

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (10/23)

BUTTER: Grade AA closed at \$1.4350. The weekly average for Grade AA is \$1.4635 (-0.0190).

CHEESE: Barrels closed at \$2.4550 and 40# blocks at \$2.7725. The weekly average for barrels is \$2.3440 (+0.1710) and blocks, \$2.7530 (+0.0390).

NONFAT DRY MILK: Grade A closed at \$1.0975. The weekly average for Grade A is \$1.1150 (-0.0210).

DRY WHEY: Extra grade dry whey closed at \$0.3850. The weekly average for dry whey is \$0.3820 (-0.0080).

CHEESE HIGHLIGHTS: Cheese production rates continue fairly robustly in most of the country. COVID-19 related quarantines for some plant employees in the Midwest have a handful of plant managers processing with lighter crews. Milk production continues to seasonally increase with cooler weather. Therefore, milk is available for Class III production. Additionally, retail demand is strong ahead of the holiday season. Cheese inventories are reportedly tight on the barrel side, as barrels are reported as balanced to somewhat tighter, as well. Cheese market tones are currently bullish. Barrel prices continue to push toward those of block prices. That said, questions remain regarding government purchasing past the end of this month.

BUTTER HIGHLIGHTS: Butter production levels are variable across the country. In the East, butter output is steady on moderate churning. In the Central region, butter producers continue to churn steadily as late-week cream has remained available. In the West, sourcing cream has not been a problem for butter makers as availability ticks higher, even as seasonal competition from Class II manufacturing takes form. Nationwide, butter demand reports remain positive. Retail customers are active ahead of the fall/holiday rush. Food service continues to edge up weekly, but pales in comparison to recent years. Regionally, bulk prices are 2.0 to 7.0 cents over the market in the East; flat to 5.0 in the Central, and 2.0 to 7.5 above the market in the West.

FLUID MILK: Milk production is level to increasing in the East. Mid-Atlantic milk loads are traveling to other regions for immediate needs. In the Midwest, current milk output is flat to higher. In California, milk production is down. Class I sales are healthy from the retail sector. In Arizona, milk production is steady, while New Mexico milk output is up. Bottlers' requests are higher for eggnog production. Milk production is strong in the mountain states of Idaho, Utah and Colorado. Educational institutions' Class I demands are mixed throughout the country. Condensed skim markets are fairly steady, with stable loads clearing to seasonal ice cream making. Cream markets are holding a stable tone. F.O.B. cream multiples for all Classes are **1.30-1.43** in the East; **1.25-1.40** in the Midwest; and **1.05-1.28** in the West.

DRY PRODUCTS: Throughout the regions, low/medium heat nonfat dry milk (NDM) prices are steady to higher. Spot trading activities are healthy. Export interest continues to be strong. Buttermilk powder prices are mostly steady. Outside of contractual needs, trading activity is lighter this week. Market conditions hold a stable tone. Dry whole milk prices are unchanged on moderate trading. The market tone is balanced. Dry whey prices are steady to growing. Numerous loads are trading around the mid to high \$0.30s. Buyers' demands are solid. Whey protein concentrate 34% prices are unchanged. Market participants note markets are somewhat quiet, as many buyers are holding off on spot purchases. Lactose prices are steady. Current demands are mixed. There are signs of a bearish market. Prices for both acid and rennet casein are unchanged on light spot market activity.

INTERNATIONAL DAIRY MARKET NEWS: WESTERN EUROPE OVERVIEW: Netherlands unofficial milk production estimates for early October indicate seasonal declines slightly lower than expected. France and Germany are believed to have slowed the seasonal decline. The German seasonal low point is expected to occur in mid-November.

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DAIRY MARKET NEWS PRICE SUMMARY FOR OCTOBER 19 - 23, 2020 PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range	Mostly		Commodity	Range	Mostly		Commodity	Range	Mostly				
NDM														
Central Low/Med. Heat	1.0800	1.1700	1.0900	1.1300	BUTTERMILK				LACTOSE					
Change	N.C.	0.0200	N.C.	N.C.	Central/East	0.9500	1.0300	Central/West	0.3900	0.6300	0.4500	0.5500		
Central High Heat	1.1300	1.2500			West	0.9300	1.0300	0.9400	0.9800	WPC 34%				
Change	-0.0200	N.C.			Change	0.0100	N.C.	N.C.	N.C.	Central/West	0.7500	1.0400	0.8200	0.9400
West Low/Med. Heat	1.0700	1.1750	1.1000	1.1500	WHEY				CASEIN					
Change	0.0300	N.C.	0.0100	N.C.	Central	0.3200	0.4100	0.3400	0.3700	Rennet	3.4650	3.5525		
West High Heat	1.1300	1.3050			West	0.3375	0.4300	0.3675	0.4000	Change	N.C.	N.C.		
Change	N.C.	N.C.			Northeast	0.3200	0.3900			Acid	3.6000	3.8250		
DRY WHOLE MILK														
National	1.5500	1.7500			Change	N.C.	0.0050			ANIMAL FEED WHEY				
Change	N.C.	N.C.								Central	0.2800	0.3000		
										Change	N.C.	N.C.		

DAIRY MARKET NEWS PRICE SUMMARY FOR OCTOBER 12 - 23, 2020 PRICES (\$/MT) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range	Commodity		Range	Commodity	Range		
SMP								
W. Europe	2500	2675	WHOLE MILK POWDER					
Change	N.C.	-25	W. Europe	3125	3375	BUTTER		
Oceania	2825	2900	Change	-25	N.C.	W. Europe	3950	4200
Change	-25	-325	Oceania	2975	3100	Change	N.C.	N.C.
S. America	2750	2950	Change	25	-25	Oceania	3625	3825
Change	N.C.	N.C.	S. America	3000	3100	Change	350	125
			Change	N.C.	N.C.	BUTTEROIL		
WHEY								
W. Europe	850	1000	WHOLE MILK POWDER					
Change	N.C.	-25	W. Europe	3125	3375	W. Europe	4725	5125
			Change	-25	N.C.	Change	25	50
			Oceania	2975	3100	CHEDDAR CHEESE		
			Change	25	-25	Oceania	3750	3925
			S. America	3000	3100	Change	100	50
			Change	N.C.	N.C.			

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

Irish milk production is viewed as continuing to be ahead of last year at this time. A new development in Germany is increased manufacturing and sales of UHT milk. This is attributed to consumer interest in stocking up on milk as a precautionary measure related to concerns of COVID-19 related milk supply disruptions.

EASTERN EUROPE OVERVIEW: Dairy exports from Belarus remain strong January – August 2020 compared with January – August 2019. Export volumes and percent changes for the period include butter, 58,000 MT, +4.9 percent; cheese, 173,000 MT, +11.8 percent; SMP, 85,000 MT, +6.4 percent; WMP, 19,000 MT, 24.2 percent; and dry whey, 91,000, +29 percent, according to CLAL data made available to USDA.

OCEANIA OVERVIEW: AUSTRALIA: Profitability is believed to be increasing for many dairy producers in south and west Australia. This is attributed to lower feed costs and greater pasture health and availability. Some northern dairy producers report that purchasing fodder rather than irrigating using high priced water has increased milk yields and helped with profit levels. Shifting milk contracts in Gippsland seem to be leading to a cheese plant being closed because the processor who lost milk intake volumes can no longer efficiently operate. It is uncertain which of two plants may close.

NEW ZEALAND: A large New Zealand dairy cooperative has increased the prior forecast for farmgate milk prices, 5.90 – 6.90 New Zealand dollars per kg of milk solids. It was announced last week that the 2021 forecast is now a range of 6.30 – 7.30 New Zealand dollars per kg of milk solids. Cited as enabling the increase was improved demand in China, quick recovery from COVID-19 impacts, and strong demand for WMP. However worrisome factors that could have an adverse impact as the season proceeds are mentioned to be currency exchange rate volatility, increased milk supply from the US and EU, and uncertainty as to future COVID-19 impacts and possible global economic slowing.

SOUTH AMERICA OVERVIEW: In **Argentina** and **Uruguay**, farm milk production continues to increase during this spring season and is very close to the peak of the year. So far this year, farm milk intakes are well above 2019 levels, as noted by some contacts. The fat and protein components in milk continue to improve, which is typical during this time of year. Feed supply available for dairy herds is generally ample, while quality is reported as fair/good, although some farming areas are experiencing drought conditions due to La Niña. Having said this, the volumes of milk available for processing bottled milk, cheese, and yogurt are more than adequate. Meanwhile, exports of dairy products are active within and outside the region. In **Brazil**, milk production is growing, but at a slow pace. Unlike Argentina and Uruguay, milk output in Brazil is well below the levels of the previous year, a result of the past prolonged drought that impacted the main farm zones of the country. Although the drought has eased in the main dairy areas of the country, many tambos continue struggling with milk yields. The slow recovery on milk production is highly correlated to the low availability and quality of concentrate and forage.

NATIONAL RETAIL REPORT (DMN): This week, the total number of conventional ads decreased 7 percent, and organic ads decreased 25 percent. Conventional ice cream in 48 to 64-ounce containers was the most advertised dairy item. The weighted average advertised price of conventional 1-pound butter is \$3.14, compared to \$5.29 for organic 1-pound butter. A signal of the upcoming holiday season appeared in this week's retail ad survey. The weighted average price for egg nog in quart containers is \$2.99. The total number of conventional cheese ads decreased 2 percent, while organic cheese ads increased 97 percent. The weighted average price for conventional 8-ounce cheese shreds is \$2.53, up 5 cents from last week. Organic 8-ounce cheese shreds have a weighted average price of \$3.74, up 25 cents from last week. The resulting organic price premium for 8-ounce cheese shreds is \$1.21.

SEPTEMBER MILK PRODUCTION (NASS): Milk production in the 24 major States during September totaled 17.2 billion pounds, up 2.4 percent from September 2019. August revised production, at 17.8 billion pounds, was up 1.9 percent from August 2019. The August revision represented an increase of 1 million pounds or less than 0.1 percent from last month's preliminary production estimate. Production per cow in the 24 major States averaged 1,944 pounds for September, 36 pounds above September 2019. The number of milk cows on farms in the 24 major States was 8.85 million head, 46,000 head more than September 2019, and 6,000 head more than August 2020. Milk production in the United States during the July - September quarter totaled 55.3 billion pounds, up 2.0 percent from the July - September quarter last year. The average number of milk cows in the United States during the quarter was 9.36 million head, 1,000 head less than the April - June quarter, but 39,000 head more than the same period last year.

SEPTEMBER COLD STORAGE (NASS): On September 30, U.S. cold storage holdings of butter totaled 343.9 million pounds, down 7.0 percent from the previous month, but up 18.0 percent from September 2019. Natural American cheese holdings total 772.6 million pounds, 2.0 percent lower than the previous month, but no change from September 2019. Total natural cheese stocks were 1,360.3 billion pounds, 1.0 percent lower than last month and 1.0 percent lower than September 2019.

NOVEMBER ADVANCED CLASS PRICES BY ORDER (FMMO): The base Class I price for November 2020 is \$18.04 per cwt, an increase of \$2.84 per cwt when compared to October 2020. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price. For November 2020, the advanced Class IV skim milk pricing factor is \$8.00 per cwt, the Class II skim milk price is \$8.70 per cwt, and the Class II nonfat solids price is \$0.9667 per pound. The two-week product price averages for November 2020 are: butter \$1.5188, nonfat dry milk \$1.0657, cheese \$2.2550, and dry whey \$0.3428.

