

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (10/9)

BUTTER: Grade AA closed at \$1.4125. The weekly average for Grade AA is \$1.4420 (-0.0665).

CHEESE: Barrels closed at \$2.0550 and 40# blocks at \$2.6475. The weekly average for barrels is \$2.0100 (+0.1980) and blocks, \$2.6465 (+0.0690).

NONFAT DRY MILK: Grade A closed at \$1.1250. The weekly average for Grade A is \$1.1265 (-0.0010).

DRY WHEY: Extra grade dry whey closed at \$0.3950. The weekly average for dry whey is \$0.3955 (+0.0085).

CHEESE HIGHLIGHTS: Cheese inventory reports are tight and/or tightening across the country. Even as some customers have stepped back due to current market prices, cheese producers are confident of their return when buyers' supplies begin to run short, while some are also fulfilling governmental bids. Spot milk prices were \$1 to \$1.50 over Class on slow trading. Spot milk has tightened from a few weeks ago. Class I demands have increased, as more schools are opening their physical doors. Therefore, more milk is being dispersed. Still, most cheesemakers report balanced milk supplies. Cheese market tones have been and are mostly positive. There remains a large gap between block and barrel prices on the CME, but with both markets at \$2+, cheese contacts are far from nonplussed at the moment.

BUTTER HIGHLIGHTS: With ice cream production seasonally diminishing, more cream is balancing into butter manufacturing across the nation. The exception is the Central region, where butter plant managers say that cream supplies are tightening up. In some regions of the country, bulk butter micro-fixing is active in order to produce print butter. As the year-end holidays approach, manufacturers are reviewing their processing capacities and ensuring that they are prepared for the seasonal increase in butter demands. Butter supplies are readily available to meet all requests. Regionally, bulk prices are 2.0 to 7.0 cents over the market in the East; flat to 7.0 in the Central, and 4.5 to 7.5 above the market in the West.

FLUID MILK: Seasonal fall weather, with cooler temperatures, is common over most of the United States and in turn supports a steady to high trend in farm level milk output. In the Central region, the southern portion of the region milk shows yields are higher. In the East, Florida's output is picking up, while farm milk is steady in the Northeast. Western milk production is generally stable throughout the region, with slightly higher volumes in New Mexico. Handlers report there are few movements of milk across the state line into Arizona. Class I bottling demand has increased as more schools open their doors. Cream markets are active as Class II and Class III increase their demand for available supplies. Contracts are being negotiated for next year. F.O.B. cream multiples for all Classes are **1.30-1.42** in the East; **1.24-1.38** in the Midwest; and **1.05-1.26** in the West.

DRY PRODUCTS: The low/medium heat nonfat dry milk market is steady to higher in the range across regions. The market has been willing to follow the market higher for immediate availability. Mexico interest is steady to lighter. Dry buttermilk prices are steady to higher in the Central and East, while steady in the West. Demand is improving at seasonal rates, with active churning supporting dry buttermilk availability. Dry whole milk prices are mixed this week. Demand from bakery and confectionery sectors is good. Production is sporadic. Dry whey prices are higher in the West and Northeast, but mixed in the Central region. Demand is stable as sales improve. Production is active. The whey protein concentrate 34 percent prices are higher. Buyer spot interest rose this week. Production is steady to lower. Lactose prices are unchanged. Production is steady as stocks increase. Rennet casein prices are lower. Acid casein prices are steady.

INTERNATIONAL DAIRY MARKET NEWS: WESTERN EUROPE OVERVIEW: Autumn weather in Western Europe has been favorable to milk production. Most of the primary producing countries have reported year on year increases in recent weeks. While an annual increase is expected for 2020, some dairy experts in

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DAIRY MARKET NEWS PRICE SUMMARY FOR OCTOBER 5 - 9, 2020 PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Mostly		Commodity	Range		Mostly		Commodity	Range		Mostly	
NDM					BUTTERMILK					LACTOSE				
Central Low/Med. Heat	1.0700	1.1600	1.0900	1.1200	Central/East	0.9500	1.0300			Central/West	0.3900	0.6300	0.4550	0.5500
Change	0.0100	N.C.	0.0100	N.C.	Change	0.0400	N.C.			Change	N.C.	N.C.	N.C.	N.C.
Central High Heat	1.1300	1.2500			West	0.9000	1.0300	0.9300	0.9800	WPC 34%				
Change	0.0100	0.0100			Change	N.C.	N.C.	N.C.	N.C.	Central/West	0.7500	1.0400	0.8200	0.9400
West Low/Med. Heat	1.0225	1.1750	1.1000	1.1500	WHEY					Change	0.0400	0.0150	0.0150	0.0150
Change	0.0025	0.0075	0.0200	0.0100	Central	0.2800	0.3700	0.3200	0.3500	CASEIN				
West High Heat	1.1000	1.3050			Change	N.C.	N.C.	0.0050	N.C.	Rennet	3.4650	3.5450		
Change	N.C.	0.0075			West	0.3225	0.4000	0.3450	0.3800	Change	-0.0050	-0.0075		
DRY WHOLE MILK					Change	0.0050	0.0150	0.0150	0.0200	Acid	3.6000	3.8000		
National	1.5500	1.7500			Northeast	0.3100	0.3800			Change	N.C.	N.C.		
Change	-0.0300	N.C.			Change	0.0100	0.0225			ANIMAL FEED WHEY				
										Central	0.2800	0.3000		
										Change	0.0100	N.C.		

DAIRY MARKET NEWS PRICE SUMMARY FOR SEPTEMBER 28 - OCTOBER 9, 2020 PRICES (\$/MT) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Commodity	Range		Commodity	Range	
SMP			WHOLE MILK POWDER			BUTTER		
W. Europe	2500	2700	W. Europe	3150	3375	W. Europe	3950	4200
Change	-25	-25	Change	-50	-25	Change	-50	-25
Oceania	2850	3225	Oceania	2950	3125	Oceania	3275	3700
Change	-25	200	Change	N.C.	75	Change	25	300
S. America	2750	2950	S. America	3000	3100	BUTTEROIL		
Change	N.C.	N.C.	Change	50	-50	W. Europe	4700	5075
WHEY						Change	-150	N.C.
W. Europe	850	1025				CHEDDAR CHEESE		
Change	25	N.C.				Oceania	3650	3875
						Change	25	150

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

Western Europe caution that the pace of recent YOY increases folded into full 2020 data may effectively slow in the final three months of 2020 because in 2019, it was the final quarter where growth really broke through and lifted the annual data. Milk production is seasonally declining. Germany is heading toward the seasonal low in November. A similar pattern is noted in France. **EASTERN EUROPE OVERVIEW:** In Poland January – August 2020 milk production was reported as 4.7 percent higher than January – August 2019 according to CLAL data provided to USDA. Production of some dairy commodities in Poland January – August 2020 compared with January – August 2019, are cheese, +4.0 percent; butter, +8.9 percent; and SMP, +5.8 percent.

OCEANIA OVERVIEW: AUSTRALIA: An organization representing dairy producers in Australia just projected that seasonal milk production will increase. Outcomes of this season are expected to be the best in three years. Factors cited include favorable weather, lower input costs, and relatively firm farmgate milk process. **NEW ZEALAND:** Dairy manufacturers are generally pleased the strong start to the milk production season, but some believe early gains may ease moving later into the season. Last week storms brought snow and freezing temperatures to parts of the South Island which temporarily disrupted milk production. Production has bounced back and is not expected to have much of an impact on the overall season. A side benefit was that the storm brought much needed rain to the rest of New Zealand, where September has been drier than what dairy producers wanted.

SOUTH AMERICA OVERVIEW: Except for Brazil, farm milk production is generally improving throughout the main dairy basins of South America as the spring flush approaches. Although drought conditions have improved a bit in **Brazil**, farm milk production has stagnated, and raw milk volumes are below the levels of the previous year. In general, milk intakes are less than adequate to meet most processing needs, while inventory levels for most dairy products remain low. Having said this, farmgate milk prices had increased drastically as competition for raw milk among processors continues to rage. Higher farmgate milk prices are translating into higher prices for dairy products at the retail level. In **Argentina and Uruguay**, rainfalls are spurring pasture quality in the main dairy basins of the countries. However, some dry climate is anticipated by the end of the year because of La Niña. So far, farm milk intakes are more than adequate for processing needs as higher than anticipated milk intakes continue balancing into milk powders. Moreover, throughout the spring flush, milk/cream intakes are anticipated to be more accessible for processing.

NATIONAL RETAIL REPORT (DMN): This week, the total number of conventional ads decreased 6 percent, and organic ads decreased 4 percent. Conventional ice cream in 48-64 oz containers is the most advertised dairy item. The weighted average price for conventional 48 to 64-ounce ice cream packages is \$3.38, up 21 cents from last week. Ads for conventional 1-pound butter increased 27 percent, with a weighted average advertised price of \$3.26, up 26 cents from last week. The total number of conventional cheese ads decreased 11 percent. The weighted average price for 8-ounce conventional cheese shreds was \$2.35, up 2 cents from last week. There are no organic cheese ads this week. The national weighted average advertised price for conventional milk in half gallons is \$2.41, compared to \$4.31 for organic milk half gallons. This results in an organic premium of \$1.90. The total number of conventional milk ads increased 41 percent. Organic milk ad numbers increased 31 percent.

AUGUST DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 152 million pounds, 7.8 percent above August 2019, but 1.6 percent below July 2020. American type cheese production totaled 446 million pounds, 1.3 percent below August 2019, and 1.9 percent below July 2020. Total cheese output (excluding cottage cheese) was 1.09 billion pounds, 2.1 percent below August 2019, and 1.6 percent

below July 2020. Nonfat dry milk production, for human food, totaled 144 million pounds, 8.8 percent above August 2019, but 11.7 percent below July 2020. Dry whey production, for human food, was 79 million pounds, 5.8 percent below August 2019, and 4.8 percent below July 2020. Ice cream, regular hard production, totaled 69.1 million gallons, 7.6 percent above August 2019, but 3.5 percent below July 2020.

COMMODITY	MONDAY OCT 5	TUESDAY OCT 6	WEDNESDAY OCT 7	THURSDAY OCT 8	FRIDAY OCT 9	:: WEEKLY CHANGE	:: WEEKLY AVERAGE
CHEESE							
BARRELS	\$1.9900 (+0.0350)	\$2.0000 (+0.0100)	\$2.0000 (N.C.)	\$2.0050 (+0.0050)	\$2.0550 (+0.0500)	:: :: (+0.1000)	:: :: (\$2.0100 (+0.1980))
40 POUND BLOCKS	\$2.6375 (+0.0275)	\$2.6500 (+0.0125)	\$2.6500 (N.C.)	\$2.6475 (-0.0025)	\$2.6475 (N.C.)	:: :: (+0.0375)	:: :: (\$2.6465 (+0.0690))
NONFAT DRY MILK							
GRADE A	\$1.1300 (+0.0075)	\$1.1300 (N.C.)	\$1.1300 (N.C.)	\$1.1175 (-0.0125)	\$1.1250 (+0.0075)	:: :: (+0.0025)	:: :: (\$1.1265 (-0.0010))
BUTTER							
GRADE AA	\$1.4800 (-0.0300)	\$1.4725 (-0.0075)	\$1.4500 (-0.0225)	\$1.3950 (-0.0550)	\$1.4125 (+0.0175)	:: :: (-0.0975)	:: :: (\$1.4420 (-0.0665))
DRY WHEY							
EXTRA GRADE	\$0.3975 (+0.0075)	\$0.3950 (-0.0025)	\$0.3950 (N.C.)	\$0.3950 (N.C.)	\$0.3950 (N.C.)	:: :: (+0.0050)	:: :: (\$0.3955 (+0.0085))

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

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

BUTTER MARKETS

NORTHEAST

Churning activity is healthy. Most Eastern butter producers are absorbing local cream supplies with minimal outside cream being secured, as the ice cream strain diminishes, leaving more cream for the butter churning. Cream prices have been fairly steady in the region, as multiples range 1.33-1.42. Micro-fixing frozen inventoried bulk continues, with plenty to do so, as butter manufacturers weigh that against their locked in fall sales and anticipated orders. Fall baking needs are a shot in the arm for retail butter sales, as the market gains seasonal momentum. The DMN retail store survey noted advertisements, this period, grew 1893 percent in the Southeast and 42 percent in the Northeast for conventional butter, compared to the previous survey period. Ads are up 137 percent countrywide. Food service orders are steady, but well below what the market would routinely expect as mid to higher end restaurant traffic remains abysmal. The bulk butter price for the region is reported 2-7 cents over the CME Group, with various time frames and averages used. CME wholesale butter prices have trended lower.

