

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (12/4)

BUTTER: Grade AA closed at \$1.4800. The weekly average for Grade AA is \$1.4375 (+0.1083).

CHEESE: Barrels closed at \$1.4000 and 40# blocks at \$1.5850. The weekly average for barrels is \$1.4105 (+0.0030) and blocks, \$1.6055 (-0.0678).

NONFAT DRY MILK: Grade A closed at \$1.1500. The weekly average for Grade A is \$1.1425 (+0.0542).

DRY WHEY: Extra grade dry whey closed at \$0.4625. The weekly average for dry whey is \$0.4470 (+0.0145).

CHEESE HIGHLIGHTS: Cheese market tones steadied out last week and in the current trading week, after an overtly bearish November. Cheese production is mostly active in the country. Increased milk output in most areas is leading to plentiful milk supplies. Spot milk prices ranged from \$4 to \$8 under Class III. Some plant manufacturers, however, have attempted to limit production in order to maintain reasonable cheese inventories. Cheese supplies, still, are available for steady to returning customer demand, particularly from retail channels. Food service demand is, and is expected to be, in question in the near term.

BUTTER HIGHLIGHTS: Butter makers note modest to good post-holiday retail butter purchases, while orders have been developing well into December. Some churners reported government orders have receded, and they are focusing more on their retail customers. Food service remains slow, and butter contacts are still waiting for the full impact of restaurant closures/restrictions. Churning is highly active, parallel to the uptick in the country farm milk production. Print and bulk butter inventories are mixed. This week, bulk butter pricing varies by regions: East, **2.0** cents to **8.0** cents over the market; Central, **0.0** cent to **5.0** cents above the market; West, **4.5** cents to **7.5** cents over the market, with various periods and averages used.

FLUID MILK: Class I retail demand is healthy throughout the country, as more people are staying at home. That said, food service, primarily due to limited school district ordering, is spotty. Milk

production is moving higher throughout the country. The cooler weather and longer nights are having a positive impact in regards to milk production upticks. In general, there is plenty of milk for all processing needs. Cheese producers reported spot prices from \$4 to \$8 under Class III in the Midwest. Cream is growing in availability for all uses, as well. F.O.B. cream multiples are **1.15-1.33** in the East, **1.10-1.32** in the Midwest, and **1.05-1.24** in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk (NDM) prices shifted higher this week. Export and domestic demand have tightened stocks. Market conditions are bullish. High heat NDM prices are steady to higher. Dry buttermilk prices moved up across the country. Market participants report the weaker US dollar is pushing more buttermilk powder (and other dairy powders) into Mexico and other export markets. Buttermilk powder market tones are bullish for the near term. The dry whole milk price range widened. Requests from chocolatiers are strong as the winter season is in full swing. Dry whey prices are firming. Market participants report export demands are solid. In addition, dry whey interests in the domestic market are healthy. Whey protein concentrate 34% prices shifted up, as well. Stronger prices for other dairy proteins have been supportive of WPC 34% prices. Lactose prices are steady to lower. Market conditions are unsettled. Prices for acid casein are mixed. Rennet casein prices are steady.

INTERNATIONAL DAIRY MARKET NEWS: WESTERN EUROPE OVERVIEW: German observers report that the seasonal valley of milk production has been passed through and production is increasing. Components are also reported to be increasing. A trend of generally increasing milk production is expected to continue until about May 2021. This general pattern is also expected in most of the primary Western European milk producing nations. EU-UK Brexit negotiations remain ongoing.

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DAIRY MARKET NEWS PRICE SUMMARY FOR NOVEMBER 30 - DECEMBER 4, 2020 PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Mostly		Commodity	Range		Mostly		Commodity	Range		Mostly	
NDM														
Central Low/Med. Heat	1.0500	1.1500	1.0700	1.1125	Central/East	0.9700	1.0400			Central/West	0.3100	0.6000	0.3800	0.5250
Change	0.0200	0.0400	0.0150	0.0125	Change	0.0100	0.0200			Change	N.C.	-0.0300	-0.0100	-0.0200
Central High Heat	1.1700	1.2500			West	0.9800	1.0500	0.9950	1.0200	WPC 34%				
Change	0.0200	N.C.			Change	0.0100	N.C.	0.0150	0.0100	Central/West	0.8700	1.0700	0.8900	0.9550
West Low/Med. Heat	1.0500	1.1800	1.0800	1.1200	WHEY									
Change	0.0300	0.0525	0.0100	0.0200	Central	0.3575	0.4700	0.4050	0.4300	Rennet	3.4625	3.4975		
West High Heat	1.1700	1.3300			Change	0.0075	0.0400	0.0150	0.0100	Change	N.C.	N.C.		
Change	0.0425	0.0700			West	0.3775	0.5200	0.4000	0.4600	Acid	3.4550	3.7000		
DRY WHOLE MILK														
National	1.4700	1.7500			Northeast	0.3800	0.4450	0.0100	0.0300	Change	0.0050	N.C.		
Change	-0.0100	0.1000			Change	0.0300	0.0050			ANIMAL FEED WHEY				
										Central	0.3200	0.3500		
										Change	0.0200	N.C.		

DAIRY MARKET NEWS PRICE SUMMARY FOR NOVEMBER 23 - DECEMBER 4, 2020 PRICES (\$/MT) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Commodity	Range		Commodity	Range				
SMP											
W. Europe	2550	2700	W. Europe	3250	3400	W. Europe	3900	4200			
Change	100	50	Change	75	50	Change	N.C.	N.C.			
Oceania	2825	2925	Oceania	3050	3175	Oceania	3875	4025			
Change	50	75	Change	50	100	Change	75	175			
S. America	2850	2925	S. America	3150	3225	BUTTEROIL					
Change	100	75	Change	150	175	W. Europe	4600	4950			
WHEY											
W. Europe	850	1000							Change	N.C.	150
Change	N.C.	N.C.							CHEDDAR CHEESE		
						Oceania	3700	3850			
						Change	125	200			

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If no further agreement is reached soon, on January 1, 2021, products entering the EU from the UK will be subject to full customs as well as sanitary and phytosanitary (SPS) procedures, according to Eucolait. Requirements for EU products entering the UK will be phased in over a 6-month period from January to July 2021 (in accordance with the UK 'Border Operating Model'). **EASTERN EUROPE OVERVIEW:** Ukraine exports of primary dairy products January – September 2020 were below January – September 2019. Results include butter, -43.7 percent; SMP, -27.0 percent; WMP, -59.6 percent; and cheese, -21.1 percent, according to CLAL data made available to USDA.

OCEANIA OVERVIEW: Australia: Dairy producers in Australia are concerned with the heat wave which has covered much of the country. With summer about to begin, sources note that temperatures in some interior areas have reached 113 degrees already. Typically, the hottest temperatures are recorded in January. Hundreds of wildfires have already been reported in New South Wales, Victoria and Queensland. Recalling the massive fires last year which generated smoke that circled the earth there is great apprehension as to whether this early extreme heat is a harbinger of things to come. **New Zealand:** October 2020 New Zealand milksolids reported by DCANZ and CLAL, 267,666 million kg, are up 0.28 percent from October 2019 milksolids, 266,907 million kg. October 2020 milk production, 3,240 million MT, is up 0.84 percent from October 2019, 3,213 million MT. Seasonal milksolids (June – October 2020) are up 1.84 percent YOY. Total seasonal milk production through October leads last season by 2.07 percent.

SOUTH AMERICA OVERVIEW: At the farm level, milk production in South America is seasonally declining as high early summer temperatures are diminishing dairy herds' comfort. Nevertheless, milk volumes are described as adequate to meet most needs within the food processing industry, particularly in Argentina and Uruguay. On the other hand, in Brazil, milk volumes are well below the strong demands from domestic dairy processors. At the continental level, albeit there are relatively more lockdowns due to COVID-19, the consumption of dairy products has been resilient and strong, which in turn is preventing any large oversupply of raw milk. Therefore, less milk intakes have been clearing into balancing plants compare to a few months ago.

NATIONAL RETAIL REPORT (DMN): Even in early December conventional ice cream in 48-64 ounce containers is the second most advertised dairy product. The weighted average advertised price, \$3.20, is down \$0.30 from last week. Butter in one-pound packages has an average price of \$3.04, up \$0.01 from last week. Milk in half gallon containers is the most advertised organic dairy item. The national weighted average advertised price for organic half gallons is \$3.72. The national weighted average price for conventional half gallon milk is \$2.57, resulting in an organic price premium of \$1.15.

OCTOBER AGRICULTURAL PRICES HIGHLIGHTS (NASS): The All Milk price received by farmers was \$20.20 in October, up \$0.20 from October 2019. Milk Cows price was \$1,340 in October, up \$30.00 from October 2019. Alfalfa hay price was \$171.00 in October, down \$6.00 from October 2019. Corn price was \$3.61 in October, down \$0.24 from October 2019. Soybean price was \$9.63 in October, up \$1.03 from October 2019. The milk-feed price ratio was 2.50 in October, up 0.08 from October 2019. The index of prices received by farmers for dairy products during the month of October 2020 was up 11.4 to 100.5. Compared to October 2019, the index was up 1 point (1.0 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in October 2020 was up 0.8 to 111.1. Compared with October 2019, the index was up 0.7 point (0.6 percent).

OCTOBER DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 165 million pounds, 1.2 percent above October 2019, and 8.8 percent above September 2020. American type cheese production totaled 461 million pounds, 3.5 percent above October 2019, and 6.1 percent above September 2020. Total cheese output (excluding

cottage cheese) was 1.13 billion pounds, 0.6 percent below October 2019, but 3.2 percent above September 2020. Nonfat dry milk production, for human food, totaled 138 million pounds, 4.3 percent above October 2019, and 9.8 percent above September 2020. Dry whey production, for human food, was 79.1 million pounds, 11.9 percent below October 2019, but 7.8 percent above September 2020. Ice cream, regular hard production, totaled 62.7 million gallons, 7.1 percent above October 2019, but 3.6 percent below September 2020.

NOVEMBER FINAL CLASS PRICES HIGHLIGHTS (FMMO): The following are the November 2020 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$13.86 (\$+0.23), Class III: \$23.34 (\$+1.73), and Class IV: \$13.30 (\$-0.17). Under the Federal milk order pricing system, the butterfat price for November 2020 is \$1.5553 per pound. Thus, the Class II butterfat price is \$1.5623 per pound. The protein and other solids prices for November 2020 are \$5.6226 and \$0.1894 per pound, respectively. These component prices set the Class III skim milk price at \$18.55 per cwt. The November 2020 Class IV skim milk price is \$8.14, which is derived from the nonfat solids price of \$0.9047 per pound. The product price averages for November 2020 are butter \$1.4558, nonfat dry milk \$1.0816, cheese \$2.4535, and dry whey \$0.3830.