JULY FLUID MILK SALES (FMMO): Total Fluid Products Sales of 3.7 billion pounds of packaged fluid milk products were shipped by milk handlers in July 2020. This was 2.4 percent higher than a year earlier. Estimated sales of total conventional fluid milk products increased 1.9 percent from July 2019 and estimated sales of total organic fluid milk products increased 10.7 percent from a year earlier.

AUGUST FLUID MILK SALES (FMMO): Total Fluid Products Sales of 3.7 billion pounds of packaged fluid milk products were shipped by milk handlers in August 2020. This was 5.8 percent lower than a year earlier. Estimated sales of total conventional fluid milk products decreased 6.4 percent from August 2019 and estimated sales of total organic fluid milk products increased 4.2 percent from a year earlier.

COMMODITY	MONDAY OCT 19	TUESDAY OCT 20	WEDNESDAY OCT 21	THURSDAY OCT 22	FRIDAY OCT 23	:: WEEKLY CHANGE	:: WEEKLY AVERAGE
CHEESE							
BARRELS	\$2.2550 (+0.0500)	\$2.3000 (+0.0450)	\$2.3075 (+0.0075)	\$2.4025 (+0.0950)	\$2.4550 (+0.0525)	:: :: (+0.2500)	:: :: \$2.3440 :: (+0.1710)
40 POUND BLOCKS	\$2.7400 (+0.0200)	\$2.7400 (N.C.)	\$2.7400 (N.C.)	\$2.7725 (+0.0325)	\$2.7725 (N.C.)	:: :: (+0.0525)	:: :: \$2.7530 :: (+0.0390)
NONFAT DRY MILK							
GRADE A	\$1.1400 (N.C.)	\$1.1275 (-0.0125)	\$1.1125 (-0.0150)	\$1.0975 (-0.0150)	\$1.0975 (N.C.)	:: :: (-0.0425)	:: :: \$1.1150 :: (-0.0210)
BUTTER							
GRADE AA	\$1.4975 (-0.0125)	\$1.4975 (N.C.)	\$1.4525 (-0.0450)	\$1.4350 (-0.0175)	\$1.4350 (N.C.)	:: :: (-0.0750)	:: :: \$1.4635 :: (-0.0190)
DRY WHEY							
EXTRA GRADE	\$0.3875 (N.C.)	\$0.3875 (N.C.)	\$0.3750 (-0.0125)	\$0.3750 (N.C.)	\$0.3850 (+0.0100)	:: :: (-0.0025)	:: :: \$0.3820 :: (-0.0080)

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

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

BUTTER MARKETS

NORTHEAST

Butter production in the East region is steady on fairly moderate churning. Limitations on milk intakes, caused by Class I pulls, and uninspiring cream offers in the spot cream market drive output levels. Manufacturers are reluctantly turning away orders, as they lean heavily on micro-fixing butter to fulfill existing sales as interest appears to approach full swing from retail. Uncertainty is at the forefront of the butter supply chain, as some sources suggest that excessive consumer buying could reemerge, following spikes in COVID-19 throughout the U.S. Retail butter ads are mixed in areas of the region, with the Northeast seeing a uptick in ads, but the Southeast noted a slight decline. Meanwhile, a recent market report points out that September same-store sales and traffic were the best since February, prior to the pandemic. Bulk butter prices for the region are reported 2-7 cents over the CME Group, with various time frames and averages used. Wholesale prices primarily display seasonal strength.

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 \$1.4975 up from the \$1.4750 close a week ago.

WEST

Butter production levels are variable in the West. Projected orders are coming in at expected levels and being satisfied using stored inventory in addition to new butter production. Sourcing cream has not been a problem for West butter makers, availability ticks higher, even as seasonal competition from Class II manufacturing takes form. Cream multiples range 1.05-1.26. Print manufacturing is very active and unsalted butter demand has increased with the shift to the baking season. Regional factors that hamper sales in the foodservice sector are ongoing and broadly curb total volumes sold. Export orders continue to advance butter supplies to offshore customers. Current prices for bulk butter range from +.0200 to +.0750 over the market, based on the CME, with various time frames and averages used. The market underscores firmness as butter prices incrementally climb.

Prices for: Western U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter
Bulk Basis Pricing - 80% Butterfat \$/LB: +0.0200 - +0.0750

Secondary Sourced Information:

The Grade AA butter price at the CME Group on Wednesday closed at \$1.4525, compared to the weekly average price of \$1.4825 from last week.

CENTRAL

Butter producers continue to churn steadily as late-week cream has remained available at similar rates week to week. Butter plant managers relay cream is available from local and from Western sources. Cream suppliers are also negotiating ahead of time for the week of Thanksgiving. Butter demand reports remain positive. Retail customers are active ahead of the fall/holiday rush. Food service continues to edge up weekly, but pales in comparison to recent years. Butter producers say some retail buyers' pipelines are nearly depleted. Butter markets continue with a softness. Contacts suggest near term expectations remain somewhat subdued regarding butter market tones.

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 - +0.0500

CHEESE MARKETS

NORTHEAST

Cheese makers are clearing strong milk loads for active production schedules in the East. Manufacturers' cheese supplies are balanced to growing. Many market participants are interested where inventory levels will be at the end of the year. Retail sales are holding fairly steady. The holidays are right around the corner and numerous grocers are advertising cheese product varieties for holiday cooking. Cream cheese production is strong, and there are reports retailers are purchasing large orders. Foodservice sales are mixed in the region. Capacity limitations and shutdowns are taking a toll on the restaurant industry. There are reports food programs have extended schools' free meals to students through the end of the school year, potentially affecting educational institutions' cheese and milk demands. On the CME Group, block and barrel prices are around the \$2.30 and \$2.70 marks.

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

Cheddar 40 pound Block	3.1625-3.4500
Muenster	3.1500-3.5000
Process American 5 pound Sliced	2.2725-2.7525
Swiss 10-14 pound Cuts	4.1975-4.5200

MIDWEST

Midwestern cheese contacts report similar notes to last week across the board. Spot milk trading is fairly quiet. Current spot prices remain close to last week, hovering around Class. One noted change is some customers who let their pipelines run dry are returning to the buying fold. Production rates remain steady. Cheesemakers, in recent weeks, have edged back slightly to more "normal" weekly production schedules. Cheese producers say they are not trying to add to inventories in case buying slows and/or markets begin to ebb. Also, COVID-19 is affecting some production facilities, as employees are quarantining as cases continue to increase in areas of the Midwest. Regarding cheese market tones, they continue to show signs of steadiness to slight bullishness day to day and week to week. Barrel prices continue to increase, slowly closing the large price gap.

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

Blue 5 pounds	3.3450-4.4150
Brick 5 pounds	3.0775-3.5025
Cheddar 40 pound Block	2.8000-3.2000
Monterey Jack 10 pounds	3.0525-3.2575
Mozzarella 5-6 pounds	2.8775-3.8225
Muenster 5 pounds	3.0775-3.5025
Process American 5 pound Loaf	2.2575-2.6175
Swiss 6-9 pound Cuts	3.7125-3.8300

WEST

Western cheese manufacturers are working hard to keep up with orders. Retail demand is active as stores prepare to fill holiday cheese needs. While some industry contacts suggest food service orders are slowly recovering, restaurants continue to face the challenges of space and operational restrictions. Large volumes of cheese are moving into pizza and government purchases. Current purchases have supported higher prices within the market but have hindered export sales. A few contacts suggest processors have brought in more cheese imports to fill some processed cheese needs. Industry contacts are speculating as to what government purchases and subsequent cheese demand will look like as some government buying may phase out at the end of the month. Currently, block inventories are tight, and to a lesser extent, so are barrel supplies. However, contacts suggest available cheese stocks are increasing. In some cases, buyers are

pausing purchases. They are hesitant in taking on cheese at current price levels, should supplies increase and prices relax. Cheese production remains active. Ample milk supplies are keeping processing facilities full.

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

Cheddar 10 pound Cuts	3.0375-3.2375
Cheddar 40 pound Block	2.7900-3.2800
Monterey Jack 10 pounds	3.0250-3.3000
Process American 5 pound Loaf	2.2750-2.5300
Swiss 6-9 pound Cuts	4.0050-4.4350

FOREIGN TYPE

The market for foreign cheese is quite stable. Manufacturers in Western Europe feel there is good balance in the export market to the United States. Export demand is strong. Customers continue to pursue contracts. Coupled with robust internal European demand, this somewhat strains European cheese production capacity. Cheese manufacturing profitability in Western Europe is among the highest for dairy products so most extra milk in Western Europe goes to cheese plants. With many European countries recently imposing a second round of COVID-19 related stay at/near home orders, there is less demand for fluid milk for schools and more milk going to cheese for now. Not much is expected to change in the near future.

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

VARIETY	NEW YORK	IMPORTED	DOMESTIC
Blue	2.6400-5.2300		3.2225-4.7100*
Gorgonzola	3.6900-5.7400		3.7300-4.4475*
Parmesan	-0-		4.6100-6.7000*
Romano	-0-		4.4125-6.5675*
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
10/19/2020	64275	73279
10/01/2020	67723	76366
CHANGE	-3448	-3087
% CHANGE	-5	-4

FLUID MILK AND CREAM

EAST

Northeast milk production is level to slightly higher. Educational institutions' Class I demands are mixed, with several districts moving to students learning from home versus in the physical classroom. Retail sales are steady. Some Class II and III manufacturers are receiving strong milk loads. Mid-Atlantic milk production is fairly flat. Class I sales are receiving the majority of loads. Market participants note a new dairy operation in Michigan is receiving milk this week. Many industry contacts question if milk availability will tighten in that state as well as in surrounding areas. Mid-Atlantic milk is traveling to other regions. Southeast milk output is growing. Class I orders are strong from the retail sector. With changes in restaurant limitations/consumers' demands, consumers are buying food to cook more at home. School districts are also working through unpredictable in school/at home changes that are affecting milk demand for school meal programs. There are reports government food programs have extended schools' free meals to students through the end of the school year. Florida milk production is picking up. The humidity has declined, although temperatures continue to be seasonally standard, ranging in the mid to high 80s. Class I sales are moderate. There are reports educational institutions milk demands are steady to slightly increasing. Cream availability is tight in parts of the region. Spot prices are increasing, and many buyers are purchasing around the top of the price range. Some operations are utilizing all cream supplies by not selling on the spot market. Cream cheese and ice cream makers are adding additional cream loads onto their strong production schedules for seasonal demands. There are reports cream prices are strengthening. There are little to no changes in condensed skim markets. Market participants are running through regular loads. Spot market activity is a bit slower.

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 - 1.4300
 Price Range - Class II; \$/LB Butterfat: 1.9273 - 2.1200

MIDWEST

Fluid milk reports are flat to higher. Farmers who have lighter herd numbers report cow to cow production is up, although overall milk output is lighter. Mostly, though, farm milk output is increasing with improved cow comfort conditions due to cooler fall weather throughout the entire region. Contacts expect some market reactions to the NASS *Milk Production* report which was released on Monday. Each of the Central states showed modest to notable gains in annual milk production percentages. After last week's Class I demand increases, there were some mixed notes this week. Some school district ordering has quieted after pipelines have been fulfilled. Cream cheese producers are busy. Contacts say cream cheese is moving well in the grocery sector, and producers are working to fulfill those needs. Cream demand from cream cheese makers has responded in kind. Butter makers continue to report finding cream loads within their financial grasp. They report late week cream availability remains in the mid 1.20s, while other producers say cream is pushing up. Cream suppliers and customers continue to work through 2021 contracts.