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 the day at \$1.4725 down from the \$1.5100 close a week ago.

CME MONTHLY AVERAGE PRICE

The CME Group September 2020 monthly average price for AA butter, \$1.5163, increased from the August average of \$1.5038. One year ago, the CME Group monthly average was \$2.1690.

CENTRAL

Butter demand continues to edge up according to contacts. Seasonal retail demand pushes are in effect. Food service demand notes are the same. They are not akin to typical years' figures, but have pushed higher week after week. Bulk butter demand is a little busier, also. Bulk butter prices pushed higher on the top end this week, although availability is somewhat long. Cream is less available, although multiples are similar. Butter plant

managers say that cream, which has been widely available for weeks, is tightening up. Butter market tones remain somewhat deflated.

Prices for: Central 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 CME Group September monthly average price for Grade AA butter was \$1.5163, compared to \$1.5038 in August.

WEST

In the West, uneasiness in some cities, coupled with the effects of COVID-19, continues to negatively impact dine-in restaurant sales and therefore their requests for butter. The fast food sector intakes of butter are stable to trending up. Retail demands are unchanged from the prior week. As the year-end holidays approach, manufacturers are reviewing their processing capacities and ensuring that they are prepared for the seasonal increase in butter demands. According to contacts, with the draw down in intakes from ice cream makers, cream is more available than usual for this time of the year, but it is not burdensome. As the result, processors are actively churning it. Butter supplies are readily available to meet all requests. Bulk butter sales are generally low, but some sellers have recently seen a slight uptick in their sale volumes.

Prices for: Western U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter
Bulk Basis Pricing - 80% Butterfat \$/LB: +0.0450 - +0.0750

Secondary Sourced Information:

The CME Group September 2020 monthly average price for AA butter is \$1.5163, compared to the August 2020 monthly average of \$1.5038. One year ago, the CME Group monthly average was \$2.1690.

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2020 U.S. BUTTER AND MILKFAT EXPORTS (USDA-FAS)

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
AUGUST	4.3	+ 2
TOTAL, JAN – AUG	36.0	- 4
Exports – Destination Country		
1 Canada	11.8	- 4
2 Saudi Arabia	5.8	+ 90
3 Mexico	5.4	- 9
4 South Korea	2.9	- 13
5 Taiwan	1.4	+ 22

DAIRY PRODUCTS REPORT – BUTTER SUMMARY

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

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

Region	Monthly Production (1000 pounds)			Percent Change from	
	Aug. 2019	Jul 2020	Aug. 2020	Aug. 2019	Jul 2020
United States	141,323	154,883	152,331	7.8	-1.6
Atlantic	11,282	13,069	12,190	8.0	-6.7

Butter Production – Cumulative Production January - August

Report Month	Cumulative Production (1000 pounds)		Percent Change from 2019
	2019	2020	
August	1,341,194	1,430,254	6.6

2020 U.S. BUTTER AND MILKFAT IMPORTS (USDA-FAS)

(Imports for Consumption)

	2020 Imports (Million Lb.)	% Change From 1 Year Ago
August Imports		
Total Butter, Fats, Milk (H.S. Code 0405)	12.0	- 12
Butter		
Quota (H.S. Code 405101000)	1.2	+ 30
Over Quota (H.S. Code 405102000)	7.5	- 19
AMF		
Quota (H.S. Code 405901020)	1.0	+225
Over Quota (H.S. Code 405902020)	0.8	+ 26
Other Milk Fat	1.4	- 42
TOTAL, JAN – AUG		
Imports – Country of Origin	98.4	+ 11
1 Ireland	50.5	+ 6
2 India	16.7	+126
3 Mexico	12.8	- 13
4 New Zealand	3.3	- 8
5 Canada	3.0	+121

CHEESE MARKETS

NORTHEAST

East cheese exemplifies a stable and healthy market tone. Consumers' retail demands for a variety of block/shred cheeses have grown with families cooking/eating more at home. On the CME Group, cheddar block and barrel spot prices have heightened. Some market participants are wondering if prices will continue to excel. Foodservice sales are mixed. Throughout the region, restaurant capacity limitations and increasing at home schooling are some factors undesirably interfering with foodservice demands. Eastern cheese makers are receiving steady milk volumes for active cheese production. There are reports inventory levels are available for contract and spot needs. Buyers' cheese demands are mixed. There are a lot of unknowns in the dairy markets, however industry contacts are hopeful cheese markets will hold a stable tone for the near term.

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

Cheddar 40 pound Block	3.0250-3.3125
Muenster	3.0125-3.3625
Process American 5 pound Sliced	1.9125-2.3925
Swiss 10-14 pound Cuts	4.1975-4.5200

MIDWEST

Midwestern cheese demand reports are mostly positive. Some producers say customers are hesitant, in light of current market prices, but they are confident customers are going to open up the coffers soon, as supplies get low. Many varieties, particularly cheddar, but also process and mozzarella orders, are all ticking up. Spot milk has noticeably tightened in recent weeks. Current spot market price reports are light, but all above Class. Still, most cheesemakers say their internal milk and/or contracted milk supplies are fulfilling most needs. The cheese market tone is bullish. Even with the large price gap between blocks and barrel prices, barrel prices have continued to inch up closer to block prices. On Tuesday, barrel prices reached the \$2 mark.

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

Blue 5 pounds	3.2075-4.2775
Brick 5 pounds	2.9400-3.3650
Cheddar 40 pound Block	2.6625-3.0625
Monterey Jack 10 pounds	2.9150-3.1200
Mozzarella 5-6 pounds	2.7400-3.6850
Muenster 5 pounds	2.9400-3.3650
Process American 5 pound Loaf	1.8975-2.2575
Swiss 6-9 pound Cuts	3.7125-3.8300

WEST

Western cheese makers suggest there are still lingering effects of selling forward into export markets from last spring. Block inventories are tight. Manufacturers say they get regular requests from buyers, looking for available loads of cheese. Some of these buyers are trying to fill commitments made through government buying agreements. However, processors do not have much wiggle room to supply extra loads of cheese. As U.S. cash market prices have risen, demand from export buyers has cooled. But that has not freed up the cheese needed by all shoppers. Some contacts within the industry expect this may change in the next few weeks. When government purchases slow, they think supplies may increase and there may be downward pressure on cheese prices. Cheese production is active, and most plants are running at full capacity. Domestic retail demand is strong. Cheese sales into pizza are strong. But food service demand remains below typical yearly projections, and barrel supplies are readily available. Industry contacts say the block-barrel spread is

making barrel production a tough proposition. Cheese companies are currently putting together their 2021 contracts. Manufacturers are expecting market conditions to be better than what they were in 2020.

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

Cheddar 10 pound Cuts	2.9000-3.1000
Cheddar 40 pound Block	2.6525-3.1425
Monterey Jack 10 pounds	2.8875-3.1625
Process American 5 pound Loaf	1.9150-2.1700
Swiss 6-9 pound Cuts	4.0050-4.4350

FOREIGN TYPE

In Germany, the market for semi-hard cheese is balanced. While production is following a seasonally declining trend, demands are good. Retailers' orders are higher compared to the previous week. Sales to the food service sector are exceeding processors' expectations. Cheese inventories at various warehouses are at lower levels, but are still sufficient to fulfill contractual needs. International sales vary by country. In Germany, sliced cheese prices are unchanged from last week. In the U.S., domestic prices for Swiss cheese increased by \$.3900, whereas all other cheese prices have remained steady.

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

VARIETY	NEW YORK	IMPORTED	DOMESTIC
Blue	2.6400-5.2300		3.0850-4.5725
Gorgonzola	3.6900-5.7400		3.5925-4.3100
Parmesan	-0-		4.4725-6.5625
Romano	-0-		4.2750-6.4300
Sardo Romano (Argentina)	2.8500-4.7800		-0-
Reggianito (Argentina)	3.2900-4.7800		-0-
Jarlsberg	2.9500-6.4500		-0-
Swiss	-0-		4.2350-4.5575*
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
10/05/2020	67065	75806
10/01/2020	67723	76366
CHANGE	-658	-560
% CHANGE	-1	-1

Secondary Sourced Information:

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CHEESE MARKETS

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Dairy Products Report – Cheese Summary

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

Cheese Production – United States: August 2019 and 2020

Total Cheese ¹ Region	Monthly Production (1000 pounds)			Percent Change from	
	AUG	JUL	AUG	AUG	JUL
	2019	2020	2020	2019	2020
United States	1,113,646	1,107,633	1,089,851	-2.1	-1.6
Atlantic	133,909	136,301	135,623	1.3	-0.5
Central	500,645	511,581	510,748	2.0	-0.2
West	479,092	459,751	443,480	-7.4	-3.5

American Cheese ² Region	Monthly Production (1000 pounds)			Percent Change from	
	AUG	JUL	AUG	AUG	JUL
	2019	2020	2020	2019	2020
United States	452,030	454,712	446,048	-1.3	-1.9
Atlantic	28,832	27,846	28,239	-2.1	1.4
Central	209,326	227,406	221,382	5.8	-2.6
West	213,872	199,460	196,427	-8.2	-1.5

Italian Cheese Region	Monthly Production (1000 pounds)			Percent Change from	
	AUG	JUL	AUG	AUG	JUL
	2019	2020	2020	2019	2020
United States	466,578	453,813	448,507	-3.9	-1.2
Atlantic	57,311	55,087	57,410	0.2	4.2
Central	190,276	182,843	186,299	-2.1	1.9
West	218,991	215,883	204,798	-6.5	-5.1

Cheese Production – Cumulative Production January - August

Cheese Type	Cumulative Production		Percent Change from 2019
	(1000 pounds)		
	2019	2020	
Total Cheese ¹	8,702,533	8,739,903	0.4
American Cheese ²	3,482,138	3,532,606	1.4
Italian Cheese	3,759,031	3,731,513	-0.7

1/ Excludes cottage cheese.

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

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

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
August	68.4	+ 17
TOTAL, JAN-AUG	558.4	+ 3
Exports – Destination Country		
1 Mexico	152.3	+ 14
2 South Korea	115.6	+ 15
3 Japan	57.0	- 3
4 Australia	39.6	+ 23
5 Chile	15.6	- 6

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

	2020 Imports (Million Lb.)	% Change From 1 Year Ago
August Imports		
TOTAL Cheese and Curd (H.S. Code 0406)	33.8	- 5
Cheese, Except Fresh (H.S. Code 040690)	30.1	- 6
Fresh Cheese (H.S. Code 040610)	1.8	+ 4
Cheese, Processed (H.S. Code 040630)	1.1	- 4
Cheese, Blue-Veined (H.S. Code 040640)	0.7	- 16
TOTAL, JAN-AUG	225.2	- 9
Imports - Country of Origin		
1 Italy	43.0	- 24
2 France	25.3	- 15
3 Netherlands	21.0	+ 7
4 Switzerland	13.1	+ 15
5 Spain	12.3	- 22

FLUID MILK AND CREAM

EAST

Northeast milk is level. Class I sales are stronger this week. Market participants note milk supplies have tighten a bit with more milk heading to schools. There is still a lot of changes occurring within each school district. Balancing operations are receiving steady milk volumes. Class III operations are pulling solid milk loads for stable cheese demands. Mid-Atlantic milk is balanced. The majority of loads is clearing to Class I. Some loads are moving to the Southeast for bottlers. Southeast milk managers' report milk markets hold a good tone. There have been rapid changes in Class I orders. Throughout the area, there are new school shutdowns occurring weekly, taking a toll on bottling demands. However, market participants continue to work through intermittent closures. Market participants report retailers' milk sales are strong. Milk is traveling from other parts of the U.S. to the Southeast for Class I needs. Florida milk output is picking up. Class I sales are moderately steady. Trading activities on the cream spot market are active this week. Buyers' demands are growing in the East. Ice cream operations are working on seasonal flavor productions. Some butter makers have adequate cream supplies to meet current orders. Several market participants are in negotiations for cream contracts for next year. Condensed skim markets are fairly steady. Some buyers are purchasing on the spot market.

