DAIRY MARKET NEWS

WEEK OF MARCH 4 - 8, 2019
VOLUME 86, REPORT 10

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (3/8)
BUTTER: Grade AA closed at $2.2675. The weekly average for Grade AA is $2.2835 (+.0145).
CHEESE: Barrels closed at $1.3650 and 40# blocks at $1.5350. The weekly average for barrels is $1.4205 (+.0105) and blocks, $1.5615 (-.0460).
NONFAT DRY MILK: Grade A closed at $.9750. The weekly average for Grade A is $.9775 (-.0095).
DRY WHEY: Extra grade dry whey closed at $0.3400. The weekly average for dry whey is $0.3485 (-.0025).

BUTTER HIGHLIGHTS: Despite the unsteady weather and bad road conditions in some parts of the country, milk/cream shipments were minimally affected. In this way, butter production has remained quite active during the week, as vast volumes of butterfat continue to flow into churns. Several processors continue to stockpile inventories into cold storage, preparing for the anticipated high demand during the spring and summer. Bulk butter pricing varies among the regions: East, 5.0 cents to 8.0 cents over the market; Central, 5.0 cents to 7.0 cents above the market; West, 3.0 cents to 7.5 cents over the market, with various periods and averages used.

CHEESE HIGHLIGHTS: There were some reports of strengthened demand from Western contacts, while a number of Midwestern cheesemakers are experiencing seasonal lulls in ordering. Milk is readily available across the nation. Spring flush related milk increases in the West are keeping plants at full capacity, and cheesemakers there are selling milk into other manufacturing outlets when suitable. Midwestern spot milk prices ranged from $.50 to $2 under Class. That said, cheesemakers in the Midwest, in some cases, have scaled production back in order to curb inventories. In the East, plentiful milk is keeping cheese production steady to strong. Market momentum from late January/early February, when averages saw some sharp weekly rises, has settled somewhat. Even still, current prices have some buyers more actively making forward purchases in lieu of current/near term ordering.

FLUID MILK: Winter weather in the Midwest, from Iowa up to Minnesota in particular, has continued to play havoc with dairy farms, truckers, and processors in the region. On days last week, a number of trucks either did not reach the farms for pickups or did not reach destinations with milk onboard. Dairy barns have also collapsed on multiple farms, due to heavy snow packs. Eastern cold spells have not created as many disruptions, as milk yields increase in the region. Western milk output, in some cases, is level. More often, however, milk production is on the rise. Milk is generally available for all uses nationwide, with the weather-related delays as the exceptions. Bottling reports range across the country and intra-regionally as well. There is a general sense that bottled milk declines are going to continue. Cheese production is mostly active, although some Western and Midwestern Class III producers are slimming production schedules, as inventories remain long nationally. Cream is available generally. Butter churners remain active, while cream cheese and ice cream producers are starting to gain some production momentum ahead of spring and summer demand upticks. F.O.B. cream multiples are 1.07-1.20 in the East, 1.12 -1.20 in the Midwest, and 1.00-1.17 in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk (NDM) prices were slightly lower in all regions. Buyers and sellers are viewing the markets differently in some cases. As bids are falling into the mid $.90s, some producers are not willing to negotiate anything lower than at or around $1. High heat NDM prices were steady in the Central and East, while shifting lower in the West. Inventories in the West are slightly higher than earlier in the year. Dry buttermilk prices are steady nationwide. Dry buttermilk production activity and inventories have increased with heavier churn activity of late. Dry whole milk prices held steady, as well, although domestic prices are still above those of global whole milk powder prices. Dry whey prices are mixed in the Central and Western regions, while unchanged to lower in the East. Spot market activity was somewhat quiet nationally, while buyers are hesitant to take on extra loads in an uncertain market. Whey protein concentrate (WPC) 34% prices are steady this week. As is the normal for WPC 34%, spot prices run the gamut from the low end to the high, interspersed throughout, depending upon buyer specifications. Lactose prices increased on the bottom of the range, while holding steady elsewhere. Similar to other dry products, lactose buyers are hesitant to take on extra loads currently. Rennet casein prices are mixed, firming at the top while slipping on the bottom. Acid casein prices increased.

ORGANIC DAIRY MARKET NEWS: New England Organic Milk Sales and Sourcing. Federal Milk Market Order 1 in New England reports utilization of types of organic milk by pool plants. During January 2019, organic whole milk utilization totaled 15.2 million pounds, down from 16.5 million pounds one year earlier, (-7.9 percent). The January 2019 butterfat content was 3.28 percent, slightly lower from 3.29 percent in 2018. Organic reduced fat milk utilization for January this year, nearly 19.6 million pounds, was down from 22.5 million pounds one year earlier, (-13.2 percent). Meanwhile, butterfat

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DAIRY MARKET NEWS PRICE SUMMARY FOR MARCH 4 - 8, 2019
PRICES ($/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity		Range		Mostly	
NDM					
Central Low/Med. Heat		0.9500	1.0200	0.9800	1.0100
	Change	-0.0100	N.C.	N.C.	N.C.
Central High Heat		1.0800	1.1200		
	Change	N.C.	N.C.		
West Low/Med. Heat		0.9350	1.0250	0.9400	1.0100
	Change	-0.0025	-0.0050	-0.0100	-0.0100
West High Heat		1.0800	1.1650		
	Change	-0.0200	-0.0350		
DRY WHOLE MILK					
National		1.5800	1.6500		
	Change	N.C.	N.C.		

Commodity		Range		Mostly	
BUTTERMILK					
Central/East		0.9600	1.0375		
	Change	N.C.	N.C.		
West		0.9200	1.0000	0.9500	0.9700
	Change	N.C.	N.C.	N.C.	N.C.
WHEY					
Central		0.3600	0.4900	0.3900	0.4700
	Change	N.C.	N.C.	0.0100	-0.0100
West		0.2950	0.5200	0.3800	0.4550
	Change	-0.0025	0.0050	N.C.	N.C.
Northeast		0.3400	0.4800		
	Change	N.C.	-0.0200		

Commodity		Range		Mostly	
LACTOSE					
Central/West		0.2400	0.4500	0.3100	0.4200
	Change	0.0400	N.C.	N.C.	N.C.
WPC 34%					
Central/West		0.7600	1.0600	0.8300	0.9750
	Change	N.C.	N.C.	N.C.	N.C.
CASEIN					
Rennet		2.5275	2.6325		
	Change	-0.0400	0.0150		
Acid		3.0250	3.1450		
	Change	N.C.	0.0050		
ANIMAL FEED WHEY					
Central		0.2900	0.3500		
	Change	N.C.	N.C.		

DAIRY MARKET NEWS AT A GLANCE

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content was 1.35 percent, up from 1.31 percent last year. U.S. Organic Milk Pay Prices. The March 2019 farm gate organic milk pay price is $29.24, with a twelve-month average price of $31.30, based on a 12.9 percent representation of total solids. The organic pay price is the amount accepted by those organic dairy producers who contract with a large national organic cooperative, while based on the geographic area where the organic milk is produced and whether it is organic grassmilk.

In the current survey, organic retail ads decreased by 4 percent. Sour cream in 8 oz block packages reported the largest percentage shift in organic ads, at 232 percent. The Southeast region has the largest percentage change for advertisements in the United States this period, at 240 percent. For organic milk, half gallon packages revealed the biggest number of ads currently. Prices for organic milk in half gallon packages shifted down 39 cents compared to the last survey period. The current retail milk price spread between organic and conventional half gallon milk is an organic premium of $1.22. The price spread moved down $0.47 compared to the previous retail survey.

NATIONAL RETAIL REPORT (DMN): Conventional ice cream in 48-64 oz. containers is the most advertised product/category this week, with ad numbers decreasing 33 percent. The national weighted average advertised price for conventional milk half gallons is $2.39, compared to $3.61 for organic milk half gallons, an organic price premium of $1.22. Conventional cheese ad numbers decreased 17 percent. There are no ads for organic cheese. The weighted average price for conventional yogurt in 4 to 6 oz. containers, $0.49, is up 3 cents from last week. Organic 4-6 oz. yogurt averages $1.32, an 83 cent organic price premium.

JANUARY COLD STORAGE (NASS): On January 31, U.S. cold storage holdings of butter totaled 211.1 million pounds, up 18 percent from the previous month, but down 7 percent from January 2018. Total American natural cheese holdings totaled 805.3 million pounds, up 1 percent from the previous month and up 9 percent from January 2018. Total natural cheese stocks were 1.360 billion pounds, 1 percent up from last month and 6 percent up from January 2018.

JANUARY MILK COW INVENTORY SUMMARY (USDA, NASS): The number of milk cows in the United States as of January 1, 2019, totaled 9.35 million head, down 1 percent from the previous year. Milk cow replacement heifers totaled 4.70 million head, down 1 percent from the previous year. The percentage of milk cow replacement heifers per 1,000 milk cows on January 1, 2019 was 50.3, down 1 percent from the previous year. Milk cow replacement heifers expected to calve during the year totaled 3.01 million head, down 1 percent from the previous year.

COMMODITY	MONDAY MAR 4	TUESDAY MAR 5	WEDNESDAY MAR 6	THURSDAY MAR 7	FRIDAY MAR 8	::	WEEKLY CHANGE	::	WEEKLY AVERAGE
CHEESE									
BARRELS	$1.4300 (+0.0200)	$1.4300 (N.C.)	$1.4500 (+0.0200)	$1.4275 (-0.0225)	$1.3650 (-0.0625)	::	(-0.0450)	::	$1.4205 (+0.0105)
40 POUND BLOCKS	$1.5700 (-0.0400)	$1.5700 (N.C.)	$1.5800 (+0.0100)	$1.5525 (-0.0275)	$1.5350 (-0.0175)	::	(-0.0750)	::	$1.5615 (-0.0460)
NONFAT DRY MILK GRADE A	$0.9875 (+0.0025)	$0.9750 (-0.0125)	$0.9750 (N.C.)	$0.9750 (N.C.)	$0.9750 (N.C.)	::	(-0.0100)	::	$0.9775 (-0.0095)
BUTTER GRADE AA	$2.3400 (+0.0525)	$2.2950 (-0.0450)	$2.2575 (-0.0375)	$2.2575 (N.C.)	$2.2675 (+0.0100)	::	(-0.0200)	::	$2.2835 (+0.0145)
DRY WHEY EXTRA GRADE	$0.3525 (-0.0075)	$0.3500 (-0.0025)	$0.3500 (N.C.)	$0.3500 (N.C.)	$0.3400 (-0.0100)	::	(-0.0200)	::	$0.3485 (-0.0025)

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

Milk is plentiful in parts of the Eastern region. Balancing plants are fairly active in the Northeast. Cream supplies are accessible, and spot offers are plentiful. Cream demand is steady to a bit soft. Butter churns are strong at this time. Some butter makers are purchasing additional cream loads. Manufacturers are making both salted and unsalted butter at this time. Manufacturers' stocks are stable to increasing. Butter demand is fairly stable. Market participants are organizing spring holiday orders with several customers. Butter prices on the GDT improved from the previous event. The bulk butter price is reported 5 cents to 8 cents over the market of the CME Group, with various time frames and averages used.

Prices for: Eastern U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter
Bulk Basis Pricing - 80% Butterfat $/LB: +0.0500 - +0.0800

Secondary Sourced Information:

The CME Group monthly average price for Grade AA butter during February 2019 was $2.2659, compared to $2.2481 a month ago.

This week, a cooperative export assistance program accepted requests for export assistance to sell 524,700 pounds (238 metric tons) of butter.

CENTRAL

Butter churning continues apace for several reasons. Seasonally available cream inventories are flowing into butter plants, with some weather-related exceptions in the upper Midwest. Additionally, butter plant managers are continuing their progress to store away butter for the spring and fall demand pushes. Some contacts note current inventories are available, while interest reports are positive in recent weeks. On the market side, some contacts suspect the large bump on the CME Monday, out of recent norms for the generally-steady butter markets, were a reaction to the CME's new crop rule. However, markets reacted Tuesday, and the gains were short-lived.

