 MT, 13.7 percent; and Saudi Arabia, 1,985 MT, 11.9 percent.

## SKIM MILK POWDER

Skim milk powder prices in Western Europe are higher. To some extent this relates to prices expressed in U.S. dollars reflecting weaker currency conversion. Western European SMP markets are quiet. Not only are many sellers and buyers on summer holiday breaks, but little uncommitted SMP is available to sell for Q3, especially in Germany.

## INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered July 20 - 31, 2020

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## CONTINUED FROM PAGE 8

On the buying side, most internal market buyers are covered for their Q3 needs. Finally, new export inquiries for Q3 are light. Q4 is a different situation. Many buyers are still working toward finalizing deals. Price expectations differ between sellers and buyers, so those discussions are expected to continue.

Prices for: Europe, 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:

EU SMP production during May 2020 was 1.2 percent lower than May 2019, according to Eurostat. January – May 2020 SMP production was reported as 0.2 percent lower than January – May 2019.

Looking at some of the primary Western European SMP producing countries January – May 2020 compared with January – March 2019, the percentage changes are Germany, +4.3 percent; France, +0.1 percent; and Netherlands, +20.1 percent, according to CLAL data provided to USDA.

EU SMP exports January – May 2020, 357,675 MT, decreased 16.5 percent from January – May 2019, according to Eucolait. The main export destinations for the first third of 2020, quantity, and percent of the total, were Algeria, 52,700 MT, 18.8 percent; China, 31,978 MT, 11.4 percent; and Egypt, 19,206 MT, 6.9 percent.

## DRY WHEY

Western Europe prices for dry whey are slightly higher. A weakening U.S. dollar is a factor in higher prices expressed in Dollars. Prices tend to be highest at some plants in Germany, lower in Netherlands. Dry whey markets are calm. More than adequate amounts of food grade dry whey are available. Contracts are being filled on time. There is spot market whey available for buyers who need whey. This leads to calmer transactions with less price friction. Contracting negotiations for Q4 are underway.

Prices for: Western Europe, All First Sales, Free on Board - Port, Conventional, and Edible Dry Whey  
Price Range - Non-Hygroscopic; \$/MT: 800 - 1,050

## Secondary Sourced Information:

EU whey powder exports January – May 2020, 277,675 MT, increased 8.3 percent from January – May 2019, according to Eucolait. The main export destinations for the first third of 2020, quantity, and percent of the total, were China, 70,110 MT, 31.9 percent; Malaysia, 23,216 MT, 10.6 percent; and Indonesia, 22,510 MT, 10.3 percent.

## WHOLE MILK POWDER

Whole milk powder prices in Western Europe are stronger. WMP manufacturers in Germany are close to sold out for Q3. This is reported from plants in many regions of the country. Similar reports come from plants in other countries in the top tier of Western European WMP producers, such as Netherlands and France. Export orders this year have been somewhat better than had been expected. Thus, spot markets are very quiet because there are hardly any free quantities available from manufacturers for current delivery. Buyers able to find small quantities available here or there often pay small surcharges.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder  
Price Range - 26% Butterfat; \$/MT: 3,150 - 3,325

## Secondary Sourced Information:

EU WMP production during May 2020 was 4.1 percent lower than May 2019, according to Eurostat. January – May 2020 WMP production was reported as 6.2 percent higher than January – May 2019.

Looking at some of the primary Western European WMP producing countries January – May 2020 compared with January – March 2019, the percentage changes are Germany, +2.6 percent; France, +13.5 percent; and Netherlands, +15.9 percent, according to CLAL data provided to USDA.

EU WMP exports January – May 2020, 136,117 MT, increased 8.3 percent from January – May 2019, according to Eucolait. The main export destinations for the first third of 2020, quantity, and percent of the total, were Oman, 16,516 MT, 15.4 percent; UK, 9,701 MT, 9 percent; and Nigeria, 6,729 MT, 6.3 percent.

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered July 20 - 31, 2020

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## OCEANIA DAIRY MARKET OVERVIEW

**AUSTRALIA:** Australian sources report that current projected milk pay prices provide a solid platform for seasonal dairy profitability. An uncertainty being watched is rain. During June most of Australia recorded below average rainfall. Producers in some regions are already voicing concern about current conditions being too dry to sustain the summer and maintain profitability. Some July to September meteorological projections are said to point toward less favorable rain, due to conditions in the Indian Ocean. That could lead to higher production costs. So as is often the case, early season uncertainty is particularly stressful.

**NEW ZEALAND:** There has been some concern as to the outlook for the developing New Zealand dairy season ahead. Weather so far has been viewed as favorable to pasture growth and dairy production. Yet some observers are voicing uncertainty about the potential for not so good weather and how that would impact production and pricing. Another topic of discussion is whether macroeconomic effects of COVID-19 may lead to recessionary factors which could lead to weaker consumer demand. Some regional agricultural bankers are watching this closely. The uncertainty gets more complicated to assess in New Zealand because so much dairy production there is destined for export. Projecting the future in multiple other markets is more challenging than where a substantial amount of dairy production is consumed domestically close to home. Some New Zealanders question whether recent dairy product price volatility is related to sellers and buyers responding to these uncertainties as they see the future. So far though, early season production has been viewed favorably.

## BUTTER/BUTTEROIL

Oceania butter prices are lower. Dairy managers in New Zealand believe that buyers recently misread butter availability. Yes, it is early in the season. However, recent buyers are able to make deals and get near term deliveries. Butter production and stocks are handling current demand. Exports were lower than had been anticipated. That contributed to weaker prices. Increasing expectations for seasonal butter production volumes also impact prices as more manufacturers and buyers come to believe stocks in coming months will be adequate. Late July milk production is increasing from seasonal lows, but still has a long way to go before butter churning appreciably engages. When that happens, confidence is higher for the volumes expected to result. Current demand is uneven.

Oceania, 82% Butterfat, Free on Board - Port Butter  
Price Range - \$/MT: 3,475 - 3,575

## Secondary Sourced Information:

At GDT event 264 on July 21, the butter all contracts price, \$3,533, decreased 4.9 percent. The August contract, \$3,505, decreased 7.3 percent.

New Zealand butter exports January – June 2020, 116,768 MT, decreased 20.5 percent from January – June 2019, according to Eucolait. The main export destinations January - June 2020, quantities, and percents of the total, were China, 27,484 MT, 23.5 percent; Australia, 13,583 MT, 11.6 percent; and Saudi Arabia, 9,898 MT, 8.5 percent.

## SKIM MILK POWDER

Oceania skim milk powder prices are steady to lower. SMP markets are slow this early in the new season. Many buyers lack enthusiasm as they are stocked. Pricing is at a premium to Western Europe. Not much drying to make SMP has begun. There are more profitable uses for the available milk. It is a quiet market.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder  
Price Range - 1.25% Butterfat; \$/MT: 2,675 - 2,775

## Secondary Sourced Information:

At GDT event 264 on July 21, the SMP all contracts price, \$2,680 decreased 0.5 percent. The August contract did not trade.

New Zealand SMP exports January – June 2020, 198,230 MT, increased 1.2 percent from January – June 2019, according to Eucolait. The main export destinations January - June 2020, quantities, and percents of the total, were China, 51,936 MT, 26.2 percent; Indonesia, 19,517 MT, 9.9 percent; and Philippines, 18,224 MT, 9.2 percent.