The DMN September average for Northeast Class II cream was \$2.0183, compared to \$2.1107 a month ago.

The DMN September monthly average for Northeast Class II condensed skim was \$0.9321, compared to \$0.9071 a month ago.

Northeastern U.S., F.O.B. Condensed Skim
 Price Range - Class II; \$/LB Solids: 0.90 - 1.05
 Price Range - Class III; \$/LB Solids: 1.00 - 1.15

Northeastern U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.3000 - 1.4200
 Price Range - Class II; \$/LB Butterfat: 1.9611 - 2.1421

MIDWEST

Milk production is mostly steady week to week. In a number of cases, Midwestern farmers report milk-per-cow is higher, but overall yields have declined as herds are smaller. Some reports from the southern portion of the region are higher. The dairy farm narrative is different in Kansas down through Texas. Milk yields are steady week to week, but higher than previous numbers. On a positive note, Class I demand has increased as more schools are opening their physical doors to students across the region. Some schools, which delayed a quarter of the 2020-2021 schoolyear, have begun to order more milk. Cheesemakers are reporting a pinch. Spot milk prices were solely over Class. That said, spot milk trading activity was very slow. Cheesemakers say calls have been limited, reporting that milk is generally balanced. The cream narrative is similar. Currently, some butter plant managers found some loads, reportedly a limited amount, at relatively close multiples to last week. However, they say they are not as wholly available as in previous weeks and most contacts expect tightness as early as next week. In the upper Midwest, farmers are facing some wet weather during the corn/bean harvest season, but generally things have progressed and yield expectations are mostly positive, particularly compared to the previous two years. Winter wheat planting is nearing or over the halfway point in the Southern Central portion of the region. Precipitation variances in Texas have crop reports widely mixed in the state.

The DMN monthly average of the range price series for Upper Midwest Class II cream during September was \$1.9845, compared to \$2.1264 in August.

Price Range - Class III Milk; \$/CWT; Spot Basis: 1.00 - 1.50
 Trade Activity: Slow

Midwestern U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.2400 - 1.3800
 Price Range - Class II; \$/LB Butterfat: 1.9309 - 2.0817
 Multiples Range - Class II: 1.2800 - 1.3800

WEST

Bottled milk sales are steady in California. Class II demands are unchanged to declining. Milk yield is stable compared to a week ago. Loads are enough to meet the needs of contractual buyers, but they are less accessible to spot buyers. Manufacturing machines are being run a bit below full capacity. Milk production in Arizona is stable, aided by weather outcomes that are favorable for cows' well-being. Class I sales have picked up because many schools have reopened full time this week. Milk outputs are well balanced with demands. Handlers report there are few movements of milk across state line. Processing plants are being run close to full capacities. In New Mexico, as Class I, II and III milk demands jumped up, balancing needs moved in the opposite direction. Milk orders are at seasonal levels for this time of the year. Milk production is stable to a bit up. Aside from the fact that holdovers were a bit up at the beginning of the week, there are no issues with milk transportation and processing. Milk production in the Pacific Northwest is steady. Manufacturers report that milk intakes are in good balance with processing needs. Farmers and milk handlers in the region have worked throughout the year to control milk supplies. Total bottling demand is steady, but the make-up is variable, vacillating between retail and institutional needs. Milk production in the mountain states of Idaho, Utah, and Colorado is solid. Favorable weather is supporting strong milk output. Manufacturers have plenty of milk for most processing needs. Some processors have topped off their processing facilities with the few available discounted milk loads and are running at or near full capacity. Discount milk load prices are the typical \$4 under Class IV. Condensed skim is available to meet purchasers' day to day needs in the West. Ice cream and nonfat dry milk producers are taking consistent loads. In the West, cream supplies are mixed. While some processors have more cream than usual for this time of the year, others report barely having enough to cover immediate needs. Ice cream processors are taking less cream this week, whereas butter makers have increased their churning activities. Cream multiples for all Classes are steady.

Western U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.0500 - 1.2600

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DAIRY PRODUCTS REPORT - ICE CREAM, REGULAR, HARD

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

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

Region	Monthly Production (1000 Gallons)		Percent Change from	
	AUG 2019	JUL 2020	AUG 2020	JUL 2020
United States	64,242	71,669	69,145	7.6 - 3.5
Atlantic	14,812	15,692	16,491	11.3 5.1
Pennsylvania	3,650	3,860	4,048	10.9 4.9
Central	37,462	42,811	41,039	9.5 - 4.1
Missouri	3,179	2,760	3,123	-1.8 13.2
Ohio	2,613	2,898	2,803	7.3 - 3.3
West	11,968	13,166	11,615	-2.9 - 11.8
California	6,753	6,929	6,296	-6.8 - 9.1
Oregon	1,211	1,697	1,390	14.8 - 18.1
Utah	1,682	2,237	1,922	14.3 - 14.1

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

Report Month	Cumulative Production (1000 Gallons)		Percent Change from 2019
	2019	2020	
August	498,493	508,154	1.9

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Low/medium heat nonfat dry milk (NDM) prices continued their bullish push this week. Prices rose on both the range and mostly series. As prices continue to rise, some producers have suggested dealings with Mexico have begun to quiet down. Some domestic end users, particularly cheese producers, are still active on the buying side. Condensed skim is somewhat balanced, but production activity is seasonally challenging for producers, with more whole milk and buttermilk drying. Contacts continue to say spots are limited, as loads are moving via contractual obligations. High heat NDM prices increased again on both sides of the price range. High heat NDM trading activity is seasonally steady, busier than most weeks of the year. The NDM market tone is quietly bullish.

EAST: Low/medium heat nonfat dry milk (NDM) prices continue to show strength in both price series. NDM production is mostly steady this week, but in some areas milk volumes elevated that cleared into fluid channels, handicapping output as demand buds. Some manufacturers continue to see customers willing to pay a premium for immediate availability. With the uptick in domestic buying, some sources referenced NDM buyers, domestically and globally, opting to not purchase heavy volumes of NDM at the outset of COVID-19. As a result, current near term demand pressures some to fill that gap. Others are still waiting, while buying hand-to-mouth as they figure it out. At the moment, sales into international markets are competitive, with a noticeable uptick in loads to Mexico. The just released NASS Dairy Products report notes that in the Atlantic region, August 2020 NDM output slid -12.6 percent from output in July 2020 and -6.9 percent from August 2019. High heat nonfat dry milk prices are steady to higher. Sales are light with buyers looking to fill immediate needs. Supply and demand are in good balance with general needs being met on time. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during September was \$1.0379, compared to \$.9921 in August.

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: 1.0700 - 1.1600
Mostly Range - Low & Medium Heat; \$/LB: 1.0900 - 1.1200

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: 1.1300 - 1.2500

NONFAT DRY MILK - WEST

In the West, low/medium heat nonfat dry milk sales are steady to up. Several processors report building some inventories while at the same time selling in the domestic and export markets. Others are a bit tight on supplies. Sales have been solid into Mexico, Southeast Asia, and also the domestic markets. According to contacts, some sellers are prioritizing export demands over domestic demands. This week, low/medium heat nonfat dry milk prices have increased on the range and on the mostly series. However, prices remain competitive in the international market. Low/medium heat nonfat dry milk production is steady to up. The market tone is firm. High heat nonfat dry milk prices are up at the top of the range. Supplies are tighter than usual. This is partly due to drying time restrictions as low/medium heat nonfat dry milk manufacturing is prioritized over high heat nonfat dry milk. Demands are 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: 1.0225 - 1.1750
Mostly Range - Low & Medium Heat; \$/LB: 1.1000 - 1.1500

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: 1.1000 - 1.3050

DAIRY PRODUCTS REPORT – NONFAT DRY MILK, HUMAN SUMMARY

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

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

Region	Monthly Production (1000 pounds)			Percent Change from	
	AUG 2019	JUL 2020	AUG 2020	AUG 2019	JUL 2020
United States	132,525	163,198	144,162	8.8	-11.7
Atlantic	26,570	28,271	24,740	-6.9	-12.5
Pennsylvania	13,838	15,500	13,678	-1.2	-11.8
Central	31,120	35,265	34,122	9.6	-3.2
West	74,835	99,662	85,300	14.0	-14.4
California	39,673	64,167	46,281	16.7	-27.9
Other States 1/	79,014	83,531	84,203	6.6	0.8

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

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

Report Month	Cumulative Production (1000 pounds)		Percent Change from
	2019	2020	2019
August	1,296,752	1,316,020	1.5

Manufacturers' stocks end-of-month 3/

Product	End of month stocks (1000 pounds)			Percent Change from	
	AUG 2019	JUL 2020	AUG 2020	AUG 2019	JUL 2020
Nonfat dry milk, human	269,590	311,252	270,632	0.4	-13.1

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

Manufacturers' shipments 4/

Product	AUG 2019	JUL 2020	AUG 2020	AUG 2019	JUL 2020
	Nonfat dry milk, human	143,556	137,955	178,056	24.0

4/ For dry products, shipments of bulk goods.

-CONTINUED ON PAGE 5A-

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

-CONTINUED FROM PAGE 5-

DRY WHOLE MILK - U.S.

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

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
AUGUST Total	151.7	+ 35
TOTAL, JAN - AUG	1,220.0	+ 29
1 Mexico	407.9	- 15
2 Philippines	169.9	+ 72
3 Indonesia	151.9	+ 94
4 Vietnam	92.0	+ 26
5 Malaysia	68.4	+ 123

The national free on board spot prices for dry whole milk are mixed this week. While the top price of the range remained steady, a few spot sales pulled down the bottom price, resulting in a wider range. According to some participants, the current prices for national dry whole milk could be reflecting the mixed market conditions between the bullish milk protein market and the bearish butterfat market. Dry whole milk demands from the bakery and confectionery sectors are hearty as the Q4 holiday season is close. The production of dry whole milk is sporadic, mostly driven by contractual need requests.

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

Price Range - 26% Butterfat; \$/LB: 1.5500 - 1.7500

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices in the region edged up on the bottom and remained steady at the top of the range. Demand is seasonally busier and trading activity continues to be quite a bit busier than most weeks during the year. Recently produced loads are harder to find, and there were some less-than-load (LTL) reported at the top end of the price range as well. Midwestern trades are falling more into the mid and high \$.90s regularly. Producers continue to report some availability, but say most end users are seeking more recent production. Dry buttermilk market tones are steady, if not slightly bullish.

EAST: The dry buttermilk price is unchanged to higher. Buying activity is mixed, with supply and demand in balance. Butter production and available dryer schedules in the region are the basis for slight increases in dry buttermilk stocks. Inventories in general are light to moderate. The market undertone is steady. The DMN monthly average of the range price series for Central and East dry buttermilk during September was \$.9801, compared to \$.9819 in August.

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

Price Range ; \$/LB: .9500 - 1.0300

DRY BUTTERMILK - WEST

Western dry buttermilk prices are unchanged on both ends of the range and on the mostly series. Condensed buttermilk drying time has been sporadic and mostly scheduled to align with contractual needs. Bakers' intakes of dry buttermilk are rising as they prepare to fulfill the year-end holiday baking needs. Outside of scheduled demands, dry buttermilk spot sales are low. According to contacts, supplies are a bit more available this week.