Prices for: Central U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter
Bulk Basis Pricing - 80% Butterfat $/LB: +0.0500 - +0.0700

Secondary Sourced Information:

The CME Group monthly average price for Grade AA butter during February was $2.2659, up from January's $2.2481.

WEST

Bulk and print butter sales are both lively in the West. In preparation for the upcoming holiday, orders for retail print butter have started to pick up. Some processors report that a few resellers are looking for lower priced bulk butter for later delivery in the month. Despite the bad weather and road conditions in some parts of the West, cream is in good supply and butter churning is active throughout the region. The butter plant that was down last week, is back up and running normally. Butter inventories continue to grow at seasonal levels. This week, bulk butter prices are a bit higher, ranging from 3 cents to 7.5 cents over the market. In general, the market tone is stable.

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NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
03/02/2019	2.2612	1.5656	1.4178	.4216	.9822
	6,417,948	10,746,556	11,180,374	6,553,034	16,900,648

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Prices for: Western U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter
Bulk Basis Pricing - 80% Butterfat $/LB: +0.0300 - +0.0750

Secondary Sourced Information:

The CME Group February 2019 monthly average price for AA butter, $2.2659, is up from the January 2019 monthly average of $2.2481. One year ago, the CME Group monthly average was $2.1211.

The Grade AA butter price at the CME Group on Wednesday closed at $2.2575, compared to the weekly average price of $2.2690 from last week.

This week, a cooperative export assistance program accepted requests for 524,700(238 metric tons) pounds of butter. So far this year, the program has assisted member cooperatives who have contracts to sell 1.709 million pounds of butter (82% milkfat) in export markets.

National Retail Report Dairy – Butter Summary

Advertised Prices at Major Retail Supermarket Outlets ending period of 3/01/2019 to 3/07/2019

Butter 1# National	Weighted Average Price This Period	Last Week	Last Year
Organic	$5.29	$4.99	$4.99
Conventional	$3.51	$3.32	$3.56

Regional (Conventional)	Prices This Period Wtd. Ave.	Low	High
Alaska	$3.75	$2.99	$4.49
Hawaii	n.a.	n.a.	n.a.
Midwest	$2.59	$2.59	$2.59
Northeast	$3.27	$2.50	$4.49
Northwest	$3.99	$3.99	$3.99
South Central	n.a.	n.a.	n.a.
Southeast	n.a.	n.a.	n.a.
Southwest	$4.23	$3.50	$4.99

Regional (Organic)	Prices This Period Wtd. Ave.	Low	High
Northeast	$5.29	$5.29	$5.29

Dairy Products Report – Butter Summary

Released February 28, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Butter Production – States and United States: December 2017 and December 2018

Region	Monthly Production (1000 pounds) Dec. 2017	Nov. 2018	Dec. 2018	Percent Change from Dec. 2017	Nov. 2018
United States	171,105	146,143	170,960	-0.1	17.0
Atlantic	18,368	13,100	18,236	-0.7	39.2
Pennsylvania	8,862	6,127	8,787	-0.8	43.4
Central	71,200	63,703	74,782	5.0	17.4
West	81,537	69,340	77,942	-4.4	12.4
California	50,281	41,258	46,385	-7.7	12.4

Butter Production – Cumulative Production January - December

Report Month	Cumulative Production (1000 pounds) 2017	2018	Percent Change from 2017
December	1,847,473	1,884,122	2.0

CHEESE MARKETS

NORTHEAST

Milk production is increasing on numerous farms in the Northeast. Milk volumes are plentiful in the region, and many operations are working on active production schedules. Cheese makers are receiving substantial milk supplies. Cheddar and Italian cheese production schedules are steady this week. Inventories are stable to building. Cheddar cheese prices on the GDT improved from the previous event. Northeast wholesale cheese prices for cheddar and Muenster shifted higher by $0.0125, but the process cheese prices moved down by $0.0050. The Grade A Swiss price declined $0.0725 following the release of the February 2019 Announcement of Class and Component Prices. Additionally, the Class III skim milk price for February 2019 saw a 21 cents decline. The DMN Northeast February 2019 monthly average price for cheddar blocks is $2.1133, compared to $1.9945 one month ago. Processed 5# sliced average price is $1.7176, compared to $1.6214 one month ago.

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

Cheddar 40 pound Block	2.0625-2.3475
Muenster	2.0475-2.3975
Process American 5 pound Sliced	1.5425-2.0225
Swiss 10-14 pound Cuts	2.9825-3.3050

Secondary Sourced Information:

The CME Group February 2019 monthly average price for barrels was $1.3867, compared to $1.2379 a month ago; blocks' average price was $1.5589, up from $1.4087 a month ago.

MIDWEST

A number of Midwestern cheesemakers suggest orders have been slow since early February. Seasonally, expectations are not particularly high for certain producers. That said, some plant managers have picked up production as milk remains discounted week over week. Additionally, lasting winter weather in the upper Midwest has caused some closures at Class III facilities, which is pushing extra milk onto the spot market. Spot milk prices ranged from $.50 under to $2 under Class III. Cheese market tones are maintaining the ground they have gained recently. Cheese inventories are long nationally. Regionally, a number of contacts suggest respective inventories are in balance. Midwestern wholesale prices are down $.0725 for Swiss Cuts, down $.0050 for process, but up $.0125 for other types.

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

Blue 5 pounds	2.2375-3.3075
Brick 5 pounds	1.9700-2.3950
Cheddar 40 pound Block	1.6925-2.0925
Monterey Jack 10 pounds	1.9450-2.1500
Mozzarella 5-6 pounds	1.7700-2.7100
Muenster 5 pounds	1.9700-2.3950
Process American 5 pound Loaf	1.4975-1.8575
Swiss 6-9 pound Cuts	2.4975-2.6150

WEST

Western cheese continues to move well through existing contracts and some manufacturers report pockets of strong demand. However, the vox populi of the cheese industry seems to suggest that demand is good, but not great. Industry contacts say near term spot sales are slow to develop, and recent price increases have had a cooling effect on end users' moods. Some buyers are more interested in making forward purchases into the year than current buys. Cheese facilities are operating at or near full capacity. Processors are happy to push off extra loads of milk into other manufacturing channels, especially as parts of the region enter spring flush. Cheese stocks are plentiful, and cheese makers want to keep tabs on inventories. A few industry contacts report cheese supplies are better balanced between varieties and overall, more comfortable. In the West, wholesale prices were down $.0050 for process, but up $.0125 for cheddar block, cuts and Monterey Jack. Swiss cut wholesale prices are down $.0725 from the previous week.

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

Cheddar 10 pound Cuts	1.9100-2.1300
Cheddar 40 pound Block	1.7300-2.1725
Monterey Jack 10 pounds	1.9200-2.0800
Process American 5 pound Loaf	1.4850-1.7400
Swiss 6-9 pound Cuts	2.5800-3.0100

Secondary Sourced Information:

This week, a cooperative export assistance program accepted requests for export assistance on contracts to sell 2.158 million pounds (978 metric tons) of cheese. So far this year, the program has assisted member cooperatives who have contracts to sell 22.436 million pounds of American-type cheeses in export markets. When combined with butter and whole milk powder, the program has assisted members with sales of 337.8 million pounds of milk on a milkfat basis.

FOREIGN TYPE

In the EU, cheese stocks remain below usual seasonal volumes. Supplies are just enough to fulfill the needs of buyers. Milk production has experienced a seasonal uptick. However, cheese output remains even. Processors are concluding new sales within and outside the EU and are content with the total cheese inquiries they are receiving. Mozzarella is especially in high demand throughout the region. In Germany, the demand for semi-hard cheese is good. So far, for the month of March, industry contacts say that the prices for German sliced cheese are a bit up. The EU cheese prices are fairly unchanged from last month. On the other hand, the U.S. prices for wholesale blue, gorgonzola, parmesan Italy, and Romano climbed $.0125, but domestic Swiss cheese prices declined $.0725. All other prices are unchanged from the previous week.

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

VARIETY	NEW YORK IMPORTED	DOMESTIC
Blue	2.6400-5.2300	2.1150-3.6025*
Gorgonzola	3.6900-5.7400	2.6225-3.3400*
Parmesan	-0-	3.5050-5.5950*
Romano	-0-	3.3050-5.4550*
Sardo Romano (Argentina)	2.8500-4.7800	-0-
Reggianito (Argentina)	3.2900-4.7800	-0-
Jarlsberg	2.9500-6.4500	-0-
Swiss	-0-	3.0200-3.3425*
Swiss (Finland)	2.6700-2.9300	-0-

* = Price change.

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CHEESE MARKETS

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National Retail Report Dairy – Cheese Summary

Advertised Prices at Major Retail Supermarket Outlets ending during the period of 3/1/2019 to 3/7/2019

Cheese 8 oz. Blocks	Weighted Average Price		
National	This Period	Last Week	Last Year
Organic	$4.32	$4.84	$3.49
Conventional	$2.10	$2.36	$2.27

Regional (Conventional)	Wtd. Ave.	Low	High
Alaska	n.a.	n.a.	n.a.
Hawaii	$3.00	$3.00	$3.00
Midwest	$1.99	$1.88	$2.49
Northeast	$2.12	$1.49	$3.49
Northwest	$1.84	$1.25	$2.50
South Central	$1.96	$1.66	$2.50
Southeast	$2.18	$1.88	$3.00
Southwest	$2.11	$1.77	$2.99

Cheese 8 oz. Shred	Weighted Average Price		
National	This Period	Last Week	Last Year
Organic	n.a.	n.a.	$3.49
Conventional	$2.09	$2.39	$2.20

Regional (Conventional)	Wtd. Ave.	Low	High
Alaska	$3.00	$3.00	$3.00
Hawaii	$3.00	$3.00	$3.00
Midwest	$2.26	$1.99	$2.79
Northeast	$1.94	$1.49	$2.50
Northwest	$2.13	$1.25	$2.99
South Central	$2.14	$1.49	$3.00
Southeast	$2.09	$1.88	$2.50
Southwest	$2.15	$1.69	$3.50

2018 U.S. Cheese and Curd Imports (USDA-FAS) (Imports for Consumption)

	2018 Imports (Million Lb.)	% Change From 1 Year Ago
December Imports		
TOTAL Cheese and Curd (H.S. Code 0406)	35.8	+ 3
Cheese, Except Fresh (H.S. Code 040690)	31.9	+ 4
Fresh Cheese (H.S. Code 040610)	1.4	- 29
Cheese, Processed (H.S. Code 040630)	1.6	+36
Cheese, Blue-Veined (H.S. Code 040640)	0.7	+12

	2018 Imports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN - DEC	388.4	- 3
1 Italy	71.7	- 10
2 France	52.8	+ 9
3 Netherlands	31.0	- 4
4 Spain	25.2	+ 1
5 Switzerland	20.6	+14

Dairy Products Report – Cheese Summary

Released February 28, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Cheese Production – United States: December 2017 and December 2018

	Monthly Production (1000 pounds)			Percent Change from	
Total Cheese [1]	Dec.	Nov.	Dec.	Dec.	Nov.
Region	2017	2018	2018	2017	2018
United States	1,105,490	1,081,017	1,092,349	-1.2	1.0
Atlantic	141,174	134,082	133,593	-5.4	-0.4
Central	509,498	483,331	490,779	-3.7	1.5
West	454,818	463,604	467,977	2.9	0.9

	Monthly Production (1000 pounds)			Percent Change from	
American Cheese [2]	Dec.	Nov.	Dec.	Dec.	Nov.
Region	2017	2018	2018	2017	2018
United States	443,974	422,011	424,642	-4.4	0.6
Atlantic	28,198	28,065	28,649	1.6	2.1
Central	227,125	206,121	211,057	-7.1	2.4
West	188,651	187,825	184,936	-2.0	-1.5

	Monthly Production (1000 pounds)			Percent Change from	
Italian Cheese	Dec.	Nov.	Dec.	Dec.	Nov.
Region	2017	2018	2018	2017	2018
United States	469,755	465,533	479,383	2.0	3.0
Atlantic	62,267	60,926	60,640	-2.6	-0.5
Central	190,361	183,203	185,585	-2.5	1.3
West	217,127	221,404	233,158	7.4	5.3

Cheese Production – Cumulative Production January - December

	Cumulative Production (1000 pounds)		Percent Change from
Cheese Type	2017	2018	2017
Total cheese [1]	12,659,091	12,930,350	2.1
American Cheese [2]	5,071,991	5,160,413	1.7
Italian Cheese	5,383,864	5,534,423	2.8

1/ Excludes cottage cheese.