COMMODITY	MONDAY NOV 30	TUESDAY DEC 1	WEDNESDAY DEC 2	THURSDAY DEC 3	FRIDAY DEC 4	::	WEEKLY CHANGE	::	WEEKLY AVERAGE
CHEESE									
BARRELS	\$1.4150 (-0.0075)	\$1.4125 (-0.0025)	\$1.4050 (-0.0075)	\$1.4200 (+0.0150)	\$1.4000 (-0.0200)	::	(-0.0225)	::	\$1.4105 (+0.0030)
40 POUND BLOCKS	\$1.6600 (-0.0200)	\$1.6200 (-0.0400)	\$1.5775 (-0.0425)	\$1.5850 (+0.0075)	\$1.5850 (N.C.)	::	(-0.0950)	::	\$1.6055 (-0.0678)
NONFAT DRY MILK									
GRADE A	\$1.1100 (+0.0150)	\$1.1450 (+0.0350)	\$1.1500 (+0.0050)	\$1.1575 (+0.0075)	\$1.1500 (-0.0075)	::	(+0.0550)	::	\$1.1425 (+0.0542)
BUTTER									
GRADE AA	\$1.3625 (+0.0025)	\$1.4100 (+0.0475)	\$1.4575 (+0.0475)	\$1.4775 (+0.0200)	\$1.4800 (+0.0025)	::	(+0.1200)	::	\$1.4375 (+0.1083)
DRY WHEY									
EXTRA GRADE	\$0.4300 (N.C.)	\$0.4400 (+0.0100)	\$0.4500 (+0.0100)	\$0.4525 (+0.0025)	\$0.4625 (+0.0100)	::	(+0.0325)	::	\$0.4470 (+0.0145)

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

Eastern manufacturers note modest to good post-holiday retail butter purchases, with orders developing well into December. Sales volumes for the Thanksgiving holiday were good and near predicted levels. Some buyers are working off previously acquired inventory with some reluctance to purchase ahead. Butter production is heavier this week with increased volumes of milk supply available for processing. Butter inventories are mixed. Some sources appear to be in balance with demand. Post-holiday CME bulk butter prices have firmed through the first half of the week, along with a drop off in trades following active exchanging the day before Thanksgiving. Bulk butter prices range from 2 cents over to 8 cents over the CME average. The butter market is unsettled.

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 - +0.0800

Secondary Sourced Information:

CME TRADING

Tuesday's CME Group cash trading saw Grade AA butter close at \$1.4100, up \$0.1000 from a week ago.

CENTRAL

Some butter producers report their prepared fall volumes are moving quickly. That said, some have reported government orders have receded, and they are focusing more on their retail customers. Food service remains slow, and butter contacts are still waiting for the full impact of restaurant closures/restrictions. Cream has been, and is, widely available at declining prices. Multiples are sliding, as has been expected, following the holiday. Butter producers are unconcerned about finding cream for the rest of the month/year. Butter market tones are improving day to day this week, but this fall has been anything but bullish for the typically stalwart butter market.

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

WEST

The butter market is showing some pop as prices trend higher this week in corrections to prices that have been much lower than some industry sources expected. Otherwise, churning is highly active, parallel to the uptick in Western milk production. Cream supply is above sufficient as multiples range 1.05 – 1.21. Determined defines some butter manufacturers' efforts to keep inventories in balance after gauging their post-Thanksgiving butter supply. Print demand continues to surprise, with good interest from retailers' re-stock orders. Current export interest helps address heavy stock volumes. The most recent Global Dairy Trading (GDT) butter price maintains the competitiveness of U.S. butter price in the export market. Food service demand is seeing declines, now that there is less butter needed for the USDA food box program. Inquiries are active for bulk, into Q1 2021. The current wholesale butter prices for domestic sales are reported \$0.0450 to \$0.0750 cents over the market of the CME Group, with various time frames and averages used. Butter prices are firming in an unsettled market.

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:

CME TRADING

The Grade AA butter price at the CME Group on Wednesday closed at \$1.4575, compared to the weekly average price of \$1.3292 from last week.

CHEESE MARKETS

NORTHEAST

Cheese markets are bearing a weaker undertone. On the CME Group, cheddar block and barrel prices continue to decrease. Northeastern cheese makers are receiving stable milk volumes for strong production schedules. Inventory levels are growing in the region. Market participants are watching to see where spot prices lead. The foodservice sector continues to struggle through capacity restrictions and shutdowns. Restaurants remain hopeful with new delivery/take out options. Retail orders are fairly steady. Some seasonal customers are in high demand for various aged specialty cheeses.

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

Cheddar 40 pound Block	2.1250-2.4125
Muenster	2.1125-2.4625
Process American 5 pound Sliced	1.5075-1.9875
Swiss 10-14 pound Cuts	3.6675-3.9900

MIDWEST

Cheesemakers are reporting widely available spot milk. Current spot milk prices are similar to last week and wholly discounted. Cheese plant managers continue to say offers are at atypically large discounts in certain cases. Cheese producers suggest demand is steady to intermittent. Some contacts suggest further restrictions on food service establishments due to COVID-19 will have further impact on sales, but more questions remain than answers at this point. Cheese market tones remain hobbled after a resolutely bearish November. Although markets are under some pressure, Midwestern contacts have yet to relay strong concerns regarding inventory growth.

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

Blue 5 pounds	2.3075-3.3775
Brick 5 pounds	2.0400-2.4650
Cheddar 40 pound Block	1.7625-2.1625
Monterey Jack 10 pounds	2.0150-2.2200
Mozzarella 5-6 pounds	1.8400-2.7850
Muenster 5 pounds	2.0400-2.4650
Process American 5 pound Loaf	1.4925-1.8525
Swiss 6-9 pound Cuts	3.1825-3.3000

WEST

Western cheese production is active. Heavy milk volumes from the week of Thanksgiving have kept production facilities full. While milk intakes are returning to normal following the holiday, most cheese plants are still at or near capacity. However, some cheese plant manufacturers are hesitant to add much cheese to their inventories while milk prices are strong and cheese prices are falling. Industry contacts say cheese inventories are readily available to meet most end user demand. Some manufacturers suggest buyer interest is slowly returning as market prices have fallen. Demand for cheese from retail and pizza sectors is steady and solid, but food service demand is lacking.

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

Cheddar 10 pound Cuts	2.0000-2.2000
Cheddar 40 pound Block	1.7525-2.2425
Monterey Jack 10 pounds	1.9875-2.2625
Process American 5 pound Loaf	1.5100-1.7650
Swiss 6-9 pound Cuts	3.4750-3.9050

FOREIGN TYPE

U.S. cheese imports from Germany and some other Western European countries maintained generally steady pricing. Heavy ordering by the retail sector within the EU was offset by weaker ordering from EU food survive customers. This left cheese for export flowing to keep filling orders. Most expected 2020 export orders to the US are booked so the focus of negotiations runs into Q1 2021.

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

VARIETY	:	NEW YORK	:	DOMESTIC
	:	IMPORTED	:	
	:		:	
Blue	:	2.6400-5.2300	:	2.1325-3.6200*
Gorgonzola	:	3.6900-5.7400	:	2.6400-3.3575*
Parmesan	:	-0-	:	3.5200-5.6100*
Romano	:	-0-	:	3.3225-5.4775*
Sardo Romano (Argentina)	:	2.8500-4.7800	:	-0-
Reggianito (Argentina)	:	3.2900-4.7800	:	-0-
Jarlsberg	:	2.9500-6.4500	:	-0-
Swiss	:	-0-	:	3.7050-4.0275
Swiss (Finland)	:	2.6700-2.9300	:	-0-

* = Price change.

COLD STORAGE

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

	:	<u>BUTTER</u>	:	<u>CHEESE</u>
11/30/2020	:	49923	:	76176
11/01/2020	:	92491	:	73356
CHANGE	:	-42568	:	2820
% CHANGE	:	-46	:	4

FLUID MILK AND CREAM

EAST

Class I sales are mixed in the Northeast. Class I demands from the retail sector have been strong. Food service sales are soft. Several restaurants created new take out/delivery options. Class II and Class III operations are receiving stable milk volumes. Mid-Atlantic milk output is flat to increasing. The majority of available milk loads are clearing to bottlers. Market participants note a good balance between current milk supplies and manufacturers' immediate demands. Southeast milk output is increasing. Parts of the region have been hit with snowy/cold weather conditions. Milk managers note little to no issues with transportation routes and power outages. Class I are strong. Some Class II and III manufacturers are clearing additional milk loads. The state of Florida is also weathering cooler temperatures this week. Milk production continues to slightly increase week after week. Class I sales are mostly steady for the near term. Cream markets display a fairly steady tone. Cream availability is growing. Some market participants report purchasing cream loads around the high 1.20s into low 1.30s this week. Some butter operations are churning at strong rates. Several market participants are finalizing 2021 cream contracts. Condensed skim markets are steady to soft. Ice cream plants are running lighter production schedules. Market participants report condensed skim volumes are growing in the region.

Northeastern U.S., F.O.B. Condensed Skim

Price Range - Class II; \$/LB Solids: 1.00 - 1.15
Price Range - Class III; \$/LB Solids: 1.00 - 1.20

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

Multiples Range - All Classes: 1.1500 - 1.3300
Price Range - Class II; \$/LB Butterfat: 1.5286 - 1.7678

MIDWEST

Milk production, for the most part, continues to inch up. Still, some farmers, particularly on smaller herd sized farms, relay herd size constraints and feed limitations have pushed their respective volumes down throughout much of the year, but notably following the early impacts of COVID-19 on milk markets. Class I demand is lighter than in previous years, particularly on the food service side. That said, bottlers report demand from the retail segment has strengthened year to year with more people buying milk for at-home needs. Cheesemakers continue to report similar notes on spot milk availability. They are receiving a higher volume of offers, but a number simply cannot take the extra milk, therefore spot milk prices reached \$8 under Class this week. There is some urgency for milk suppliers to find destinations for their extra loads with lighter Class I demand and stronger milk output. Cream contacts report cream availability has increased, as demand has edged back following Thanksgiving holiday. Butter and ice cream makers have options for their cream purchasing from local and Western sources. Cream handlers expect to have some struggles in upcoming weeks locating homes for their supplies, as numerous plant managers have proposed days off over multiple weeks during the end-of-year holidays. All that said, some cream end users in the Eastern portion of the Midwest are not finding as much cream as elsewhere, as multiples on the top end edged higher. Weather has cooperated with crop farming this year, particularly when compared to the past two years. Corn harvests are nearly complete across the upper Midwest. Snowfall in parts of Texas, Oklahoma, and Kansas have helped boost potential winter wheat yields in the lower portion of the region, as some areas have been in need of precipitation.

Price Range - Class III Milk; \$/CWT; Spot Basis: -8.00 - -4.00
Trade Activity: Slow

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

Multiples Range - All Classes: 1.1000 - 1.3200
Price Range - Class II; \$/LB Butterfat: 1.6482 - 1.7545
Multiples Range - Class II: 1.2400 - 1.3200

WEST

In California, the weather conditions are in favor of milk production. Seasonally lower temperatures and longer nights continue boosting cow's comfort and wellness. Milk components' percentages for butterfat and protein are at higher levels. Raw milk loads are plentiful and enough to meet all processing needs. Sales into Class I and II are described as stable. Farm milk output is seasonally strong in Arizona. Class I intakes have picked after the previous holiday week. Class II and III sales are steady. Milk handlers are routing milk to the different Classes without any issues. Some processing plants are running near full capacities. Some wintery weather has been reported in some parts of New Mexico. However, cows' milk yields and delivery schedules have been marginally affected. Milk holdovers are back to the average weekly levels after the holiday weekend. Shipments into Class I, II and III orders have increased, resulting in less need for balancing. Pacific Northwest milk intakes are in good balance coming out of the Thanksgiving week. Industry contacts report there were not any major issues finding homes for milk over the holiday. Retail fluid milk bottling is slightly stronger. Dairy product manufacturing is active. Milk production in the mountain states of Idaho, Utah and Colorado is heavy. Industry contacts suggest most processing facilities are running at or near full capacity. Milk supplies were long over the holiday weekend. However, contacts say they did not see any indication of milk disposal or loads getting fed back to calf ranches. That said, some spot milk loads at \$4 under Class IV are still available in Idaho. Across the West condensed skim processing into NDM and Class II is very active. Cream is readily available in the West, compared to the other regions of the country. Churning is active, ensuring ongoing clearing of cream. Multiples for all Classes are mostly steady this week.