Midwestern contract pricing is reportedly similar to 2020 in some cases, while others report increases due to new plant openings and higher transportation costs. Corn harvesting in the upper Midwest, in most areas, continues to push ahead of recent years' levels. Some precipitation last week did little to hinder fieldwork. Much of the same can be said for soybean harvests in the Midwest. Dry weather, with little to no precipitation in the past month, has hindered winter wheat planting in parts of Kansas, Oklahoma and Texas.

Price Range - Class III Milk; \$/CWT; Spot Basis: -1.00 - .50
 Trade Activity: Slow

Midwestern U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.2500 - 1.4000
 Price Range - Class II; \$/LB Butterfat: 1.9273 - 2.0755
 Multiples Range - Class II: 1.3000 - 1.4000

WEST

In California, farm milk production had plateaued as the climate has been atypically warmer for cows. However, nighttime is longer and temperatures supportive of cow recovery. As noted by some contacts, the fat and protein components in the milk continue steadily improving. Some cheese processors are helping to clear heavy milk intakes, operating at full capacity. Milk shipments into Class I are higher, driven by hearty demands from the retail sector. In Arizona farm milk outputs are steady from last week. With schools opening full time, Class I sales are ramping up. Large volumes of milk are moving into Class III encouraged by government purchases and a hearty demand from pizzerias. In New Mexico, milk production is slightly up. Ample milk supplies are keeping balancing plants running at or near full capacity. Milk requests from bottlers are slightly higher as eggnog production is more active at this time of the year. Milk production in the Pacific Northwest is steady to lower as the region nears the cyclical low point for the year. However, manufacturers report having no issues getting the milk needed for processing. Cooler weather has issued into the region, but this has had little to no impact on cow comfort. Bottling demand remains relatively steady. In the mountain states of Idaho, Utah, and Colorado, milk production is strong. According to the NASS *Milk Production* Report issued earlier this week, September milk production increased by 7.8 percent in Colorado and 2.9 percent in Idaho from last year. In both cases, cow numbers and milk production per cow have increased. Manufacturers are running facilities at or near full capacity. Some processors report being able to get spot loads of milk for \$4 under Class IV. Fires are still an issue in Colorado, threatening some farms and forage supplies. Snow and colder temperatures are forecasted for the weekend, which should greatly help contain the fires. Throughout the west region, large volumes of condensed skim milk continue clearing into seasonal ice cream making, as well into dryers. Seasonal competition for western cream between butter churners and Class II processors is taking shape. This week, cream multiples are steady to slightly up, ranging from 1.05 to 1.28.

Western U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.0500 - 1.2800

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(Million Lb.) % Change From
1 Year Ago

Secondary Sourced Information:

MILK PRODUCTION: According to NASS, milk production in the 24 major states during September 2020 totaled 17.2 billion pounds, up 2.4 percent from one year ago. Eastern states' monthly milk production and percent changes compared to a year ago are as follows:

Arizona	350	- 2.2
California	3,313	+3.2
Colorado	430	+7.8
Idaho	1,335	+2.9
New Mexico	662	- 0.9
Oregon	208	- 1.4
Utah	183	- 2.1
Washington	557	- 1.1

September 2020 Milk Production, (USDA-NASS)

(Million Lb.) % Change From
1 Year Ago

Florida	158	- 3.7
Georgia	130	- 0.8
New York	1,252	+ 1.4
Pennsylvania	815	+ 1.9
Vermont	207	- 5.5
Virginia	117	+ 1.7

Secondary Sourced Information:

The NASS Milk Production report noted September 2020 milk production in the 24 selected states was 17.2 billion pounds, 2.4 percent above a year ago. Milk cows in the 24 selected states totaled 8.851 million head, 46,000 head more than a year ago. The following table shows Central states included in the report and the monthly milk production and percent changes compared to a year ago:

September 2020 Milk Production, (USDA-NASS)

(Million Lb.) % Change From
1 Year Ago

Illinois	137	+ 3.0
Indiana	350	+ 9.0
Iowa	439	+ 2.8
Kansas	332	+ 6.8
Michigan	950	+ 2.3
Minnesota	831	+ 2.7
Ohio	457	+ 4.6
South Dakota	264	+12.3
Texas	1,211	+ 6.5
Wisconsin	2,518	+ 0.7

Secondary Sourced Information:

The NASS Milk Production report noted September 2020 milk production in the 24 selected states was 17.2 billion pounds, 2.4 percent higher from a year ago. Milk cows in the 24 selected states totaled 8.85 million head, 46,000 head more than a year ago. The following table shows western states included in the report and the monthly milk production changes compared to a year ago:

August 2020 Milk Production, (USDA-NASS)

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 were steady on the mostly, in spite of a two penny lift on the top of the range. Spot trading activity was busier than last week, but slower than in late September/early October when activity was notably lively. Production remains active. Contacts suggest that some seasonal increases in buttermilk drying have stepped back, as NDM and SMP are the focus of some producers. Export interest remains a key factor in keeping supplies and markets in check. A number of contacts relay domestic demand is sideways. High heat NDM prices slipped on the bottom of the price range on a quiet spot trading week. NDM market tones are steady near term. Domestic demand notes hint to some signs of potential bearishness

EAST: Low/medium heat nonfat dry milk prices are stable in the mostly series. Moderate nonfat dry milk interest from domestic customers and good global demand, in tandem with current output levels, supports an undertone that is fairly steady this trading week. Some NDM sellers are optimistic that markets will trend higher over the short run, with the expectation of an uptick in purchases taking place. Spot offerings are marginal, as those NDM manufacturers with lighter than desired milk deliveries note a slight squeeze on inventory volumes. Market demand for high heat nonfat dry milk is good as manufacturers clear projected volumes. To balance the improving sales, some plants are drying high heat this week.

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

Price Range - Low & Medium Heat; \$/LB: 1.0800 - 1.1700

Mostly Range - Low & Medium Heat; \$/LB: 1.0900 - 1.1300

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

West low/medium heat nonfat dry milk (NDM) prices shifted a bit higher on the bottom of the range and bottom of the mostly price series. Spot trading activities are mixed. Market participants are purchasing weekly spots at steady to higher price points. However, some industry contacts are waiting to see where prices will go. Production schedules are steady to active. Manufacturers' supplies are growing a bit in the region. Some operations continue to work through healthy export demands. On the CME Group, spot prices are trending downwards this week. The market tone is stable for the near term. High heat NDM prices are unchanged. Drying time is limited, and inventories are very tight. Market participants note a couple manufacturers are scheduling drying time for scheduled orders.

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: 1.0700 - 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: 1.1300 - 1.3050

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices were steady for the second week in a row. Market activity has slowed since earlier in the month when spot trading may have reached its 2020 peak. Contacts say condensed buttermilk trading is still active. As drying time has been allotted to more condensed skim, in light of bullish pushes on nonfat dry milk markets, producers are pushing dried buttermilk loads through contractual channels. Therefore, limited spot supply, particularly of recently produced loads, and easing demand are maintaining a semblance of balance. Buttermilk market tones are holding steady.

EAST: The dry buttermilk price is unchanged in a quiet market. Dry buttermilk production is generally light, corresponding to the region's limited churning activity. The region's supplies are light to balanced. Buyers are not aggressively looking for dry buttermilk at this time, but spot offering are clearing easily. While sales on the spot market are infrequent, loads to committed customers are stable. The market for dry buttermilk has a steady undertone.

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

In the West, prices for dry buttermilk increased on the bottom of the range, while holding steady elsewhere. Market tones are somewhat quieter this week. Spot trading activity has slowed, although exports into Mexico and the domestic bakery sector customers continue to take on contractual loads. There are some contacts who foresee another resurgence from those sectors prior to the end-of-year holidays. Currently, though, trading has ebbed and supply/demand is reportedly in balance.

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

Price Range ; \$/LB: .9300 - 1.0300

Mostly Range - ; \$/LB: .9400 - 0.9800

DRY WHOLE MILK - U.S.

National dry whole milk free on board spot prices are unchanged on light to moderate trading. With most balancing plant managers focusing on NDM/SMP production, limited condensed whole milk volumes are moving into dryers. Although a considerable portion of the inventories are committed to meet the contractual needs of Q4, buyers are not having any difficulty on finding loads in to spot market. Right now, the market is in balance as prices has been very resilient to any changes in market conditions.

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

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 pushed up on both ends of the range and on the top of the mostly series. Some customers reported receiving fewer offers than they expected, as they inquire about prices. They say their current stocks are sufficient, as they hold out for more low to mid \$.30s prices. Dry whey production is steadily busy, and milk availability has begun to increase for Class III producers. Animal feed whey trading activity remains steadily slow. More feed customers are seeking out edible grade dry whey. Dry whey market tones are steadily bullish.

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: .3200 - .4100
Mostly Range - Non-Hygroscopic; \$/LB: .3400 - .3700

WHEY PROTEIN CONCENTRATE

Whey protein concentrate 34% prices are unchanged. After a spurt in activity a couple weeks ago, the WPC 34% market is quiet once again. Industry contacts suggest some shoppers are waiting to see what happens with nonfat dry milk and other dairy protein markets before making any buying decisions. End users are still making regular inquiries for WPC34%, especially for certain brands, but sales are slow to develop. Inventories are mixed. Favored brands are tight and can be hard to find. Some buyers suggest there are plenty of offers of WPC34% that is more interchangeable with other dairy proteins. WPC 34% production is steady to lower as a few manufacturers flex between WPC 34% and sweet whey powder and WPC 80% when they can.

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

DRY WHEY- NORTHEAST

Eastern dry whey prices shifted higher on the top of the price series this week. Spot trading activities are active. Several loads are trading around the mid to high \$.30s. Buyers' demands are healthy, although some market participants are holding off on spot trading due to adequate inventories. In addition, some industry contacts are not purchasing on the spot market to see where prices lead. Dry whey production is unchanged from strong drying schedules. Manufacturers' inventories are balanced with buyers' immediate needs. The dry whey market holds a stable tone.

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 - .3900

LACTOSE

Lactose prices are unchanged this week. While the strength of the lactose market from several months ago has dissipated and there is a bearish sentiment, prices have been slow to change. Quarterly contracts are providing a stabilizing effect on market prices and many lactose manufacturers report being committed through the end of the year. A few processors suggest they continue to see good demand from infant formula buyers. Some contacts think standardization needs will be solid. Lactose production is steady, and inventories are increasing. A few contacts report Chinese buyers have supplies that they need to clear out before making new purchases. In addition, buyers are seeing more offers from suppliers at lower prices. While some manufacturers are not willing to chase these sales, it may be a signal of what is ahead unless demand strengthens.

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: .4500 - .5500

DRY WHEY- WEST

Western whey prices moved higher at the top of the price range and on both ends of the mostly price series. Industry contacts report whey supplies are tight in the western region. As buyers seek out available whey supplies, spot prices are moving higher. Manufacturers say they are seeing strong demand from both domestic and international buyers. Southeast Asian buyers are making regular purchases to help feed the rebuilding hog populations. Whey production is steady and in line with cheese production.

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: .3375 - .4300
Mostly Range - Non-Hygroscopic; \$/LB: .3675 - .4000

CASEIN

The price ranges for acid casein and rennet casein are steady this week. In both Western Europe and New Zealand, much of current production is under contract. Spot market activity is very light. Regular buyers tend to be contracted through the end of 2020. Contracting activity for Q1 and Q2 2021 has been underway and much Q1 contracting has been finalized. Casein markets are very orderly with prices expected to remain close to current pricing in coming weeks.