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

Price Range ; \$/LB: .9000 - 1.0300

Mostly Range - ; \$/LB: .9300 - 0.9800

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 held steady on the range, while edging up on the bottom of the mostly price series. Demand has increased in Q4. End users are filling end of year needs and price movements are reflecting this. Milk supplies in the Midwest have tightened up noticeably in recent weeks for cheese producers. Still, Class III producers are and have been busy, as cheese markets have rebounded. Supplies are available, but producers are simply a little more aggressive regarding what they will accept. Animal feed whey prices increased a penny on the bottom of the range, as trading started off slow but picked up late in the week. Generally, dry whey market tones are steady to slightly bullish. The DMN monthly average of the mostly price series for Central dry whey during September was \$.3095, compared to \$.3010 in August. The monthly average of the range price series for Central animal feed whey during September was \$.2767, compared to \$.2540 in August.

Prices for: Central U.S., All First Sales, F.O.B., Conventional, and Non-Edible Dry Whey
Price Range - Animal Feed; \$/LB: .2800 - .3000

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: .3200 - .3500

DRY WHEY-NORTHEAST

Eastern dry whey prices floated higher on the price range this week. Spot prices have also increased on various market exchanges and buyers' variable contracts. Market activity is stable. Market participants' spot demands are steady to showing improvement. There are reports exports are solid and increasing for dry whey. Several global buyers' demands are growing, and many are interested in the current price points. Some industry contacts are not purchasing on the spot market. Class III plants are receiving healthy milk volumes for strong production schedules, allowing for robust dry whey production. Manufacturers' inventories are steady. Also, some operations are offering additional loads to weekly customers. The dry whey market tone is bullish. The September 2020 Dairy Market News monthly average for Northeast dry whey was \$0.3302 compared to \$0.3487 one month ago.

Prices for: Eastern U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey
Price Range - Non-Hygroscopic; \$/LB: .3100 - .3800

DRY WHEY-WEST

Western whey prices moved higher across both the price range and mostly price series. Industry contacts point to the steady demand in domestic and international markets supporting whey prices. Whey is moving well through current contracts. Strong exports to China and a few other Southeast Asian countries have held western whey inventories in check. Some manufacturers suggest their whey stocks are mostly committed in the near-term. Whey production is active and trending similarly to cheese production. The market tone for whey is stable. The DMN monthly average of the mostly price series for West dry whey during August was \$.3407 compared to \$.3412 one month ago and \$.3636 a year ago.

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey
Price Range - Non-Hygroscopic; \$/LB: .3225 - .4000
Mostly Range - Non-Hygroscopic; \$/LB: .3450 - .3800

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

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
AUGUST Total	46.9	+ 54
TOTAL, JAN – AUG	302.7	+ 29
1 China	129.9	+ 157
2 Indonesia	21.3	+ 93
3 Mexico	18.1	- 25
4 Philippines	17.3	- 33
5 Vietnam	16.5	+ 5

Dairy Products Report – Whey Summary

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

Dry Whey (Human) Production – States and United States

State	Monthly Production (1000 pounds)		Percent Change from		
	AUG 2019	JUL 2020	AUG 2020	AUG 2019	JUL 2020
United States	83,767	82,932	78,919	-5.8	-4.8
Atlantic	21,821	21,627	22,280	2.1	3.0
Central	38,483	39,697	34,525	-10.3	-13.0
Wisconsin	24,465	23,111	24,158	-1.3	4.5
West	23,463	21,608	22,114	-5.7	2.3

Dry Whey – Cumulative Production January - August

Dry Whey	Cumulative Production (1000 pounds)		Percent Change from
	2019	2020	2019
Total ¹	641,156	657,204	2.5
Human ²	629,797	645,655	2.5

1. Excludes all modified dry whey products.

2. Values are calculated from Dairy Products report data.

Manufacturers' stocks end of month ³

Dry Whey	End of month stocks (1000 pounds)		Percent Change from		
	AUG 2019	JUL 2020	AUG 2020	AUG 2019	JUL 2020
Human	70,615	82,875	84,476	19.6	1.9
Animal	1,998	1,655	1,324	-33.7	-20.0
Total	72,613	84,530	85,800	18.2	1.5

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

WHEY, WPC 34%, LACTOSE & CASEIN

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

-CONTINUED FROM PAGE 6-

WHEY PROTEIN CONCENTRATE

Prices for whey protein concentrate 34% moved up on both the price range and mostly price series. Manufacturers report WPC 34% is moving well through contracts. A few processors suggest that firming nonfat dry milk prices and the disappearance of inexpensive WPC 80% and WPI have renewed some buyer interest. Spot market activity was more active this week. Industry contacts say inventories, as well as WPC 34% production, are steady to lower. Several manufacturers report reduced production over the last few weeks. The September 2020 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% is \$.8500, compared to \$.8591 in August and \$.9465 one year ago.

Prices for: Central and Western U.S., All First Sales, F.O.B., Extra Grade, Conventional, and Edible Whey Protein Concentrate
 Price Range - 34% Protein; \$/LB: .7500 - 1.0400
 Mostly Range - 34% Protein; \$/LB: .8200 - .9400

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

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
AUGUST Total	25.0	+ 12
TOTAL, JAN – AUG	201.0	+ 15
1 China	77.4	+ 75
2 Mexico	29.7	- 44
3 Canada	24.3	+ 34
4 Philippines	16.9	+ 39
5 Singapore	10.0	- 8

LACTOSE

Lactose prices are unchanged. Contracts for Q4 are in effect and some manufacturers say their lactose supplies are mostly committed for the next few months. Lactose production is steady. Industry perspectives of the spot market are mixed. Some industry contacts report buyers are still willing to buy favorite brands at current contract prices. However, other contacts suggest negotiations have gotten much tougher because there are more offers available to buyers. While current market tones are generally stable, there is an undercurrent of uneasiness rising, feeding a bearish sentiment. Some manufacturers report end users have much of their immediate needs covered and have lactose supplies they are holding in storage. A few end users have pushed back delivery dates with manufacturers. This, coupled with a sign of increasing lactose inventories in the latest Dairy Products report, have manufacturers wondering if prices can hold into the first quarter of 2021. The September 2020 Dairy Market News average of the mostly price series for Central and West lactose was \$0.5056, compared to \$0.5136 in August, and \$.2919 one year ago.

Prices for: Central and Western U.S., Spot Sales And Up to 3 Month Contracts, F.O.B., Conventional, and Edible Lactose
 Price Range - Non Pharmaceutical; \$/LB: .3900 - .6300
 Mostly Range - Non Pharmaceutical; \$/LB: .4550 - .5500

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

	2020 Exports (Million Lb.)	% Change From 1 Year Ago
AUGUST Total	52.2	- 4
TOTAL, JAN – AUG	460.3	+ 6
1 China	67.7	- 5
2 New Zealand	59.8	+ 6
3 Japan	52.3	+ 11
4 Mexico	51.0	- 28
5 Indonesia	33.5	+ 50

CASEIN

Rennet casein prices are lower. Acid casein prices are steady. New Zealand acid casein markets have deals being made to secure commitments for casein as the production season nears the tipping point to lower output. Manufacturers report exports are doing well. In Western Europe there has been some shifting in source availability. France and Ireland continue to be significant sources. Netherlands is believed to have slowed production and sales.

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: 3.6000-3.8000
 Rennet; Price Range - \$/LB: 3.4650-3.5450

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
09/26/2020	58.8	2,292.8	60.3	2,413.5

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

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

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	18.44	15.20		
II	17.05	16.84	16.75	13.87	12.30	12.99	13.79	13.27	13.16			
III	17.05	17.00	16.25	13.07	12.14	21.04	24.54	19.77	16.43			
IV	16.65	16.20	14.87	11.40	10.67	12.90	13.76	12.53	12.75			

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
10/03/2020	1,5786 2,055,583	2,3629 13,274,796	1,7197 11,618,633	3,378 4,842,008	1,0383 21,761,936

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	10/02	10/05	10/06	10/07	10/08
OCT 20	20.18	20.63	20.54	20.38	20.63
NOV 20	19.36	19.71	19.59	19.36	19.30
DEC 20	17.86	17.97	17.91	17.72	17.74

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

DATE	10/02	10/05	10/06	10/07	10/08
OCT 20	106.80	106.80	106.63	106.63	106.10
NOV 20	113.15	113.15	112.53	112.50	111.00
DEC 20	115.30	114.60	114.55	113.85	112.23

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

DATE	10/02	10/05	10/06	10/07	10/08
OCT 20	13.74	13.70	13.55	13.55	13.49
NOV 20	14.49	14.38	14.26	14.01	13.68
DEC 20	14.75	14.58	14.54	14.22	13.85

WHEY (Electronic-Traded) (¢/lb)

DATE	10/02	10/05	10/06	10/07	10/08
OCT 20	34.03	33.98	33.95	33.68	34.00
NOV 20	36.25	36.38	35.35	34.75	34.50
DEC 20	36.88	37.00	36.00	35.75	35.50

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

DATE	10/02	10/05	10/06	10/07	10/08
OCT 20	154.10	154.03	153.28	152.50	151.80
NOV 20	161.00	160.50	158.25	153.85	148.00
DEC 20	164.00	163.00	160.60	154.53	149.68

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

DATE	10/02	10/05	10/06	10/07	10/08
OCT 20	2.47	2.50	2.50	2.50	2.50
NOV 20	2.15	2.22	2.28	2.27	2.25
DEC 20	1.91	1.92	1.92	1.92	1.92

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

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered September 28 - October 9, 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

Autumn weather in Western Europe has been favorable to milk production. Most of the primary producing countries have reported year on year increases in recent weeks. While an annual increase is expected for 2020, some dairy experts in Western Europe caution that the pace of recent YOY increases folded into full 2020 data may effectively slow in the final three months of 2020 because in 2019, it was the final quarter where growth really broke through and lifted the annual data. There is also concern about future global dairy pricing if milk production increases in Western Europe are added to expected increases in the United States and Oceania. Milk production is seasonally declining. Germany is heading toward the expected seasonal low in November. A similar pattern is noted in France.

Last week many dairy processors met under the auspices of the European Commission to review the status of the European dairy industry. It is reported by some attendees that sentiment was more positive than at the last meeting in June. There was general consensus that the dairy market has been resilient. Strong exports, retail sales, partial recovery of food service demand, and government stimuli are cited as factors. Nevertheless, there was uncertainty expressed as to the future, due to possible impacts of economic factors on consumer purchasing, as well as COVID-19 factors limiting dining out.

Cheese manufacturers are maintaining busy schedules to keep up with demand. Orders from within the EU have increased. Not all buyers can receive delivery as soon as they would like. Export interest is very strong even if a bit weaker than several months ago. The cheese business in Western Europe is doing very well. Increased milk production this year has helped keep milk flowing into cheese plants.

EASTERN OVERVIEW

In Poland January – August 2020 milk production was reported as 4.7 percent higher than January – August 2019 according to CLAL data provided to USDA.

Production of some dairy commodities in Poland January – August 2020 compared with January – August 2019, are cheese, +4.0 percent; butter, +8.9 percent; and SMP, +5.8 percent.

BUTTER/BUTTEROIL

The butter price range in Western Europe moved slightly lower. Pricing varies among countries and within some of the major producers. While the limits of the price range shifted, many prices at specific plants with regular customers were quite steady. Butteroil pricing is mixed.

Packaged butter sales in Germany are at expected levels. This market is more profitable for manufacturers than block butter. However, sales typically increase late in the year, so a bit more price negotiating is occurring in contracting discussions between sellers and buyers reflecting expectations for late 2020.

Block butter deals are slow to finalize. Short term demand is extremely subdued. Manufacturers are not eager to increase volumes

at pricing many buyers will accept. Selling cream is often more profitable than making it into block butter. Some buyers report that many current bids are essentially ignored by manufacturers. Moreover, many buyers are well covered through the end of the year.

Butter exports from Western Europe have slowed down. Current pricing challenges include being able to compete effectively in some export markets, except for some specialty premium brands.