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

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CHEESE MARKETS

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Cold Storage – Cheese Summary

Released March 7, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

* Record monthly high total.

Natural Cheese	Stocks in all Warehouses (1,000 pounds)			1/31/19 as a percent of	
	1/31/18	12/31/18	1/31/19	1/31/18	12/31/18
Total natural cheese	1,278,637	1,344,794	1,359,959	106	101
American, total	741,772	800,336	805,268	109	101
New England	63,190	66,595	75,962	120	114
Middle Atlantic	57,686	73,093	73,226	127	100
East North Central	318,089	321,920	325,387	102	101
West North Central	109,587	133,030	130,793	119	98
South Atlantic	668	824	760	114	92
East South Central	16,875	16,568	16,718	99	101
West South Central	9,769	4,039	2,925	30	72
Mountain	56,470	62,680	61,305	109	98
Pacific	109,438	121,587	118,192	108	97
Swiss, total	28,733	29,775	29,353	102	99
Other, total	508,132	514,683	525,338	103	102
New England	1,202	437	701	58	160
Middle Atlantic	13,973	12,654	14,228	102	112
East North Central	337,637	355,994	358,483	106	101
West North Central	45,390	44,957	44,937	99	100
South Atlantic	28,313	20,358	20,750	73	102
East South Central	17,953	16,252	19,479	108	120
West South Central	1,603	1,328	2,122	132	160
Mountain	3,919	2,502	2,759	70	110
Pacific	58,142	60,201	61,879	106	103

January Records	Record High (1000 pounds)	Year	Record Low (1000 pounds)	Year
American	1,096,809	1984	15,486	1919
Swiss	36,320	2011	518	1918
Other	756,284	2011	1,679	1918
Total Natural Cheese	1,359,959	*2019	25,748	1919

2018 U.S. Cheese and Curd Exports (USDA-FAS)

	2018 Exports (Million Lb.)	% Change From 1 Year Ago
December	63.6	+ 6
TOTAL, JAN - DEC	768.4	+ 2
1 Mexico	213.6	...
2 South Korea	123.8	+ 7
3 Japan	73.3	+ 3
4 Australia	53.9	- 19
5 China	28.2	- 11

FLUID MILK AND CREAM

EAST

Milk output is increasing on several farms in the **Northeast** region. Milk volumes are plentiful for manufacturers' production needs. Frigid cold temperatures are reported to spread across the Northeast. At this time, there are little to no reports of transportation or power outage issues. Balancing operations are at or near capacity levels. Class I sales are steady to a bit lower with various schools closed for spring break. There are reports market participants are organizing spring holiday orders with numerous customers. **Mid-Atlantic** milk output is level to increasing. Balancing operations are receiving more milk. Less milk is traveling to other regions at this time. **Southeast** milk production is slightly moving up currently. Class I sales are fairly stable this week, yet there are expectations sales will be lower in the near future. Additional milk loads continue to clear into manufacturing, however operations are receiving less loads than in previous weeks. **Florida** milk production is about at peak. Class I sales are steady to a bit lower with spring break starting. Cream supplies continue to be accessible in the East. Spot offers are aplenty with multiples ranging, 1.07-1.20 right now. **Cream** demand is steady to somewhat soft. Condensed skim prices are steady to decreased. Some market participants anticipate **condensed skim** loads to be more available in the near term. The DMN February average for Northeast Class II cream was \$2.5644, compared to \$2.4925 a month ago. The DMN February monthly average for Northeast Class II condensed skim was \$0.7342, compared to \$0.7567 a month ago.

Northeastern U.S., F.O.B. Condensed Skim	
Price Range - Class II; \$/LB Solids:	0.70 - 0.80
Price Range - Class III; \$/LB Solids:	0.65 - 0.77

Northeastern U.S., F.O.B. Cream	
Multiples Range - All Classes:	1.0700 - 1.2000
Price Range - Class II; \$/LB Butterfat:	2.4278 - 2.7228

Secondary Sourced Information:

With last Wednesday's announcement of the Class and Component Prices, the Class III Skim Milk price decreased \$0.21, compared to the previous month.

MIDWEST

In the upper **Midwest**, dairy farmers who are already facing myriad hurdles are getting hammered by record snowfalls. Estimates from contacts are that on multiple days last week, a majority of milk haulers were unable to reach farms to pick up milk or destinations after the pickup. Hence, a number of milk loads from **Minnesota** down to **upper Wisconsin** were discarded. There were similar reports in Iowa. Additionally, due to the accumulation of snow, a number of dairy barns have literally collapsed in the upper Midwest. In the lower part of the region, milk production is seasonally increasing, and a lot of intake facilities are full-up. Bottling order reports range across the spectrum. Regardless, in the **lower Central** region, milk is undoubtedly plentiful. Cheese producers continue to hesitate at taking on spot milk loads, even at discounted prices. The reported spot range was \$.50 to \$2 under Class. **Cream** is available. On a positive note, cream cheese producers are increasing their intakes, and cream handlers note this growth should continue into the spring holidays. Still, butter churners remain busy and continue to actively produce in order to store butter for spring and fall. As bottled milk sales continue to decline and face a number of challenges from plant-based products to declining per capita usage, some contacts are suggesting cheese, yogurt and milk powders are where they are turning their sites. As current hay rations dwindle in the **south Central** region, crop condition reports are positive for wheat crops as forecasts are showing some seasonal warmth after multiple prolonged freezes in recent weeks.

The DMN monthly average of the range price series for Upper Midwest Class II cream during February 2019 was \$2.6582, compared to \$2.6433 in January.

Midwestern U.S., F.O.B. Cream	
Multiples Range - All Classes:	1.1200 - 1.2000
Price Range - Class II; \$/LB Butterfat:	2.6094 - 2.7228
Multiples Range - Class II:	1.1500 - 1.2000

WEST

California milk volumes produced are within the expected range. The plant that was closed for mechanical breakdown last week reopened and is running well. Milk production is somewhat up, and supplies are heavy. However, processing facilities are running full schedules, ensuring an efficient processing of all the milk available to them. Milk sales to Class I producers are flat. **Arizona** farm milk is following seasonal trends. Even though weather outcomes have recently impacted milk yield, milk supplies remain heavy and available for all manufacturing needs. Processors are not as busy as last year because milk volumes so far are a bit lower this year. Class I intakes are at the same levels as the previous week. In **New Mexico** farm milk offerings are higher than total orders because a planned downtime at a large Class III processing plant caused the plant managers to significantly decrease their intakes. Although other manufacturing facilities were able to take on a few extra loads to help with milk clearing, holdovers are higher than usual. Fortunately, milk production is a bit down this week. Bottled milk and Class II demands have both declined. **Pacific Northwest** milk production is strong. Regional milk handlers say they had expected a dip in production, but that has never materialized. Milk shipments have returned to normal following the disruptions caused by winter storms three weeks ago. Bottlers are adjusting schedules for reduced school milk orders as educational institutions cycle through the spring break season. Manufacturers are getting plenty of milk for their processing needs. Milk production in the mountain states of **Idaho, Utah** and **Colorado** is level to higher. Slightly stronger sales into Class III, II and I processors have helped limit the number of loads getting pushed into surrounding states. Industry contacts report that a new facility has begun processing some initial volumes of condensed skim. Area dairy contacts hope this will help provide additional balancing capacity in the months to come. **Condensed skim** supplies are steady and sales are unchanged from previous weeks. Condensed skim drying is active across the West as milk production is strong. **Cream** is generally in good supply throughout the West. Butter churning remains active. Some ice cream producers have started to review their cream needs as they expect tighter cream availability in the summer. Multipliers for all Classes run 1.00 to 1.17.

Western U.S., F.O.B. Cream	
Multiples Range - All Classes:	1.0000 - 1.1700

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FLUID MILK AND CREAM

CONTINUED FROM PAGE 4

National Retail Report Dairy – Fluid Milk Summary

Advertised Prices at Major Retail Supermarket Outlets ending during the period of 3/1/2019 to 3/7/2019

Half Gallon, All Fat Tests National	Weighted Average Price This Period	Last Week	Last Year
Organic	$4.00	$4.07	$4.06
Conventional	$2.31	$1.89	$1.79

Regional (Conventional)	Wtd. Ave.	Low	High
Alaska	$3.29	$3.29	$3.29
Hawaii	n.a.	n.a.	n.a.
Midwest	$2.50	$2.50	$2.50
Northeast	$1.99	$1.99	$1.99
Northwest	$0.99	$0.99	$0.99
South Central	$2.69	$1.89	$3.99
Southeast	n.a.	n.a.	n.a.
Southwest	$2.99	$2.99	$2.99

Regional (Organic)	Wtd. Ave.	Low	High
Alaska	n.a.	n.a.	n.a.
Hawaii	n.a.	n.a.	n.a.
Midwest	n.a.	n.a.	n.a.
Northeast	$4.45	$3.29	$5.49
Northwest	$3.80	$2.99	$3.99
South Central	$4.25	$3.99	$4.49
Southeast	$3.85	$3.00	$4.78
Southwest	$3.52	$2.49	$4.49

Gallon, All Fat Tests National	Weighted Average Price This Period	Last Week	Last Year
Organic	$5.51	$5.31	$6.37
Conventional	$2.58	$2.24	$2.87

Regional (Conventional)	Wtd. Ave.	Low	High
Alaska	n.a.	n.a.	n.a.
Hawaii	n.a.	n.a.	n.a.
Midwest	n.a.	n.a.	n.a.
Northeast	$2.45	$1.99	$2.99
Northwest	n.a.	n.a.	n.a.
South Central	$3.99	$3.99	$3.99
Southeast	n.a.	n.a.	n.a.
Southwest	$2.39	$1.99	$2.49

Regional (Organic)	Wtd. Ave.	Low	High
Alaska	n.a.	n.a.	n.a.
Hawaii	n.a.	n.a.	n.a.
Midwest	n.a.	n.a.	n.a.
Northeast	n.a.	n.a.	n.a.
Northwest	n.a.	n.a.	n.a.
South Central	n.a.	n.a.	n.a.
Southeast	$5.99	$5.99	$5.99
Southwest	$5.40	$4.49	$5.99

Ice Cream, Regular (Hard) Production – States & U.S. : 2017 & 2018

	Monthly Production (1000 lbs)			Percent Change from	
Region	December 2017	November 2018	December 2018	December 2017	November 2018
United States	46,520	49,759	43,687	-6.1	-12.2
Atlantic	10,678	13,136	11,257	5.4	-14.3
Pennsylvania	3,857	3,830	3,831	-0.7	0
Central	28,474	26,767	25,296	-11.2	-5.5
Missouri	1,444	2,279	1,852	28.3	-18.7
Ohio	1,698	1,943	1,960	15.4	0.9
West	7,368	9,856	7,134	-3.2	-27.6
California	3,553	4,468	2,959	-16.7	-33.8
Oregon	914	984	1,141	24.8	16.0
Utah	899	2,316	905	0.7	-60.9

Ice Cream, Regular (Hard) – Cumulative Production Jan - Dec

Report Month	Cumulative Production (1000 pounds) 2017	2018	Percent Change from 2017
December	762,662	730,682	-4.2

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: The frequency of low/medium heat nonfat dry milk (NDM) trades noticeably edged down this week. There is some push-pull between producers and buyers. Bids are reportedly sliding down into the middle to upper $.90s, while producers continue to seek $1 or thereabouts. Condensed skim is becoming more available, and already active production is expected to increase. Inventories are available, while there is a general balance with steady regional demand. However, multiple reports are pointing to lesser demand south of the border. High heat NDM prices are unchanged on a slow trading week. Demand is steady to increasing on high heat NDM markets, but prices have remained in a fairly tight bubble in recent weeks. NDM market tones are mixed. Contacts are positing contrary viewpoints as to where the market is headed. In any case, most contacts do not foresee large market swings either up or down.
EAST: Low/medium heat nonfat dry milk f.o.b. prices dropped at the bottom of the range while remaining stable anywhere else. The market conditions seem to be somewhat weakening. Spot sale opportunities are flat to a bit down. According to several industry representatives, a few manufacturers are not offering any products, whereas others have a lot to sell. In general, supplies are abundant and likely to further increase during the spring flush. Low/medium heat NDM processing is ongoing as milk is plentiful in the East. High heat spot market prices held their stability this week. Inventories are light, in line with seasonal norms whereas production is mostly limited to contractual needs. Aside from contracts, short-term requests are low. The market undertone is stable. The DMN monthly average of the mostly price series for Central and East low/medium heat NDM during February was $0.9976, compared to $0.9821 in January.