## CHEESE

Lower interest in Oceania cheddar left prices steady to lower. Buyers are generally stocked for near term needs, which contributed to price weakness.

Even with weaker near term pricing, cheddar continues to provide good returns for manufacturers. Seasonal milk production increases may move toward various cheese plants as a result. Expectations for higher prices in coming months encourages manufacturers to aim for production increases.

Prices for: Oceania Cheese, Cheddar, 39% Maximum Moisture, Free on Board - Port  
Price Range - \$/MT: 3,700 - 3,800

## Secondary Sourced Information:

At GDT event 264 on July 21, the cheddar all contracts price, \$3,803, increased 0.6 percent. The August contract, \$3,705, decreased 11.6 percent.

New Zealand cheese exports January – June 2020, 165,096 MT, decreased 6.3 percent from January – June 2019, according to Eucolait. The main export destinations January - June 2020, quantities, and percents of the total, were Japan, 33,382 MT, 20.2 percent; China, 30,947 MT, 18.8 percent; and Australia, 22,286 MT, 13.5 percent.

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered July 20 - 31, 2020

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## WHOLE MILK POWDER

Oceania whole milk powder prices are mixed. Buying interest for near term delivery left some available product unsold. Export demand seeking WMP in September through November is strong. This is moving prices up for that period. Early season WMP production is making as much WMP as available milk permits. There is some competition from UHT plants, but WMP plants in many regions are favored destinations for milk. With early season production still low, and the arc of future production expected to be higher, buying interest week to week is the primary uncertainty for now.

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

Price Range - 26% Butterfat; \$/MT: 3,225 - 3,350

## Secondary Sourced Information:

At GDT event 264 on July 21, the WMP all contracts price, \$3,218, increased 0.6 percent. The August contract, \$3,345, decreased 4.6 percent.

New Zealand WMP exports January – June 2020, 764,816 MT, decreased 4.7 percent from January – June 2019, according to Eucolait. The main export destinations January - June 2020, quantities, and percents of the total, were China, 252,718 MT, 33 percent; United Arab Emirates, 56,336 MT, 7.4 percent; and Algeria, 54,118 MT, 7.1 percent.

**Exchange rates for selected foreign currencies:  
July 27, 2020**

.0139 Argentina Peso	.0134 India Rupee
.7151 Australian Dollar	.0095 Japan yen
.1941 Brazil Real	.0456 Mexican Peso
.7487 Canadian Dollar	.6685 New Zealand Dollar
.0013 Chile Peso	.2676 Poland Zloty
1.1753 Euro	.0235 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.0456) = 21.9298$  Mexican Pesos. Source: "Wall Street Journal"

**INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA**

Information gathered July 20 - 31, 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 production has increased slightly in Brazil. The temperate climate has slightly improved the productive performance of dairy cows and grain development in various dairy basins. However, raw milk volumes are still less than enough to meet its strong demand among the national food processing industry. That being said, farm-gate milk prices have increased markedly in recent weeks. In the same fashion, spot values for raw milk continue ramping up in the domestic cash market. Cheese and UHT milk manufacturing remain active, driven by milk availability. With new cases of COVID-19 rising, cheese sales into the food-service and hospitality industries are sluggish. However, according to some industry stakeholders, cheese prices are likely to rise in the near term, as stocks in the retail sector are currently low, but consumer demand is expected to rebound very soon.

In Argentina and Uruguay, farm milk production is seasonally up. Available milk supplies are enough to meet most processing needs. In some urban and rural areas with low COVID-19 cases, restaurants and pizzerias are slowly reopening, which has been beneficial to the regional cheese industry. At the retail level, sales of dairy products have decreased significantly due to a general contraction in the economy caused by COVID-19. Furthermore, consumers were generally sufficiently supplied during the early days of COVID-19, resulting in less purchases at the grocery store. However, according to some contacts, with new cases of coronavirus raising, demands for UHT milk, cheese, and yogurt, are anticipated to firm in the short term.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder  
Price Range - 26% Butterfat; \$/MT: 3,000 - 3,350

**Secondary Sourced Information:**

At the GDT Event 264 on July 21, whole milk powder (WMP) prices across all contract periods averaged \$3,218 per metric ton, up 0.6 percent from the last event.

**SKIM MILK POWDER**

In the Southern Cone of South America, skim milk powder (SMP) prices remained unchanged during the past two weeks. Processors are more focused on making WMP rather than SMP, which has resulted in lower SMP inventories. The general demand for SMP is still strong, inside and outside the continent. However, SMP offerings from manufacturers are very limited. The market undertone is unsettled as some contacts anticipate a drop in prices soon, while others are still confused about the current economic dynamics in this volatile 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: 2,650 - 2,750

**Secondary Sourced Information:**

At the GDT Event 264 on July 21, skim milk powder (SMP) prices across all contract periods averaged \$2,680 per metric ton, down 0.5 percent from the last event.

**WHOLE MILK POWDER**

Whole milk powder (WMP) export prices shifted up during the past two weeks. With the domestic demand for some dairy products dropping in some countries, such as Argentina, some manufacturers are capitalizing on the strong international demand for milk powders. Therefore, several processors are currently diverting more milk volumes into dryers. While these manufacturer sales strategies have worked with some clients with high immediate needs, other buyers have become less interested as the price increases. At the moment, WMP inventory levels are reported as steady to building.

## Market Summary and Utilization Report, June 2020

**Highlights.** During June, 9.5 billion pounds of milk were received from Federally pooled producers. This volume of milk is 34.0 percent lower than the June 2019 volume. Regulated handlers pooled 3.5 billion pounds of producer milk as Class I products, up 7.3 percent when compared to the previous year. Class I utilization increased from last year in all 11 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 36%, Class II = 18%, Class III = 14%, and Class IV = 32%. The weighted average statistical uniform price was \$14.74 per cwt, \$1.93 higher than last month and \$2.71 lower than last year.

Federal Milk Order Marketing Area <sup>1</sup>	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I	
		Total <i>(million lbs)</i>	Change from Prev. Year <i>(percent)</i>	Total <i>(million lbs)</i>	Change from Prev. Year <i>(percent)</i>
Northeast (Boston)	001	1,855.6	-17.4	646.5	2.9
Appalachian (Charlotte)	005	388.9	-7.0	322.8	22.7
Florida (Tampa)	006	190.3	0.5	160.3	3.2
Southeast (Atlanta)	007	365.4	-17.3	256.0	1.4
Upper Midwest (Chicago)	030	1,086.9	-66.5	211.9	7.2
Central (Kansas City)	032	833.9	-45.9	359.0	7.8
Mideast (Cleveland)	033	1,293.1	-23.6	522.6	5.1
California (Los Angeles)	051	1,711.1	-27.9	418.1	8.3
Pacific Northwest (Seattle)	124	614.4	-19.3	135.4	6.8
Southwest (Dallas)	126	813.8	-27.3	333.3	11.5
Arizona (Phoenix)	131	375.8	-9.2	98.6	7.9
All Market Total or Average <sup>2</sup>		9,529.3	-34.0	3,464.6	7.3

<sup>1</sup> Each name in parentheses is the major city in the principal pricing point of the market. <sup>2</sup> Totals may not add due to rounding. Averages are the weighted average percent change.