Western Europe, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 3,950 - 4,200

Western Europe, 99% Butterfat, Free on Board - Port Butteroil
Price Range - \$/MT: 4,700 - 5,075

SKIM MILK POWDER

The Western Europe skim milk powder price range shifted slightly lower. The highest prices tend to emanate from Belgium and Germany, followed by Netherlands and France. The market is overall quite steady and calm.

Most plants have a good order book for Q4 2020. This is because most regular buyers are contracted. Small volumes are available for spot market purchases. Contracting for Q1 2021 is mixed. A number of buyers are crouched in a wait and see position, awaiting a better sense of future conditions.

Export interest is increasing. Manufacturers report that price driven importers are increasingly drawn to Western Europe.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,500 - 2,700

WHEY

The Western European dry whey price range is mixed. The lower end slightly increased while the top is steady. Prices are usually higher from plants in Germany than plants in the Netherlands.

Many European whey manufacturers are having success in increasing exports. This is motivation to increase production. The mix has helped keep prices generally steady but increase revenues. Most production through 2020 is contracted. There is a good start to early 2021 contracting.

Prices for: Western Europe, All First Sales, Free on Board - Port, Conventional, and Edible Dry Whey
Price Range - Non-Hygroscopic; \$/MT: 850 - 1,025

CONTINUED ON PAGE 8A

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered September 28 - October 9, 2020

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CONTINUED FROM PAGE 8**WHOLE MILK POWDER**

The price range for whole milk powder in Western Europe is slightly lower. There is inconsistency in prices among the major producing countries and among manufacturers. Buyers and sellers report that overall WMP is a generally steady market.

Plants that have increased production are readily finding buyers. While typically internal EU sales are the focus, 2020 has brought more export interest. Contracting tends to be finalized easier than with some other dairy powders because buyer and seller future price expectations are more aligned.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 3,150 - 3,375

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered September 28 - October 9, 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: An organization representing dairy producers in Australia just projected that seasonal milk production will increase. Outcomes of this season are expected to be the best in three years. Factors cited include favorable weather, lower input costs, and relatively firm farmgate milk prices.

Legislative hearings examining performance of the dairy industry and the Australian Dairy Plan are ongoing. The perceived conflict was voiced by some representatives of dairy producers who believe dairy processors have too much power over dairy advocacy entities. Related to this is the issue of whether dairy processors are not fairly financially funding advocacy entities in comparison to dairy producers. A final report is expected in early 2021.

NEW ZEALAND: Dairy manufacturers are generally pleased with the strong start to the milk production season, but some believe early gains may ease moving later into the season. Last week storms brought snow and freezing temperatures to parts of the South Island, which temporarily disrupted milk production. Production has bounced back and is not expected to have much of an impact on the overall season. A side benefit was that the storm brought much needed rain to the rest of New Zealand, where September has been drier than what dairy producers wanted.

A large dairy cooperative announced selling a significant stake in two China dairy farm hubs. The proceeds will be used in New Zealand to pay down debt and fund focusing on more profitable opportunities.

The results of a survey conducted by a major agricultural lender found that new farmer confidence has declined. Fewer farmers expect the economy to improve during the next 12 months.

BUTTER/BUTTEROIL

Butter prices in Oceania are higher. This is reflective of GDT prices and private sales. Buying interest from the Middle East and EU helped move pricing higher. New Zealand butter buyers have taken note of recent plans to lower volumes of butter offered on the GDT over the next 12 months, as well as at the latest event.

With this week expected to likely be the peak of New Zealand milk production, forward looking buyers are beginning to stake down commitments of supply assurance in coming months. There is butter readily available for near term sales and during coming months. Buyers and sellers are comfortable making deals at current pricing. Cream is available for production to fill commitments.

Oceania, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 3,275 - 3,700

Secondary Sourced Information:

At GDT event 269 on October 6, 2020, the butter all contracts price, \$3,561, increased 8.4 percent. The November contract, \$3,700, increased 11.6 percent.

SKIM MILK POWDER

Skim milk powder prices in Oceania are mixed. Sources comment that strong buying interest from Southeast Asia and within Oceania contrasted with lower demand from North Asia. It is also noted that previous earlier than usual seasonal buying from China seems to have slowed. Effective January 1, 2021, a zero percent tariff for SMP purchases from New Zealand takes effect. The thought is that recent China purchasing was to lay in stocks for cover in the event of supply disruptions. Renewed buying from China is expected after January 1.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,850 - 3,225

Secondary Sourced Information:

At GDT event 269 on October 6, 2020, the SMP all contracts price, \$2,865, decreased 0.9 percent. The November contract, \$3,226, increased 6.6 percent.

CHEESE

Cheddar prices in Oceania strengthened. Cheesemakers in New Zealand and Australia report stronger demand. Demand has increased from historic export channels but also within Oceania. It is noted that a COVID-19 outcome seems to be that more people in Australia and New Zealand have stayed close to home and have been purchasing more cheese for home consumption. There is some supply tightness now through November, which has helped nudge prices higher. Manufacturers feel the cheese market will be good in coming months.

Prices for: Oceania Cheese, Cheddar, 39% Maximum Moisture, Free on Board - Port,
Price Range - \$/MT: 3,650 - 3,875

Secondary Sourced Information:

At GDT event 269 on October 6, 2020, the cheddar all contracts price, \$3,694, increased 0.4 percent. The November contract, \$3,865, increased 6.2 percent.

WHOLE MILK POWDER

Whole milk powder prices in Oceania are steady to higher. Slower export interest from North Asia was offset by increased interest from the Middle East. Manufacturers are pleased to have pricing move above \$3,000/MT, a price point generally regarded as a good benchmark of dairy manufacturing profitability.

Additionally, WMP is the single greatest driver of seasonal milk pay prices in New Zealand. The consensus view expects pricing to remain above that level until at least spring 2021. This price is not so high that buyers will slow purchasing. An orderly WMP market is expected in coming months.

CONTINUED ON PAGE 8C

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered September 28 - October 9, 2020

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CONTINUED FROM PAGE 8B

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 2,950 - 3,125

Secondary Sourced Information:

At GDT event 269 on October 6, 2020, the WMP all contracts price, \$3,041, increased 1.7 percent. The November contract, \$3,121, increased 2.3 percent.

**Exchange rates for selected foreign currencies:
October 5, 2020**

.0130 Argentina Peso	.0137 India Rupee
.7182 Australian Dollar	.0095 Japan yen
.1793 Brazil Real	.0467 Mexican Peso
.7544 Canadian Dollar	.6642 New Zealand Dollar
.0013 Chile Peso	.2621 Poland Zloty
1.1787 Euro	.0235 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0467) = 21.4133$ Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered September 28 - October 9, 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

Except for Brazil, farm milk production is generally improving throughout the main dairy basins of South America as the spring flush approaches. Although drought conditions have improved a bit in Brazil, farm milk production has stagnated, and raw milk volumes are below the levels of the previous year. In general, milk intakes are less than adequate to meet most processing needs, while inventory levels for most dairy products remain low. Having said this, farm-gate milk prices had increased drastically as competition for raw milk among processors continues to rage. Higher farmgate milk prices are translating into higher prices for dairy products at the retail level. As a result, retail sales for UHT milk, cheese, and powdered milk, have been slower compared to the past couple of weeks. Nevertheless, in some cases, some monthly stipends derived from government credit programs have helped sustain consumer dairy purchases, despite high prices. Meanwhile, Brazil's dairy imports are on the rise again after nearly a year of lethargy. The high price of milk and the relative strength of the Brazilian currency have boosted imports, which should eventually help lower dairy products prices, according to some contacts.

In Argentina and Uruguay, rainfalls are spurring pasture quality in the main dairy basins of the countries. However, some dry climate is anticipated by the end of the year because of La Niña. So far, farm milk intakes are more than adequate for processing needs as higher than anticipated milk intakes continue balancing into milk powders. Moreover, throughout the spring flush, milk/cream intakes are anticipated to be more accessible for processing. Unlike Brazil, in Argentina/Uruguay, milk prices paid to tambos are relatively modest, in some cases, depressing milk-feed ratios to several dairy farm operations. In terms of demand, the retail sector remains as the key driver of the dairy industry during this pandemic juncture, while the food-service sector continues reopening but at a very slow pace.

WHOLE MILK POWDER

Whole milk powder (WMP) free on board export prices are mixed on active trading. With the recent resurgence of Brazilian imports, there is more commercial activity for WMP within the Mercosur bloc at a more defined price. This could explain, in some way, why the price range for WMP is narrower during these past two weeks. The general WMP demand, particularly from Brazil, is steadily growing. On the other hand, there has been a recent reduction on WMP shipments from Uruguay to Algeria. However, some regional producers hope to take part in another Algerian tender later in the year.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 3,000 - 3,100

Secondary Sourced Information:

At the GDT Event 269 on October 6 whole milk powder (WMP) prices across all contract periods averaged \$3,041 per metric ton, up 1.7 percent from the last event.

SKIM MILK POWDER

In the Southern Cone region, free on board export prices for skim milk powder (SMP) are unchanged on moderate trading. The market undertone is currently on a steady status, which is unusual knowing the high price-demand volatility of this relatively small baking niche market. Drying schedules for skim milk have been limited in some drying facilities as most balancing plant managers are focusing on converting condensed milk volumes into WMP. However, SMP inventories are reported as balanced at this point.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,750 - 2,950

Secondary Sourced Information:

At the GDT Event 269 on October 6, skim milk powder (SMP) prices across all contract periods averaged \$2,865 per metric ton, down 0.9 percent from the last event.

2020 INTERNATIONAL MONTHLY PRICE AVERAGES (US \$/MT)

AREA and PRODUCT	: JAN	: FEB	: MAR	: APR	: MAY	: JUN	: JUL	: AUG	: SEP
DAIRY MARKET NEWS ³									
BUTTER (82% BUTTERFAT)									
-- OCEANIA	4096	4169	4273	4210	3824	3641	3639	3440	3414
-- WESTERN EUROPE	4045	3938	3626	2602	2579	3056	3857	4063	4092
BUTTEROIL (99% BUTTERFAT)									
-- WESTERN EUROPE	5056	4981	4414	3758	3594	3699	4706	4945	4957
CHEDDAR CHEESE (39% MAXIMUM MOISTURE)									
-- OCEANIA	4034	4431	4365	4427	4018	3835	3845	3531	3626
SKIM MILK POWDER (1.25% BUTTERFAT)									
-- OCEANIA	3076	3006	2755	2549	2548	2624	2737	2801	2860
-- SOUTH AMERICA	3020	2875	2695	2600	2536	2627	2693	2626	2768
-- WESTERN EUROPE	2906	2838	2460	1816	1836	2102	2478	2512	2622
WHEY POWDER (NONHYGROSCOPIC)									
-- WESTERN EUROPE	923	913	882	710	734	784	911	907	922
WHOLE MILK POWDER (26% BUTTERFAT)									
-- OCEANIA	3185	3006	2870	2765	2715	2798	3204	3020	2969
-- SOUTH AMERICA	3183	3050	2905	2900	2877	2904	3097	3036	3030
-- WESTERN EUROPE	3416	3350	3061	2476	2398	2618	3167	3281	3285

³ Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays and Sundays excluded.

August 2020 Dairy Products Highlights

Butter production was 152 million pounds, 7.8 percent above August 2019, but 1.6 percent below July 2020. **American type cheese** production totaled 446 million pounds, 1.3 percent below August 2019, and 1.9 percent below July 2020. **Total cheese** output (excluding cottage cheese) was 1.09 billion pounds, 2.1 percent below August 2019, and 1.6 percent below July 2020. **Nonfat dry milk** production, for human food, totaled 144 million pounds, 8.8 percent above August 2019, but 11.7 percent below July 2020. **Dry whey** production, for human food, was 79 million pounds, 5.8 percent below August 2019, and 4.8 percent below July 2020. **Ice cream, regular hard** production, totaled 69.1 million gallons, 7.6 percent above August 2019, but 3.5 percent below July 2020.