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

Price Range - Low & Medium Heat; $/LB:	.9500 - 1.0200
Mostly Range - Low & Medium Heat; $/LB:	.9800 - 1.0100

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

Price Range - High Heat; $/LB:	1.0800 - 1.1200

Secondary Sourced Information:

Wednesday at the CME Group, Grade A NDM closed at $0.9750, down from last week's weekly average price of $0.9870.

The CME Group monthly average price for Grade A NDM during February was $0.9916, compared to $1.0075 in January.

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk (NDM) free on board (f.o.b.) spot prices are slightly lower on both the range and mostly series. Similarly, the NDM futures values for the rest of Q1 and Q2 shifted down. Year to date, it seems that the regional supply of NDM has been reduced from last year. However, at this moment, NDM output is constant and expected to stay growing in the short-term, especially during the spring flush. A few NDM producers have had to reduce prices to clear aged NDM supplies at values at or close to the bottom price range. Meanwhile, several buyers/end users are speculating on a continuous price downtick during the second quarter of the year, postponing any cash purchase and/or contractual negotiation until Q2. The general demand of the buyers of NDM is a little below the supply of the manufacturers, which denotes a bearish symptom of the market. Demands from Mexico are reported as sluggish this week. Apart from the opinion of the buyers, several manufacturers believe that the market is stabilizing and the interest for NDM will expand due to the upcoming baking needs of the spring festivities. Therefore, for them, NDM prices should be quite stable from now thru the second quarter. The February 2019 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is $0.9892. In the case of high heat NDM, prices shifted down, in line with low/medium heat NDM downward pricing tendencies. Production is limited, mostly driven by contractual needs. Compared to a couple of weeks ago, high heat NDM inventories are steady to slightly higher.

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

Price Range - Low & Medium Heat; $/LB:	.9350 - 1.0250
Mostly Range - Low & Medium Heat; $/LB:	.9400 - 1.0100

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

Price Range - High Heat; $/LB:	1.0800 - 1.1650

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Buttermilk powder prices continue on their steady path, as trades are being made more regularly on the edges of the price range than in the middle. Although early in the week, reported trading was somewhat slow, it picked up midway through the week. Undoubtedly, condensed buttermilk purchases are higher with active butter churning and increasing ice cream manufacturing. That said, buttermilk powder is moving through its regular channels, and spot market activity increased slightly from last week. Buying interest is expected to last throughout the month and into the spring. Seasonal demand has kept buttermilk powder stores in balance. Overall, buttermilk powder market tones are steady.
EAST: Dry buttermilk spot market demand is light as market players are not making any additional purchases above their current needs. However, dry buttermilk producers are not complaining because their outputs are irregular despite the increase in butter churning. They have just enough supplies to offer to buyers. The prices for dry buttermilk are unchanged from last week. Overall, the market is balanced and upholding its strength. The DMN monthly average of the range price series for Central and East dry buttermilk during February was $0.9986, compared to $0.9780 in January.

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

Price Range ; $/LB:	.9600 - 1.0375

DRY BUTTERMILK - WEST

Western free on board (f.o.b.) spot prices for dry buttermilk are unchanged. Compared to a few weeks ago, dry buttermilk manufacturing is a bit more active as regional cream volumes are abundant and butter churning remains strong. In this way, dry buttermilk inventories are becoming somewhat more accessible in the cash market. However, the demand for dry buttermilk is silent, while the market tone remains stationary, showing low or no volatility in price trends over the past couple of weeks. This week, sales activity has been light as the bulk of transactions are based on contracts. The February 2019 Dairy Market News monthly average for the West dry buttermilk mostly series is $0.9592.

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

Price Range ; $/LB:	.9200 - 1.0000
Mostly Range - ; $/LB:	.9500 - 0.9700

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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.

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Dairy Products Report – Nonfat Dry Milk, Human Summary
Released February 28, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Nonfat Dry Milk, Human Production – States and United States: 2017 and 2018

	Monthly Production (1000 pounds)			Percent Change from	
	Dec.	Nov.	Dec.	Dec.	Nov.
Region	2017	2018	2018	2017	2018
United States	164,014	131,703	142,628	-13.0	8.3
Atlantic	30,547	24,261	37,182	21.7	53.3
Pennsylvania	15,864	12,205	15,446	-2.6	26.6
Central	31,567	24,675	32,313	2.4	31.0
West	101,900	82,767	73,133	-28.2	-11.6
California	55,900	44,914	37,524	-32.9	-16.5
Other States 1/	92,250	74,584	89,658	-2.8	20.2

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

Nonfat Dry Milk, Human Production – Cumulative Production January - December

	Cumulative Production (1000 pounds)		Percent Change from
Report Month	2017	2018	2017
December	1,835,152	1,742,816	-5.0

Manufacturers' stocks end-of-month 3/

	End of month stocks (1000 pounds)			Percent Change from	
	Dec.	Nov.	Dec.	Dec.	Nov.
Product	2017	2018	2018	2017	2018
Nonfat Dry Milk, Human	320,046	289,508	275,313	-14.0	-4.9

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

Manufacturers' shipments 4/

Product	Dec. 2017	Nov. 2018	Dec. 2018	Dec. 2017	Nov. 2018
Nonfat dry milk, human	130,062	104,283	170,431	31.0	63.4

4/ For dry products, shipments of bulk goods.

Dairy Products Report – Dry buttermilk Summary
Released February 28, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Dry buttermilk – United States: 2017 and 2018

	Monthly Production (1000 pounds)			Percent Change from	
Region	Dec. 2017	Nov. 2018	Dec. 2018	Dec. 2017	Nov. 2018
United States	11,165	9,011	9,295	-16.7	3.2

Manufacturers' stocks end-of-month 3/

	End of month stocks (1000 pounds)			Percent Change from	
Product	Dec. 2017	Nov. 2018	Dec. 2018	Dec. 2017	Nov. 2018
Dry buttermilk, total	23,670	16,207	17,940	-24.2	10.7

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

DRY WHOLE MILK - NATIONAL

The national spot prices for dry whole milk remain steady this week, unlike the uptick in WMP pricing trends in some auctions abroad. Domestic prices for whole milk powder remain higher than current WMP international values, which could limit the competitiveness of some domestic processors when they export. Drying schedules for condensed whole milk are irregular, mostly based on contractual requirements. However, at this point, the market seems to be stable in all regions of the country as supplies are enough to meet most needs in the cash market. Furthermore, demands from buyer/end users are fair/good. The February 2019 Dairy Market News monthly average for the National price series for dry whole milk is $1.6018.

Prices for: U.S., All First Sales, F.O.B., Conventional, and Edible Dry Whole Milk
Price Range - 26% Butterfat; $/LB: 1.5800 - 1.6500

Secondary Sourced Information:

At the GDT Event 231 on March 5, whole milk powder (WMP) prices across all contract periods averaged $1.4452 per pound, up 6.0 percent from the last event.

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY- CENTRAL

Central dry whey prices are generally steady, although the mostly price series narrowed by a penny on both sides. Dry whey trading was notably slow this week. Contacts suggest most whey being bought is directly off the CME, thus fewer spot trades were reported in the region. That said, end users report offers are still coming in regularly. A number of end users, however, are hesitant to take on extra loads because of current warehouse space limitations and/or they are awaiting price decreases. Milk is readily available and discounted, but due to lackluster seasonal cheese orders and longer inventories, Class III plant managers are scaling production back. Dry whey market tones are quiet, but they are indicative of more downside potential than positive. As swine flu reports come in from multiple markets on the Asian continent, dry whey markets face an uphill battle. Feed whey prices are unchanged. After some price decreases last week, feed whey markets echoed those of extra grade whey and were hushed. The DMN monthly average of the mostly price series for Central dry whey during February was $0.4416, compared to $0.4676 in January. The monthly average of the range price series for Central animal feed whey during February was $0.3376, compared to $0.3655 in January.

Prices for: Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey
Price Range - Animal Feed; $/LB: .2900 - .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: .3600 - .4900
Mostly Range - Non-Hygroscopic; $/LB: .3900 - .4700

DRY WHEY– NORTHEAST

The eastern dry whey market is characterized by a weaker tone. Although prices are lower at the top of the range, spot demand has not changed from a week ago. Some buyers are still in a wait and see mood, whereas a few others purchased dry whey from other regions at lower prices than the recorded price range. Global sales continue to be lackluster, particularly shipments of dry whey going to China. Manufacturers hope that trade talks with China will give way to a positive agreement, that will potentially improve current market conditions. Cheese plants are operating at or close to full schedules; therefore, whey stream products are available, keeping dry whey output active. Dry whey inventories are building up. The February 2019 Dairy Market News monthly average for Northeast dry whey was $0.4501 compared to $0.2772 one year ago.

Prices for: Eastern U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey
Price Range - Non-Hygroscopic; $/LB: .3400 - .4800

DRY WHEY– WEST

The western whey price slid lower at the bottom of the range, but moved higher at the top. The mostly price series held steady. Whey continues to move well through existing contracts, but spot market activity is quiet. However, a few buyers, needing specific brands of whey, jumped at the chance to secure a few loads. Industry contacts say international buyers will make the occasional inquiry, and in some cases, set up buys for later in the year. However, many of the buyers are not compelled by current U.S. prices. Buyers are also waiting to see what develops from trade talks between the U.S. and its trade partners. The overall market tone is unsettled as the Asian swine fever impacts new areas and CME activity continues to provide downward pressure on prices. Dry whey production is stable, and industry contacts suggest inventories are more available than a few months ago. The DMN monthly average of the mostly price series for West dry whey during February was $0.4405 compared to $0.4689 one month ago and $0.2416 a year ago.