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: 3.6000-3.8250
Rennet; Price Range - \$/LB: 3.4650-3.5525

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
10/10/2020	57.2	2,407.8	63.0	2,540.7

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	18.04	
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
10/17/2020	1,5063 2,427,497	2,6118 13,528,655	1,9511 11,734,489	3,455 6,087,339	1,0734 18,705,479 b

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	10/16	10/19	10/20	10/21	10/22
OCT 20	21.38	21.42	21.46	21.48	21.63
NOV 20	20.92	21.65	21.49	20.91	21.44
DEC 20	18.73	19.48	19.34	18.71	19.41

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

DATE	10/16	10/19	10/20	10/21	10/22
OCT 20	13.67	13.67	13.52	13.52	13.52
NOV 20	14.34	14.29	14.07	13.80	13.67
DEC 20	14.48	14.39	14.04	13.97	13.73

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

DATE	10/16	10/19	10/20	10/21	10/22
OCT 20	154.25	153.60	152.53	152.53	152.48
NOV 20	157.00	157.00	156.50	153.00	151.50
DEC 20	159.75	160.00	157.00	154.00	151.98

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

DATE	10/16	10/19	10/20	10/21	10/22
OCT 20	107.48	107.23	107.05	106.53	106.55
NOV 20	114.00	113.95	112.00	110.50	109.05
DEC 20	114.93	114.65	112.25	110.85	110.48

WHEY (Electronic-Traded) (¢/lb)

DATE	10/16	10/19	10/20	10/21	10/22
OCT 20	34.20	34.20	34.20	34.20	34.20
NOV 20	34.10	34.33	34.25	34.03	34.70
DEC 20	34.53	35.00	35.25	34.30	34.80

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

DATE	10/16	10/19	10/20	10/21	10/22
OCT 20	2.56	2.56	2.56	2.56	2.56
NOV 20	2.31	2.35	2.42	2.39	2.43
DEC 20	2.03	2.10	2.10	2.07	2.10

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

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered October 12 - 23, 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

Netherlands unofficial milk production estimates for early October indicate seasonal declines slightly lower than expected. France and Germany are believed to have slowed the seasonal decline. The German seasonal low point is expected to occur in mid-November. Irish milk production is viewed as continuing to be ahead of last year at this time.

A new development in Germany is increased manufacturing and sales of UHT milk. This is attributed to consumer interest in stocking up on milk as a precautionary measure related to concerns of COVID-19 related milk supply disruptions.

The European Commission is developing proposed legislation to be released by the end of 2023, intended to create a legal framework for a sustainable food system. The interests to be addressed are maintaining adequate and affordable food and maintaining adequate income for producers, while adhering to sustainability goals as to climate neutrality by 2050.

Demand for sliced cheese within Western Europe, especially Germany, France, and Netherlands, remains strong. The strongest demand is for home consumption. Food service demand is better than expected, but lags home dining demand. Italian cheese demand has pulled back. Supply availability is mixed among and within countries. Cheesemaking is at the top of the list for extra milk.

EU cheese exports January – August 2020, 619,000 MT, increased 8.0 percent from January – August 2019 according to CLAL data made available to USDA.

EASTERN OVERVIEW

Dairy exports from Belarus remain strong January – August 2020 compared with January – August 2019. Export volumes and percent changes for the period include butter, 58,000 MT, +4.9 percent; cheese, 173,000 MT, +11.8 percent; SMP, 85,000 MT, +6.4 percent; WMP, 19,000 MT, 24.2 percent; and dry whey, 91,000, +29 percent, according to CLAL data made available to USDA.

BUTTER/BUTTEROIL

In Western Europe, the butter price range is unchanged. The highest butter prices tend to be in Belgium, followed by Germany, Italy, France, then Netherlands. There has been a shifting toward more prices within the range moving higher. Butteroil prices are higher.

Demand for packaged butter is getting stronger. Retail purchasing has recently increased. Some sellers label demand as high. Ordering activity is reported to be higher in the last few days. Some manufacturers increasingly believe packaged butter is undervalued. Even with some plants increasing butter production schedules, these factors portend possible price strengthening in coming weeks.

Bulk butter activity is primarily centered on filling existing contracts. New contracting is slow. Many buyers are uncertain about making new price commitments. Current bulk butter manufacturing schedules and stocks on hand are handling current demand.

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: 4,725 - 5,125

Secondary Sourced Information:

EU butter exports January – August 2020, 185,000 MT, increased 43.2 percent from January – August 2019 according to CLAL data made available to USDA.

SKIM MILK POWDER

The Western European skim milk powder price range is steady at the bottom but slightly lower at the top. The highest SMP prices are noted in Belgium, followed by Germany, France, and Netherlands. Prices received by a number of plants are higher than two weeks ago.

Demand is said to be gathering momentum, even if mostly focused on short term needs. It is spot markets showing price strength. Contracting for the longer-term future is more tentative. Much of current sales activity is moving to customers in the EU. Export interest is slower. Looking ahead, while milk production is nearing the seasonal low, that is normal. SMP production schedules are in the normal range for this time of year. The market has accounted for the pacing of milk production and SMP production. Activity moving forward is not expected to generate many surprises.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,500 - 2,675

Secondary Sourced Information:

EU SMP exports January – August 2020, 587,000 MT, decreased 14.6 percent from January – August 2019 according to CLAL data made available to USDA.

WHEY

Dry whey pricing in Western Europe is mixed. Prices setting the low end of the price range are steady. The top of the range is slightly lower. Plants in Germany record the highest prices, followed by plants in Netherlands. Some plants report contracting at higher price levels. There are indications of increasing buying interest ahead through the end of 2020. Continuing interest in making more cheese in Western Europe is expected to help whey production. There is confidence that buyers will be there for what is produced.

Prices for: Western Europe, All First Sales, Free on Board - Port, Conventional, and Edible Dry Whey
Price Range - Non-Hygroscopic; \$/MT: 850 - 1,000

CONTINUED ON PAGE 8A

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered October 12 - 23, 2020

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

CONTINUED FROM PAGE 8

Secondary Sourced Information:

EU whey exports January – August 2020, 516,000 MT, increased 11.9 percent from January – August 2019 according to CLAL data made available to USDA.

WHOLE MILK POWDER

Whole milk powder pricing in Western Europe reflects a slightly lower price setting the low end of the price range. The upper range price is steady. Market activity is calm and constant. That keeps anxiety levels low. This pattern is expected to continue in coming weeks. The production focus remains on internal EU markets. However, export activity remains more active than normal, but is readily accommodated.

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

Price Range - 26% Butterfat; \$/MT: 3,125 - 3,375

Secondary Sourced Information:

EU WMP exports January – August 2020, 233,000 MT, increased 14.5 percent from January – August 2019 according to CLAL data made available to USDA.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered October 12 - 23, 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: August 2020 milk production in Australia, the second month of the new season, increased 3.2 percent from August 2019, according to Dairy Australia. More detailed production data are in the table which follows.

AUSTRALIA MILK PRODUCTION, MILKFAT and PROTEIN

August 2020

State	Million Liters	Percent Change From 1 Year Ago	Percentage Milkfat Protein	
New South Wales	182.7	+2.0	3.99	3.40
Victoria	902.0	+3.9	4.08	3.48
Queensland	53.7	- 6.9	4.01	3.36
South Australia	72.4	+5.3	3.76	3.40
Western Australia	61.1	+1.6	3.75	3.37
Tasmania	65.5	+6.3	4.46	3.55
Australia (Total)	1,337.4	+3.2	4.06*	3.46**

*+4.1 percent from prior year period

** +0.3 percent from prior year period

Profitability is believed to be increasing for many dairy producers in south and west Australia. This is attributed to lower feed costs and greater pasture health and availability. Some northern dairy producers report that purchasing fodder rather than irrigating using high priced water has increased milk yields and helped with profit levels. Shifting milk contracts in Gippsland seem to be leading to a cheese plant being closed because the processor who lost milk intake volumes can no longer efficiently operate. It is uncertain which of two plants may close.

NEW ZEALAND: A large New Zealand dairy cooperative has increased the prior forecast for farmgate milk prices, 5.90 – 6.90 New Zealand dollars per kg of milk solids. It was announced last week that the 2021 forecast is now a range of 6.30 – 7.30 New Zealand dollars per kg of milk solids. Cited as enabling the increase was improved demand in China, quick recovery from COVID-19 impacts, and strong demand for WMP. However worrisome factors that could have an adverse impact as the season proceeds are mentioned to be currency exchange rate volatility, increased milk supply from the US and EU, and uncertainty as to future COVID-19 impacts and possible global economic slowing.

There is some concern that pasture growth has slowed recently. Unusually cold weather over the South Island and to a lesser extent the North Island, combined with heavy rain, slowed growth. More normal weather is expected soon, which will bring some relief if it develops.

Lower credit availability for New Zealand dairy producers has become an obstacle to expansion or new entry to farming. A new enterprise is about to proceed with an initial offering to raise money to fund farmland acquisition. The plan is then to lease farmland to producers limited by credit to acquire farmland.

BUTTER/BUTTEROIL

In Oceania the butter price range strengthened. Butter markets have tightened in the near term. Manufacturing remains quite active but contracts for future delivery keep some newly produced butter unavailable. Cream availability will be declining seasonally. That has led to some buyers being increasingly motivated to secure supply commitments of butter. This is both due to likely tighter availability from non-GDT sales, as well as expected higher prices moving forward. Butter volumes offered at this week's GDT event were lower than two weeks ago.

Oceania, 82% Butterfat, Free on Board - Port Butter

Price Range - \$/MT:

3,625 - 3,825

Secondary Sourced Information:

Seasonal butter exports from Australia July – August 2020, 2,521 MT, increased 61.1 percent from July – August 2019 according to Dairy Australia.

Butter exports from New Zealand January – August 2020, 278,000 MT, decreased 8.8 percent from January – August 2019 according to CLAL data made available to USDA.

At GDT event 270 on October 20, the butter all contracts price, \$3,678, increased 3.3 percent. The November contract, \$3,820 increased 3.2 percent.

SKIM MILK POWDER

The Oceania skim milk powder price range is lower. The greatest downward adjustment was the top of the price range. Many buyers and sellers had expected pricing to ease this week. Volumes of SMP offered at the GDT event were steady with two weeks ago. Expectations of less SMP availability later this year are leading contract negotiations to gravitate toward pricing above current levels. Strong export interest is also expected to continue in coming months. Regional manufactured volumes will be declining.

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

Price Range - 1.25% Butterfat; \$/MT:

2,825 - 2,900

Secondary Sourced Information:

Seasonal SMP exports from Australia July – August 2020, 13,368 MT, increased 27.4 percent from July – August 2019 according to Dairy Australia.

SMP exports from New Zealand January – August 2020, 2,521 MT, increased 61.1 percent from January – August 2019 according to CLAL data made available to USDA.

At GDT event 270 on October 20, the SMP all contracts price, \$2,851, decreased 0.2 percent. The November contract, \$2,885, decreased 10.2 percent.

CONTINUED ON PAGE 8C

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered October 12 - 23, 2020

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

CONTINUED FROM PAGE 8B

CHEESE

Prices for cheddar in Oceania lifted the price range higher. Demand has been and remains strong. Manufacturers expect brisk demand to continue at least through November. That sentiment is one that buyers have accepted and responded to in price negotiations. Looking toward Q1 2021 there is less certainty that current pricing will continue. Buyers are likely to find cheese when they want it but there seems to be no great evidence of buyers pacing buying.