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

Multiples Range - All Classes: 1.0500 - 1.2400

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: Central low/medium heat nonfat dry milk (NDM) prices moved up at all price points. Contacts say offers have subsided. Brokers have reported receiving calls from end users/customers looking for extra loads, while producers simply are not able to meet those extra needs. Export and domestic demand have tightened stocks, even with steadily active production rates and plentiful condensed skim. High heat prices ticked up on the bottom on quiet trading. NDM market tones are currently bullish.

EAST: Prices for low/medium heat nonfat dry milk (NDM) have shifted higher in both the range and mostly pricing series. NDM loads are clearing into the spot market at seasonal levels, as buyers make hand-to-mouth purchases. Anecdotal reports suggest a good amount of NDM is being discounted as sellers look to reduce year-end inventory. Demand, in general, is holding up quite well. Milk supply intakes are sufficient coming off the holiday, leading to active low/medium heat NDM production. Many NDM users are formulating their positions on how to best enter Q1 2021. Isolated spot sales of condensed skim help some producers in the region keep NDM inventories in closer balance. High heat NDM prices are steady to higher. Eastern dryer schedules are limited as manufacturers allocate time to low/medium heat, to keep up with incoming milk. Stocks are moderate to light for near term obligations, leaving few supplies for spot availability at most facilities.

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: 1.0500 - 1.1500

Mostly Range - Low & Medium Heat; \$/LB: 1.0700 - 1.1125

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: 1.1700 - 1.2500

NONFAT DRY MILK - WEST

In the West, low/medium heat nonfat dry milk (NDM) prices shifted higher on the range and mostly price series this week. On the CME Group, NDM prices have moved towards the mid \$1.10s for the near term. Market participants note several manufacturers are offering loads at higher prices. Some industry contacts are curious if current price points will stick or shift. Low/medium heat NDM production schedules are steady to strong. Market participants relay there is some unsettledness in the market. In general, current market conditions display a healthy tone. High heat NDM prices are higher. Additional buyers are purchasing on the spot market this week. Drying facilities are scheduling extra time for their customers' immediate needs. The market tone is stable.

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: 1.0500 - 1.1800

Mostly Range - Low & Medium Heat; \$/LB: 1.0800 - 1.1200

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: 1.1700 - 1.3300

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices got a shot in the arm this week. Producers and end users agree that inventories have been limited. Producers relay they are hesitant to offer out extra loads at this time, as condensed buttermilk availability has been limited in recent weeks. End users and brokers are echoing that sentiment. Some contacts suggest the weaker US dollar is pushing more buttermilk powder (and other dairy powders) into Mexico and other export markets. Generally, buttermilk powder market tones are bullish, at least for the near term.

EAST: The East dry buttermilk market price is higher through the range. Near term customer demand is active, relative to inventory levels, in support of the upward movement. Production of dry buttermilk is minimal as cream demand from Class II and Class III operations picked back up to pre-Thanksgiving levels. Also, condensed buttermilk is holding up quite well for this time of year. Dry buttermilk markets display strength.

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

Price Range ; \$/LB: .9700 - 1.0400

DRY BUTTERMILK - WEST

Western dry buttermilk prices shifted higher on both the mostly and the price range. Contacts across the country, but particularly in the Western region, report scarcity regarding extra loads and general availability. Export markets, in light of the weaker US dollar, are keeping producers busy. Some contacts expected domestic demand to slow down following the Thanksgiving holiday, but at this point interest is still active. Dry buttermilk market tones, among a number of other dairy powder market tones, are bullish.

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

Price Range ; \$/LB: .9800 - 1.0500

Mostly Range - ; \$/LB: .9950 - 1.0200

DRY WHOLE MILK - U.S.

Free on board cash prices for national dry whole milk are mixed on a wider range, while the trading activity has been light to moderated throughout the week. Currently, the production of dry whole is mainly driven by Q4/Q1 contractual needs. In the cash market, requests from chocolatiers are strong as the winter season is in full swing. However, dry whole milk inventories are reported as mixed across the country.

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

Price Range - 26% Butterfat; \$/LB: 1.4700 - 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 higher in every facet this week. Some end users relay they are still finding volume trades in the mid \$.30s. However, more contacts are beginning to relay tighter availability and limited offers are pushing prices into the mid \$.40s. Although there is plenty of milk, cheesemakers have tempered production levels in light of cheese markets sliding throughout the month of November. Contacts, particularly out West, point to strong export movements which tend to create a ripple effect throughout the rest of the regions. Animal feed whey ticked up on the bottom of the range, as well. Dry whey market tones are positive, and some expect longer term steadiness/bullishness.

Prices for: Central U.S., All First Sales, F.O.B., Conventional, and Non-Edible Dry Whey
 Price Range - Animal Feed; \$/LB: .3200 - .3500

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: .3575 - .4700
 Mostly Range - Non-Hygroscopic; \$/LB: .4050 - .4300

DRY WHEY- NORTHEAST

Dry whey prices have shifted higher in the East region. Spot prices are also higher on various market exchanges. Market participants report export demands are solid. In addition, dry whey interests in the domestic market are healthy. Several buyers are purchasing spot loads around the low to mid \$0.40s. Dry whey production is mostly unchanged. Manufacturers' inventory levels are mixed. Market participants relay dry whey supplies have tightened in parts of the East and other regions. Market conditions are firming.

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: .3800 - .4450

DRY WHEY- WEST

Western whey prices are higher. Industry contacts report that demand is outstripping supply right now. Demand from domestic and international channels is strong. Whey marketers say they have enough whey to fill most contracts, but not much else. Regular customers are claiming available loads before window shoppers get a chance to make a bid. In some cases, manufacturers have held back contracted whey shipments from a few customers, to fill other immediate needs. Inventories are very tight, and production is steady to lower. Some manufacturers are working to refill whey permeate and higher whey protein concentration needs before producing whey powder.

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: .3775 - .5200
 Mostly Range - Non-Hygroscopic; \$/LB: .4000 - .4600

WHEY PROTEIN CONCENTRATE

Whey protein concentrate 34% prices moved higher at the bottom of the price range and both ends of the mostly price series. Stronger prices for other dairy proteins have been supportive of WPC 34% prices. In addition, WPC 34% inventories are tighter. WPC 34% production is steady to lower. Some manufacturers are opting to make whey permeate and higher whey protein concentrations in lieu of making WPC 34%. Processors say end users have cleaned out much of the lower cost supplies, while maintaining a strong, steady demand for WPC 34% that meets tight end user specifications.

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: .8700 - 1.0700
 Mostly Range - 34% Protein; \$/LB: .8900 - .9550

LACTOSE

The market tone for lactose is unsettled. The top of the price range and both ends of the mostly price series moved lower. Market participants report spot sale prices are trending in the lower half of the price range. Current Q4 contract prices are keeping some of the price shifting in check. Manufacturers are working to get Q1 lactose contracts in place. A few processors say they have fulfilled some of their Q4 contract obligations and are starting to ship their Q1 commitments. Freight logistics, especially in the Midwest, have become more difficult. Some manufacturers say containers are scarce and truck availability is limited. Inventories are mixed. While a few manufacturers report their supplies are committed well into 2021, others say lactose stocks, along with market offers are increasing. Lactose production is steady.

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: .3100 - .6000
 Mostly Range - Non Pharmaceutical; \$/LB: .3800 - .5250

CASEIN

Acid casein pricing is mixed, up at the bottom of the price range but steady at the top. Price strength in the region for most dairy products also carried acid casein along. Spot market sales are limited as much production is already covered by contracts. Rennet casein has a steady price range. Western European producers have begun to have milk production creep up seasonally and that portends looser supplies ahead. Trading of both is expected to be slower moving through the holiday month of December.

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: 3.4550-3.7000
 Rennet; Price Range - \$/LB: 3.4625-3.4975

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
11/14/2020	58.7	2,755.1	61.4	2,852.3
11/21/2020	58.7	2,813.8	64.3	2,916.6

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	19.87
II	17.05	16.84	16.75	13.87	12.30	12.99	13.79	13.27	13.16	13.63	13.86	
III	17.05	17.00	16.25	13.07	12.14	21.04	24.54	19.77	16.43	21.61	23.34	
IV	16.65	16.20	14.87	11.40	10.67	12.90	13.76	12.53	12.75	13.47	13.30	

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
11/28/2020	1,4060 1,920,830	2,2090 10,435,112	1,9290 11,013,632	.3887 2,996,558	1.0698 17,989,227

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	11/27	11/30	12/01	12/02	12/03
NOV 20	23.11	23.27	23.27	23.34	15.45
DEC 20	15.33	15.15	15.24	15.19	15.98
JAN 21	16.02	15.91	15.88	15.64	16.55

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

DATE	11/27	11/30	12/01	12/02	12/03
NOV 20	108.45	108.48	108.48	108.16	110.50
DEC 20	108.53	109.95	110.80	110.80	114.75
JAN 21	111.40	112.75	114.43	113.85	116.75

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

DATE	11/27	11/30	12/01	12/02	12/03
NOV 20	13.34	13.41	13.41	13.30	13.57
DEC 20	13.30	13.29	13.56	13.57	14.31
JAN 21	13.60	13.69	14.20	14.20	14.77

WHEY (Electronic-Traded) (¢/lb)

DATE	11/27	11/30	12/01	12/02	12/03
NOV 20	38.73	38.75	38.75	38.30	41.75
DEC 20	41.75	42.25	41.93	42.00	42.35
JAN 21	40.83	41.40	41.83	41.93	42.15

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

DATE	11/27	11/30	12/01	12/02	12/03
NOV 20	146.35	147.00	147.98	145.58	148.50
DEC 20	140.50	141.50	146.50	147.90	158.00
JAN 21	146.48	149.00	154.00	155.50	161.50

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

DATE	11/27	11/30	12/01	12/02	12/03
NOV 20	No Trading	2.56	2.56	1.71	1.71
DEC 20		1.71	1.71	1.71	1.72
JAN 21		1.76	1.75	1.76	1.76

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

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered November 23 - December 4, 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

German observers report that the seasonal valley of milk production has been passed through and production is increasing. Components are also reported to be increasing. A trend of generally increasing milk production is expected to continue until about May 2021. This general pattern is also expected in most of the primary Western European milk producing nations.

EU-UK Brexit negotiations remain ongoing. If no further agreement is reached soon, on January 1, 2021, products entering the EU from the UK will be subject to full customs as well as sanitary and phytosanitary (SPS) procedures, according to Eucolait. Requirements for EU products entering the UK will be phased in over a 6-month period from January to July 2021 (in accordance with the UK 'Border Operating Model').

Last week, agreement was reached to bridge the current Common Agricultural Policy (CAP) with the future CAP. The current policy expires at the end of 2020. The agreement extends existing rules to the end of 2022. Essentially the extension allows EU member nations to continue making direct payments to rural development participants.

Cheese demand from retail stores has been very strong. This is attributed to more in-home meals resulting from COVID-19 impacts. In some cases manufacturers have had to decline to accept new orders for lack of milk or capacity, or both.

EASTERN EUROPE

Ukraine exports of primary dairy products January – September 2020 were below January – September 2019. Results include butter, -43.7 percent; SMP, -27.0 percent; WMP, -59.6 percent; and cheese, -21.1 percent, according to CLAL data made available to USDA.

BUTTER/BUTTEROIL

The butter price range in Western Europe is steady. Some plants with pricing within the range notched prices higher in sales this period. The highest butter prices are reported in Belgium, followed by Germany, Italy, France, then Netherlands. The butteroil price range is steady to higher.