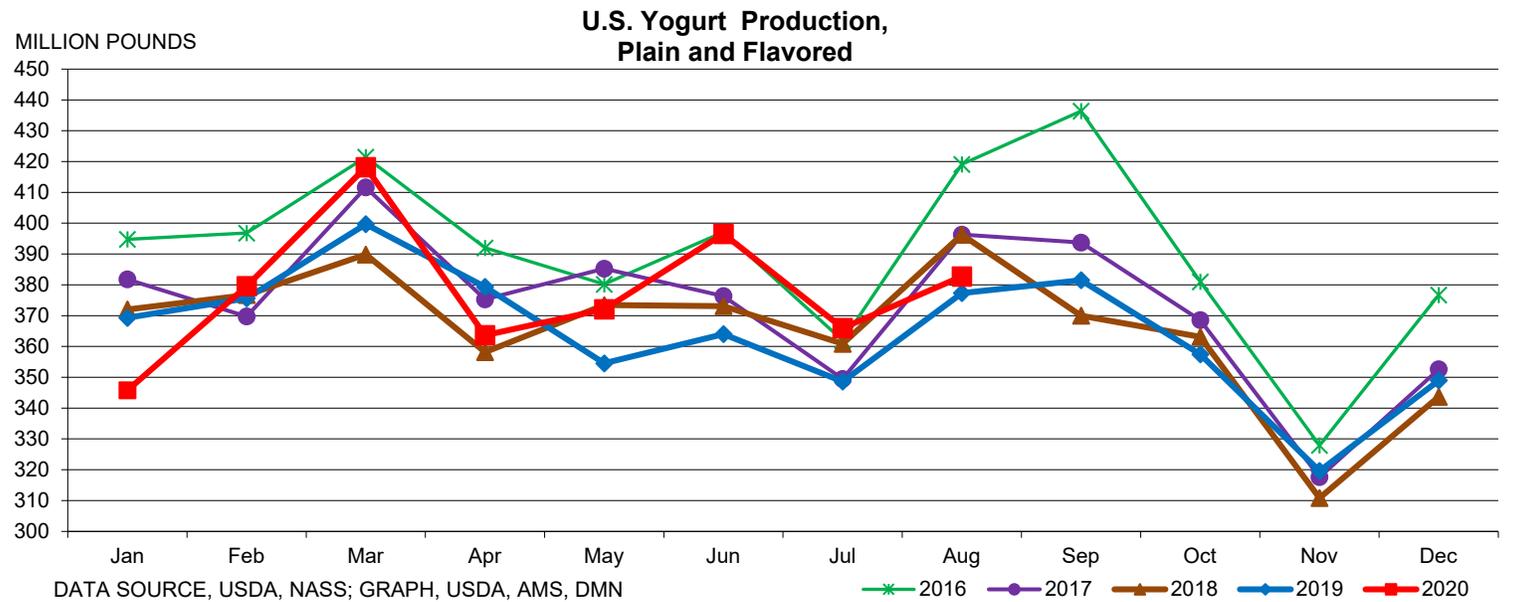
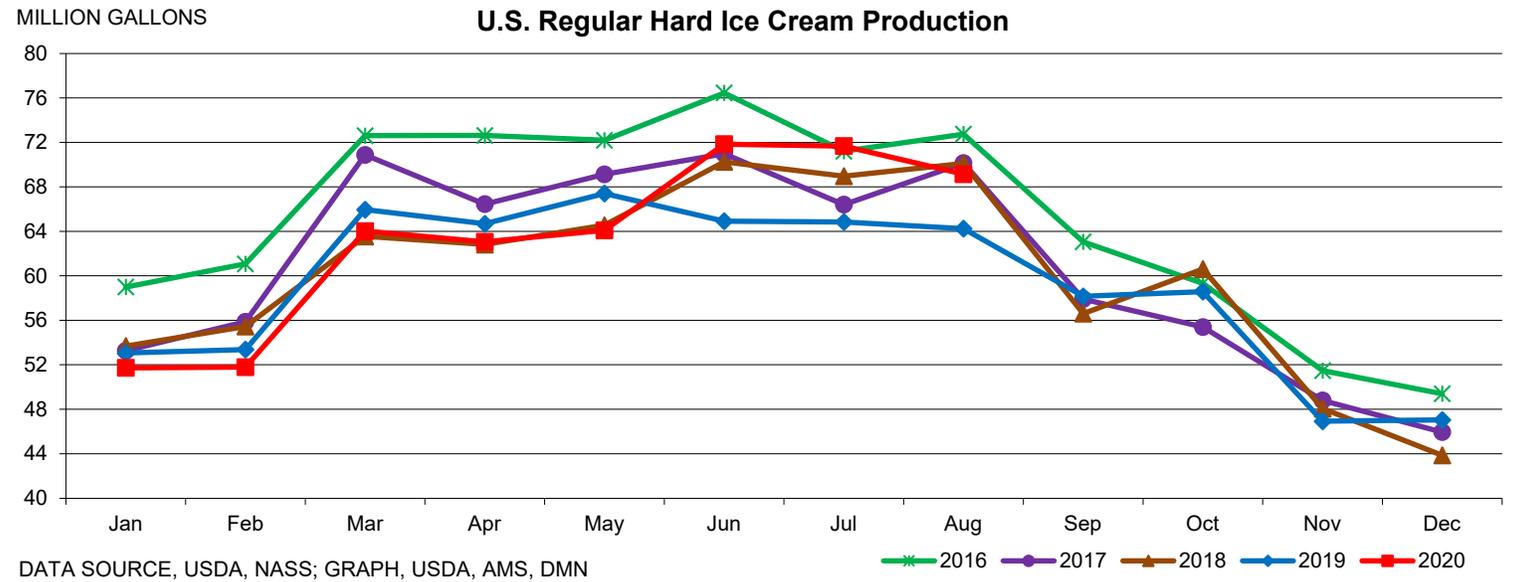
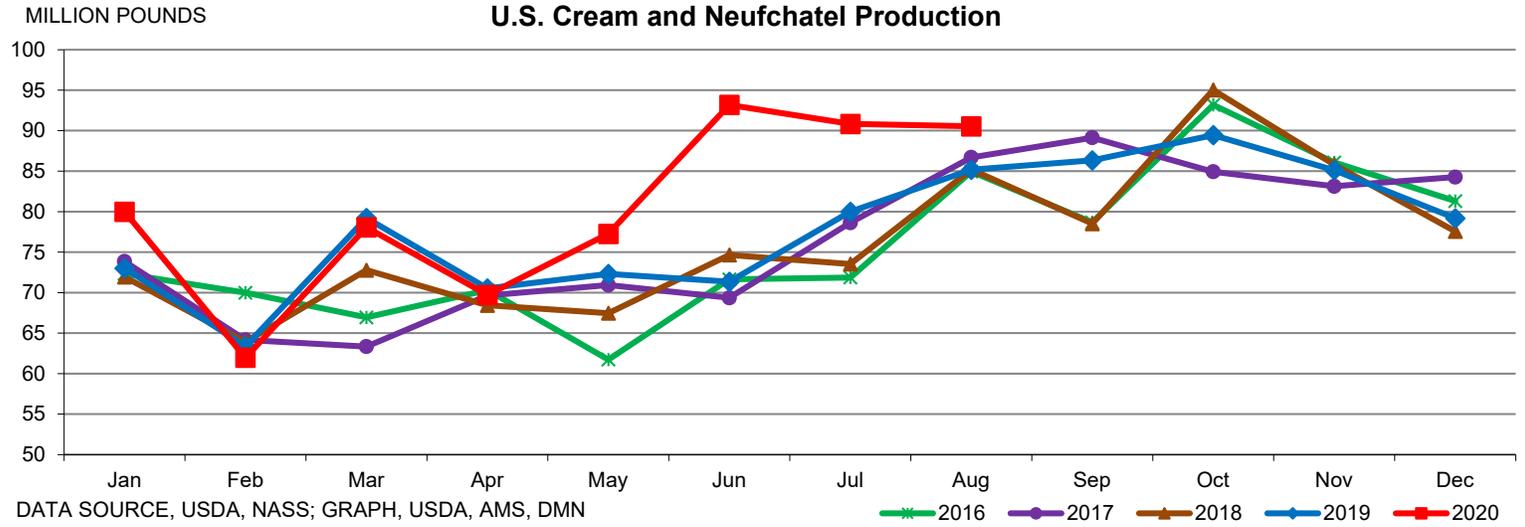
Production of Dairy Products

Product	August 2020	Change from			Product	August 2020	Change from		
		August 2019	July 2020	Year to Date ¹			August 2019	July 2020	Year to Date ¹
	<i>(1,000 lbs)</i>	<i>(percent)</i>				<i>(1,000 lbs)</i>	<i>(percent)</i>		
Butter	152,331	7.8	-1.6	6.6	Yogurt (plain and flavored)	382,711	1.4	4.6	1.8
Cheese					Dry whey, human food	78,919	-5.8	-4.8	---
American types ²	446,048	-1.3	-1.9	1.4	Dry whey, animal feed	1,424	26.0	-24.8	---
Cheddar	322,852	0.5	-0.4	1.6	Dry whey, total ⁸	80,343	-5.4	-5.3	2.5
Other American	123,196	-5.8	-5.8	---	Reduced lactose & minerals				
Brick & Muenster	14,228	-9.5	-18.5	---	Human food	1,822	5.6	-5.1	---
Cream & Neufchatel	90,538	6.3	-0.3	---	Animal feed	2,650	-1.7	8.1	---
Hispanic	28,550	3.1	-1.8	---	Lactose, human food & animal feed	97,231	2.3	-3.4	-11.3
Total Italian types	448,507	-3.9	-1.2	-0.7	Whey protein concentrate				
Mozzarella	354,177	-4.4	-3.0	-0.7	Human food ⁹	38,272	-0.8	-1.3	---
Other Italian	94,330	-1.9	6.5	---	Animal feed ⁹	944	-28.1	12.1	---
Swiss	28,650	-0.9	7.1	---	Total ⁹	39,216	-1.7	-1.0	-3.7
All other types	33,330	-11.3	-4.8	---	25.0-49.9 percent ¹⁰	14,402	-1.7	---	---
Total	1,089,851	-2.1	-1.6	0.4	50.0-89.9 percent ¹⁰	24,814	-1.7	-1.5	---
Cottage cheese, curd ³	33,076	-3.4	-3.3	---	Whey protein isolates ¹¹	10,220	8.5	3.4	---
Cottage cheese, cream ⁴	32,034	1.7	-2.2	2.5					
Cottage cheese, lowfat ⁵	27,560	-7.4	-4.3	-4.8					
Dry buttermilk	8,363	3.9	-7.2	---	Frozen products				
Dry whole milk	10,125	32.3	-0.9	---	Ice cream, regular hard	69,145	7.6	-3.5	1.9
Milk protein conc. (MPC), total ⁶	12,805	41.5	-29.1	---	Ice cream, lowfat, hard	23,499	14.1	2.7	---
Nonfat dry milk (NDM), human	144,162	8.8	-11.7	1.5	Ice cream, lowfat, soft	21,567	0.7	-13.0	---
Skim milk powders (SMP) ⁷	59,581	-2.0	16.3	8.0	Ice cream, lowfat, total	45,066	7.2	-5.5	-3.8
Sour cream	117,604	-1.4	3.9	2.4	Sherbet, hard	3,383	42.0	11.4	4.2
					Frozen yogurt, total	8,126	2.0	44.6	-6.0