Prices for: Oceania Cheese, Cheddar, 39% Maximum Moisture, Free on Board - Port,
Price Range - \$/MT: 3,750 - 3,925

Secondary Sourced Information:

Cheese exports from New Zealand January – August 2020, 211,000 MT, decreased 5.7 percent from January – August 2019 according to CLAL data made available to USDA.

Seasonal cheddar exports from Australia July – August 2020, 5,151 MT, decreased 13.2 percent from July – August 2019 according to Dairy Australia. Seasonal other cheese exports from Australia July – August 2020, 16,935 MT, increased 6.3 percent from July – August 2020.

At GDT event 270 on October 20, the cheddar all contracts price, \$3,803, increased 3.0 percent. The November contract, \$3,904, increased 1.1 percent.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 2,975 - 3,100

Secondary Sourced Information:

Seasonal SMP exports from Australia July – August 2020, 13,368 MT, increased 27.4 percent from July – August 2019 according to Dairy Australia.

WMP exports from New Zealand January – August 2020, 228,000 MT, decreased 5.7 percent from January – August 2019 according to CLAL data made available to USDA.

At GDT event 270 on October 20, the WMP all contracts price, \$3,037, increased 0.3 percent. The November contract was \$3,100.

Exchange rates for selected foreign currencies:
October 19, 2020

.0129 Argentina Peso	.0136 India Rupee
.7069 Australian Dollar	.0095 Japan yen
.1783 Brazil Real	.0472 Mexican Peso
.7580 Canadian Dollar	.6605 New Zealand Dollar
.0013 Chile Peso	.2573 Poland Zloty
1.1772 Euro	.0233 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0472) = 21.1864$ Mexican Pesos. Source: "Wall Street Journal"

WHOLE MILK POWDER

The Oceania whole milk powder price range is mixed, with a slight increase at the low end and a slight decrease at the high end. The price adjustment is negligible. New Zealand dairy manufacturers and buyers tend to expect WMP markets in the near term to be generally steady. It is noted that this week's GDT offering volumes match previous forecasts which contributed to slight price movement.

Looking ahead, observers say that volumes previously planned for spring 2021 sale will be shifted to December and January contracts. This is being done to better meet market demand cycles. Seasonal GDT offering volumes are currently anticipated to peak in November.

Many analysts expect WMP prices to be steady to slightly higher in the short term. Underlying this view is concern about weather turning dry, coupled with moving beyond the peak production period. Those factors drive the pricing projection. Prices easing below \$3,000 in early 2021 would not surprise these analysts. Substantial seasonal WMP inventory has already shipped out of New Zealand. As stocks decline in line with lower seasonal production, some manufacturers expect pricing to strengthen again by Q3 of 2021. At least, that assumption is in play in contracting negotiations.

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered October 12 - 23, 2020

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

SOUTH AMERICA OVERVIEW

In Argentina and Uruguay, farm milk production continues to increase during this spring season and is very close to the peak of the year. So far this year, farm milk intakes are well above 2019 levels, as noted by some contacts. The fat and protein components in milk continue to improve, which is typical during this time of year. Feed supply available for dairy herds is generally ample, while quality is reported as fair/good, although some farming areas are experiencing drought conditions due to La Niña. Having said this, the volumes of milk available for processing bottled milk, cheese, and yogurt are more than adequate. Meanwhile, exports of dairy products are active within and outside the region.

In Brazil, milk production is growing, but at a slow pace. Unlike Argentina and Uruguay, milk output in Brazil is well below the levels of the previous year, a result of the past prolonged drought that impacted the main farm zones of the country. Although the drought has eased in the main dairy areas of the country, many tambos continue struggling with milk yields. The slow recovery on milk production is highly correlated to the low availability and quality of concentrate and forage. Due to the scarcity of milk, processors are paying higher premium prices for raw milk. However, milk intakes remain less than enough to satisfy the strong demands from the food processing industry. Low inventories of UHT milk and cheese continue pushing prices up, making negotiations difficult for some processors and buyers. Imports of cheese and dairy powder remain active from nearby countries.

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 270 on October 20 whole milk powder (WMP) prices across all contract periods averaged \$3,037 per metric ton, up 0.3 percent from the last event.

SKIM MILK POWDER

Free on board export prices for skim milk powder (SMP) are steady in the Southern Cone region of South America. Drying schedules for condensed skim milk are irregular, while SMP inventory levels are described as steady to slightly higher. Buyers' immediate needs for SMP remain strong as year-end festivities approach.

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 270 on October 20, skim milk powder (SMP) prices across all contract periods averaged \$2,851 per metric ton, down 0.2 percent from the last event.

WHOLE MILK POWDER

In the Southern Cone region, whole milk powder (WMP) free on board export prices remained unchanged with no major changes on the market status, which is described as balanced. Except for Brazil, WMP inventories are becoming more accessible in the market, driven by seasonally higher farm milk outputs throughout the region. Demands from the food processing industry remain stable, but are anticipated to inch up ahead of the upcoming year-end holidays.

September Milk Production

Milk production in the 24 major States during September totaled 17.2 billion pounds, up 2.4 percent from September 2019. August revised production, at 17.8 billion pounds, was up 1.9 percent from August 2019. The August revision represented an increase of 1 million pounds or less than 0.1 percent from last month's preliminary production estimate. Production per cow in the 24 major States averaged 1,944 pounds for September, 36 pounds above September 2019. The number of milk cows on farms in the 24 major States was 8.85 million head, 46,000 head more than September 2019, and 6,000 head more than August 2020. Milk production in the United States during the July - September quarter totaled 55.3 billion pounds, up 2.0 percent from the July - September quarter last year. The average number of milk cows in the United States during the quarter was 9.36 million head, 1,000 head less than the April - June quarter, but 39,000 head more than the same period last year.

State	Milk Cows ^{1,2}				Milk Production ^{1,3}			
	September		January – September		September		January – September	
	2019	2020	2019	2020	2020	Percent change from 2019	2020	Percent change from 2019
	<i>(thousands)</i>				<i>(million lbs)</i>		<i>(percent)</i>	
AL	--	--	4.5	3.2	--	--	9.0	-25.0
AK	--	--	(D)	(D)	--	--	(D)	(NA)
AZ	196	195	195.0	196.0	350	-2.2	1,082.0	-1.5
AR	--	--	5.0	5.0	--	--	14.0	-6.7
CA	1,725	1,721	1,725.0	1,721.0	3,313	3.2	10,146.0	2.3
CO	189	199	188.0	198.0	430	7.8	1,314.0	7.5
CT	--	--	19.0	19.0	--	--	105.0	1.0
DE	--	--	4.0	3.8	--	--	16.4	1.2
FL	116	111	116.0	111.0	158	-3.7	515.0	-4.1
GA	80	79	80.0	80.0	130	-0.8	408.0	-0.2
HI	--	--	(D)	(D)	--	--	(D)	(NA)
ID	630	645	628.0	645.0	1,335	2.9	4,173.0	3.3
IL	83	83	83.0	83.0	137	3.0	424.0	2.9
IN	175	185	175.0	184.0	350	9.0	1,069.0	8.5
IA	217	219	217.0	218.0	439	2.8	1,335.0	2.7
KS	163	171	162.0	170.0	332	6.8	1,006.0	6.2
KY	--	--	49.0	47.0	--	--	216.0	1.4
LA	--	--	10.0	9.5	--	--	27.0	--
ME	--	--	29.0	27.0	--	--	147.0	-6.4
MD	--	--	42.0	41.0	--	--	206.0	4.6
MA	--	--	10.0	10.0	--	--	48.0	2.1
MI	428	428	427.0	428.0	950	2.3	2,928.0	2.6
MN	447	442	447.0	442.0	831	2.7	2,564.0	2.4
MS	--	--	8.0	8.5	--	--	28.0	3.7
MO	--	--	77.0	75.0	--	--	253.0	-1.9
MT	--	--	11.5	11.5	--	--	64.0	-3.0
NE	--	--	58.0	59.0	--	--	356.0	3.2
NV	--	--	33.0	31.0	--	--	190.0	-1.6
NH	--	--	11.0	11.0	--	--	57.0	-3.4
NJ	--	--	4.8	4.7	--	--	24.0	--
NM	329	327	327.0	326.0	662	-0.9	1,989.0	-2.6
NY	627	626	627.0	626.0	1,252	1.4	3,847.0	1.1
NC	--	--	41.0	40.0	--	--	209.0	-1.9
ND	--	--	15.0	14.5	--	--	83.0	-
OH	252	254	251.0	254.0	457	4.6	1,406.0	4.1
OK	--	--	41.0	41.0	--	--	170.0	--
OR	124	123	124.0	123.0	208	-1.4	648.0	-1.2
PA	485	482	485.0	482.0	815	1.9	2,521.0	2.4
RI	--	--	0.7	0.5	--	--	2.7	--
SC	--	--	11.0	10.0	--	--	42.0	-6.7
SD	126	139	124.0	138.0	264	12.3	800.0	12.5
TN	--	--	31.0	29.0	--	--	126.0	--
TX	570	598	567.0	594.0	1,211	6.5	3,662.0	6.0
UT	97	95	97.0	95.0	183	-2.1	560.0	-2.4
VT	125	120	126.0	121.0	207	-5.5	638.0	-5.3
VA	74	74	74.0	74.0	117	1.7	361.0	2.6
WA	281	279	281.0	279.0	557	-1.1	1,730.0	-0.9
WV	--	--	6.0	6.0	--	--	22.0	--
WI	1,266	1,256	1,267.0	1,257.0	2,518	0.7	7,735.0	0.2
WY	--	--	6.0	8.0	--	--	50.5	36.5
24 State Total	8,805	8,851	--	--	17,206	2.4	--	--
U.S. ^{4,5}			9,322.0	9,361.0			55,328.0	2.0

(D) Withheld to avoid disclosing data for individual operations. (NA) Not available. ¹ Preliminary. ² Includes dry cows, excludes heifers not yet fresh. ³ Excludes milk sucked by calves. ⁴ Includes states for which individual monthly estimates are not available. ⁵ Milk cows will not add due to rounding. **Source:** U.S. Department of Agriculture, National Agricultural Statistics Service. *Milk Production, (October 2020)*.