Normal seasonal holiday retail demand for packaged butter is boosted this year by more home consumption related to COVID-19. Bulk butter demand comes mostly from within the EU. Most sales interest is short term delivery dates. New export interest to the rest of the world is currently slow. COVID-19 and Brexit uncertainties are matters of concern as to how butter pricing may be affected.

Western Europe, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 3,900 - 4,200

Western Europe, 99% Butterfat, Free on Board - Port Butteroil
Price Range - \$/MT: 4,600 - 4,950

SKIM MILK POWDER

The Western European skim milk powder price range strengthened. The highest prices tend to be found in Germany, followed by Belgium, France, then Netherlands. Demand from manufacturers increased toward the end of November. Earlier in November more buying had been focused on dealers because they were more price flexible than many manufacturers. Some internal EU buyers had been holding back but recently found it necessary to lock in new deals with manufacturers.

Export interest has also picked up. Western European SMP continues to hold a price advantage over Oceania SMP. That is a factor in some deals with buyers who do not have strong source preferences where transport is not an issue.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,550 - 2,700

WHEY

Dry whey pricing in Western Europe is steady. Volumes of liquid whey available for drying and dryer schedules have kept dry whey supplies at a level called sufficient by observers. Some manufacturers report increased demand through late November but production and stocks on hand have kept prices steady. Contracting for Q1 2021 is proceeding at an expected pace.

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

WHOLE MILK POWDER

The whole milk powder price range in Western Europe is higher. Low range pricing firmed more than top range pricing. Manufacturers cite some pent-up demand that had developed through earlier November as helping them hold out for higher prices which more buyers are now willing to pay to get stocked. This buying interest is expected to continue in the near term.

This year has been a pleasant surprise for Western European WMP manufacturers in terms of export demand. In the past, exports have been an afterthought for many manufacturers who focused on the internal EU market. Now some manufacturers have begun to get acclimated to export relationships which have developed through 2020.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 3,250 - 3,400

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered November 23 - December 4, 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: Dairy producers in Australia are concerned with the heat wave which has covered much of the country. With summer about to begin, sources note that temperatures in some interior areas have reached 113 degrees already. Typically, the hottest temperatures are recorded in January. Hundreds of wildfires have already been reported in New South Wales, Victoria and Queensland. Recalling the massive fires last year which generated smoke that circled the earth there is great apprehension as to whether this early extreme heat is a harbinger of things to come.

NEW ZEALAND: October 2020 New Zealand milksolids reported by DCANZ and CLAL, 267,666 million kg, are up 0.28 percent from October 2019 milksolids, 266,907 million kg. October 2020 milk production, 3,240 million MT, is up 0.84 percent from October 2019, 3,213 million MT. Seasonal milksolids (June – October 2020) are up 1.84 percent YOY. Total seasonal milk production through October leads last season by 2.07 percent.

Unusually dry New Zealand weather is causing increasing concern about adverse impacts on milk production moving through summer. Observers believe relief from rain is needed to maintain higher milk output than last season.

BUTTER/BUTTEROIL

The Oceania butter price range moved higher, continuing a recent trend. Buyers are stepping up to lay claim to butter for coming months. There does not seem to be much reason to hold back and hope for significantly weaker prices. The Oceania milk production season is in the waning phase. With some concerns about dryness and heat, the only consideration now is how fast butter production will decline.

Oceania, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 3,875 - 4,025

Secondary Sourced Information:

At GDT event 273 on December 1, the butter all contracts price, \$3,986, increased 3.8 percent. The January contract, \$4,005 increased 4.4 percent.

Butter exports from New Zealand January – October 2020, 337,000 MT, decreased 8.2 percent from January – October, 2020, according to CLAL data made available to USDA.

SKIM MILK POWDER

The Oceania skim milk powder price range firmed. Recent demand from export customers has picked up. Many Asian buyers are motivated to execute contracts to lock in supply, even into Q2 2021. It is hoped that current export interest, if it continues, will overcome slower export activity earlier in 2020. So far, heightened COVID-19 related factors do not seem to have slowed shipments. New Zealand manufacturing plants have maintained active schedules to keep the SMP flowing.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,825 - 2,925

Secondary Sourced Information:

At GDT event 273 on December 1, the SMP all contracts price, \$2,889, increased 3.6 percent. The January contract, \$2,901 increased 2.1 percent.

SMP exports from New Zealand January – October 2020, 271,000 MT, decreased 4.9 percent from January – October, 2020, according to CLAL data made available to USDA.

CHEESE

Following recent weakness in Oceania cheddar prices, the Oceania cheddar price range moved higher this period. There has been a recent increase in year end buying interest. A source noted that while cheddar prices followed the general trend of higher dairy prices, there was also a noticeable increase in buying interest from some customers who had recently slowed their buying pattern. Whatever factors were in play, cheese manufacturers are pleased with the renewed late year interest and sales.

Prices for: Oceania Cheese, Cheddar, 39% Maximum Moisture, Free on Board - Port,
Price Range - \$/MT: 3,700 - 3,850

Secondary Sourced Information:

At GDT event 273 on December 1, the cheddar all contracts price, \$3,734, increased 2.4 percent. The January contract, \$3,775 increased 4.3 percent.

Cheese exports from New Zealand January – October, 2020, 254,000 MT, decreased 6.3 percent from January – October, 2020, according to CLAL data made available to USDA.

WHOLE MILK POWDER

The Oceania whole milk powder price range moved higher, as well as prices at many individual plants within the range. Producers and dairy manufacturers are heartened by the strong upward market movement. The magnitude of the price increases was something of a surprise. While WMP production is seasonally declining, there is still a lot of seasonal production ahead. With WMP being the leading contributor to milk prices received by producers, hope for a good season remains strong.

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

Secondary Sourced Information:

At GDT event 273 on December 1, the WMP all contracts price, \$3,182, increased 5.0 percent. The January contract, \$3,179 increased 4.4 percent.

CONTINUED ON PAGE 8B

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered November 23 - December 4, 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 8A

WMP exports from New Zealand January – October 2020, 1,128,000 MT, decreased 1.1 percent from January – October, 2020, according to CLAL data made available to USDA.

**Exchange rates for selected foreign currencies:
November 30, 2020**

.0123 Argentina Peso	.0135 India Rupee
.7342 Australian Dollar	.0096 Japan yen
.1875 Brazil Real	.0496 Mexican Peso
.7688 Canadian Dollar	.7013 New Zealand Dollar
.0013 Chile Peso	.2662 Poland Zloty
1.1926 Euro	.0235 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0496) = 20.1613$ Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered November 23 - December 4, 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

At the farm level, milk production in South America is seasonally declining as high early summer temperatures are diminishing dairy herds' comfort. Nevertheless, milk volumes are described as adequate to meet most needs within the food processing industry, particularly in Argentina and Uruguay. On the other hand, in Brazil, milk volumes are well below the strong demands from domestic dairy processors. At the continental level, albeit there are relatively more lockdowns due to COVID-19, the consumption of dairy products has been resilient and strong, which in turn is preventing any large over-supply of raw milk. Therefore, less milk intakes have been clearing into balancing plants compare to a few month ago. The trading activity of milk powders, and cheese to Brazil, Algeria and Russia remain hearty, but inventories are limited.

In terms of weather, La Niña is bringing mixed climate conditions across the continent, but the quantity and quality of forage has been marginally affected, at least at this time. That said, so far, the planting of soybeans and corn has been delayed due to very dry or very rainy weather across the main agriculture zones.

SKIM MILK POWDER

Throughout the main ports of the South American Southern Cone region, skim milk powder (SMP) free on board export prices are inching up on moderate trading. This niche market is transitioning from unsettled to bullish territory as supply is limited while demand is steady to strong. In the last two weeks, drying schedules for skim milk have been reduced since most processors focus on WMP production. According to some industry stakeholders, SMP supplies are expected to be short, at least during the summer, when farm milk output is typically at the lowest seasonal point.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,850 - 2,925

Secondary Sourced Information:

At the GDT Event 273 on December 1, skim milk powder (SMP) prices across all contract periods averaged \$2,889 per metric ton, up 3.6 percent from the last event.

WHOLE MILK POWDER

Export prices for whole powder (WMP) shifted up throughout the Southern Cone of South America. For some contacts, the WMP market is transitioning from weak to strong status. With the active processing of bottled milk, UHT, and cheese, less milk is flowing to dryers. Therefore, WMP inventories are below the current regional and international demands. The market undertone is strong as this point.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 3,150 - 3,225
Secondary Sourced Information:

At the GDT Event 273 on December 1, whole milk powder (WMP) prices across all contract periods averaged \$3,182 per metric ton, up 5.0 percent from the last event.

2020 U.S. MONTHLY PRICE AVERAGES (US \$/LB)											
AREA and PRODUCT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
CME GROUP ¹											
BUTTER - DAILY TRADING											
GRADE AA	1.8813	1.7913	1.7235	1.1999	1.4710	1.8291	1.6925	1.5038	1.5163	1.4550	1.3941
CHEESE - DAILY TRADING											
BARRELS	1.5721	1.5470	1.4399	1.0690	1.5980	2.3376	2.4080	1.4937	1.6401	2.2213	1.8437
40 POUND BLOCKS	1.9142	1.8343	1.7550	1.1019	1.6704	2.5620	2.6466	1.7730	2.3277	2.7103	2.0521
NONFAT DRY MILK - DAILY TRADING											
GRADE A	1.2688	1.1816	1.0259	0.8485	0.9191	1.0092	1.0038	0.9830	1.0654	1.1182	1.0828
DRY WHEY - DAILY TRADING											
EXTRA GRADE	0.3520	0.3708	0.3339	0.3644	0.3736	0.3181	0.3253	0.3276	0.3564	0.3908	0.4257
DAIRY MARKET NEWS ²											
CHEESE											
WISCONSIN											
PROCESS AMERICAN 5 POUND LOAF	1.8671	1.8055	1.7613	1.3897	1.6623	2.5047	2.6749	1.9907	1.8446	2.3106	2.3332
BRICK AND/OR MUENSTER 5 POUNDS	2.4880	2.4595	2.3710	1.7858	2.0283	3.0173	3.2867	2.4774	2.7349	3.2408	2.8696
CHEDDAR 40 POUND BLOCK	2.1980	2.1695	2.0810	1.4958	1.7383	2.7273	2.9967	2.1874	2.4449	2.9508	2.5796
MONTEREY JACK 10 POUNDS	2.3530	2.3245	2.2360	1.6508	1.8933	2.8823	3.1517	2.3424	2.5999	3.1058	2.7346
BLUE 5 POUNDS	3.0780	3.0495	2.9610	2.3758	2.6183	3.6073	3.8767	3.0674	3.3249	3.8308	3.4596
MOZZARELLA 5-6 POUNDS	2.5480	2.5195	2.4310	1.8458	2.0883	3.0773	3.3467	2.5374	2.7949	3.3008	2.9296
SWISS 6-9 POUND CUTS	3.1070	3.2429	3.2022	2.9614	2.9215	2.8556	2.5210	2.3938	3.1884	3.7341	3.3807
NORTHEAST											
CHEDDAR 40 POUND BLOCK	2.5042	2.4757	2.3873	1.8020	2.0445	3.0335	3.3030	2.4936	2.7511	3.2571	2.8859
PROCESS AMERICAN 5 POUND SLICED	1.9971	1.9355	1.8913	1.4847	1.7373	2.5797	2.7499	2.0657	1.9196	2.3856	2.4082
MUENSTER	2.5230	2.4945	2.4060	1.8208	2.0633	3.0523	3.3217	2.5124	2.7699	3.2758	2.9046
SWISS 10-14 POUND CUTS	3.6945	3.8406	3.7985	3.5489	3.5090	3.4431	3.1085	2.9813	3.7759	4.3216	3.9682
WEST											
PROCESS AMERICAN 5 POUND LOAF	1.8321	1.7705	1.7263	1.3547	1.6273	2.4697	2.6399	1.9557	1.8096	2.2756	2.2982
CHEDDAR 40 POUND BLOCK	2.2330	2.2045	2.1160	1.5308	1.7733	2.7623	3.0317	2.2224	2.4799	2.9858	2.6146
CHEDDAR 10 POUND CUTS	2.3355	2.3070	2.2185	1.6333	1.8758	2.8648	3.1342	2.3249	2.5824	3.0883	2.7171
MONTEREY JACK 10 POUNDS	2.3605	2.3320	2.2435	1.6583	1.9008	2.8898	3.1592	2.3499	2.6074	3.1133	2.7421
SWISS 6-9 POUND CUTS	3.3457	3.4918	3.4498	3.2001	3.1603	3.0943	2.7598	2.7925	3.6371	4.1829	3.8295
FLUID PRODUCTS											
CLASS II CREAM											
NORTHEASTERN - F.O.B.	2.1614	2.0461	1.9637	0.9716	1.5989	2.5839	2.3780	2.1107	2.0183	2.0197	1.8622
MIDWESTERN - F.O.B.	2.3045	2.1408	2.0912	1.1746	1.7044	2.5417	2.3992	2.1264	1.9845	1.9745	1.8287
CONDENSED SKIM - NORTHEASTERN - F.O.B.											
CLASS II	0.8690	0.9000	0.8500	0.4341	0.6638	0.8273	0.8500	0.9071	0.9321	0.9929	1.0684
CLASS III	0.8048	0.8500	0.7489	0.4000	0.5975	0.7523	0.7750	1.1333	1.1369	1.0750	1.1803