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey
Price Range - Non-Hygroscopic; $/LB: .2950 - .5200
Mostly Range - Non-Hygroscopic; $/LB: .3800 - .4550

Dairy Products Report – Whey Summary

Released February 28, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Dry Whey (Human) Production – States and United States

	Monthly Production (1000 pounds)			Percent Change from	
State	Dec. 2017	Nov. 2018	Dec. 2018	Dec. 2017	Nov. 2018
United States	84,390	73,040	73,196	-13.3	0.2
Atlantic	21,531	20,623	21,350	-0.8	3.5
Central	41,920	31,611	33,232	-20.7	5.1
Wisconsin	29,803	22,588	23,819	-20.1	5.4
West	20,939	20,806	18,614	-11.1	-10.5

Dry Whey – Cumulative Production January - December

	Cumulative Production (1000 pounds)		Percent Change from
Dry Whey	2017	2018	2017
Total[1]	1,036,904	1,007,909	-2.8
Human [2]	1,017,269	989,248	-2.8

1. Excludes all modified dry whey products.
2. Values are calculated from Dairy Products report data.

Manufacturers' stocks end of month [3]

	End of month stocks (1000 pounds)			Percent Change from	
Dry Whey	Dec. 2017	Nov. 2018	Dec. 2018	Dec. 2017	Nov. 2018
Human	97,032	64,526	65,141	-32.9	1.0
Animal	1,654	1,404	848	-48.7	-39.6
Total	98,686	65,930	65,989	-33.1	0.1

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

WHEY PROTEIN CONCENTRATE

Whey protein concentrate 34% prices are unmoved this week. Industry contacts report WPC34% is moving well through current contracts. Spot sales are interspersed across the whole price range, often determined by brand and the ability of the end user to substitute the WPC34% with other protein sources. WPC34% production is generally steady, although a few manufacturers are eyeing the opportunity to capitalize on stronger prices in the higher whey protein concentration markets. Inventories of WPC34% range from tight, for highly desired brands, to available for WPC34% that is interchangeable with other protein sources. The February 2019 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was $0.8995, compared to $0.8929 one month ago and $0.7211 one year ago.

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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.

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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:	.7600 - 1.0600
Mostly Range - 34% Protein; $/LB:	.8300 - .9750

LACTOSE

Lactose prices moved higher at the bottom of the range, but otherwise held steady. The market tone for lactose is steady, but some market participants see a few issues clouding the outlook. Industry contacts report lactose is moving steadily through contracts, but spot sales are slow. Contacts feel there may be a wait and see approach from buyers as they try to determine what will happen on trade negotiations between the U.S. and its trade partners. Other processors say buyers are willing to establish Q2 contracts at or slightly higher than Q1 prices to assure coverage. The expanding impacts of the African swine fever are also concerning for manufacturers. Production is generally steady and inventories range from available to committed depending on manufacturer. The February 2019 Dairy Market News average of the mostly price series for Central and West lactose was $0.3639, compared to $0.3700 one month ago and $0.2159 one year ago.

Prices for: Central and Western U.S., Spot Sales And Up to 3 Month Contracts, F.O.B., Conventional, and Edible Lactose

Price Range - Non Pharmaceutical; $/LB:	.2400 - .4500
Mostly Range - Non Pharmaceutical; $/LB:	.3100 - .4200

CASEIN

Rennet casein prices are weaker at the low end of the price range. They firmed at the top. The varied price movements reflect factors of supply preferences and timing of delivery. Acid casein process are steady to higher. Winding toward the last few months of the milk production season in New Zealand, a season with strong production, casein manufacturers are getting good flows of milk for their needs. That is helping near term availability. Supplies looking toward the ending phase of the season are less certain. For now, most regular buyers are readily covering, or have already covered their needs.

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:	3.0250-3.1450
Rennet; Price Range - $/LB:	2.5275-2.6325

Secondary Sourced Information:

Casein and caseinate exports from New Zealand in January, 8,848 MT, increased 8.6 percent from January 2018, according to Eucolait.

At GDT event 231 on March 5, 2019, the all contracts rennet casein price, $2.5624, decreased 0.1 percent. The April contract, $2.6127, increased 1.0 percent.

Selected Whey Derivatives Production – United States

Product	Monthly Production (1000 pounds) Dec. 2017	Nov. 2018	Dec. 2018	Percent Change from Dec. 2017	Nov. 2018
Whey Protein Concentrate, human and animal					
25.0-49.9 percent	15,034	14,760	17,674	17.6	19.7
50.0-89.9 percent	26,880	25,428	23,100	-14.1	-9.2
Whey protein isolates, 90.0 percent or greater	9,830	9,349	10,685	8.7	14.3
Lactose, human and animal	97,251	98,958	106,138	9.1	7.3

Selected Whey Derivatives – Cumulative Production January - December

Product	Cumulative Production (1000 pounds) 2017	2018	Percent Change from 2017
Whey Protein Concentrate, human and animal [1]			
25.0-49.9 percent	179,865	185,091	2.9
50.0-89.9 percent	304,411	312,788	2.8
Whey protein isolates, 90.0 percent or greater [1]	116,831	118,227	1.2
Lactose, human and animal	1,124,157	1,129,577	0.5

1. Values are calculated from Dairy Products report data.

Manufacturers' stocks end of month [2]

Product	End of month stocks (1000 pounds) Dec. 2017	Nov. 2018	Dec. 2018	Percent Change from Dec. 2017	Nov. 2018
Whey Protein Concentrate, human and animal					
25.0-49.9 percent	24,704	20,935	25,066	1.5	19.7
50.0-89.9 percent	59,879	38,837	40,336	-32.6	3.9
Whey protein isolates, 90.0 percent or greater	27,656	24,350	23,453	-15.2	-3.7
Lactose, human and animal	135,393	86,585	104,591	-22.8	20.8

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

U.S. Dairy Cow Slaughter (1000 head) under Federal Inspection

WEEK ENDING	2019 WEEKLY DAIRY COWS	2019 CUMULATIVE DAIRY COWS	2018 WEEKLY DAIRY COWS	2018 CUMULATIVE DAIRY COWS
02/9/2019	70.7	390.9	63.6	385.1
02/16/2019	70.2	461.1	67.1	452.2

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

CLASS III MILK PRICES (3.5% Butterfat)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2014	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	17.82
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

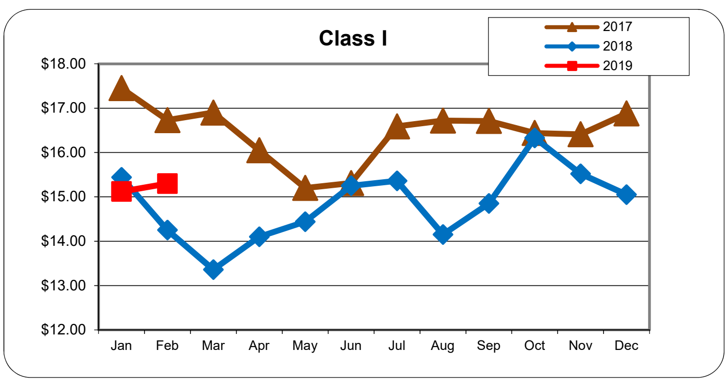
CLASS IV MILK PRCES (3.5% Butterfat)

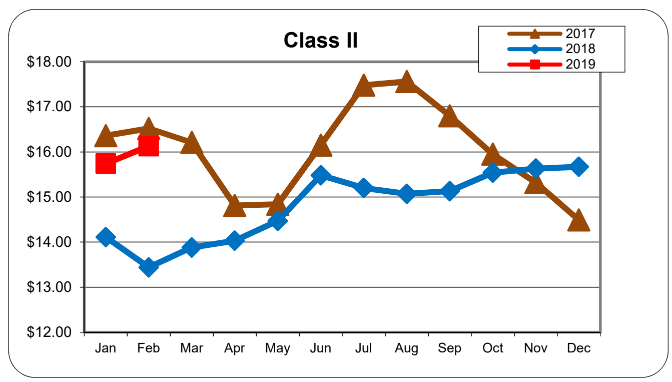
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2014	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58	21.35	18.21	16.70
2015	13.23	13.82	13.80	13.51	13.91	13.90	13.15	12.90	15.08	16.43	16.89	15.52
2016	13.31	13.49	12.74	12.68	13.09	13.77	14.84	14.65	14.25	13.66	13.76	14.97
2017	16.19	15.59	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

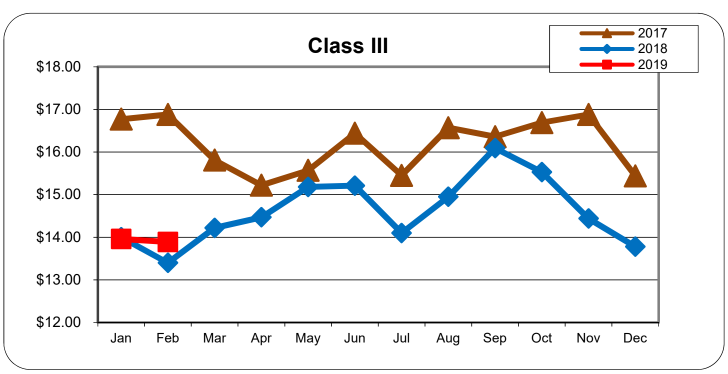
FEDERAL MILK ORDER CLASS PRICES FOR 2019 (3.5% Butterfat)

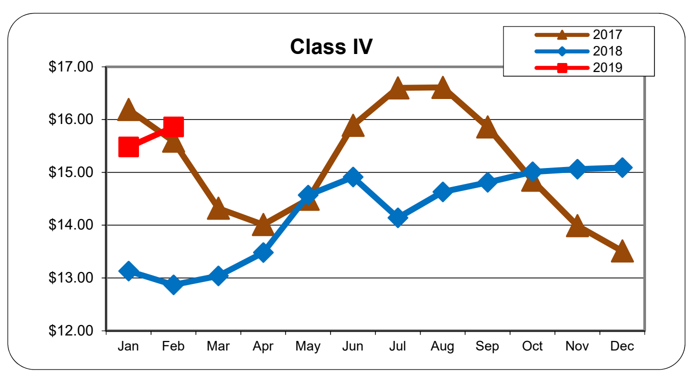
CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	15.12	15.30										
II	15.74	16.13										
III	13.96	13.89										
IV	15.48	15.86										

1/ Specific order differentials to be added to this base price can be found by going to: www.ams.usda.gov/DairyMarketingStatistics; then select "Prices"; and then select "Principal Pricing Points."









ORGANIC DAIRY MARKET NEWS

Information gathered February 25 - March 8, 2019

ORGANIC DAIRY FLUID OVERVIEW

New England Organic Milk Sales and Sourcing. Federal Milk Market Order 1 in New England reports utilization of types of organic milk by pool plants. During January 2019, organic whole milk utilization totaled 15.2 million pounds, down from 16.5 million pounds one year earlier, (-7.9 percent). The January 2019 butterfat content was 3.28 percent, slightly lower from 3.29 percent in 2018. Organic reduced fat milk utilization for January this year, nearly 19.6 million pounds, was down from 22.5 million pounds one year earlier, (-13.2 percent). Meanwhile, butterfat content was 1.35 percent, up from 1.31 percent last year.

U.S. Organic Milk Pay Prices. The March 2019 farm gate organic milk pay price is $29.24, with a twelve-month average price of $31.30, based on a 12.9 percent representation of total solids. The organic pay price is the amount accepted by those organic dairy producers who contract with a large national organic cooperative, while based on the geographic area where the organic milk is produced and whether it is organic grassmilk.

Organic Milk Pay Prices in Europe. According to CLAL, the most recent organic monthly milk pay price information reports some declines for December 2018 in Germany, Austria and France when compared to November 2018. The organic milk farm price in Germany averaged 47.68 euros/100lt ($53.40 USD), 3.05 percent lower than a year ago, and down 0.36 percent from a month earlier. In Bavaria, an important milk producing region of Germany, the average price is 48.08 euros/100lt ($53.85 USD), 3.92 percent lower than one year earlier, and 0.04 percent down from the previous month. In Austria, December 2018 average organic milk farm prices, 50.06 euros/100lt ($56.07 USD), is reported 8.85 percent lower than a year ago, but up 0.58 percent from November 2018. France's average organic milk farm price for December 2018, 47.62 euros/100lt ($53.33 USD), is 0.34 percent higher than December 2017, but 1.40 percent less than November 2018.