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated

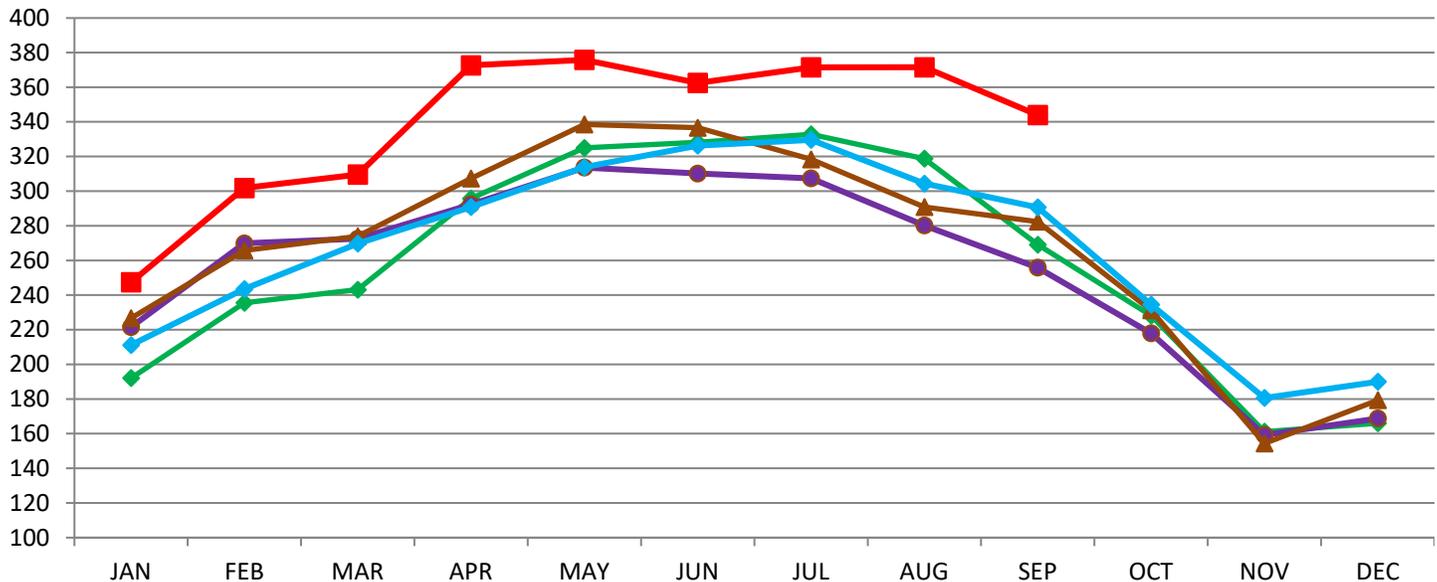
U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	AUGUST 31, 2018	AUGUST 31, 2019	REVISED AUGUST 31, 2020	SEPTEMBER 30, 2018	SEPTEMBER 30, 2019	SEPTEMBER 30, 2020
Butter	290,851	304,368	371,519	282,379	290,649	343,899
Cheese, Natural American	787,435	767,366	789,594	803,750	774,761	772,584
Cheese, Swiss	31,211	27,340	20,602	30,848	26,392	20,762
Cheese, Other Natural	541,843	570,124	567,711	545,105	572,703	566,940
Total Cheese	1,360,489	1,364,830	1,377,907	1,379,703	1,373,856	1,360,286

SEPTEMBER STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
New England	72,683	70,452	69,445				871	1,219	681
Middle Atlantic	63,819	87,000	68,775				18,288	14,761	16,558
East North Central	331,197	329,809	321,093				376,340	365,354	351,029
West North Central	138,047	114,446	129,448				45,227	49,171	49,610
South Atlantic	882	215	91				24,571	39,943	45,582
East South Central	16,840	10,856	8,735				15,185	36,027	32,785
West South Central	6,140	3,741	7,284				1,181	2,233	7,582
Mountain	63,057	50,439	50,024				2,798	3,379	3,905
Pacific	111,085	107,803	117,689				60,644	60,616	59,208
TOTAL	803,750	774,761	772,584	282,379	290,649	343,899	545,105	572,703	566,940

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

MILLION POUNDS

Butter Cold Storage Holdings



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

—●— 2016 —●— 2017 —▲— 2018 —◆— 2019 —■— 2020

Advanced Class Prices by Order, November 2020

November 2020 Highlights

Base Class I Price: The base Class I price for November 2020 is \$18.04 per cwt, an increase of \$2.84 per cwt when compared to October 2020. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price.

Class II Price Information: For November 2020, the advanced Class IV skim milk pricing factor is \$8.00 per cwt, the Class II skim milk price is \$8.70 per cwt, and the Class II nonfat solids price is \$0.9667 per pound.

Product Price Averages: The two-week product price averages for November 2020 are: butter \$1.5188, nonfat dry milk \$1.0657, cheese \$2.2550, and dry whey \$0.3428.

Advanced Class Prices by Order for November 2020

Federal Milk Order Class I Price Information ^{1,2}				
Federal Milk Order Marketing Area ³	Order Number	November 2020		
		Class I Price (3.5%)	Class I Skim Milk Price ⁴	Class I Butterfat Price
		<i>(dollars per cwt)</i>	<i>(dollars per cwt)</i>	<i>(dollars per pound)</i>
Northeast (Boston)	001	21.29	16.03	1.6641
Appalachian (Charlotte)	005	21.44	16.18	1.6656
Florida (Tampa)	006	23.44	18.18	1.6856
Southeast (Atlanta)	007	21.84	16.58	1.6696
Upper Midwest (Chicago)	030	19.84	14.58	1.6496
Central (Kansas City)	032	20.04	14.78	1.6516
Mideast (Cleveland)	033	20.04	14.78	1.6516
California (Los Angeles)	051	20.14	14.88	1.6526
Pacific Northwest (Seattle)	124	19.94	14.68	1.6506
Southwest (Dallas)	126	21.04	15.78	1.6616
Arizona (Phoenix)	131	20.39	15.13	1.6551
All-Market Average		20.86	15.60	1.6598

¹ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk. ² The mandatory \$0.20 per cwt processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown in this table. ³ Names in parentheses are the major city in the principal pricing point of the markets. ⁴ Please see the Advanced Prices and Pricing Factors Announcement: <https://www.ams.usda.gov/mnreports/dymadvancedprices.pdf>.

July 2020 Milk Sales

Total Fluid Products Sales 3.7 billion pounds of packaged fluid milk products were shipped by milk handlers in July 2020. This was 2.4 percent higher than a year earlier. Estimated sales of total conventional fluid milk products increased 1.9 percent from July 2019 and estimated sales of total organic fluid milk products increased 10.7 percent from a year earlier.

Estimated Total U.S. Sales of Fluid Milk Products, July 2020, with Comparisons ¹

Product Name	Sales ²		Change from:	
	Jul	Year to Date ⁴	Previous Year	Year to Date
Conventional Production Practice	<i>(million pounds)</i>		<i>(percent)</i>	
Whole Milk	1,293	9,170	1.6	5.1
Flavored Whole Milk	62	413	7.4	-6.1
Reduced Fat Milk (2%)	1,218	8,543	3.6	3.1
Low Fat Milk (1%)	407	3,174	-0.9	-3.0
Fat-Free Milk (Skim)	228	1,703	-14.0	-13.9
Flavored Fat-Reduced Milk	161	1,661	1.9	-17.9
Buttermilk	34	237	-10.3	-4.8
Other Fluid Milk Products	65	439	147.0	160.6
Total Fat-Reduced Milk ³	2,013	15,081	0.2	-3.1
Total Conventional Milk Products	3,467	25,339	1.9	0.8
Organic Production Practice				
Whole Milk	105	742	11.0	16.6
Reduced Fat Milk (2%)	80	568	10.2	17.7
Low Fat Milk (1%)	30	203	17.4	3.7
Fat-Free Milk (Skim)	17	117	8.2	6.2
Flavored Fat-Reduced Milk	7	52	-5.5	-0.5
Other Fluid Milk Products	0	1	-13.1	56.9
Total Fat-Reduced Milk ³	135	941	10.4	11.8
Total Organic Milk Products	240	1,683	10.7	13.9
Total Fluid Milk Products ²	3,707	27,023	2.4	1.5

¹These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order data. Reported volumes do not include added non-dairy ingredients such as sweeteners or flavorings. ²Data may not add due to rounding. ³Both conventional and organic fat-reduced milk categories are the total of reduced fat, lowfat, skim and flavored fat-reduced milk.

Package Sales of Total Fluid Milk Products in Federal Milk Orders, July 2020, with Comparisons ¹

Marketing Area	Order Number	Sales ²		Change from:	
		Jul	Year to Date	Previous Year	Year to Date
		<i>(million pounds)</i>		<i>(percent)</i>	
Northeast	001	605	4,411	-0.6	-0.3
Appalachian	005	278	1,923	11.3	6.6
Florida	006	209	1,600	0.2	2.6
Southeast	007	320	2,393	-2.2	1.1
Upper Midwest	030	259	1,926	0.1	0.5
Central	032	315	2,303	4.3	2.9
Mideast	033	433	3,090	6.6	2.1
California ³	051	415	3,029	-0.8	-1.1
Pacific Northwest	124	145	1,053	-1.0	0.3
Southwest	126	352	2,543	7.0	3.0
Arizona	131	80	588	5.0	2.8
All Areas (Totals) ¹		3,411	24,861	2.4	1.5

¹These figures are representative of the consumption of total fluid milk products in the respective area. Reported volumes do not include added non-dairy ingredients such as sweeteners or flavorings. ²Data may not add due to rounding.

August 2020 Milk Sales

Total Fluid Products Sales 3.7 billion pounds of packaged fluid milk products were shipped by milk handlers in August 2020. This was 5.8 percent lower than a year earlier. Estimated sales of total conventional fluid milk products decreased 6.4 percent from August 2019 and estimated sales of total organic fluid milk products increased 4.2 percent from a year earlier.

Estimated Total U.S. Sales of Fluid Milk Products, August 2020, with Comparisons ¹

Product Name	Sales ²		Change from:	
	Aug	Year to Date ⁴	Previous Year	Year to Date
Conventional Production Practice	<i>(million pounds)</i>		<i>(percent)</i>	
Whole Milk	1,258	10,428	-2.7	4.1
Flavored Whole Milk	64	477	7.0	-4.5
Reduced Fat Milk (2%)	1,181	9,724	-3.2	2.3
Low Fat Milk (1%)	415	3,589	-11.5	-4.1
Fat-Free Milk (Skim)	228	1,931	-17.0	-14.3
Flavored Fat-Reduced Milk	181	1,842	-37.1	-20.3
Buttermilk	35	272	-9.6	-5.5
Other Fluid Milk Products	70	509	178.9	163.0
Total Fat-Reduced Milk ³	2,005	17,086	-10.9	-4.1
Total Conventional Milk Products	3,432	28,771	-6.4	-0.1
Organic Production Practice				
Whole Milk	103	845	5.5	15.1
Reduced Fat Milk (2%)	81	650	8.1	16.4
Low Fat Milk (1%)	26	229	2.3	3.5
Fat-Free Milk (Skim)	15	132	-11.9	3.7
Flavored Fat-Reduced Milk	7	59	-8.5	-1.5
Other Fluid Milk Products	0	1	42.9	56.7
Total Fat-Reduced Milk ³	129	1,070	3.2	10.7
Total Organic Milk Products	232	1,915	4.2	12.6
Total Fluid Milk Products ²	3,663	30,686	-5.8	0.6

¹These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order data. Reported volumes do not include added non-dairy ingredients such as sweeteners or flavorings. ²Data may not add due to rounding. ³Both conventional and organic fat-reduced milk categories are the total of reduced fat, lowfat, skim and flavored fat-reduced milk.