Manufacturers' Stocks, End of Month ¹²

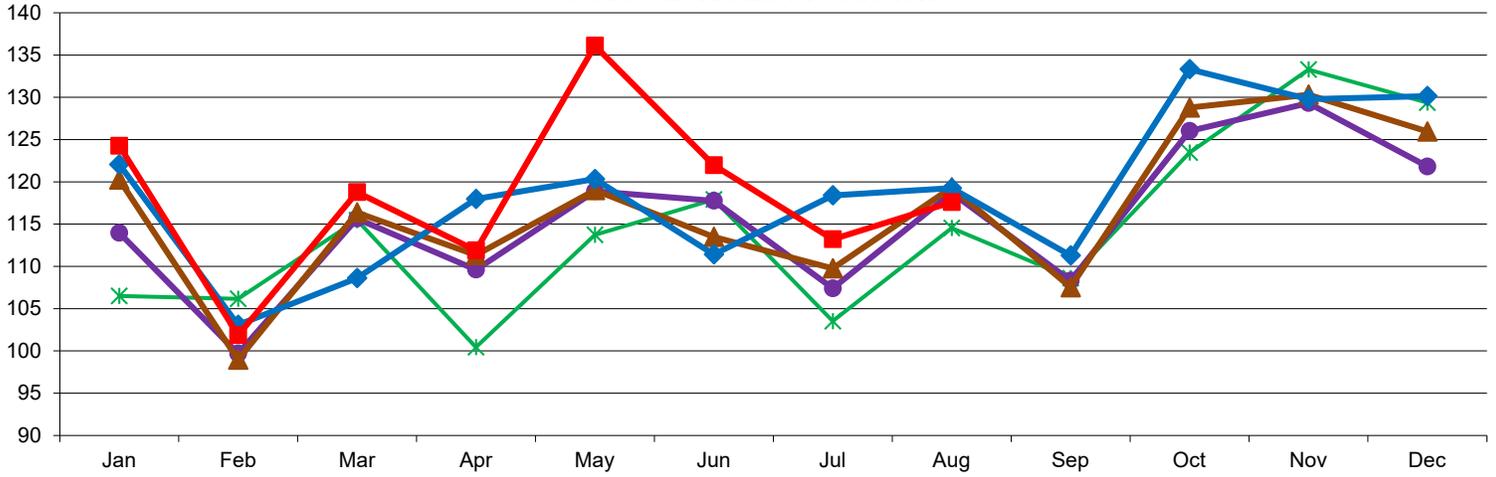
Product	August 2020	August 2019	July 2020	Product	August 2020	August 2019	July 2020
	<i>(1,000 lbs)</i>	<i>(percent)</i>			<i>(1,000 lbs)</i>	<i>(percent)</i>	
Dry whey, human food	84,476	19.6	1.9	Whey protein concentrate			
Dry whey, animal feed	1,324	-33.7	-20.0	Human food ⁹	67,229	13.0	0.8
Reduced lactose & minerals—human & animal ¹³	5,375	5.5	1.1	Animal feed ⁹	1,366	19.4	25.0
Lactose, human food & animal feed	107,119	-5.8	9.1	Total ⁹	68,595	13.1	1.2
Dry buttermilk	21,597	56.3	-10.0	25.0-49.9 percent ¹⁰	26,747	25.5	1.8
Nonfat dry milk, human food	270,632	0.4	-13.1	50.0-89.9 percent ¹⁰	41,848	6.4	0.9
				Whey protein isolates ¹¹	16,470	-14.3	-7.9

¹ 2019 cumulative as percent change of 2018 cumulative. ² Includes Cheddar, Colby, Monterey and Jack. ³ Mostly used for processing into cream or lowfat cottage cheese. ⁴ Fat content 4 percent or more. ⁵ Fat content less than 4 percent. ⁶ Dry milk protein concentrate, 40-89.9 percent. ⁷ Includes protein standardized and blends. ⁸ Excludes all modified dry whey products. ⁹ Whey protein concentrate, 25.0 to 89.9 percent. ¹⁰ Whey protein concentrate, human and animal. ¹¹ Whey protein isolates, 90.0 percent or greater. ¹² Stocks held by manufacturers at all points and in transit. ¹³ 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, October 2020.*



MILLION POUNDS

U.S. Sour Cream Production

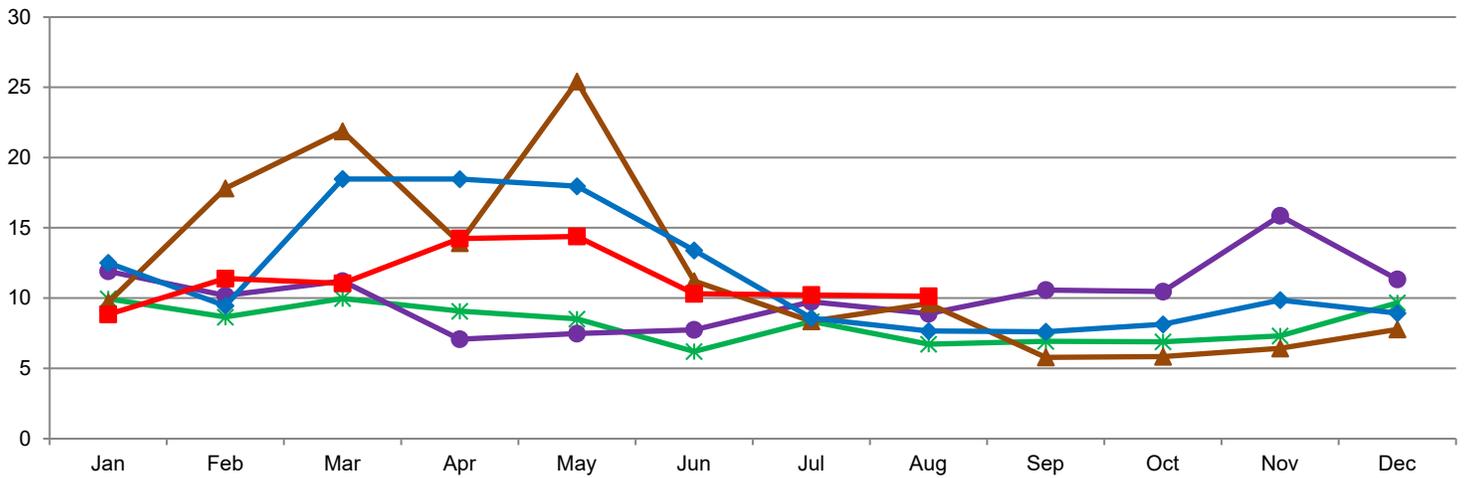


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2016 2017 2018 2019 2020

MILLION POUNDS

U.S. Dry Whole Milk Production

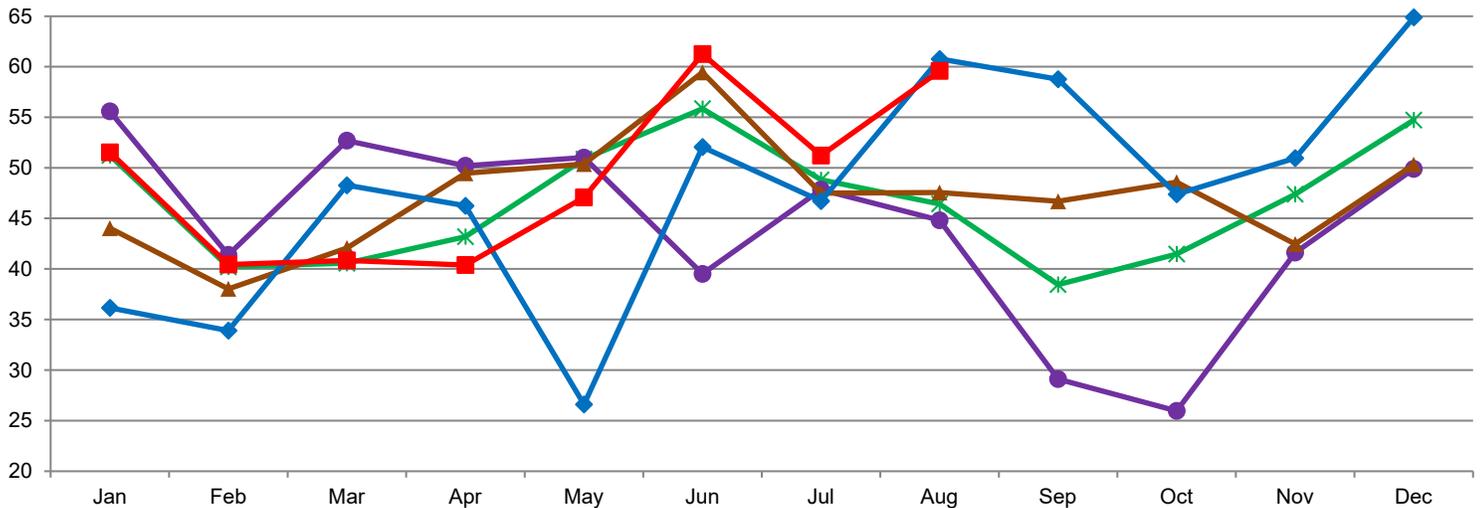


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2016 2017 2018 2019 2020

MILLION POUNDS

U.S. Skim Milk Powder Production



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

2016 2017 2018 2019 2020



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Friday, October 9, 2020

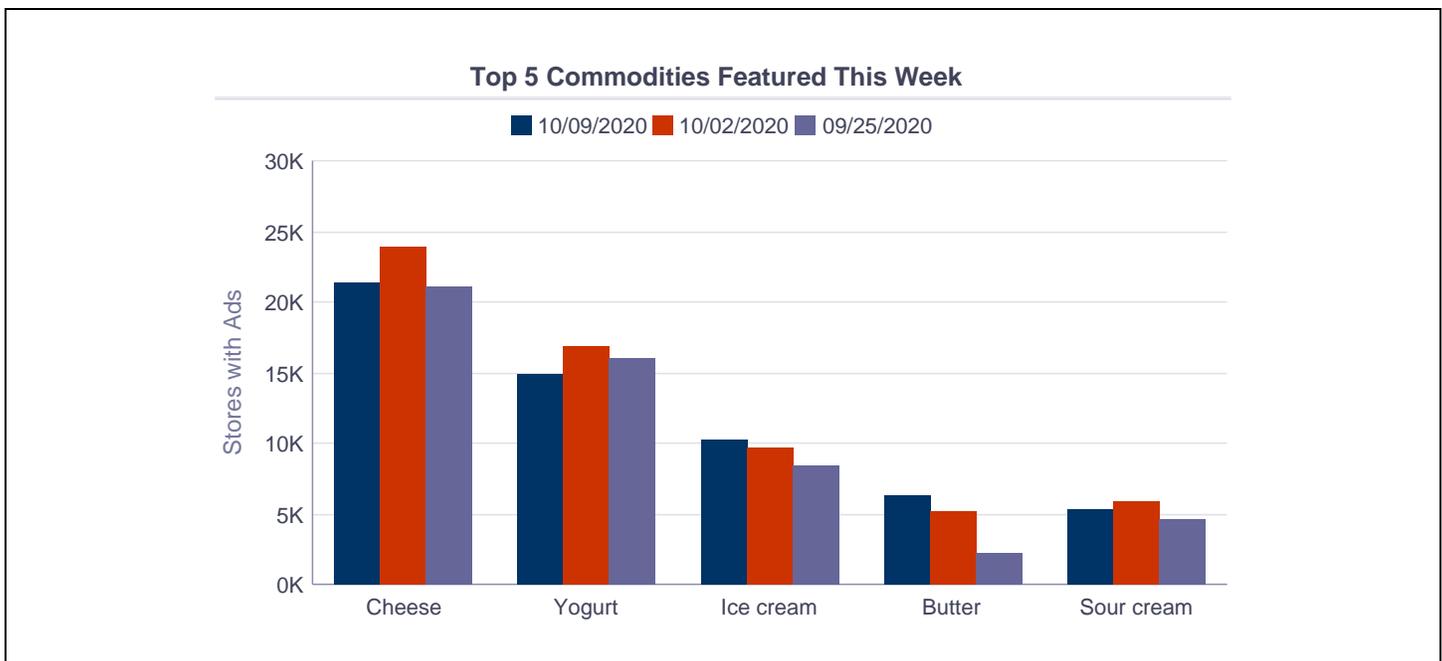
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 10/09/2020 to 10/15/2020

This week, the total number of conventional ads decreased 6 percent, and organic ads decreased 4 percent. Conventional ice cream in 48-64 oz containers is the most advertised dairy item. The weighted average price for conventional 48 to 64-ounce ice cream packages is \$3.38, up 21 cents from last week. Ads for conventional 1-pound butter increased 27 percent, with a weighted average advertised price of \$3.26, up 26 cents from last week.