Federal Milk Order Marketing Area <sup>1</sup>	Order Number	Utilization of Producer Milk in All Classes <sup>2</sup>				Uniform Price <sup>3</sup> <i>(\$ per cwt)</i>
		Class I	Class II	Class III	Class IV	
		<i>(percent)</i> <sup>2</sup>				
Northeast (Boston)	001	35	27	19	19	15.66
Appalachian (Charlotte)	005	83	14	<sup>4</sup>	2	15.27
Florida (Tampa)	006	84	14	<sup>4</sup>	2	16.83
Southeast (Atlanta)	007	70	22	2	6	15.38
Upper Midwest (Chicago)	030	19	17	50	13	17.23
Central (Kansas City)	032	43	18	7	32	13.53
Mideast (Cleveland)	033	40	26	10	24	13.99
California (Los Angeles)	051	24	8	1	67	13.13
Pacific Northwest (Seattle)	124	22	6	29	43	15.17
Southwest (Dallas)	126	41	15	1	43	13.42
Arizona (Phoenix)	131	26	9	26	38	15.50
All Market Total or Average <sup>3</sup>		36	18	14	32	14.74

<sup>1</sup> Each name in parentheses is the major city in the principal pricing point of the market. <sup>2</sup> Totals may not add to 100 percent due to rounding. Averages are weighted averages. <sup>3</sup> Statistical uniform prices for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5. <sup>4</sup> Less than 1 percent.

**July 2020 Highlights:** U.S. simple average prices are: \$3.45 per gallon for conventional whole milk, \$3.41 per gallon for conventional reduced fat 2% milk, \$4.09 per half gallon organic whole milk, and \$4.09 per half gallon organic reduced fat 2% milk.

## Retail Prices for Conventional Whole Milk, Average of Three Outlets, Selected Cities, by Months, 2020<sup>1, 2</sup>

City and State	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg <sup>3</sup>
	<i>(dollars per gallon)</i>												
Atlanta, GA	3.76	3.69	3.72	3.74	3.32	3.32	3.32						3.55
Baltimore, MD	4.11	4.11	4.11	4.11	*3.64	3.64	3.49						3.89
Boston, MA	3.38	3.45	3.45	3.45	3.39	3.39	3.52						3.43
Chicago, IL	4.09	4.09	4.09	4.09	4.09	4.09	4.09						4.09
Cincinnati, OH	3.09	3.09	3.09	2.96	2.89	2.92	2.83						2.98
Cleveland, OH	2.82	3.02	2.82	3.02	2.86	2.72	3.02						2.90
Dallas, TX	2.97	2.95	2.89	2.79	2.85	2.75	2.84						2.86
Denver, CO	3.42	3.46	3.49	3.52	3.52	3.42	3.42						3.46
Detroit, MI	2.72	2.79	2.92	2.89	3.09	2.89	2.86						2.88
Hartford, CT	3.66	3.59	3.59	3.59	3.59	3.59	3.69						3.61
Houston, TX	3.37	3.39	3.39	3.39	3.12	3.19	3.07						3.27
Indianapolis, IN	2.78	2.73	2.86	2.78	2.79	2.68	2.67						2.76
Kansas City, MO	4.59	4.51	4.46	4.56	4.21	4.02	4.36						4.39
Louisville, KY	2.29	2.32	2.36	2.26	2.29	2.32	2.29						2.30
Miami, FL	3.96	4.02	4.02	4.02	3.90	3.66	3.78						3.91
Milwaukee, WI	3.76	3.72	3.69	3.72	3.69	3.66	3.66						3.69
Minneapolis, MN	4.19	4.19	4.19	4.12	4.12	4.06	4.12						4.14
New Orleans, LA	4.16	4.13	4.11	4.11	3.74	3.66	3.76						3.95
New York, NY	3.87	3.83	3.85	3.85	3.85	3.85	3.91						3.86
Oklahoma City, OK	3.69	3.35	3.55	3.62	3.62	3.45	3.62						3.56
Philadelphia, PA	3.86	4.18	4.18	4.18	3.98	4.29	4.44						4.16
Phoenix, AZ	2.79	2.79	2.79	2.56	2.56	2.81	2.61						2.70
Pittsburgh, PA	4.39	4.32	4.31	4.35	4.19	4.12	4.17						4.26
Portland, OR	3.42	3.42	3.49	3.42	3.46	3.46	3.42						3.44
Sacramento, CA	<sup>2</sup>	3.86	3.72	3.72	3.65	3.65	3.95						3.76
Seattle, WA	3.62	3.62	3.62	3.32	3.32	3.32	3.22						3.43
St. Louis, MO	3.75	3.75	3.75	3.75	3.75	3.75	3.75						3.75
Syracuse, NY	3.45	3.45	3.48	3.45	3.45	3.45	3.38						3.44
Washington, DC	3.89	3.82	3.82	3.82	*3.64	3.64	3.84						3.78
Wichita, KS	2.36	2.36	2.52	2.52	2.52	2.52	2.52						2.47
Simple Average	3.52	3.53	3.54	3.52	*3.44	3.41	3.45						3.49

\* Revised<sup>1</sup> As collected by Federal milk order market administrators based on a survey conducted one day between the 1st and 10th of each month (excluding Fridays and weekends) in selected cities or metropolitan areas. One outlet of the largest and second largest food store chains and the largest convenience store chain are surveyed. The price represents the most common brand in nonreturnable containers.<sup>2</sup> The California Order became effective November 1, 2018. Retail price data for Sacramento, CA, became available beginning in February 2020.<sup>3</sup> Simple average of monthly prices.

### Retail Prices for Conventional Reduced Fat (2%) Milk, Average of Three Outlets, Selected Cities, by Months, 2020<sup>1, 2</sup>