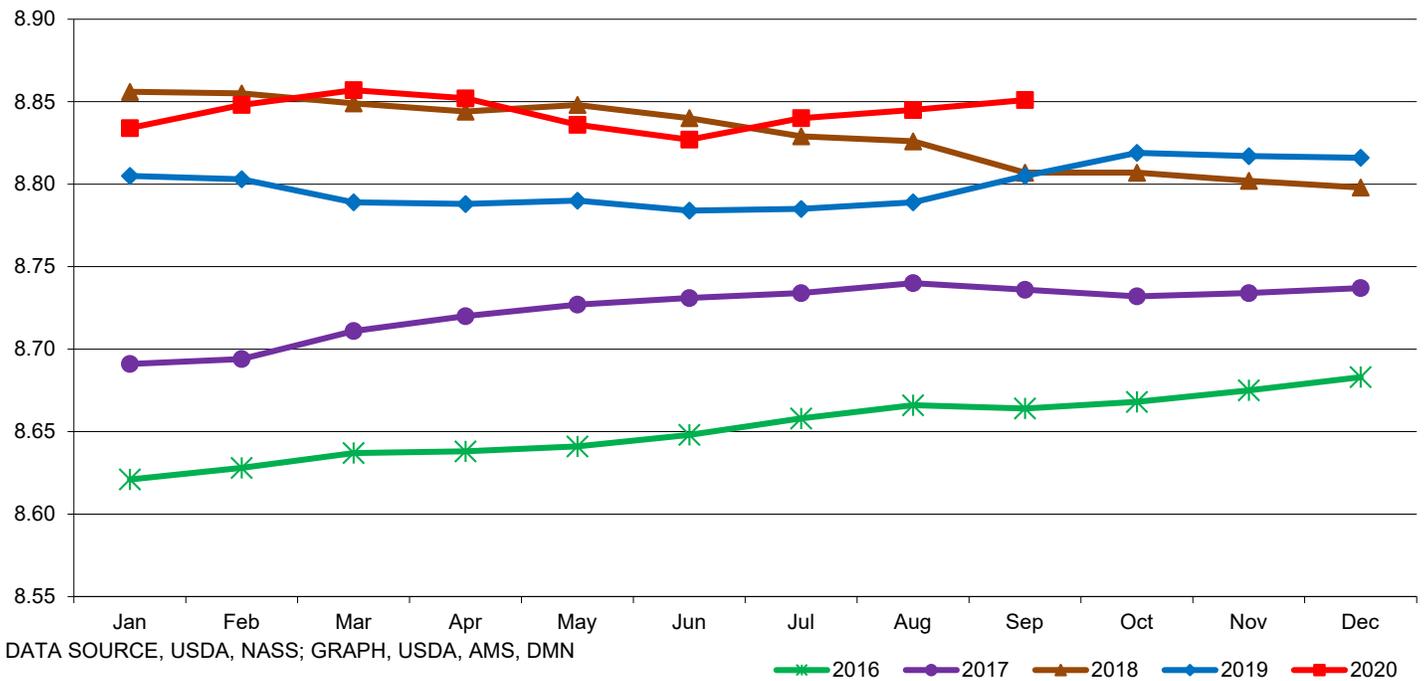
Package Sales of Total Fluid Milk Products in Federal Milk Orders, August 2020, with Comparisons ¹

Marketing Area	Order Number	Sales ²		Change from:	
		Aug	Year to Date	Previous Year	Year to Date
		<i>(million pounds)</i>		<i>(percent)</i>	
Northeast	001	590	5,001	-5.8	-1.0
Appalachian	005	283	2,206	6.0	6.6
Florida	006	206	1,807	-9.5	1.0
Southeast	007	318	2,710	-13.1	-0.8
Upper Midwest	030	251	2,178	-7.3	-0.5
Central	032	316	2,619	-4.3	2.0
Mideast	033	433	3,523	-2.3	1.5
California ³	051	406	3,436	-9.5	-2.1
Pacific Northwest	124	142	1,195	-4.0	-0.3
Southwest	126	346	2,890	-5.3	1.9
Arizona	131	79	667	-6.4	1.7
All Areas (Totals) ¹		3,370	28,231	-5.8	0.6

¹These figures are representative of the consumption of total fluid milk products in the respective area. Reported volumes do not include added non-dairy ingredients such as sweeteners or flavorings. ²Data may not add due to rounding.

MILLION HEAD

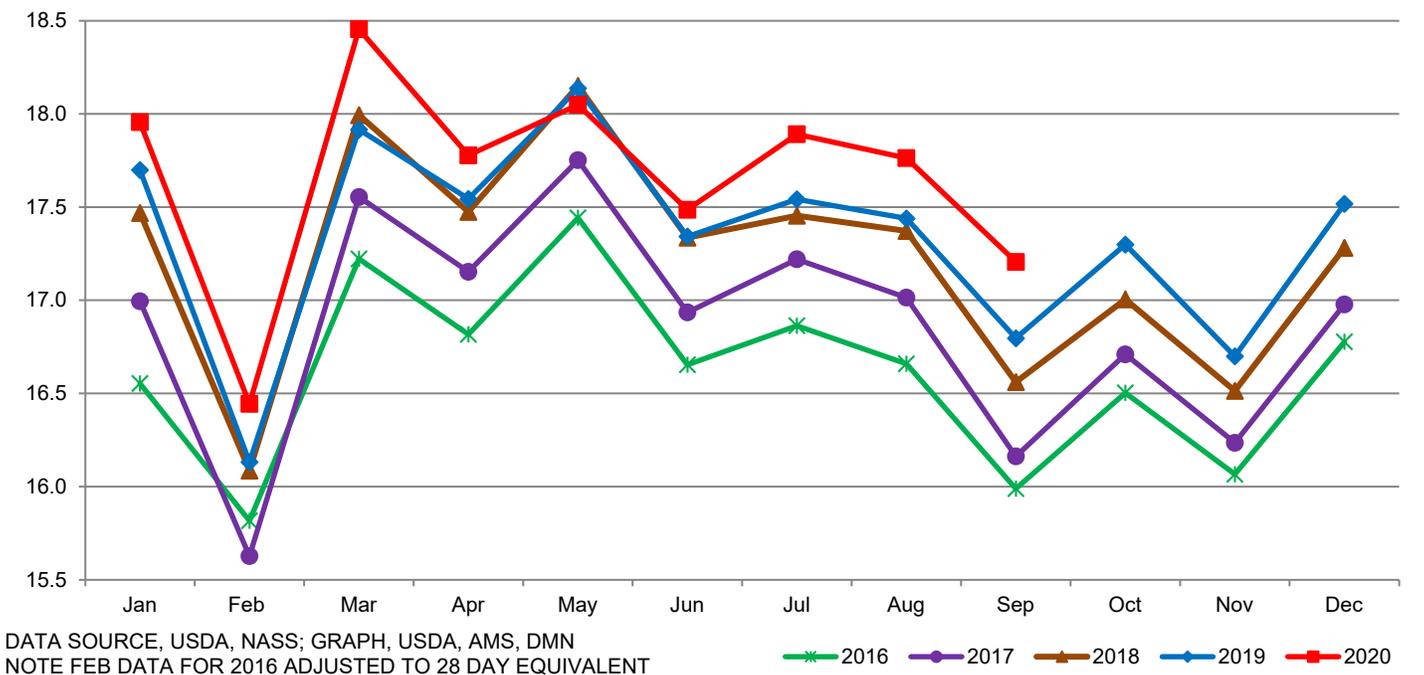
Milk Cow Numbers - 24 Selected States



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

BILLION POUNDS

Milk Production - 24 Selected States





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, October 23, 2020

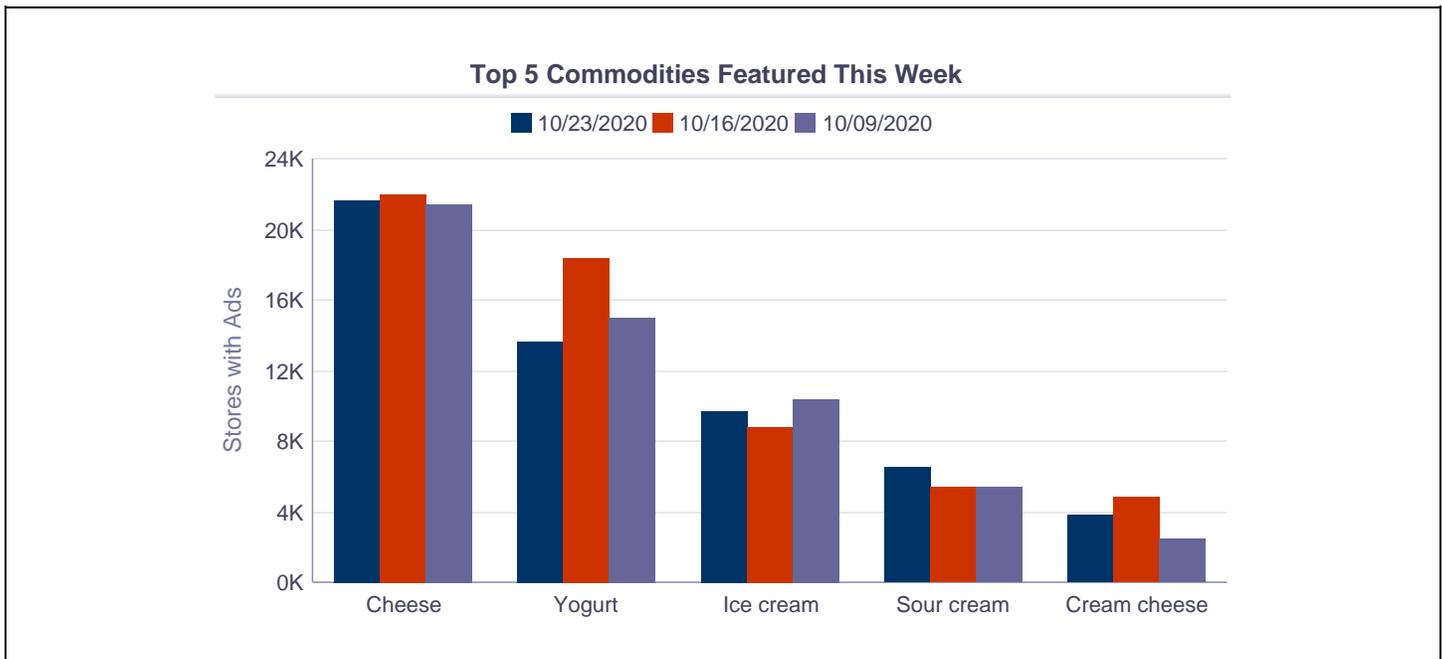
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 10/23/2020 to 10/29/2020

This week, the total number of conventional ads decreased 7 percent, and organic ads decreased 25 percent. Conventional ice cream in 48 to 64-ounce containers was the most advertised dairy item. The weighted average advertised price of conventional 1-pound butter is \$3.14, compared to \$5.29 for organic 1-pound butter. A signal of the upcoming holiday season appeared in this week's retail ad survey. The weighted average price for egg nog in quart containers is \$2.99.

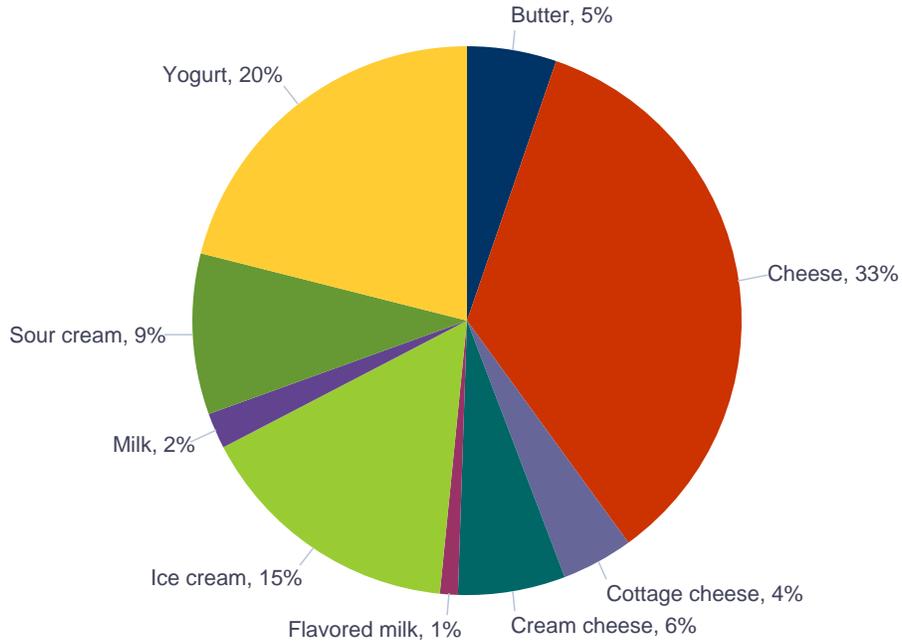
The total number of conventional yogurt ads decreased 22 percent, and the total number of organic yogurt ads decreased 62 percent. The weighted average price for conventional yogurt in 4 to 6-ounce containers is \$0.50, down 6 cents from last week. The weighted average price for organic yogurt in 4 to 6-ounce containers is \$1.24, resulting in a \$.74 organic premium.