¹ Monthly averages are a simple average of all the closes during the month.

² Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded.

2020 U.S. MONTHLY PRICE AVERAGES (US \$/LB)											
AREA and PRODUCT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
DAIRY MARKET NEWS, CONTINUED ²											
DRY PRODUCTS											
NONFAT DRY MILK											
EASTERN AND CENTRAL - LOW/MEDIUM HEAT	1.2683	1.2246	1.1005	0.9039	0.8980	1.0094	1.0203	0.9798	1.0421	1.1145	1.0836
--MOSTLY	1.2581	1.2305	1.0935	0.8898	0.8943	1.0167	1.0177	0.9921	1.0379	1.1055	1.0840
EASTERN AND CENTRAL - HIGH HEAT	1.3271	1.3166	1.2534	1.0366	1.0342	1.1207	1.1509	1.1036	1.1430	1.1850	1.1850
WESTERN - LOW/MEDIUM HEAT	1.2543	1.2118	1.0818	0.8980	0.8832	0.9924	1.0148	0.9754	1.0414	1.1113	1.0816
--MOSTLY	1.2583	1.2153	1.0818	0.8789	0.8935	1.0095	1.0142	0.9799	1.0393	1.1220	1.0891
WESTERN - HIGH HEAT	1.3738	1.3433	1.2341	1.0468	1.0568	1.1450	1.1455	1.1096	1.1585	1.2086	1.1951
DRY WHEY											
CENTRAL	0.3427	0.3505	0.3511	0.3550	0.3687	0.3381	0.3114	0.3177	0.3188	0.3512	0.3923
--MOSTLY	0.3471	0.3591	0.3540	0.3528	0.3644	0.3491	0.3215	0.3010	0.3095	0.3495	0.3993
WESTERN	0.3460	0.3761	0.3468	0.3493	0.3719	0.3359	0.3298	0.3310	0.3369	0.3724	0.4046
--MOSTLY	0.3526	0.3720	0.3691	0.3635	0.3770	0.3517	0.3495	0.3412	0.3407	0.3724	0.4074
NORTHEASTERN - EXTRA AND GRADE A	0.3449	0.3585	0.3738	0.3795	0.3806	0.3765	0.3489	0.3487	0.3302	0.3514	0.3870
WHEY PROTEIN CONCENTRATE 34%											
CENTRAL AND WESTERN	1.0020	1.0339	1.0547	1.0186	0.9509	0.9274	0.9002	0.8720	0.8665	0.9007	0.9467
--MOSTLY	1.0017	1.0140	1.0148	1.0027	0.9590	0.9356	0.8945	0.8591	0.8500	0.8810	0.9124
ANIMAL FEED											
CENTRAL - MILK REPLACER	0.2900	0.2997	0.2973	0.2968	0.3098	0.2914	0.2680	0.2540	0.2767	0.2895	0.3142
DRY BUTTERMILK											
EASTERN AND CENTRAL	1.1483	1.1613	1.1303	0.9736	0.9210	0.9774	1.0113	0.9819	0.9801	0.9887	0.9887
WESTERN	1.1231	1.1450	1.1335	0.9766	0.8735	0.9222	0.9261	0.9388	0.9424	0.9752	0.9984
--MOSTLY	1.1320	1.1574	1.1391	0.9936	0.9045	0.9227	0.9196	0.9440	0.9483	0.9595	0.9838
DRY WHOLE MILK											
NATIONAL	1.8083	1.8118	1.7807	1.6766	1.6808	1.6909	1.6978	1.6714	1.6855	1.6514	1.6024
LACTOSE											
CENTRAL AND WESTERN	0.3157	0.3236	0.3294	0.3658	0.4129	0.4373	0.4997	0.5181	0.5114	0.5052	0.4745
--MOSTLY	0.2979	0.3043	0.3107	0.3467	0.4018	0.4618	0.5170	0.5136	0.5056	0.5002	0.4751
CASEIN											
RENNET	4.1240	4.4857	4.5139	4.4036	4.0582	3.8696	3.6438	3.5410	3.5113	3.5015	3.4809
ACID	3.6645	3.7338	3.8031	3.9980	3.8798	3.8614	3.8500	3.8499	3.7624	3.6994	3.6488

² Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded.

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

AREA and PRODUCT	: JAN	: FEB	: MAR	: APR	: MAY	: JUN	: JUL	: AUG	: SEP	: OCT	: NOV
DAIRY MARKET NEWS ³											
BUTTER (82% BUTTERFAT)											
-- OCEANIA	4096	4169	4273	4210	3824	3641	3639	3440	3414	3672	3861
-- WESTERN EUROPE	4045	3938	3626	2602	2579	3056	3857	4063	4092	4064	4044
BUTTEROIL (99% BUTTERFAT)											
-- WESTERN EUROPE	5056	4981	4414	3758	3594	3699	4706	4945	4957	4851	4710
CHEDDAR CHEESE (39% MAXIMUM MOISTURE)											
-- OCEANIA	4034	4431	4365	4427	4018	3835	3845	3531	3626	3808	3707
SKIM MILK POWDER (1.25% BUTTERFAT)											
-- OCEANIA	3076	3006	2755	2549	2548	2624	2737	2801	2860	2901	2824
-- SOUTH AMERICA	3020	2875	2695	2600	2536	2627	2693	2626	2768	2827	2813
-- WESTERN EUROPE	2906	2838	2460	1816	1836	2102	2478	2512	2622	2586	2574
WHEY POWDER (NONHYGROSCOPIC)											
-- WESTERN EUROPE	923	913	882	710	734	784	911	907	922	926	922
WHOLE MILK POWDER (26% BUTTERFAT)											
-- OCEANIA	3185	3006	2870	2765	2715	2798	3204	3020	2969	3029	3050
-- SOUTH AMERICA	3183	3050	2905	2900	2877	2904	3097	3036	3030	3039	3065
-- WESTERN EUROPE	3416	3350	3061	2476	2398	2618	3167	3281	3285	3260	3283

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

October Agricultural Prices Highlights

The All Milk price received by farmers was \$20.20 in October, up \$0.20 from October 2019. Milk Cows price was \$1,340 in October, up \$30.00 from October 2019. Alfalfa hay price was \$171.00 in October, down \$6.00 from October 2019. Corn price was \$3.61 in October, down \$0.24 from October 2019. Soybean price was \$9.63 in October, up \$1.03 from October 2019. The milk-feed price ratio was 2.50 in October, up 0.08 from October 2019.

The index of prices received by farmers for dairy products during the month of October 2020 was up 11.4 to 100.5. Compared to October 2019, the index was up 1 point (1.0 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in October 2020 was up 0.8 to 111.1. Compared with October 2019, the index was up 0.7 point (0.6 percent).

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

State	All-Milk price ^{1,2}		Milk cows ³		Alfalfa hay, baled		Corn for Grain		Soybeans	
	Oct		Oct		Oct		Oct		Oct	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
	<i>(dollars per cwt)</i>		<i>(dollars per head)</i>		<i>(dollars per ton)</i>		<i>(dollars per bushel)</i>		<i>(dollars per bushel)</i>	
AZ	18.90	15.70	1,450	1,450	190.00	175.00	---	---	---	---
CA	18.90	21.20	1,400	1,350	200.00	185.00	---	---	---	---
CO	20.00	17.00	1,300	1,350	235.00	200.00	3.91	4.18	---	---
GA	21.00	19.30	1,300	1,300	---	---	---	---	---	---
ID	20.90	21.70	1,350	1,350	160.00	155.00	---	---	---	---
IN	19.50	17.70	1,250	1,260	---	---	4.01	3.73	8.93	9.81
IA	21.40	22.50	1,280	1,290	143.00	123.00	3.79	3.61	8.50	9.59
MI	18.50	16.90	1,320	1,360	190.00	180.00	3.98	3.67	8.78	9.92
MN	21.70	23.30	1,160	1,240	152.00	131.00	3.63	3.36	8.33	9.48
NM	18.40	18.10	1,400	1,400	220.00	225.00	---	---	---	---
NY	19.70	18.80	1,260	1,240	194.00	190.00	---	---	---	---
OH	20.00	18.80	1,120	1,220	200.00	195.00	4.14	3.78	8.97	9.98
PA	20.20	18.80	1,190	1,270	220.00	245.00	4.33	4.21	---	---
TX	21.00	19.90	1,350	1,400	157.00	193.00	4.28	4.11	---	---
WA	19.90	18.40	1,350	1,350	200.00	190.00	---	---	---	---
WI	20.70	21.50	1,270	1,420	213.00	170.00	3.76	3.37	8.53	9.45
U.S.	20.00	20.20	1,310	1,340	177.00	171.00	3.85	3.61	8.60	9.63

(D) Withheld to avoid disclosing data for individual operations. ¹ Prices are shown at reported butterfat test. ² Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. ³ Animals sold for dairy herd replacement only. Quarterly United States milk cow prices are based on revised milk cow inventory.

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

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

State ²	Oct 2019	Sep 2020	Oct 2020
IA	2.59	2.53	2.50
MI	2.28	2.08	2.25
MN	2.46	2.59	2.11
OH	2.21	2.15	2.05
WI	2.23	2.26	2.35
U.S.	2.42	2.28	2.50

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

General Price Measures, U.S., October 2020 with Comparisons

Item	Oct 2019	Sep 2020	Oct 2020
Index Numbers (1990-92=100):			
Prices received by farmers for dairy production	99.5	89.1	100.5
Prices paid by farmers for commodities and services, interest taxes, and wage rates	110.4	110.3	111.1

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

Final Class Prices by Order, November 2020

November 2020 Highlights

Class Prices: The following are the November 2020 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$13.86 (\$+0.23), Class III: \$23.34 (\$+1.73), and Class IV: \$13.30 (\$-0.17).