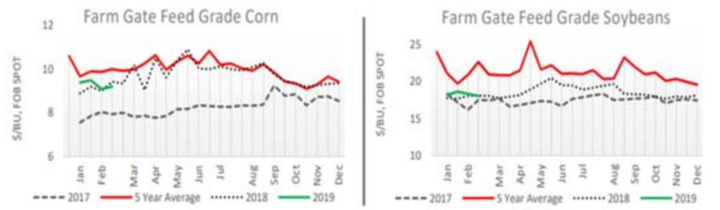
Cambria Friesland Dutch Organic Milk Pay Price. In the Netherlands, a large processor of organic milk announced the guaranteed price for organic milk is unchanged from last month. The March 2019 price, 36.50 euros/100kg, (currently $40.88 USD), is for organic milk with a fat content of 4.41 percent, a protein content of 3.47 percent, and a lactose content of 4.51 percent from a producer supplying an average of 800,000 kilos of organic milk annually.

New U.S. Organic Certification. Recently, a couple organizations announced a new, third-party certification for dairy products created from 100 percent grass-fed milk. The certification is voluntary and posts as a benefit to advance organic agriculture. The new seal will assure the greatest level of clearness by farmers and producers.

Organic Dairy in Germany. Germany's organic milk production in 2018 increased by nearly 19 percent compared to a year ago. Fittingly, demand for all large segments of organic dairy products saw notable gains as well. Organic milk, cheese, butter and yogurt all saw marked increases when comparing January 2019 to the same month last year. Regarding butter, German demand increased by nearly 7 percent. However, imported butter orders declined.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market Trend. Severe wintry weather conditions have interfered with transportation in parts of the Midwest. Buyers' demand is fairly moderate on light trading. Currently, market participants are bidding at low prices. There are little to no reports of forward contracting commitments. Feed grade corn traded 10 cents higher than the previous period. Trading activity for all other organic grains is lighter at this time. In recent news, an organic specialty business exchanged hands with another organization.

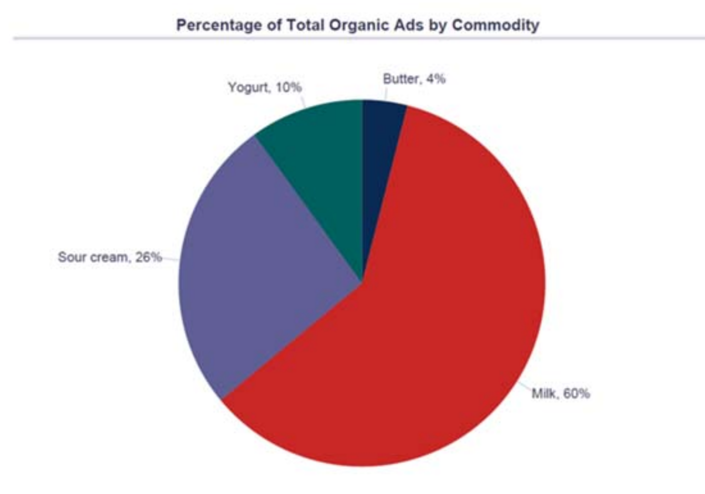


Organic Grain					
Commodity	Specifications	Units	Price Range		Average Price
Yellow Corn	Feed Grade #2	$/bushel	8.85	- 9.50	9.19
	Food Grade #2	$/bushel	NA	- NA	NA
Yellow Soybeans	Feed Grade #1	$/bushel	18.00	- 18.40	18.06
	Food Grade #1	$/bushel	NA	- NA	NA

ORGANIC DAIRY RETAIL OVERVIEW

In the current survey, organic retail ads decreased by 4 percent. Sour cream in 8 oz block packages reported the largest percentage shift in organic ads, at 232 percent. The Southeast region has the largest percentage change for advertisements in the United States this period, at 240 percent. For organic milk, half gallon packages revealed the biggest number of ads currently. Prices for organic milk in half gallon packages shifted down 39 cents compared to the last survey period. The current retail milk price spread between organic and conventional half gallon milk is an organic premium of $1.22. The price spread moved down $0.47 compared to the previous retail survey.

Organic milk, as a percentage of the overall ads of organic dairy products, published 60 percent, followed by organic sour cream at 26 percent. For the start of March, organic yogurt and butter exhibited lower percentages of total ads, revealing 10 and 4 percent this week. The pie chart below displays percentages of all organic dairy commodities detailed in the ad survey.



Data source: USDA Dairy Market News

Product pricing information of selected organic dairy commodities, from the current weekly retail survey, is presented in the following table:

-CONTINUED ON PAGE 8A-

-CONTINUED FROM PAGE 8-

NATIONAL RETAIL ORGANIC DAIRY WEIGHTED AVERAGE ADVERTISED PRICE (Dollars)

Commodity	This Week	Last Week	Last Year
Butter	5.51	5.29	n.a.
Milk			
Half Gal.	3.61	4.00	3.48
Gal.	4.99	5.51	6.15
8 oz.	n.a.	n.a.	n.a.
Yogurt			
4-6 oz. Greek	n.a.	n.a.	1.25
32 oz. Greek	n.a.	3.99	3.54
4-6 oz. Yogurt	1.32	n.a.	1.17
32 oz. Yogurt	3.99	3.50	2.80

Complete results of the “National Retail Report-Dairy” and “Weekly National Organic Summary” are accessible using the following links:

1 https://www.ams.usda.gov/mnreports/dybretail.pdf

2 https://www.ams.usda.gov/mnreports/lswnos.pdf

DIRECT TO CONSUMER ORGANIC DAIRY PRODUCTS PRICES

The following tables identify U.S. price range results from a Dairy Market News national survey of publicly available prices of organic dairy products, available from farmstead outlets and online. There may be prices offered outside of the price range which were not identified by the survey. These are cows' milk products.

BUTTER

Commodity	Type	Pack Size	Organic Price Range $
Organic Butter		1 lb	9.50 - 13.45
Organic Butter		8 oz	4.75 - 10.00

CHEESE

Commodity	Type	Pack Size	Organic Price Range $
Organic Cheese	Cheddar - 10 year	8 oz	11.00 -
Organic Cheese	Cheddar - 2-4 year	8 oz	5.73 - 6.93
Organic Cheese	Cheddar - 5-9 year	8 oz	8.50 -
Organic Cheese	Cheddar - Medium	8 oz	4.52 - 8.00
Organic Cheese	Cheddar - Mild	8 oz	4.14 - 8.50
Organic Cheese	Cheddar - Sharp	8 oz	4.95 - 12.00
Organic Cheese	Colby	8 oz	5.25 - 8.00
Organic Cheese	Farmers	8 oz	4.00 - 6.00
Organic Cheese	Gouda	8 oz	12.00 -
Organic Cheese	Monterey Jack	8 oz	5.25 - 8.00
Organic Cheese	Mozzarella	8 oz	5.50 - 12.50
Organic Cheese	Muenster	8 oz	4.50 -
Organic Cheese	Pepper Jack	8 oz	12.50 -
Organic Cheese	Curds	Per Lb	6.80 - 12.00

Information for the period February 25 - March 8, 2019, issued monthly

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

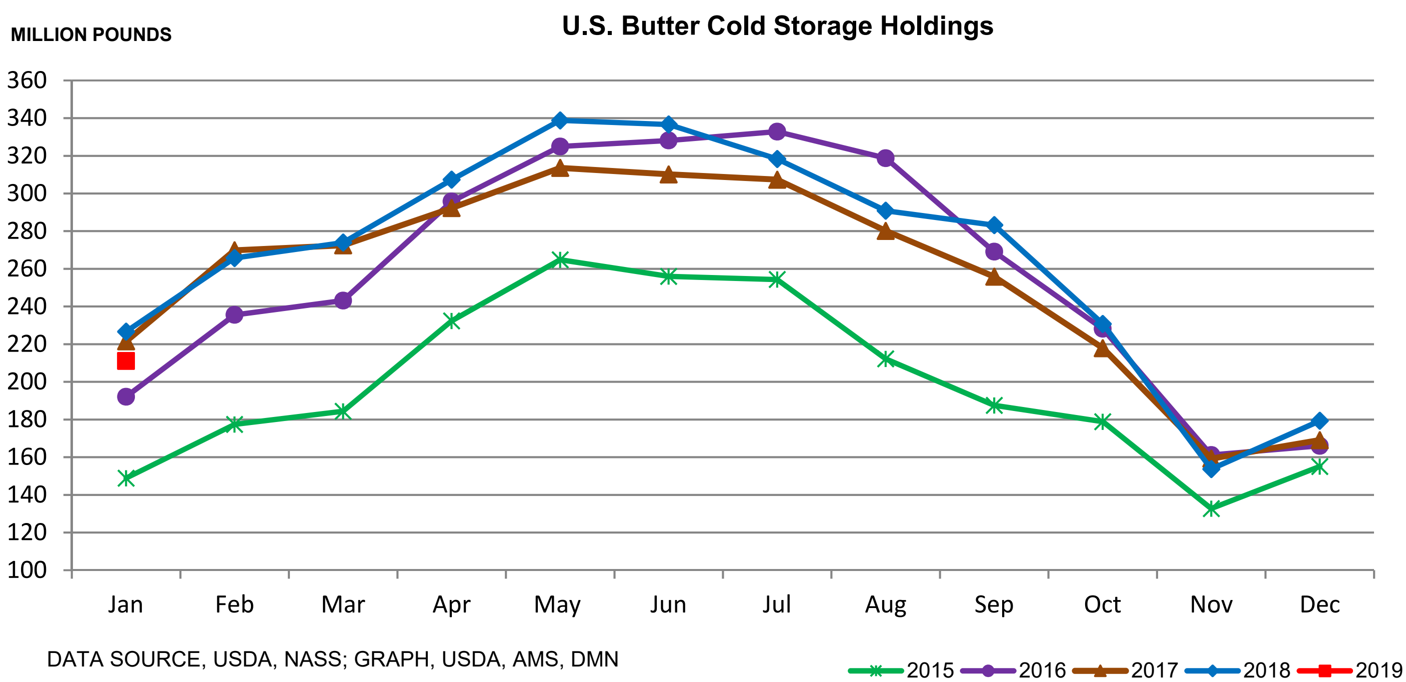
U.S. HOLDINGS OF DAIRY PRODUCTS

COMMODITY	DEC 31, 2016	DEC 31, 2017	REVISED DECEMBER 31, 2018	JAN 31, 2017	JAN 31, 2018	JAN 31, 2019
Butter	166,043	168,787	179,333	221,556	226,694	211,073
Cheese, Natural American	726,403	746,846	800,336	722,449	741,772	805,268
Cheese, Swiss	24,200	26,367	29,775	23,930	28,733	29,353
Cheese, Other Natural	447,731	507,271	514,683	445,787	508,132	525,338
Total Cheese	1,198,334	1,280,484	1,344,7894	1,192,166	1,278,637	1,359,959

JANUARY STORAGE HOLDINGS BY REGION

REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
New England	65,283	63,190	75,962				695	1,202	701
Middle Atlantic	53,363	57,686	73,226				17,085	13,973	14,228
East North Central	308,516	318,089	325,387				283,189	337,637	358,483
West North Central	116,357	109,587	130,793				48,099	45,390	44,937
South Atlantic	1,095	668	760				21,827	28,313	20,750
East South Central	9,570	16,875	16,718				21,732	17,953	19,479
West South Central	14,343	9,769	2,925				1,346	1,603	2,122
Mountain	54,230	56,470	61,305				3,651	3,919	2,759
Pacific	99,692	109,438	118,192				48,163	58,142	61,879
TOTAL	722,449	741,772	805,268	221,556	226,694	211,073	445,787	508,132	525,338