City and State	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg <sup>3</sup>
	<i>(dollars per gallon)</i>												
Atlanta, GA	3.76	3.66	3.69	3.74	3.32	3.32	3.32						3.54
Baltimore, MD	4.11	4.11	4.11	4.11	*3.64	3.64	3.49						3.89
Boston, MA	3.34	3.44	3.44	3.44	3.35	3.36	3.49						3.41
Chicago, IL	3.99	3.99	3.99	4.02	3.99	3.99	3.99						3.99
Cincinnati, OH	3.09	3.09	3.09	2.96	2.89	2.92	2.83						2.98
Cleveland, OH	2.82	3.02	2.82	3.02	2.86	2.72	3.02						2.90
Dallas, TX	2.97	2.95	2.89	2.79	2.85	2.72	2.80						2.85
Denver, CO	3.42	3.46	3.49	3.52	3.52	3.42	3.42						3.46
Detroit, MI	2.76	2.79	2.92	2.86	3.09	2.89	2.82						2.88
Hartford, CT	3.60	3.54	3.54	3.52	3.52	3.52	3.62						3.55
Houston, TX	3.37	3.39	3.39	3.39	3.12	3.19	3.12						3.28
Indianapolis, IN	2.78	2.73	2.86	2.78	2.79	2.68	2.67						2.76
Kansas City, MO	4.36	4.19	4.29	4.36	4.04	3.88	4.14						4.18
Louisville, KY	2.29	2.32	2.36	2.26	2.29	2.32	2.29						2.30
Miami, FL	3.96	4.02	4.02	4.02	3.90	3.66	3.78						3.91
Milwaukee, WI	3.66	3.62	3.59	3.62	3.59	3.52	3.56						3.59
Minneapolis, MN	4.19	4.19	4.19	4.12	4.12	4.06	4.12						4.14
New Orleans, LA	4.16	4.13	4.11	4.11	3.74	3.66	3.76						3.95
New York, NY	3.85	3.79	3.83	3.83	3.83	3.83	3.90						3.84
Oklahoma City, OK	3.52	3.25	3.29	3.35	3.35	3.22	3.45						3.35
Philadelphia, PA	3.61	3.97	3.98	3.98	3.86	4.18	4.34						3.99
Phoenix, AZ	2.79	2.79	2.79	2.56	2.56	2.81	2.61						2.70
Pittsburgh, PA	4.18	4.11	4.11	4.15	3.98	3.94	4.01						4.07
Portland, OR	3.42	3.42	3.49	3.42	3.46	3.46	3.42						3.44
Sacramento, CA	<sup>2</sup>	3.65	3.59	3.58	3.58	3.58	3.88						3.64
Seattle, WA	3.62	3.62	3.62	3.32	3.32	3.32	3.22						3.43
St. Louis, MO	3.72	3.72	3.72	3.72	3.72	3.72	3.69						3.72
Syracuse, NY	3.25	3.21	3.21	3.18	3.18	3.18	3.11						3.19
Washington, DC	3.89	3.82	3.82	3.82	*3.64	3.64	3.84						3.78
Wichita, KS	2.36	2.36	2.52	2.52	2.52	2.52	2.52						2.47
Simple Average	3.48	3.48	3.49	3.47	*3.39	3.36	3.41						3.44

\* Revised: <sup>1</sup> As collected by Federal milk order market administrators based on a survey conducted one day between the 1st and 10th of each month (excluding Fridays and weekends) in selected cities or metropolitan areas. One outlet of the largest and second largest food store chains and the largest convenience store chain are surveyed. The price represents the most common brand in nonreturnable containers. <sup>2</sup> The California Order became effective November 1, 2018. Retail price data for Sacramento, CA, became available beginning in February 2020. <sup>3</sup> Simple average of monthly prices.

**Retail Prices for Organic Whole Milk,  
Average of Two Outlets, Selected Cities, by Months, 2020<sup>1,2</sup>**

City and State <sup>2</sup>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg <sup>3</sup>
	<i>(dollars per half gallon)</i>												
Atlanta, GA	3.59	3.03	3.27	3.27	3.27	3.27	3.27						3.28
Baltimore, MD	4.11	4.11	4.11	4.11	4.69	4.69	5.19						4.43
Boston, MA	3.67	3.74	3.74	3.74	3.74	3.74	3.74						3.73
Chicago, IL	4.49	4.49	4.49	4.49	4.64	4.64	4.49						4.53
Cincinnati, OH	3.29	3.29	3.29	4.14	3.49	3.29	3.29						3.44
Cleveland, OH	3.79	3.79	3.79	3.79	3.79	3.54	3.54						3.72
Dallas, TX	3.21	3.21	3.21	3.21	3.21	3.21	3.21						3.21
Denver, CO	3.39	3.39	3.39	3.39	3.39	3.29	3.39						3.38
Detroit, MI	3.29	3.29	3.29	3.29	3.29	3.29	3.29						3.29
Hartford, CT	3.68	3.88	3.88	3.88	3.88	3.88	3.88						3.85
Houston, TX	3.14	3.14	3.14	3.14	3.14	3.14	3.14						3.14
Indianapolis, IN	3.15	3.15	3.15	3.15	3.15	3.15	3.15						3.15
Kansas City, MO	4.13	4.13	4.13	4.13	4.43	4.43	4.68						4.29
Louisville, KY	3.15	3.15	3.15	3.15	3.15	3.15	3.15						3.15
Miami, FL	4.05	4.05	4.05	4.05	4.05	4.05	4.05						4.05
Milwaukee, WI	4.89	4.89	4.89	4.89	4.89	4.89	4.89						4.89
Minneapolis, MN	4.29	4.29	4.14	4.14	4.44	4.29	4.29						4.27
New Orleans, LA	4.99	4.29	4.29	4.29	4.29	4.29	4.99						4.49
New York, NY	3.74	3.71	3.71	3.71	3.71	3.71	3.71						3.71
Oklahoma City, OK	4.73	5.03	5.23	5.23	5.23	5.23	5.23						5.13
Philadelphia, PA	4.69	4.69	4.69	4.69	3.99	4.44	5.14						4.62
Phoenix, AZ	3.89	3.89	3.89	4.04	3.89	3.89	3.89						3.91
Pittsburgh, PA	5.59	5.84	5.84	5.59	5.59	5.84	5.84						5.73
Portland, OR	4.39	4.34	4.34	4.34	4.34	4.34	4.34						4.35
Sacramento, CA	<sup>2</sup>	4.29	3.99	3.99	3.99	3.99	3.99						4.04
Seattle, WA	3.84	3.84	3.84	3.39	3.39	3.39	3.39						3.58
St. Louis, MO	5.19	5.19	5.19	5.19	5.19	5.49	5.34						5.25
Syracuse, NY	4.24	4.24	4.24	4.24	4.24	4.24	3.74						4.17
Washington, DC	4.05	4.09	4.09	4.09	4.69	4.69	5.19						4.41
Wichita, KS	3.15	3.15	3.15	3.15	3.15	3.15	3.15						3.15
Simple Average	3.99	3.99	3.99	4.00	4.01	4.02	4.09						4.01

<sup>1</sup> As collected by Federal milk order market administrators based on a survey conducted one day between the 1st and 10th of each month (excluding Fridays and weekends) in selected cities or metropolitan areas. One outlet of the largest and second largest food store chains are surveyed. The price represents the most common brand in nonreturnable containers. <sup>2</sup> The California Order became effective November 1, 2018. Retail price data for Sacramento, CA, became available beginning in February 2020. <sup>3</sup> Simple average of monthly prices.