Component Price Information: Under the Federal milk order pricing system, the butterfat price for November 2020 is \$1.5553 per pound. Thus, the Class II butterfat price is \$1.5623 per pound. The protein and other solids prices for November 2020 are \$5.6226 and \$0.1894 per pound, respectively. These component prices set the Class III skim milk price at \$18.55 per cwt. The November 2020 Class IV skim milk price is \$8.14, which is derived from the nonfat solids price of \$0.9047 per pound.

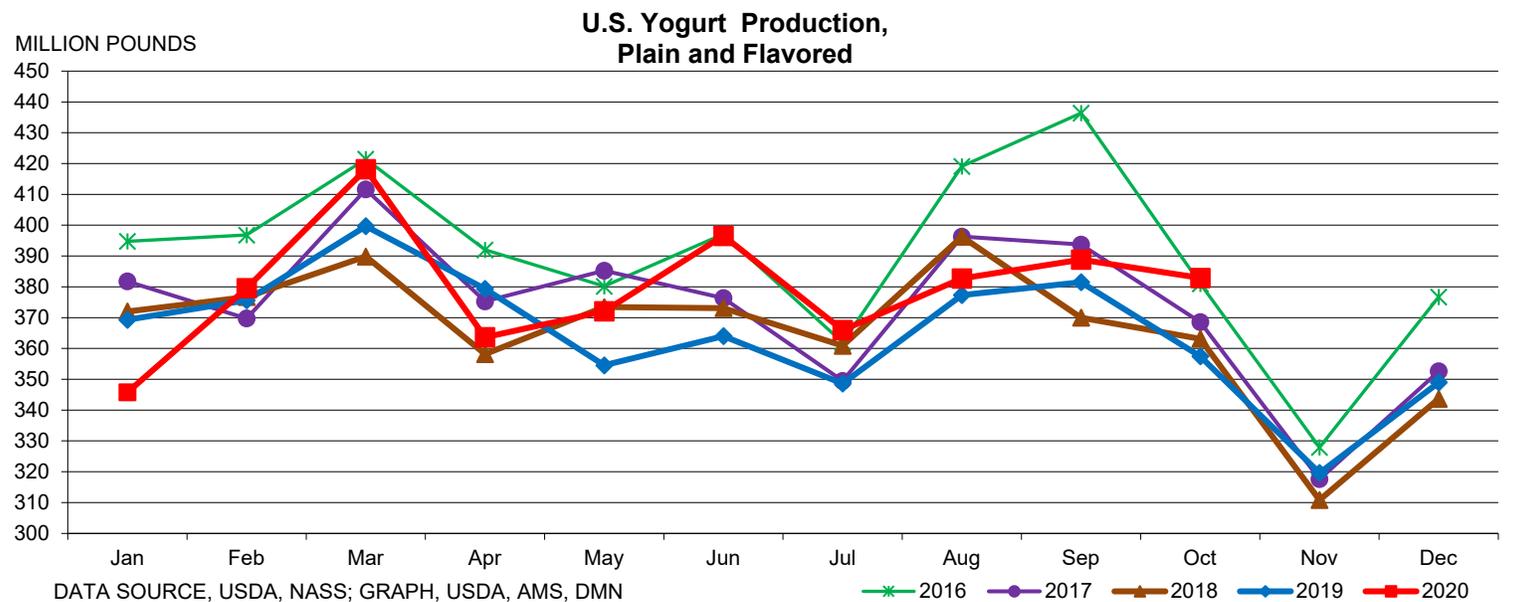
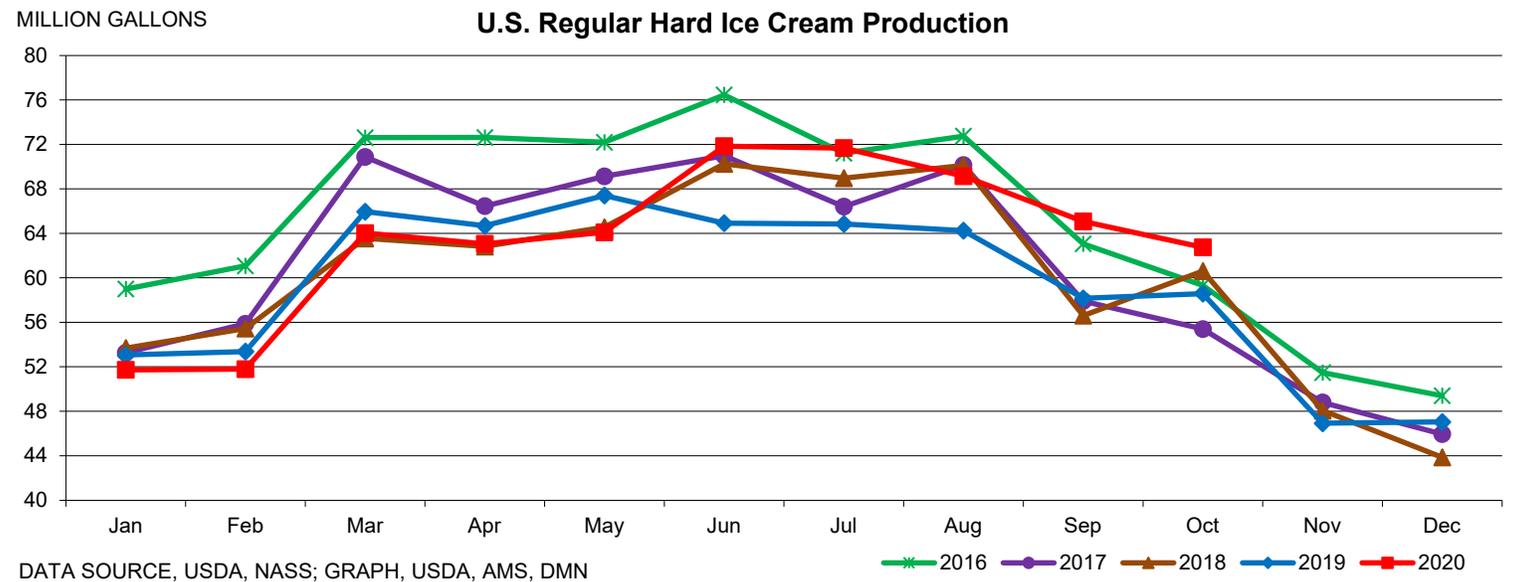
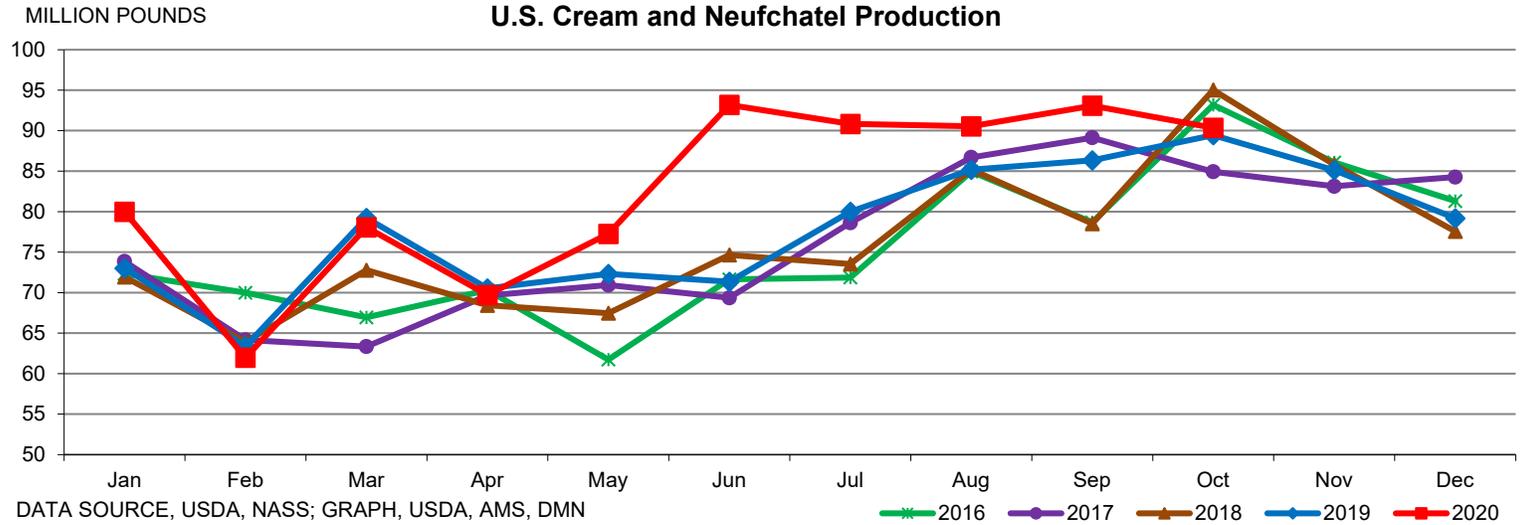
Product Price Averages: The product price averages for November 2020 are butter \$1.4558, nonfat dry milk \$1.0816, cheese \$2.4535, and dry whey \$0.3830.

Final Class Prices by Order for November 2020

Federal Milk Order Minimum Class Prices for Milk of 3.5 Percent Butterfat^{1, 2}

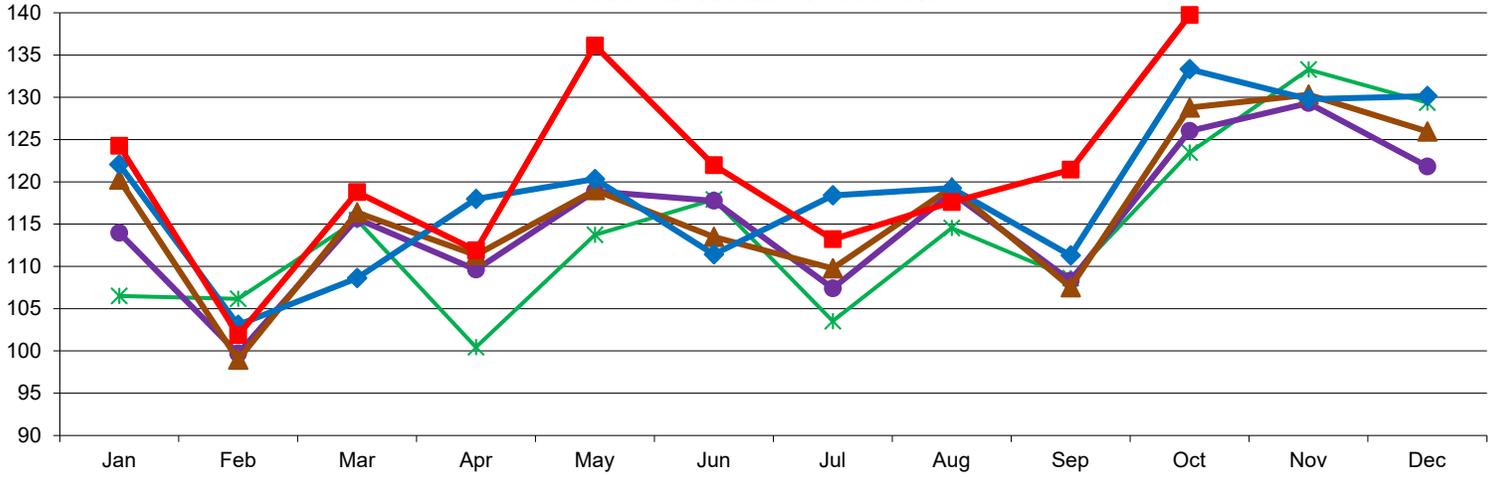
Federal Milk Order Marketing Area ³	Order Number	Nov 2020				Dec 2020
		Class I	Class II	Class III	Class IV	Class I
<i>(dollars per cwt)</i>						
Northeast (Boston)	001	21.29	13.86	23.34	13.30	23.12
Appalachian (Charlotte)	005	21.44	13.86	23.34	13.30	23.27
Florida (Tampa)	006	23.44	13.86	23.34	13.30	25.27
Southeast (Atlanta)	007	21.84	13.86	23.34	13.30	23.67
Upper Midwest (Chicago)	030	19.84	13.86	23.34	13.30	21.67
Central (Kansas City)	032	20.04	13.86	23.34	13.30	21.87
Mideast (Cleveland)	033	20.04	13.86	23.34	13.30	21.87
California (Los Angeles)	051	20.14	13.86	23.34	13.30	21.97
Pacific Northwest (Seattle)	124	19.94	13.86	23.34	13.30	21.77
Southwest (Dallas)	126	21.04	13.86	23.34	13.30	22.87
Arizona (Phoenix)	131	20.39	13.86	23.34	13.30	22.22
All-Market Average		20.86	13.86	23.34	13.30	22.69