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

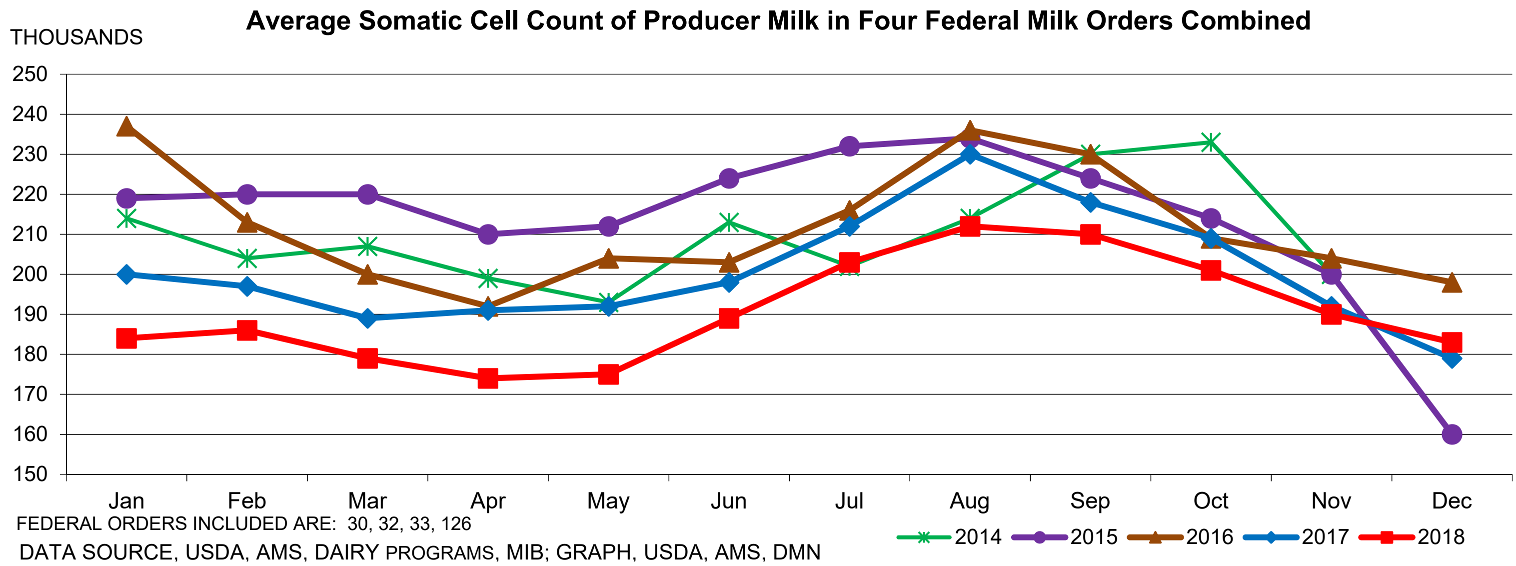


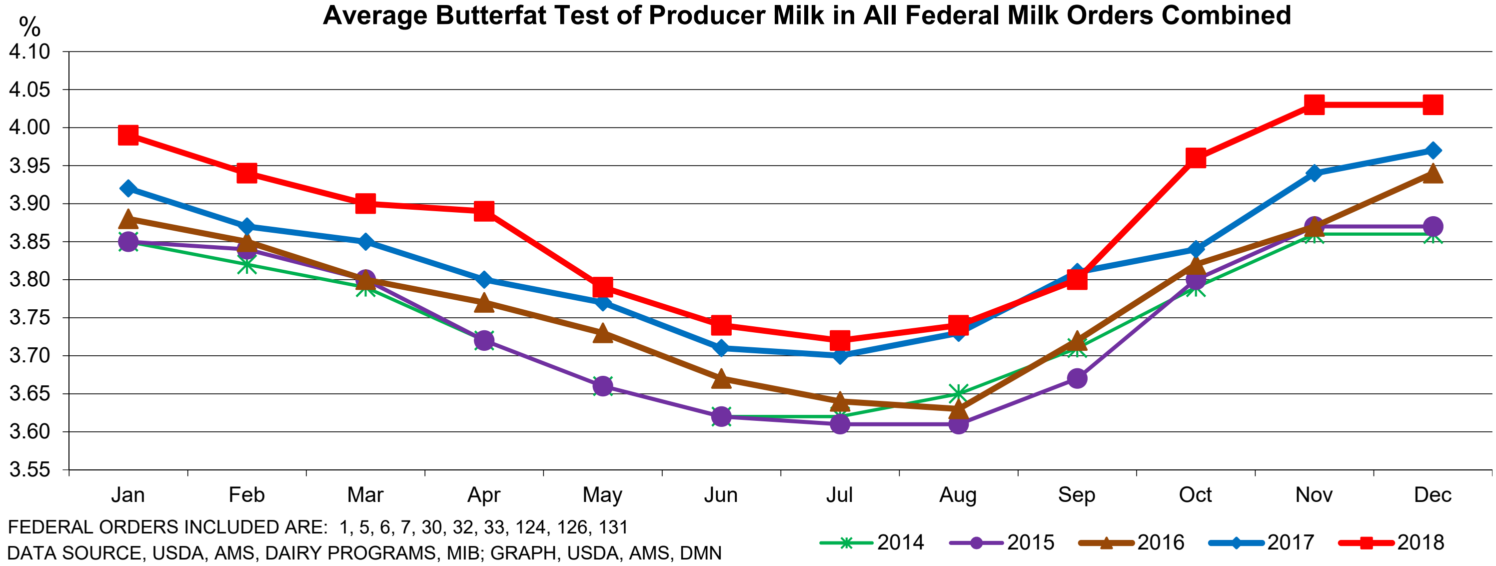
January 1 Milk Cow Inventory Summary

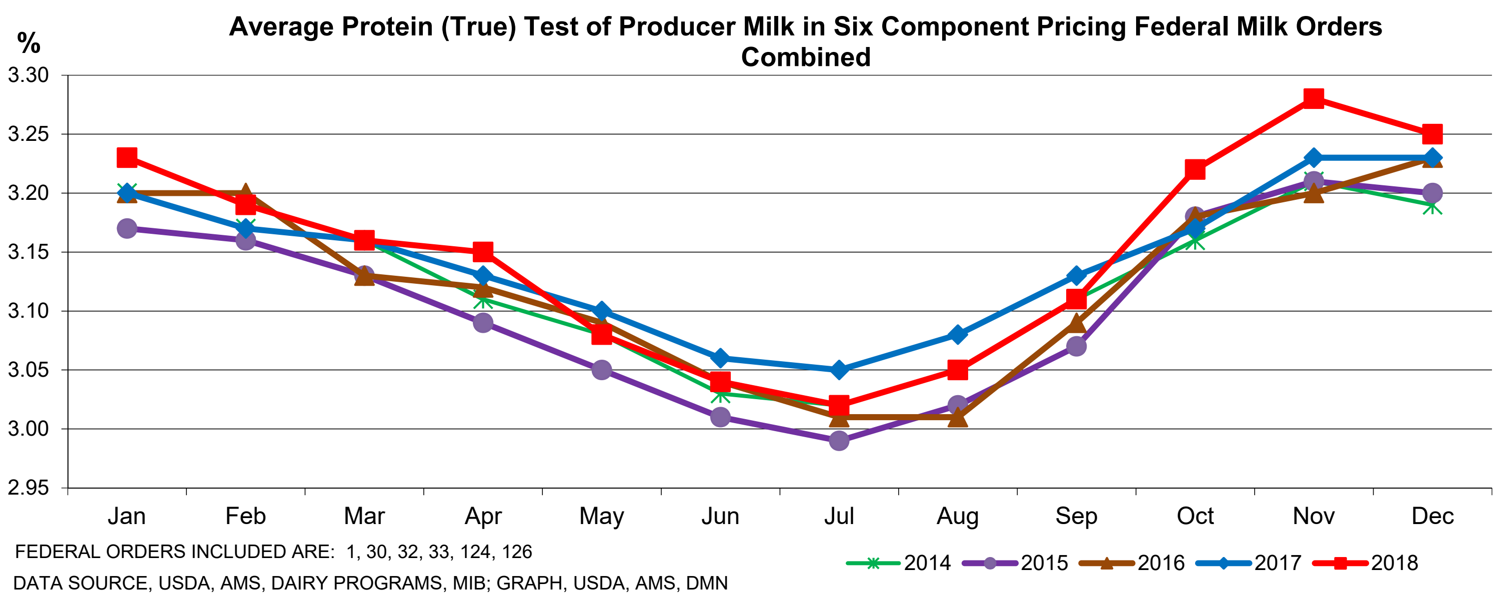
The number of milk cows in the United States as of January 1, 2019, totaled 9.35 million head, down 1 percent from the previous year. Milk cow replacement heifers totaled 4.70 million head, down 1 percent from the previous year. The percentage of milk cow replacement heifers per 1,000 milk cows on January 1, 2019 was 50.3, down 1 percent from the previous year. Milk cow replacement heifers expected to calve during the year totaled 3.01 million head, down 1 percent from the previous year.

State	Milk cows that have calved		Heifers for milk cow replacement		State	Milk cows that have calved		Heifers for milk cow replacement	
	2018	2019	2018	2019		2018	2019	2018	2019
	(1,000 head)					(1,000 head)			
AL	6.0	5.0	3.0	2.0	NE	60.0	59.0	15.0	15.0
AK	0.3	0.2	0.1	0.1	NV	32.0	33.0	12.0	11.0
AZ	210.0	205.0	105.0	115.0	NH	12.5	12.0	7.0	6.5
AR	6.0	5.0	4.0	4.0	NJ	6.0	5.5	3.2	3.3
CA	1740.0	1730.0	780.0	760.0	NM	332.0	325.0	130.0	125.0
CO	168.0	178.0	100.0	110.0	NY	625.0	625.0	350.0	335.0
CT	20.0	19.5	9.5	9.0	NC	45.0	43.0	17.0	20.0
DE	5.0	4.5	2.0	1.6	ND	16.0	15.0	9.0	8.0
FL	124.0	116.0	40.0	35.0	OH	264.0	253.0	121.0	125.0
GA	85.0	81.0	25.0	30.0	OK	42.0	40.0	25.0	20.0
HI	2.0	1.5	1.0	1.0	OR	124.0	125.0	70.0	65.0
ID	600.0	614.0	310.0	340.0	PA	525.0	505.0	310.0	290.0
IL	93.0	85.0	47.0	45.0	RI	0.8	0.7	0.5	0.5
IN	187.0	181.0	75.0	80.0	SC	15.0	14.0	6.0	5.0
IA	220.0	220.0	135.0	125.0	SD	119.0	122.0	45.0	40.0
KS	156.0	161.0	140.0	170.0	TN	40.0	36.0	25.0	25.0
KY	57.0	53.0	45.0	45.0	TX	530.0	545.0	250.0	260.0
LA	12.0	11.0	4.0	4.0	UT	97.0	100.0	50.0	50.0
ME	30.0	29.0	15.0	14.0	VT	128.0	126.0	57.0	55.0
MD	47.0	44.0	28.0	30.0	VA	87.0	79.0	40.0	37.0
MA	11.5	10.5	7.0	6.5	WA	275.0	280.0	123.0	123.0
MI	428.0	422.0	176.0	160.0	WV	7.0	7.0	3.0	3.0
MN	455.0	450.0	290.0	255.0	WI	1275.0	1270.0	700.0	680.0
MS	9.0	8.0	7.0	5.0	WY	6.0	6.0	4.0	4.0
MO	84.0	81.0	40.0	40.0					
MT	13.0	12.0	7.0	8.0	U.S.	9432.1	9353.4	4768.3	4701.5

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Cattle* (February 2019).