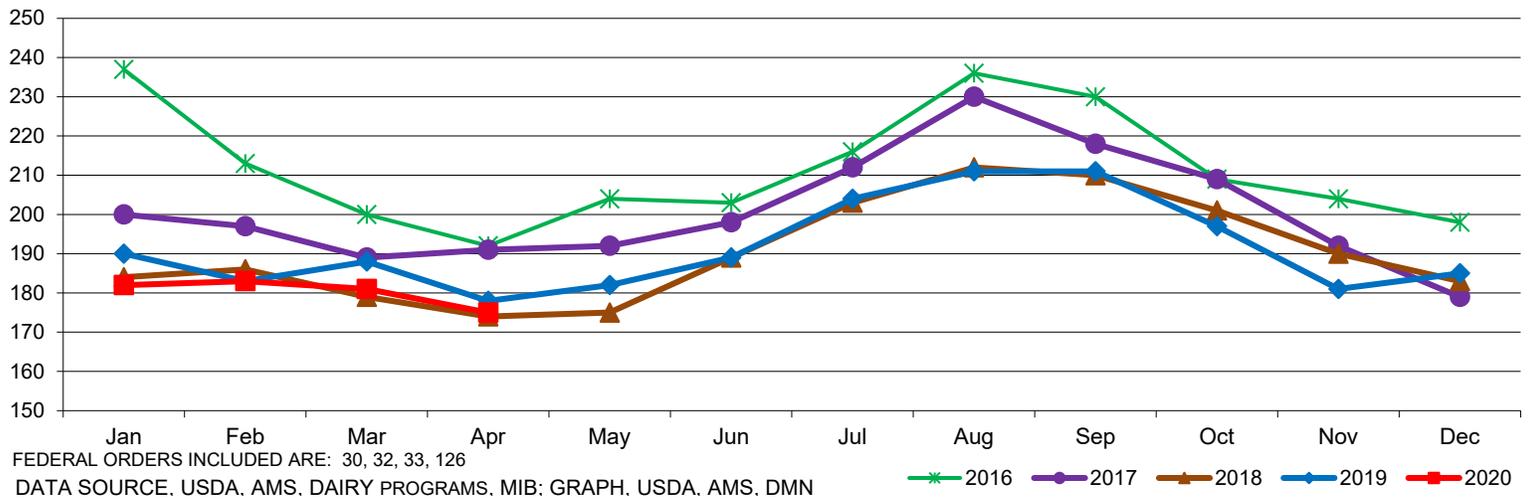
**Retail Prices for Organic Reduced Fat (2%) Milk,  
Average of Two Outlets, Selected Cities, by Months, 2020<sup>1,2</sup>**

City and State	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg <sup>3</sup>
	<i>(dollars per half gallon)</i>												
Atlanta, GA	3.59	3.03	3.27	3.27	3.27	3.27	3.27						3.28
Baltimore, MD	4.11	4.11	4.11	4.11	4.69	4.69	5.19						4.43
Boston, MA	3.67	3.71	3.71	3.71	3.71	3.71	3.71						3.70
Chicago, IL	4.49	4.49	4.49	4.49	4.64	4.64	4.49						4.53
Cincinnati, OH	3.29	3.29	3.29	4.14	3.49	3.29	3.29						3.44
Cleveland, OH	3.79	3.79	3.79	3.79	3.79	3.54	3.54						3.72
Dallas, TX	3.21	3.21	3.21	3.21	3.21	3.21	3.21						3.21
Denver, CO	3.39	3.39	3.39	3.39	3.39	3.29	3.39						3.38
Detroit, MI	3.29	3.29	3.29	3.29	3.29	3.29	3.29						3.29
Hartford, CT	3.68	3.88	3.88	3.88	3.88	3.88	3.88						3.85
Houston, TX	3.14	3.14	3.14	3.14	3.14	3.14	3.14						3.14
Indianapolis, IN	3.15	3.15	3.15	3.15	3.15	3.15	3.15						3.15
Kansas City, MO	4.13	4.13	4.13	4.13	4.43	4.43	4.68						4.29
Louisville, KY	3.15	3.15	3.15	3.15	3.15	3.15	3.15						3.15
Miami, FL	4.05	4.05	4.05	4.05	4.05	4.05	4.05						4.05
Milwaukee, WI	4.89	4.89	4.89	4.89	4.89	4.89	4.89						4.89
Minneapolis, MN	4.29	4.29	4.14	4.14	4.44	4.29	4.29						4.27
New Orleans, LA	4.99	4.29	4.29	4.29	4.29	4.29	4.99						4.49
New York, NY	3.74	3.71	3.71	3.71	3.71	3.71	3.71						3.71
Oklahoma City, OK	4.73	5.03	5.23	5.23	5.23	5.23	5.23						5.13
Philadelphia, PA	4.69	4.69	4.69	4.69	3.99	4.44	5.14						4.62
Phoenix, AZ	3.89	3.89	3.89	4.04	3.89	3.89	3.89						3.91
Pittsburgh, PA	5.59	5.84	5.84	5.59	5.59	5.84	5.84						5.73
Portland, OR	4.39	4.34	4.34	4.34	4.34	4.34	4.34						4.35
Sacramento, CA	<sup>2</sup>	4.29	3.99	3.99	3.99	3.99	3.99						4.04
Seattle, WA	3.84	3.84	3.84	3.39	3.39	3.39	3.39						3.58
St. Louis, MO	5.19	5.19	5.19	5.19	5.19	5.49	5.34						5.25
Syracuse, NY	4.24	4.24	4.24	4.24	4.24	4.24	3.74						4.17
Washington, DC	4.05	4.09	4.09	4.09	4.69	4.69	5.19						4.41
Wichita, KS	3.15	3.15	3.15	3.15	3.15	3.15	3.15						3.15
Simple Average	3.99	3.99	3.99	4.00	4.01	4.02	4.09						4.01

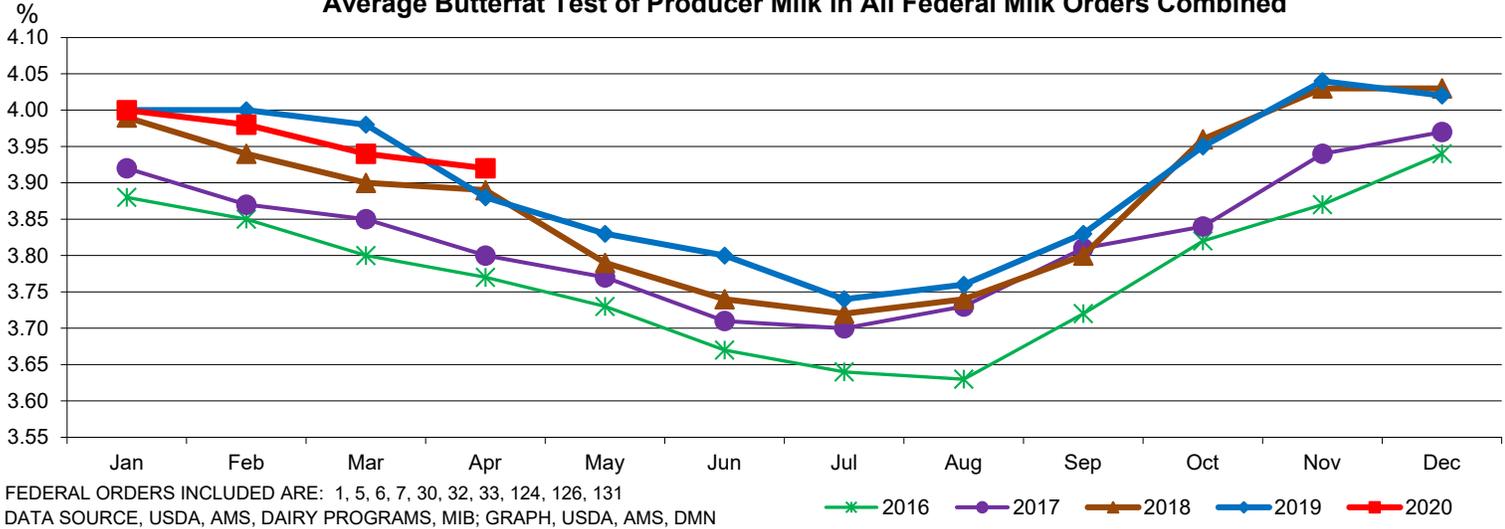
<sup>1</sup> As collected by Federal milk order market administrators based on a survey conducted one day between the 1st and 10th of each month (excluding Fridays and weekends) in selected cities or metropolitan areas. One outlet of the largest and second largest food store chains are surveyed. The price represents the most common brand in nonreturnable containers. <sup>2</sup> The California Order became effective November 1, 2018. Retail price data for Sacramento, CA, became available beginning in February 2020. <sup>3</sup> Simple average of monthly prices.