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 on this table. ³ Names in parentheses are the major city in the principal pricing point of the markets. Class I prices at other cities are: Northeast (Boston): New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25, and Washington, DC, minus \$0.25; Appalachian (Charlotte): Knoxville, minus \$0.20; and Louisville, minus \$1.10; Florida (Tampa): Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40; Southeast (Atlanta): New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40; Upper Midwest (Chicago): Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10; Central (Kansas City): Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55; Mideast (Cleveland): Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20; California (Los Angeles): San Francisco, minus \$0.30; Sacramento, minus \$0.40; Tulare, minus \$0.50. Pacific Northwest (Seattle): Portland, same; and Spokane, same; Southwest (Dallas): Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. Report Contact: Randal Stoker, randal.stoker@usda.gov



MILLION POUNDS

U.S. Sour Cream Production

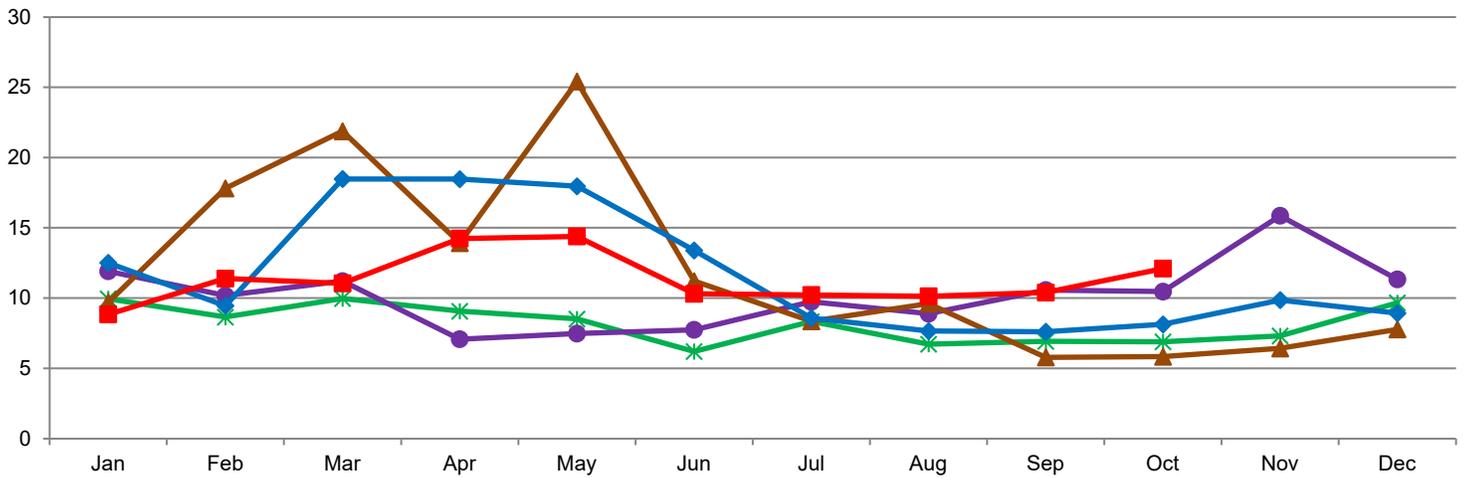


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2016 2017 2018 2019 2020

MILLION POUNDS

U.S. Dry Whole Milk Production

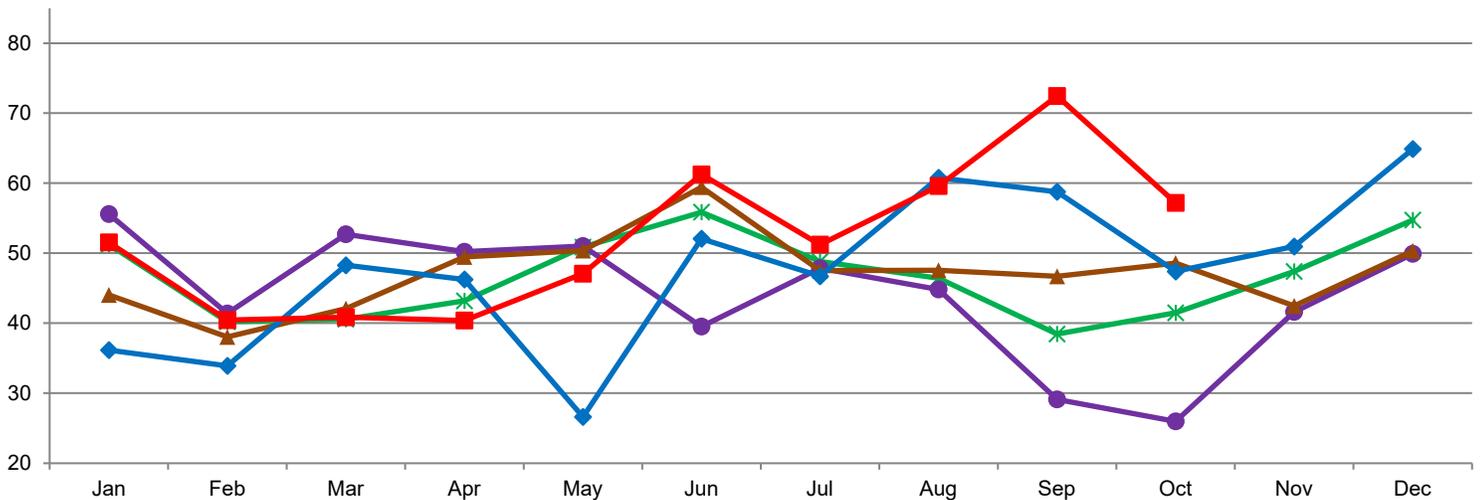


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

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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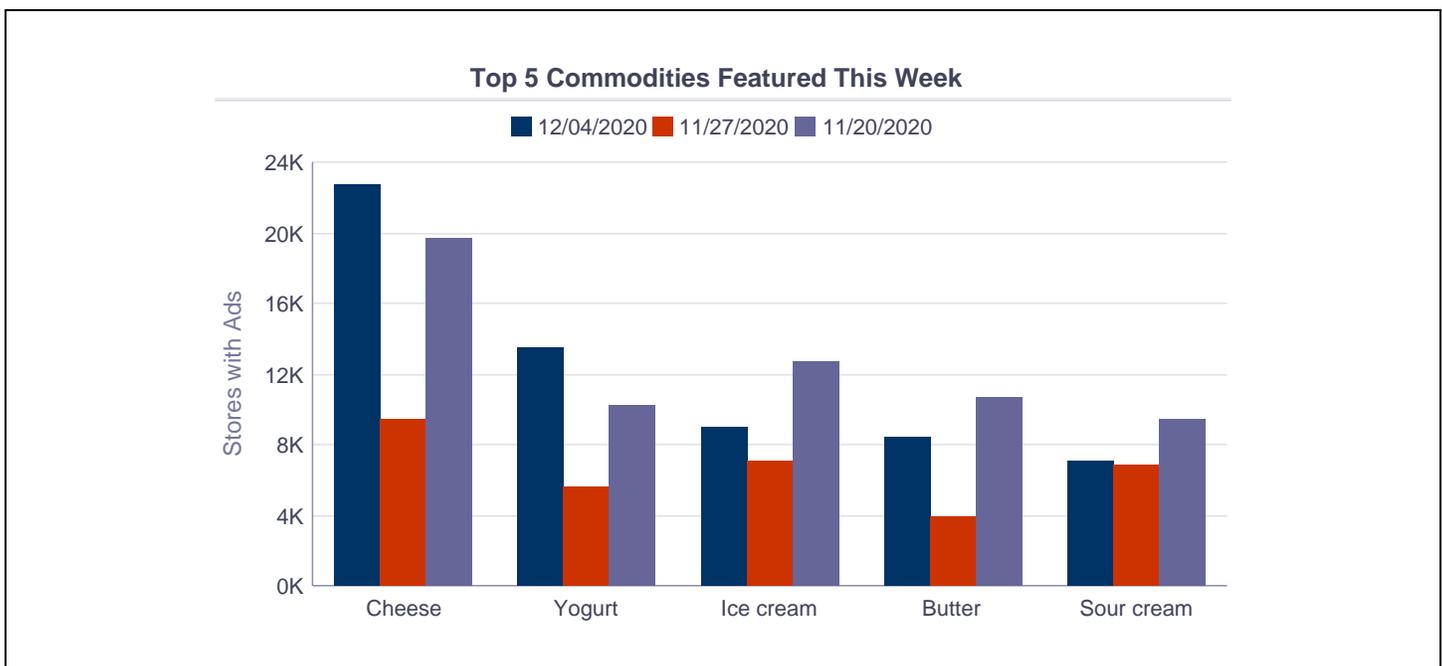
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 12/04/2020 to 12/10/2020

Even in early December conventional ice cream in 48-64 ounce containers is the second most advertised dairy product. The weighted average advertised price, \$3.20, is down \$0.30 from last week. Butter in one-pound packages has an average price of \$3.04, up \$0.01 from last week.

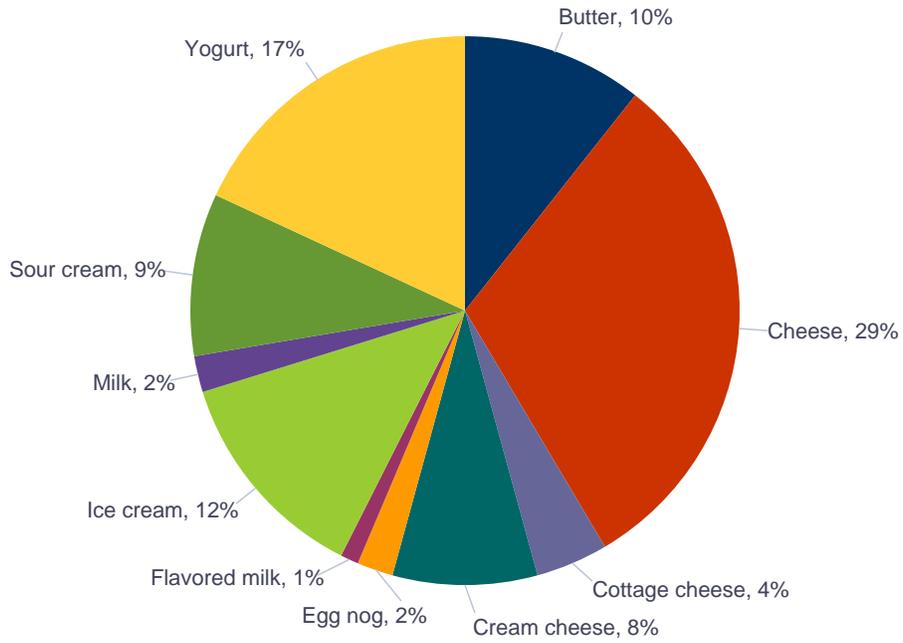
Ads for conventional 8-ounce shred cheese, the most advertised organic or conventional dairy item, have a weighted average advertised price of \$2.46, down 3 cents from last week. Ads for 8-ounce conventional block cheese have an average price of \$2.43, down \$0.02 from last week.