The total number of conventional cheese ads decreased 2 percent, while organic cheese ads increased 97 percent. The weighted average price for conventional 8-ounce cheese shreds is \$2.53, up 5 cents from last week. Organic 8-ounce cheese shreds have a weighted average price of \$3.74, up 25 cents from last week. The resulting organic price premium for 8-ounce cheese shreds is \$1.21.

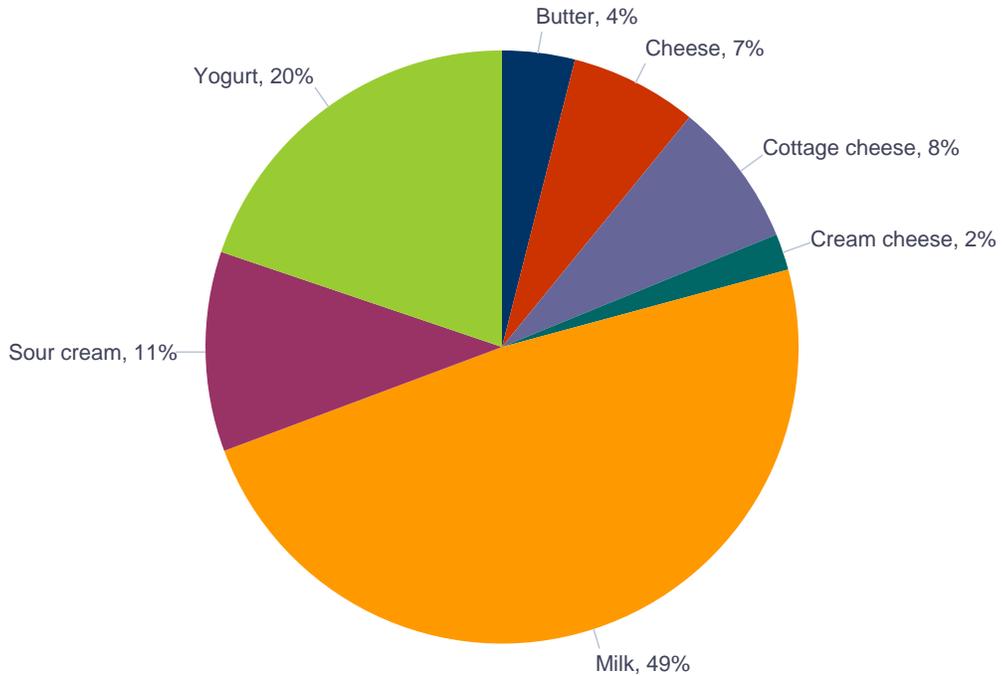
The national weighted average advertised price for conventional milk in half gallons is \$2.66, compared to \$4.22 for organic milk half gallons. This results in an organic premium of \$1.56. The total number of conventional milk ads decreased 35 percent. Organic milk ad numbers decreased 2 percent. Milk in 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 #	3432	3.14	4356	3.24	3923	3.54
Cheese	Natural Varieties	8 oz block	6810	2.56	8102	2.28	5201	2.37
Cheese	Natural Varieties	1 # block	3692	3.73	2181	3.55	1407	4.38
Cheese	Natural Varieties	2 # block	1614	6.41	666	6.97	418	5.57
Cheese	Natural Varieties	8 oz shred	8138	2.53	9154	2.48	10816	2.45
Cheese	Natural Varieties	1 # shred	1113	4.82	1704	4.18	1122	4.41
Cottage cheese		16 oz	2562	1.80	2689	2.20	3042	1.79
Cream cheese		8 oz	3771	2.33	4662	2.44	4368	2.08
Egg nog		quart	54	2.99			107	3.49
Flavored milk	All fat tests	half gallon	607	2.00	364	2.63	874	1.56
Flavored milk	All fat tests	gallon	62	3.99	319	3.00	605	3.18
Ice cream		48-64oz	9715	2.84	8773	3.14	8032	3.19
Milk	All fat tests	half gallon	404	2.66	684	2.34	712	1.99
Milk	All fat tests	gallon	630	3.68	910	3.12	379	2.82
Sour cream		16 oz	6163	1.62	5380	1.82	4776	1.70
Yogurt	Greek	4-6 oz	8371	.96	10149	.97	7283	1.05
Yogurt	Greek	32 oz	718	4.53	2101	4.44	1467	4.35
Yogurt	Yogurt	4-6 oz	3234	.50	3370	.56	4661	.53
Yogurt	Yogurt	32 oz	536	3.01	842	2.36	819	2.78

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 #	2.88-4.19	1917	3.27				1.99-3.99	393	3.09
Cheese	Natural Varieties	8 oz block	1.67-3.99	1988	2.63	1.67-3.00	3032	2.64	1.49-2.50	595	1.95
Cheese	Natural Varieties	1 # block	3.37-3.50	424	3.40	3.38-4.99	1821	4.03			
Cheese	Natural Varieties	2 # block							6.99	458	6.99
Cheese	Natural Varieties	8 oz shred	1.67-3.00	2772	2.46	1.67-3.00	2892	2.58	1.49-2.50	329	1.90
Cheese	Natural Varieties	1 # shred	3.50-4.89	378	4.49	4.99	735	4.99			
Cottage cheese		16 oz	1.99-3.09	686	2.29	1.50	214	1.50	1.25-2.00	719	1.45
Cream cheese		8 oz	1.49-2.19	476	1.90	1.99-3.00	2127	2.73	0.99	106	.99
Flavored milk	All fat tests	half gallon	2.69	135	2.69				1.25-1.67	250	1.46
Ice cream		48-64oz	1.99-3.99	2763	2.94	2.50-3.50	2044	2.59	1.99-3.99	1948	2.71
Milk	All fat tests	half gallon	2.29-3.99	272	3.15						
Milk	All fat tests	gallon	3.29-4.79	270	4.04						
Sour cream		16 oz	0.99-2.69	1644	1.89	0.99-1.99	1685	1.26	1.25-1.88	865	1.36
Yogurt	Greek	4-6 oz	0.83-1.25	2058	1.00	0.60-1.00	2723	.97	0.80-1.00	1198	.89
Yogurt	Greek	32 oz	3.99-5.99	479	4.93	4.50	61	4.50			



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	0.50-0.69	1334	.56	0.49-0.50	460	.50	0.45-0.60	287	.51
Yogurt	Yogurt	32 oz	1.00-2.69	356	2.17				4.66	180	4.66

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-3.49	380	2.75	2.99-3.99	308	3.19	1.99-3.98	356	2.60
Cheese	Natural Varieties	8 oz block	1.99-2.99	564	2.63	1.99-3.00	513	2.45	1.69	69	1.69
Cheese	Natural Varieties	1 # block	3.48	973	3.48	3.37	344	3.37	3.37	130	3.37
Cheese	Natural Varieties	2 # block	5.99-6.99	340	6.63	5.99	422	5.99	5.99	394	5.99
Cheese	Natural Varieties	8 oz shred	2.00-3.50	870	2.73	1.99-3.00	549	2.54	1.69-2.99	650	2.45
Cottage cheese		16 oz	1.79-2.48	193	2.05	1.49	422	1.49	2.00	289	2.00
Cream cheese		8 oz	1.25-1.48	275	1.31	1.25-1.67	182	1.39	1.67-2.69	578	2.18
Egg nog		quart	2.99	54	2.99						
Flavored milk	All fat tests	half gallon	2.99	82	2.99				0.99	105	.99
Flavored milk	All fat tests	gallon				3.99	62	3.99			
Ice cream		48-64oz	1.99-4.98	618	3.14	1.99-3.99	1726	2.92	1.88-3.98	524	2.86
Milk	All fat tests	half gallon							0.99	105	.99
Milk	All fat tests	gallon	3.69	133	3.69	2.89	200	2.89			
Sour cream		16 oz	1.25-2.19	323	1.92	1.49-2.00	936	1.71	0.99-2.19	683	1.79
Yogurt	Greek	4-6 oz	0.70-1.00	649	.93	0.89-1.00	978	.98	0.99-1.00	743	.99
Yogurt	Greek	32 oz				3.49	178	3.49			
Yogurt	Yogurt	4-6 oz	0.33	80	.33	0.40-0.50	589	.47	0.39-0.50	463	.42

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 #				3.00-5.99	78	4.38
Cheese	Natural Varieties	8 oz block	1.99-4.99	49	3.70			
Cheese	Natural Varieties	8 oz shred	1.99-4.99	49	3.70	4.89	27	4.89
Cottage cheese		16 oz	1.67-2.49	39	2.26			
Cream cheese		8 oz				3.39	27	3.39
Flavored milk	All fat tests	half gallon	1.67	11	1.67	4.99	24	4.99
Ice cream		48-64oz	2.48-6.99	92	4.04			
Milk	All fat tests	half gallon				4.29	27	4.29
Milk	All fat tests	gallon				5.79	27	5.79
Sour cream		16 oz				4.19	27	4.19
Yogurt	Greek	4-6 oz	0.80-1.25	22	1.03			
Yogurt	Yogurt	4-6 oz	0.50	21	.50			



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 #	135	5.29	221	5.99		
Cheese	Natural Varieties	8 oz shred	238	3.74	121	3.49		
Cottage cheese		16 oz	280	3.81	214	4.29		
Cream cheese		8 oz	62	3.79	214	2.50		
Milk	All fat tests	half gallon	468	4.22	1734	3.47	1125	4.19
Milk	All fat tests	gallon	1320	5.10			275	5.43
Milk	All fat tests	8 oz UHT			87	1.25		
Sour cream		16 oz	392	2.72			214	2.50
Yogurt	Greek	4-6 oz					232	1.17
Yogurt	Greek	32 oz	349	3.57	1704	3.59	331	4.17
Yogurt	Yogurt	4-6 oz	165	1.24			108	1.33
Yogurt	Yogurt	32 oz			221	3.49	410	3.31

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	5.29	135	5.29						
Cottage cheese		16 oz	3.49	102	3.49						
Milk	All fat tests	half gallon	3.99-4.49	235	4.20				4.49	116	4.49
Milk	All fat tests	gallon				5.29	214	5.29	4.49	595	4.49
Sour cream		16 oz				2.50	214	2.50			
Yogurt	Greek	32 oz	3.69	135	3.69	3.50	214	3.50			
Yogurt	Yogurt	4-6 oz	1.67	60	1.67						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz shred	3.49	121	3.49	3.99	117	3.99			
Cottage cheese		16 oz				3.99	178	3.99			

Wtd Avg - Simple weighted average



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
Cream cheese		8 oz	3.79	62	3.79						
Milk	All fat tests	half gallon				3.99	117	3.99			
Milk	All fat tests	gallon	4.49	78	4.49	5.99	422	5.99			
Sour cream		16 oz				2.99	178	2.99			
Yogurt	Yogurt	4-6 oz							0.99	105	.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
Milk	All fat tests	gallon	4.99	11	4.99			

REGIONAL DEFINITIONS

As used in this report, regions include the following states:

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



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