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

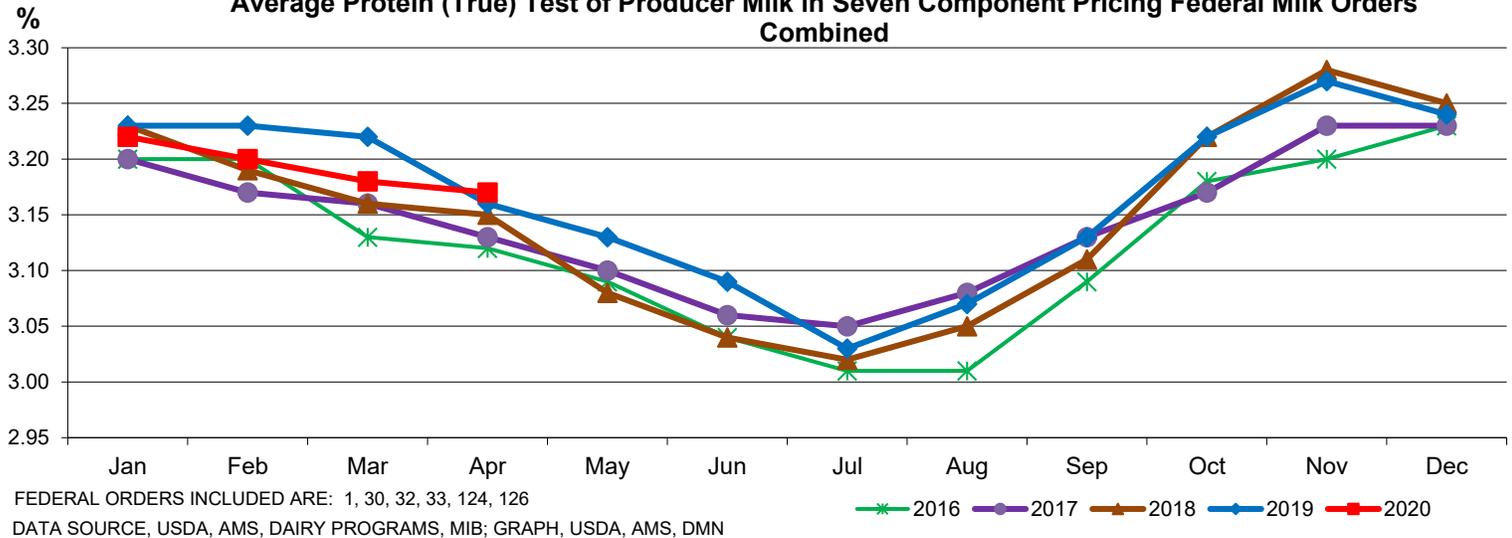
THOUSANDS



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



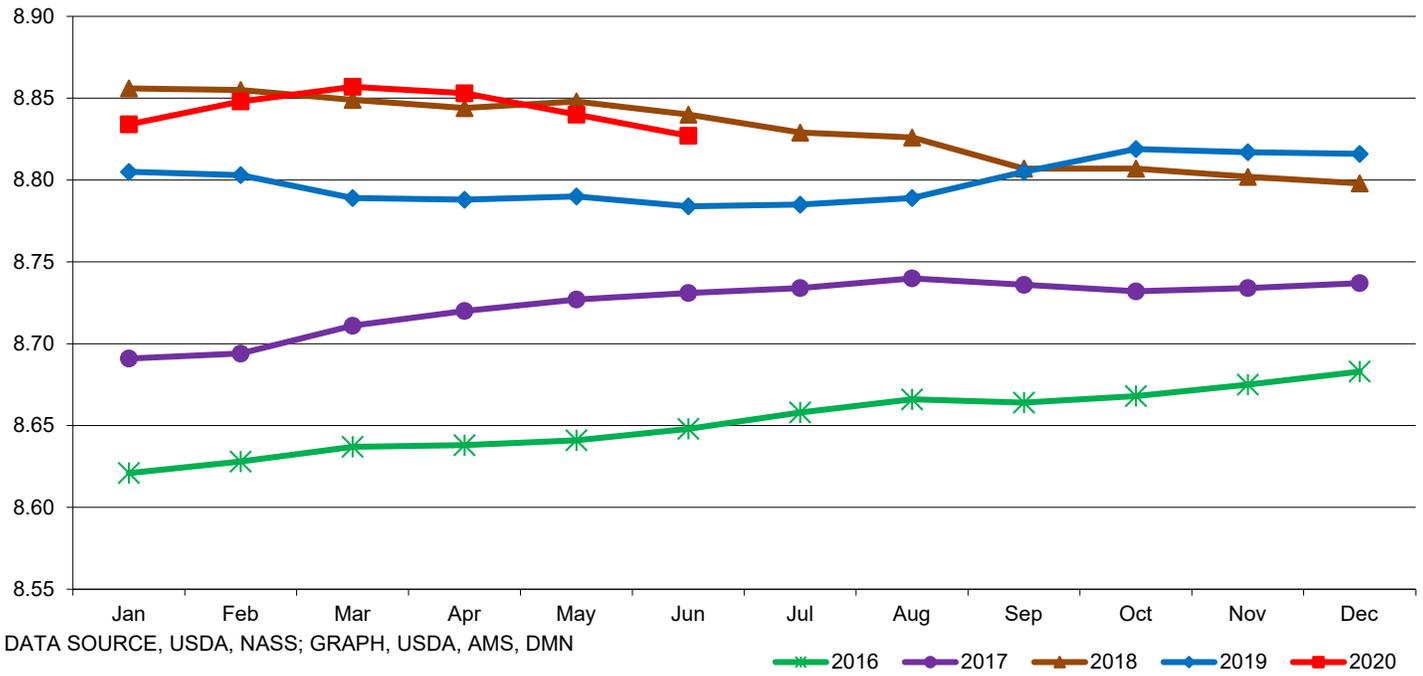
**Average Protein (True) Test of Producer Milk in Seven Component Pricing Federal Milk Orders Combined**



\*\*\*Graph updated from Report 30, Page G1.

MILLION HEAD

### Milk Cow Numbers - 24 Selected States



\* Beginning with May 2019, data represents 24 major states, with the addition of Georgia to the major states tracked.