The national weighted average price for Greek yogurt in 4-6 ounce containers, the most advertised organic or conventional yogurt size container, is \$0.97, down \$0.05 from last week. The weighted average price for conventional 4 to 6 ounce yogurt is \$0.53, down \$0.04 from last week.

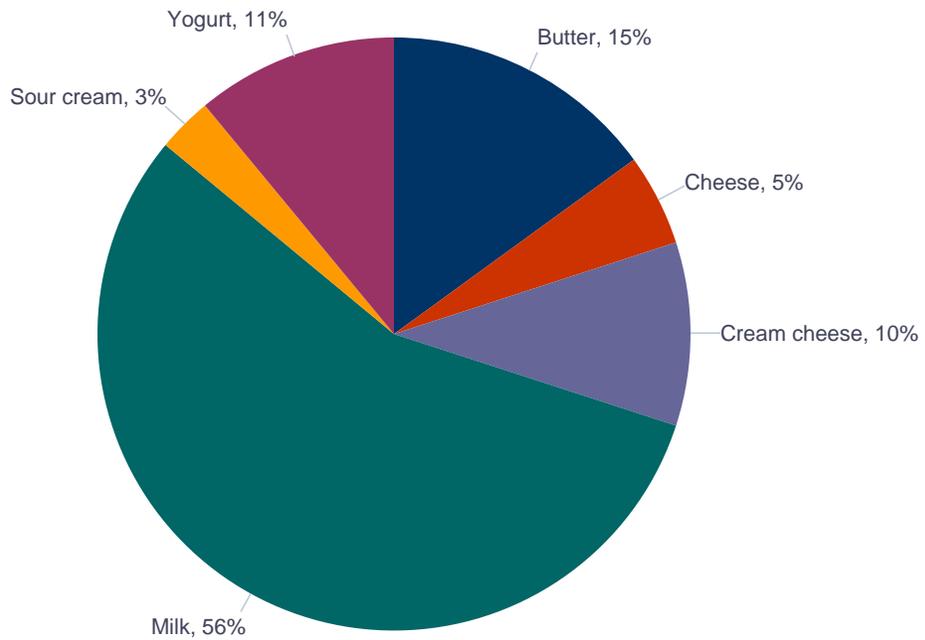
Milk in half gallon containers is the most advertised organic dairy item. The national weighted average advertised price for organic half gallons is \$3.72. The national weighted average price for conventional half gallon milk is \$2.57, resulting in an organic price premium of \$1.15.



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 #	7885	3.04	3477	3.03	7682	3.43
Cheese	Natural Varieties	8 oz block	7379	2.43	5077	2.45	6566	2.29
Cheese	Natural Varieties	1 # block	1294	4.31	60	2.99	2564	3.60
Cheese	Natural Varieties	2 # block	1935	6.76	825	7.06	1150	5.23
Cheese	Natural Varieties	8 oz shred	10545	2.46	3374	2.49	6192	2.32
Cheese	Natural Varieties	1 # shred	1358	4.57	135	3.99	1805	4.19
Cottage cheese		16 oz	3325	2.36	2014	1.87	4059	1.94
Cream cheese		8 oz	6338	2.01	8553	1.37	6085	1.60
Egg nog		quart	575	3.13	3335	3.08	445	3.10
Egg nog		half gallon	1182	4.44	2136	4.71	842	3.63
Flavored milk	All fat tests	half gallon	479	2.08	121	2.50	180	2.00
Flavored milk	All fat tests	gallon	105	2.50			285	3.88
Ice cream		48-64oz	9029	3.20	6961	2.90	9293	3.17
Milk	All fat tests	half gallon	672	2.57	108	3.99	1015	1.61
Milk	All fat tests	gallon	658	3.78			726	3.16
Sour cream		16 oz	6953	1.85	6826	1.79	7507	1.74
Yogurt	Greek	4-6 oz	7808	.97	2513	1.02	8830	1.04
Yogurt	Greek	32 oz	1974	4.69	1504	4.55	1222	3.76
Yogurt	Yogurt	4-6 oz	2942	.53	1026	.57	3341	.54
Yogurt	Yogurt	32 oz	349	2.71	349	1.81	579	3.23

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.00-5.29	2476	3.26	1.99-4.99	2812	3.21	1.99-3.00	1243	2.45
Cheese	Natural Varieties	8 oz block	1.99-4.99	1884	2.79	1.99-3.00	2577	2.42	1.49-2.99	1474	2.21
Cheese	Natural Varieties	1 # block	2.99-4.49	377	3.59	3.99-4.99	628	4.89			
Cheese	Natural Varieties	2 # block	5.00-10.49	221	8.40	5.98	195	5.98	6.99	458	6.99
Cheese	Natural Varieties	8 oz shred	1.99-3.50	2425	2.45	1.99-3.50	4021	2.48	1.49-2.50	1799	2.21
Cheese	Natural Varieties	1 # shred	2.99-4.89	272	3.93	4.98-4.99	797	4.99			
Cottage cheese		16 oz	1.50-3.00	1136	2.39	1.50-3.00	1935	2.34			
Cream cheese		8 oz	0.98-3.19	994	1.94	1.49-2.99	2409	2.29	0.99-2.50	567	1.60
Egg nog		quart	2.99-3.49	454	3.16						
Egg nog		half gallon	3.99-4.99	829	4.62						
Flavored milk	All fat tests	half gallon							2.00	180	2.00
Ice cream		48-64oz	2.37-4.99	2821	3.23	1.99-5.99	2374	3.26	2.49-4.49	1596	3.24
Milk	All fat tests	half gallon	2.39	135	2.39						
Milk	All fat tests	gallon	3.39-4.49	282	3.96				5.49	127	5.49

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Sour cream		16 oz	0.99-2.99	2402	2.02	0.99-3.00	2699	1.68	1.29-1.99	556	1.71
Yogurt	Greek	4-6 oz	0.69-1.79	2807	.97	0.80-1.25	2554	.99	0.90-1.00	484	.97
Yogurt	Greek	32 oz	3.99-5.00	933	4.56	4.99	735	4.99			
Yogurt	Yogurt	4-6 oz	0.50-0.89	746	.57	0.49-0.60	429	.55	0.49-0.50	446	.50
Yogurt	Yogurt	32 oz	2.79	60	2.79						

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 #	1.99-2.50	350	2.18	1.99-3.99	623	3.29	1.99-2.49	295	2.17
Cheese	Natural Varieties	8 oz block	1.99-2.50	810	2.08	1.99-2.50	435	2.29	2.29-2.50	165	2.42
Cheese	Natural Varieties	1 # block							3.99	289	3.99
Cheese	Natural Varieties	2 # block	6.99	78	6.99	5.00-8.99	886	6.35	5.77	69	5.77
Cheese	Natural Varieties	8 oz shred	1.99-2.99	1083	2.39	1.99-2.99	405	2.38	2.29-3.29	743	3.10
Cheese	Natural Varieties	1 # shred							3.99	289	3.99
Cottage cheese		16 oz	2.29-2.48	193	2.36				2.50	61	2.50
Cream cheese		8 oz	1.48-3.00	907	2.14	0.98-2.50	858	1.65	0.98-2.50	524	1.67
Egg nog		quart	2.99	121	2.99						
Egg nog		half gallon	3.99-4.79	175	4.54	3.49	178	3.49			
Flavored milk	All fat tests	half gallon	2.50	121	2.50	1.88	178	1.88			
Flavored milk	All fat tests	gallon							2.50	105	2.50
Ice cream		48-64oz	2.50-5.49	627	3.51	2.50-3.99	1200	2.95	2.49-2.99	400	2.62
Milk	All fat tests	half gallon	2.00	121	2.00	1.88-3.99	295	2.72	3.00	121	3.00
Milk	All fat tests	gallon	2.99	133	2.99				1.99	105	1.99
Sour cream		16 oz	1.78-1.99	193	1.91	1.97-1.99	497	1.98	1.67-1.99	578	1.83
Yogurt	Greek	4-6 oz	1.00	292	1.00	0.79-1.00	999	.90	0.88-1.00	644	.95
Yogurt	Greek	32 oz	3.49-4.79	175	3.89	4.49	62	4.49			
Yogurt	Yogurt	4-6 oz	1.00	99	1.00	0.48-0.50	853	.49	0.38-0.40	358	.40
Yogurt	Yogurt	32 oz							2.69	289	2.69

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 #	4.99	28	4.99	3.69	58	3.69
Cheese	Natural Varieties	8 oz block				2.25	34	2.25
Cheese	Natural Varieties	2 # block	9.99	28	9.99			
Cheese	Natural Varieties	8 oz shred	2.49	11	2.49	2.25	58	2.25
Cream cheese		8 oz	1.79	11	1.79	1.75-2.25	68	2.00
Ice cream		48-64oz	5.49	11	5.49			
Milk	All fat tests	gallon	5.99	11	5.99			
Sour cream		16 oz	2.49	28	2.49			
Yogurt	Greek	4-6 oz	1.99	28	1.99			



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
Yogurt	Greek	32 oz	5.49	11	5.49	5.49	58	5.49
Yogurt	Yogurt	4-6 oz	0.70	11	.70			

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 #	572	5.68	510	5.99	275	6.11
Cheese	Natural Varieties	8 oz block					178	4.99
Cheese	Natural Varieties	8 oz shred	176	2.49			299	3.79
Cottage cheese		16 oz			289	3.79	137	3.99
Cream cheese		8 oz	404	2.64	289	2.49	628	2.76
Milk	All fat tests	half gallon	1394	3.72	571	4.91	1774	4.37
Milk	All fat tests	gallon	654	5.41			108	6.99
Milk	All fat tests	8 oz UHT	147	1.20	147	2.19		
Sour cream		16 oz	121	2.19			299	2.11
Yogurt	Greek	32 oz	214	5.99			489	4.81
Yogurt	Yogurt	4-6 oz			147	1.25	72	.69
Yogurt	Yogurt	32 oz	214	3.00	108	3.50		

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				5.49	214	5.49			
Cheese	Natural Varieties	8 oz shred							2.49	98	2.49
Cream cheese		8 oz				2.50	214	2.50			
Milk	All fat tests	half gallon	3.99-4.49	576	4.25	3.50	214	3.50	3.00	348	3.00
Milk	All fat tests	gallon	5.00	108	5.00				5.49	468	5.49
Milk	All fat tests	8 oz UHT	1.20	147	1.20						
Yogurt	Greek	32 oz				5.99	214	5.99			

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz				3.00	214	3.00			

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #							4.99-5.99	358	5.80
Cheese	Natural Varieties	8 oz shred	2.49	78	2.49						
Cream cheese		8 oz	2.69	121	2.69				2.99	69	2.99
Milk	All fat tests	half gallon	3.00	78	3.00	3.99	167	3.99			
Milk	All fat tests	gallon	5.49	78	5.49						
Sour cream		16 oz	2.19	121	2.19						

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	half gallon	3.29	11	3.29			

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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