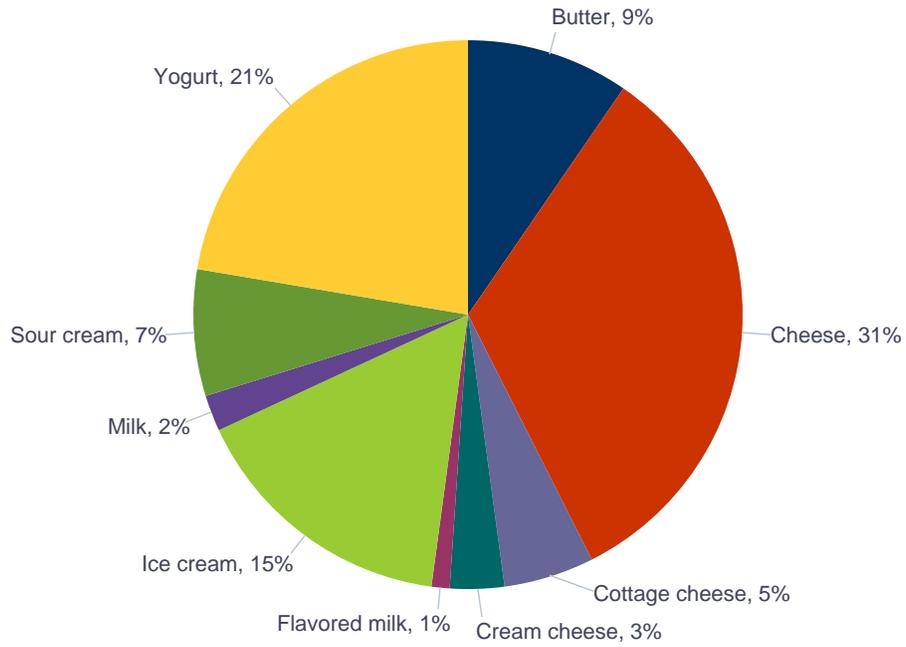
The total number of conventional cheese ads decreased 11 percent. The weighted average price for 8-ounce conventional cheese shreds was \$2.35, up 2 cents from last week. There are no organic cheese ads this week.

The total number of conventional yogurt ads decreased 7 percent and the total number of organic yogurt ads decreased 73 percent. Conventional Greek yogurt in 4-6 oz containers has an average price of \$0.92, steady with last week.

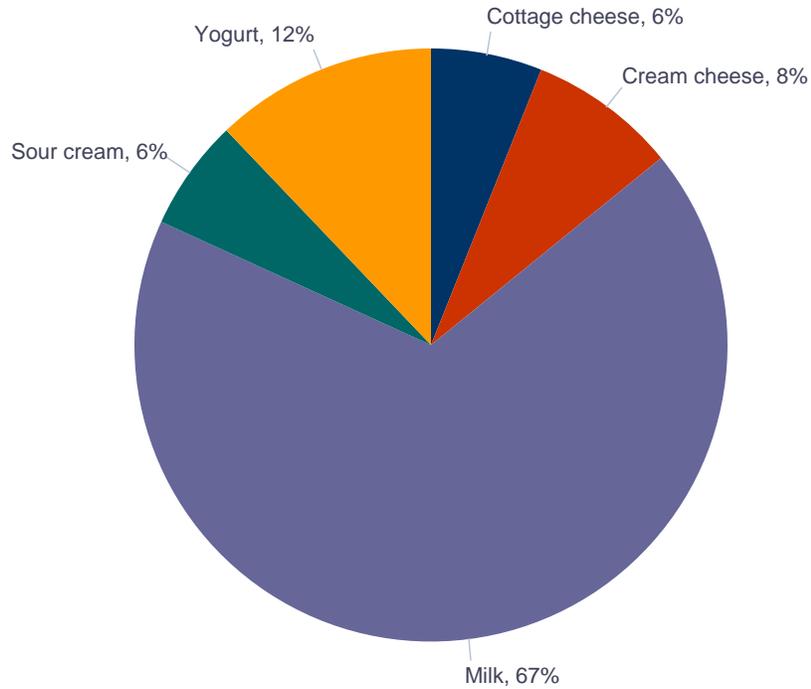
The national weighted average advertised price for conventional milk in half gallons is \$2.41, compared to \$4.31 for organic milk half gallons. This results in an organic premium of \$1.90. The total number of conventional milk ads increased 41 percent. Organic milk ad numbers increased 31 percent. Milk in half gallon containers was the most advertised organic dairy item.



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 #	6400	3.26	5029	3.00	4935	3.63
Cheese	Natural Varieties	8 oz block	6862	2.52	7910	2.41	8217	2.32
Cheese	Natural Varieties	1 # block	4253	3.86	2249	4.09	1763	4.29
Cheese	Natural Varieties	2 # block	945	6.64	1885	6.77	3119	5.53
Cheese	Natural Varieties	8 oz shred	8234	2.35	9821	2.33	7950	2.40
Cheese	Natural Varieties	1 # shred	1061	4.43	2101	4.24	1350	4.50
Cottage cheese		16 oz	3644	2.11	3625	1.87	3042	2.10
Cream cheese		8 oz	2260	2.29	4443	1.98	4078	1.99
Egg nog		half gallon	27	4.99				
Flavored milk	All fat tests	half gallon	428	2.50	244	1.99	977	1.83
Flavored milk	All fat tests	gallon	299	3.35	105	1.99	390	3.78
Ice cream		48-64oz	10316	3.38	9711	3.17	10762	3.30
Milk	All fat tests	half gallon	1120	2.41	365	2.65	346	3.06
Milk	All fat tests	gallon			429	3.33	1389	3.45
Sour cream		16 oz	5188	1.93	5983	1.81	5659	1.82
Yogurt	Greek	4-6 oz	8223	.92	7854	.92	8953	.99
Yogurt	Greek	32 oz	3150	4.34	3524	4.24	1588	4.43
Yogurt	Yogurt	4-6 oz	2714	.50	3938	.46	4966	.49
Yogurt	Yogurt	32 oz	550	3.80	401	3.47	367	2.81

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-4.99	1609	3.20	2.50-3.99	1406	3.64	1.99-2.99	1042	2.58
Cheese	Natural Varieties	8 oz block	1.25-3.99	1845	2.76	2.00-3.00	1499	2.61	1.49-3.00	1317	2.21
Cheese	Natural Varieties	1 # block	3.37-4.49	865	3.84	3.38-4.99	1883	4.06	3.50-5.49	188	4.76
Cheese	Natural Varieties	2 # block	4.99	108	4.99	5.99	114	5.99	6.99-7.99	340	7.30
Cheese	Natural Varieties	8 oz shred	1.25-3.49	2587	2.32	2.00-3.00	1363	2.61	1.99-2.50	2314	2.26
Cheese	Natural Varieties	1 # shred				2.50-4.99	992	4.50	3.50	69	3.50
Cottage cheese		16 oz	1.25-3.00	1337	2.30	1.50-2.50	1224	2.00	1.69-1.79	319	1.76
Cream cheese		8 oz	1.50-2.99	210	2.54	1.99-3.00	1033	2.71	0.99-2.00	244	1.35
Flavored milk	All fat tests	half gallon				2.50	428	2.50			
Flavored milk	All fat tests	gallon							2.39-3.99	299	3.35
Ice cream		48-64oz	2.00-4.00	1959	2.79	1.49-5.99	2851	3.64	1.99-4.49	1385	3.66
Milk	All fat tests	half gallon							0.77-4.49	674	2.66
Sour cream		16 oz	1.50-2.99	1986	1.97	0.88-2.00	1128	1.79	1.29-1.99	688	1.84
Yogurt	Greek	4-6 oz	0.69-1.25	2500	.88	0.70-1.00	2698	.98	0.88-1.00	536	.97
Yogurt	Greek	32 oz	3.49-5.99	984	4.30	3.69-5.00	1237	4.70			



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	4-6 oz	0.49-0.60	1322	.51	0.50-0.60	328	.57	0.50	116	.50
Yogurt	Yogurt	32 oz							2.29-4.99	249	4.24

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-4.99	672	3.37	2.50-4.99	856	3.59	2.50-3.50	804	3.13
Cheese	Natural Varieties	8 oz block	1.67-3.00	1222	2.30	2.00-3.00	510	2.74	1.88-3.00	421	2.42
Cheese	Natural Varieties	1 # block	3.48	973	3.48	3.37	344	3.37			
Cheese	Natural Varieties	2 # block	6.99	78	6.99	6.99	200	6.99	5.99	105	5.99
Cheese	Natural Varieties	8 oz shred	1.67-3.00	544	2.37	1.88-3.00	867	2.24	1.88-2.69	532	2.36
Cottage cheese		16 oz	1.79-2.29	389	2.09	2.49	62	2.49	2.00	289	2.00
Cream cheese		8 oz	1.19-1.48	126	1.36				1.29-2.69	647	2.09
Ice cream		48-64oz	2.50-4.49	1468	3.47	2.49-5.99	1667	3.20	1.88-5.49	986	3.53
Milk	All fat tests	half gallon	0.77-3.99	325	2.40				0.99	121	.99
Sour cream		16 oz	1.79-2.99	333	2.15	1.79-2.79	406	2.21	1.29-2.19	647	1.86
Yogurt	Greek	4-6 oz	0.69-1.25	766	.93	0.69-1.00	856	.81	0.69-1.00	813	.88
Yogurt	Greek	32 oz	4.99	114	4.99	2.99-4.49	515	3.56	3.99	289	3.99
Yogurt	Yogurt	4-6 oz	0.49-0.50	284	.49	0.49-0.50	364	.50	0.40	289	.40
Yogurt	Yogurt	32 oz	3.69	239	3.69	2.49	62	2.49			

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 #	2.99	11	2.99			
Cheese	Natural Varieties	8 oz block	2.50	21	2.50	4.00	27	4.00
Cheese	Natural Varieties	8 oz shred				4.00	27	4.00
Cottage cheese		16 oz				3.00	24	3.00
Egg nog		half gallon				4.99	27	4.99
Yogurt	Greek	4-6 oz				0.89-1.67	54	1.28
Yogurt	Greek	32 oz	5.99	11	5.99			
Yogurt	Yogurt	4-6 oz	0.60	11	.60			

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 #			147	4.99	557	5.49
Cottage cheese		16 oz	178	3.99	114	3.99		
Cream cheese		8 oz	223	2.85			51	2.50
Milk	All fat tests	half gallon	1719	4.31	398	4.01	3817	4.08
Milk	All fat tests	gallon	167	5.99	1046	4.83	1657	5.26
Sour cream		16 oz	178	2.99			84	2.50
Yogurt	Greek	32 oz	169	6.27	538	4.63	673	3.65
Yogurt	Yogurt	4-6 oz	161	1.00	219	1.07	554	1.00
Yogurt	Yogurt	32 oz			444	3.68	370	3.93

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
Cream cheese		8 oz	2.49-2.99	223	2.85						
Milk	All fat tests	half gallon	3.69-5.99	621	4.31	3.99-4.49	563	4.25			
Yogurt	Greek	32 oz	6.99	108	6.99	4.99	61	4.99			
Yogurt	Yogurt	4-6 oz	1.00	161	1.00						

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
Cottage cheese		16 oz				3.99	178	3.99			
Milk	All fat tests	half gallon	4.49	239	4.49	3.50-4.49	236	4.23	4.49	60	4.49
Milk	All fat tests	gallon				5.99	167	5.99			
Sour cream		16 oz				2.99	178	2.99			

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

Wtd Avg - Simple weighted average



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



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