## 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, July 31, 2020

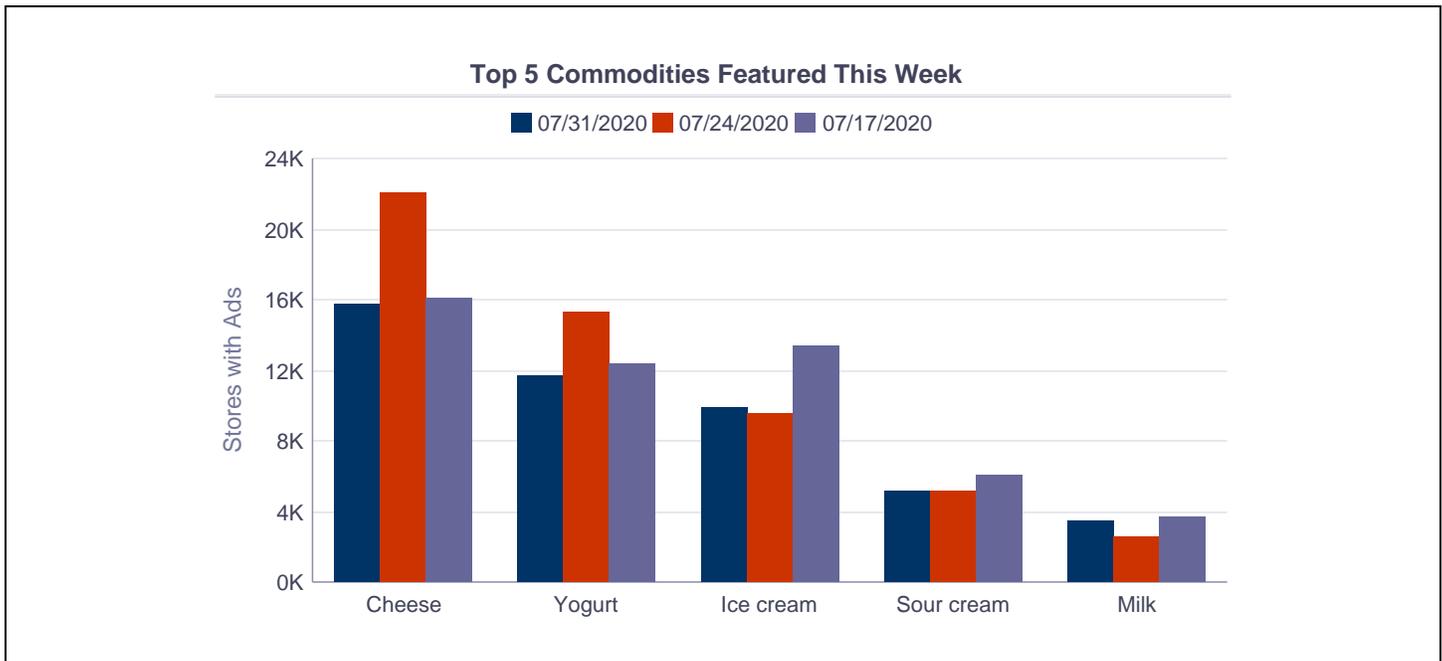
### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 07/31/2020 to 08/06/2020

Dairy retail advertisement totals decreased in the conventional sector, although totals are higher in the organic sector this reporting period. Conventional retail ads decreased by 19 percent, while organic ads increased by 52 percent. As July comes to a close, conventional ice cream, in 48-64oz containers, was the most advertised dairy item this week. Organic milk, in half gallon containers, was the most advertised organic item.

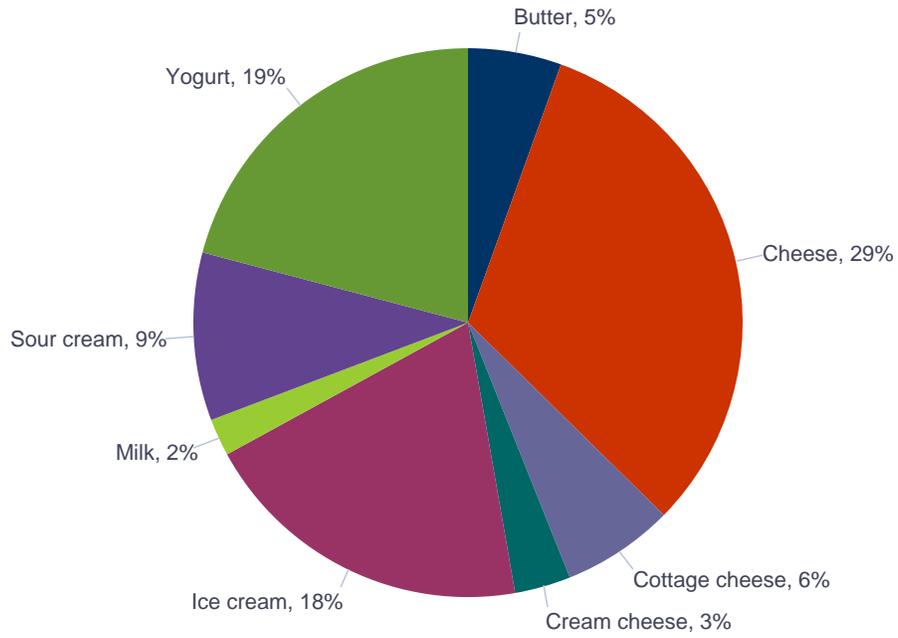
Conventional cheese, in 8 oz shred packaging, was the most advertised cheese item. Conventional cheese ads, in 1 pound block and 1 pound shred packaging, were both higher, by 120 percent and 920 percent, respectively. The weighted average price of 8 oz shred cheese was \$2.39, compared to \$2.20 last week.

Organic milk, in half gallon containers, saw a percentage increase, 38 percent. The weighted average price for conventional milk, in half gallon containers, was \$1.98, compared to \$3.79 for organic milk, an organic premium of \$1.81.

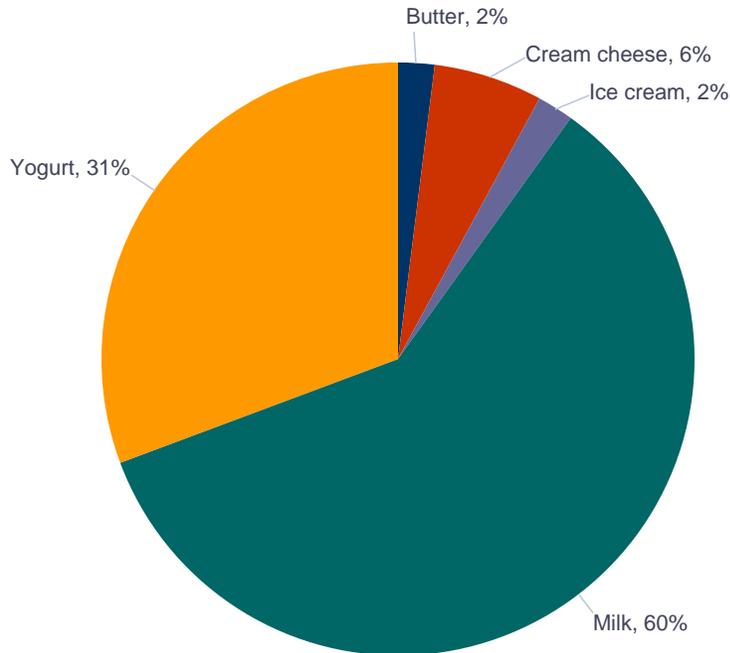
Organic yogurt in 32oz containers held a weighted average price of \$2.99, compared to the conventional weighted average price of \$2.67, an organic premium of \$.32.



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 #	2614	2.71	2803	3.00	3176	3.27
Cheese	Natural Varieties	8 oz block	3248	2.51	8584	2.27	7374	2.18
Cheese	Natural Varieties	1 # block	2283	3.45	1037	3.95	1511	4.23
Cheese	Natural Varieties	2 # block	2692	6.15	2681	6.08	1621	5.43
Cheese	Natural Varieties	8 oz shred	4623	2.39	9405	2.20	7070	2.22
Cheese	Natural Varieties	1 # shred	2917	3.66	286	3.99	686	4.71
Cottage cheese		16 oz	3124	1.78	1840	1.69	3195	1.99
Cream cheese		8 oz	1483	2.14	3993	1.79	4813	2.36
Flavored milk	All fat tests	half gallon	106	1.49	580	1.53	273	2.37
Flavored milk	All fat tests	gallon					285	3.88
Ice cream		48-64oz	9873	3.00	9561	2.90	8967	3.02
Milk	All fat tests	half gallon	868	1.98	660	1.67	599	2.27
Milk	All fat tests	gallon	394	2.15	200	2.89	977	3.16
Sour cream		16 oz	5231	1.74	5202	1.42	5087	1.78
Yogurt	Greek	4-6 oz	4394	.93	8044	.95	6888	.97
Yogurt	Greek	32 oz	1360	4.40	1868	4.26	394	4.84
Yogurt	Yogurt	4-6 oz	4472	.51	3978	.50	4658	.48
Yogurt	Yogurt	32 oz	326	2.67	1108	2.29	659	2.54

## REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-3.50	1581	2.69				2.50-3.50	832	2.66
Cheese	Natural Varieties	8 oz block	1.88-3.00	975	2.23	2.00-2.99	983	2.65	1.99-3.00	744	2.48
Cheese	Natural Varieties	1 # block	2.50-4.99	992	3.74	3.00	1002	3.00			
Cheese	Natural Varieties	2 # block				5.34-6.99	1150	5.43			
Cheese	Natural Varieties	8 oz shred	1.88-3.00	1676	2.36	2.00-3.00	967	2.37	1.99-3.00	593	2.43
Cheese	Natural Varieties	1 # shred	3.00-5.49	624	4.06	3.00-3.99	2004	3.50			
Cottage cheese		16 oz	1.69-3.00	1241	2.18	0.79-2.50	328	1.91	0.79-2.29	1005	1.23
Cream cheese		8 oz	1.33-3.00	1020	2.04	1.33-3.00	122	2.17	2.25-3.00	223	2.64
Flavored milk	All fat tests	half gallon							1.49	106	1.49
Ice cream		48-64oz	1.99-3.99	2588	3.14	1.99-4.99	1877	2.34	1.99-5.49	1686	2.98
Milk	All fat tests	half gallon				0.99	114	.99	0.88-1.19	345	1.02
Milk	All fat tests	gallon							1.67	250	1.67
Sour cream		16 oz	1.50-2.50	1764	1.96	0.79-2.00	1536	1.84	0.79-1.99	936	1.06
Yogurt	Greek	4-6 oz	0.80-1.00	1863	.95	0.80-1.00	590	.94	0.80-1.00	972	.89
Yogurt	Greek	32 oz	3.49-5.00	464	4.13	5.00	214	5.00	4.99	331	4.99
Yogurt	Yogurt	4-6 oz	0.50-0.79	1192	.55	0.49	120	.49	0.40-0.60	1192	.52

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	2.50-2.99	210	2.76				2.50	116	2.50

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
Butter		1 #	2.49	121	2.49				3.99	69	3.99
Cheese	Natural Varieties	8 oz block	2.25-2.50	154	2.34	3.00	246	3.00	2.50-2.99	135	2.74
Cheese	Natural Varieties	1 # block							3.99	289	3.99
Cheese	Natural Varieties	2 # block	5.99-6.96	1094	6.85	5.99-8.99	262	6.70	5.99	138	5.99
Cheese	Natural Varieties	8 oz shred	1.90-2.50	584	2.23	1.99-3.00	675	2.56	2.50	69	2.50
Cheese	Natural Varieties	1 # shred							3.99	289	3.99
Cottage cheese		16 oz	0.79-2.68	539	1.83						
Cream cheese		8 oz	1.99	118	1.99						
Ice cream		48-64oz	1.99-5.99	1331	3.32	2.49-6.99	1848	3.28	2.97-2.99	425	2.98
Milk	All fat tests	half gallon	0.90	78	.90	1.99-4.49	320	3.55			
Milk	All fat tests	gallon	2.99	133	2.99						
Sour cream		16 oz	0.79-2.00	467	1.70	1.99	246	1.99	1.79-2.00	243	1.94
Yogurt	Greek	4-6 oz	0.50-1.00	308	.74	0.99-1.00	257	1.00	0.89-1.00	328	.96
Yogurt	Greek	32 oz				3.99	246	3.99	3.49	105	3.49
Yogurt	Yogurt	4-6 oz	0.39-0.50	852	.48	0.39-0.49	663	.43	0.39-0.60	394	.54

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.00	11	3.00			
Cheese	Natural Varieties	8 oz block	3.67	11	3.67			
Cheese	Natural Varieties	2 # block	5.00	21	5.00	5.00	27	5.00
Cheese	Natural Varieties	8 oz shred	1.99-3.67	32	2.57	2.49	27	2.49
Cottage cheese		16 oz	1.49	11	1.49			
Ice cream		48-64oz	2.49-3.50	64	2.83	3.49-3.99	54	3.74
Milk	All fat tests	half gallon	3.99	11	3.99			
Milk	All fat tests	gallon	2.99	11	2.99			
Sour cream		16 oz	1.49-2.49	39	2.21			
Yogurt	Greek	4-6 oz	1.25-1.67	49	1.49	1.67	27	1.67
Yogurt	Yogurt	4-6 oz	0.39-0.50	32	.43	0.49	27	.49

**NATIONAL -- ORGANIC DAIRY PRODUCTS**



Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	69	6.99	221	6.39	214	5.99
Cheese	Natural Varieties	8 oz shred					148	3.53
Cream cheese		8 oz	214	2.50	214	2.50	392	2.59
Ice cream		48-64oz	72	6.99				
Milk	All fat tests	half gallon	2041	3.79	1475	4.09	2944	3.61
Milk	All fat tests	gallon	147	6.99	214	4.99	621	5.11
Sour cream		16 oz					214	2.50
Yogurt	Greek	4-6 oz					230	1.00
Yogurt	Greek	32 oz	114	4.99			114	5.44
Yogurt	Yogurt	4-6 oz			133	.98	168	1.28
Yogurt	Yogurt	32 oz	1002	2.99	147	3.49	227	2.89

### 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				2.50	214	2.50			
Milk	All fat tests	half gallon	3.50-4.99	394	4.20	3.50	1002	3.50			
Milk	All fat tests	gallon	6.99	147	6.99						
Yogurt	Greek	32 oz				4.99	114	4.99			
Yogurt	Yogurt	32 oz				2.99	1002	2.99			

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
Ice cream		48-64oz	6.99	72	6.99						
Milk	All fat tests	half gallon	3.99	72	3.99	3.99	284	3.99	3.99	289	3.99

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



# Dairy Market News

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

Volume 87, Report 31

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