Average Somatic Cell Count of Producer Milk in Four Federal Milk Orders Combined
THOUSANDS
250
240
230
220
210
200
190
180
170
160
150
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
FEDERAL ORDERS INCLUDED ARE: 30, 32, 33, 126
DATA SOURCE, USDA, AMS, DAIRY PROGRAMS, MIB; GRAPH, USDA, AMS, DMN
2014 2015 2016 2017 2018


Average Butterfat Test of Producer Milk in All Federal Milk Orders Combined
%
4.10
4.05
4.00
3.95
3.90
3.85
3.80
3.75
3.70
3.65
3.60
3.55
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
FEDERAL ORDERS INCLUDED ARE: 1, 5, 6, 7, 30, 32, 33, 124, 126, 131
DATA SOURCE, USDA, AMS, DAIRY PROGRAMS, MIB; GRAPH, USDA, AMS, DMN
2014 2015 2016 2017 2018


Average Protein (True) Test of Producer Milk in Six Component Pricing Federal Milk Orders Combined
%
3.30
3.25
3.20
3.15
3.10
3.05
3.00
2.95
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
FEDERAL ORDERS INCLUDED ARE: 1, 30, 32, 33, 124, 126
DATA SOURCE, USDA, AMS, DAIRY PROGRAMS, MIB; GRAPH, USDA, AMS, DMN
2014 2015 2016 2017 2018

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

Volume 86- Number 10 Issued Weekly Friday, March 8, 2019

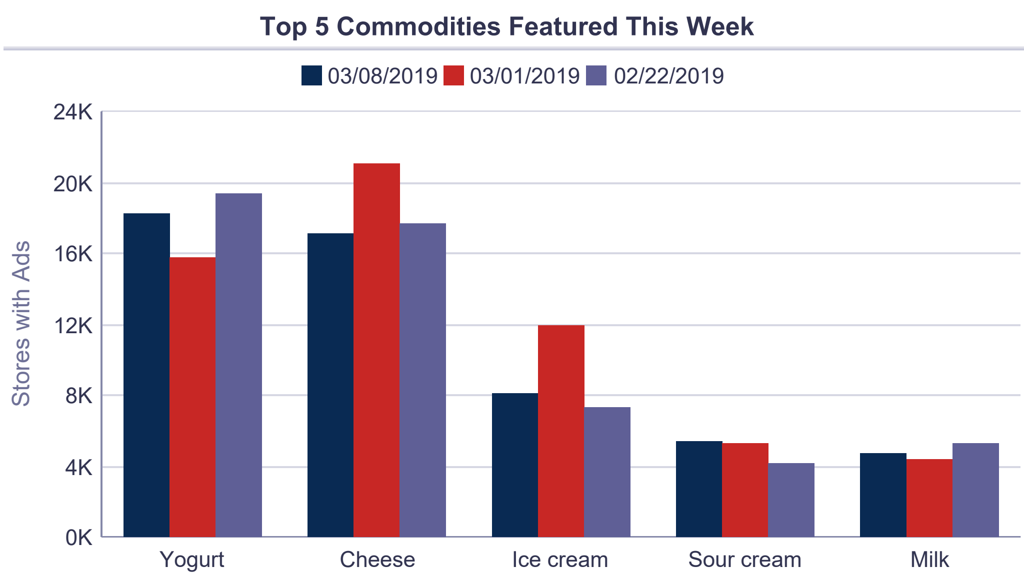
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 03/08/2019 to 03/14/2019

Conventional ice cream in 48-64 oz. containers is the most advertised product/category this week, with ad numbers decreasing 33 percent. The weighted average advertised price, $2.96, decreased 8 cents from last week. Ad numbers for conventional cream cheese in 8 oz. packages decreased 48 percent. The weighted average advertised price, $1.79, is up 1 cent.

The national weighted average advertised price for conventional milk half gallons is $2.39, compared to $3.61 for organic milk half gallons, an organic price premium of $1.22. Conventional half gallon milk ad numbers increased 126 percent. Organic half gallon milk ad numbers decreased 13 percent. There are more ads for organic half gallons than conventional half gallons.

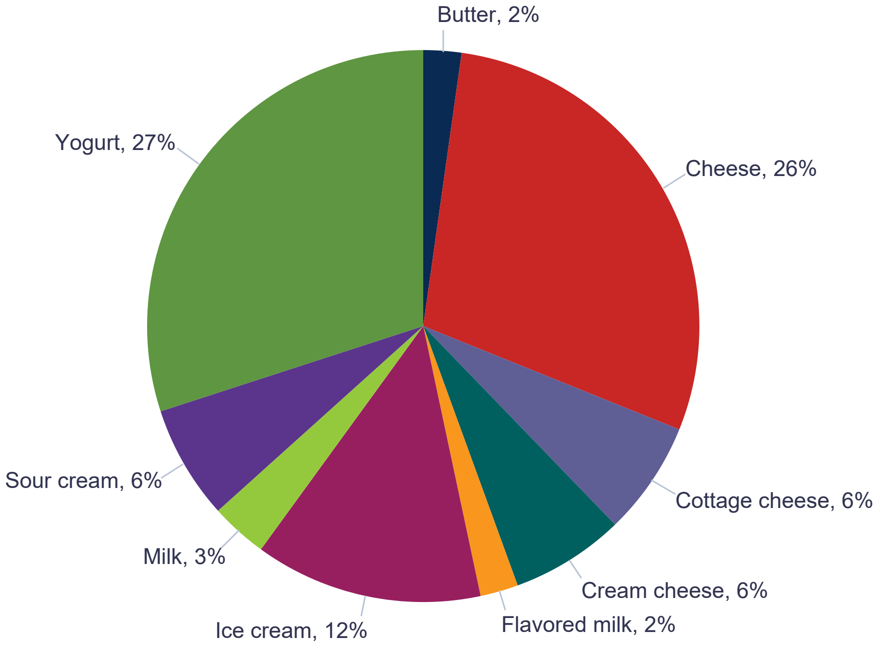
Conventional cheese ad numbers decreased 17 percent. There are no ads for organic cheese. The weighted average price for conventional 8 oz block cheese is $2.33, up 23 cents from last week. The weighted average price for conventional 8 oz shred cheese is $2.44, up 35 cents from last week.

Conventional yogurt ad numbers increased 14 percent. Organic yogurt ads doubled but remain a small percentage of conventional yogurt ad numbers. The weighted average advertised price for conventional Greek yogurt in 4 to 6 oz. containers is $0.94, down 2 cents from last week. The weighted average price for conventional yogurt in 4 to 6 oz. containers, $0.49, is up 3 cents from last week. Organic 4-6 oz. yogurt averages $1.32, an 83 cent organic price premium.

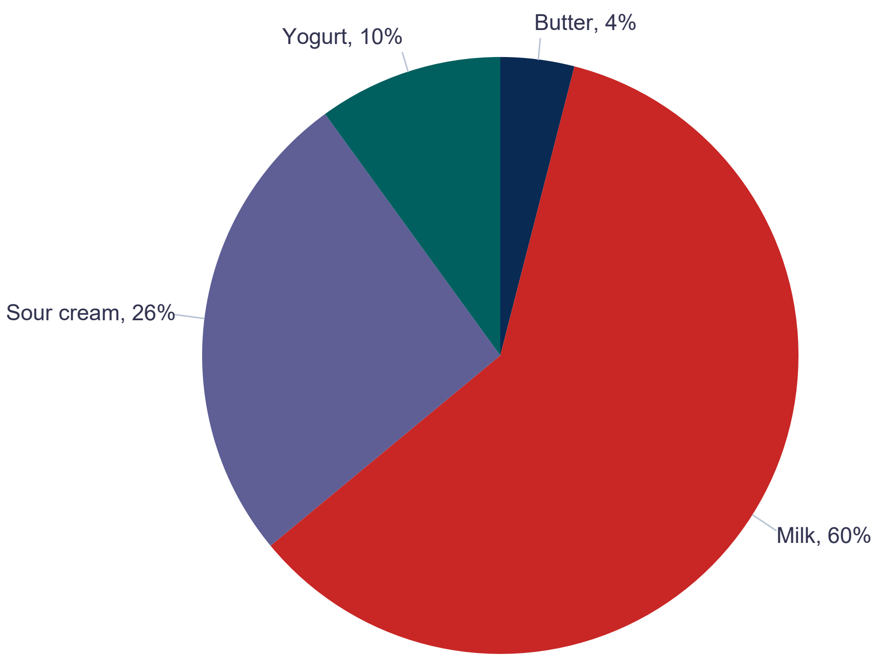


1 -- Dairy Market News surveys nearly 150 retailers, comprising over 23,000 individual stores, with online weekly advertised features.

Percentage of Total Conventional Ads by Commodity



Percentage of Total Organic Ads by Commodity



Wtd Avg - Simple weighted average

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 #	1338	3.52	1778	3.51	3729	3.95
Cheese	Natural Varieties	8 oz block	5780	2.33	7414	2.10	8146	2.19
Cheese	Natural Varieties	1 # block	2705	3.48	994	3.92	1633	3.31
Cheese	Natural Varieties	2 # block	319	6.04	2063	6.20	257	7.02
Cheese	Natural Varieties	8 oz shred	7459	2.44	9860	2.09	13571	2.16
Cheese	Natural Varieties	1 # shred	884	3.12	302	3.49	1098	2.92
Cottage cheese		16 oz	3736	2.02	2696	1.88	2412	1.92
Cream cheese		8 oz	3743	1.79	7230	1.78	6567	1.79
Flavored milk	All fat tests	half gallon	1138	2.85	535	2.00	321	2.16
Flavored milk	All fat tests	gallon	390	2.54	62	3.99	444	3.13
Ice cream		48-64oz	8058	2.96	11966	3.04	11815	3.16
Milk	All fat tests	half gallon	1629	2.39	720	2.31	468	2.52
Milk	All fat tests	gallon	391	2.70	498	2.58	1843	3.02
Sour cream		16 oz	4170	1.89	4970	1.70	10001	1.76
Yogurt	Greek	4-6 oz	8027	.94	9326	.96	11567	.94
Yogurt	Greek	32 oz	1778	4.19	1382	4.33	796	3.97
Yogurt	Yogurt	4-6 oz	6777	.49	3769	.46	6263	.53
Yogurt	Yogurt	32 oz	1208	3.46	1103	2.07	759	2.24

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 #	2.99-4.49	597	3.97	3.50	428	3.50	3.33	69	3.33
Cheese	Natural Varieties	8 oz block	1.66-3.50	1008	2.91	1.23-3.50	2226	2.04	1.99-2.49	380	2.12
Cheese	Natural Varieties	1 # block	2.99-3.99	584	3.39	2.98-3.99	703	3.71	2.49-3.49	654	2.93
Cheese	Natural Varieties	2 # block							4.99-5.99	205	5.51
Cheese	Natural Varieties	8 oz shred	1.66-3.50	2011	2.42	2.00-3.50	1451	2.69	1.99-2.50	490	2.18
Cheese	Natural Varieties	1 # shred	3.99	59	3.99	2.49	114	2.49	2.49-3.49	535	3.03
Cottage cheese		16 oz	1.67-2.50	1007	2.15	2.00	2299	2.00	1.25-1.47	167	1.34
Cream cheese		8 oz	0.77-2.50	1112	1.84	1.50-2.00	820	1.78	1.50-2.00	339	1.83
Flavored milk	All fat tests	half gallon				2.50	214	2.50	2.19	213	2.19
Flavored milk	All fat tests	gallon	2.99	100	2.99				2.99	116	2.99
Ice cream		48-64oz	2.37-3.99	2875	2.90	2.50-3.50	2353	2.81	2.50-3.50	743	2.98
Milk	All fat tests	half gallon	2.19-2.49	170	2.38				1.99	69	1.99
Milk	All fat tests	gallon							2.50	69	2.50
Sour cream		16 oz	1.49-2.50	1307	1.88	1.50-2.00	2424	1.93			
Yogurt	Greek	4-6 oz	0.65-1.00	2236	.91	0.75-1.00	2340	.98	0.69-1.00	1052	.91
Yogurt	Greek	32 oz	3.50-4.99	888	4.42				3.50	116	3.50

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	4-6 oz	0.40-0.60	1536	.49	0.50	1311	.50	0.50-0.70	1611	.52

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				2.50	244	2.50			
Cheese	Natural Varieties	8 oz block	1.98-3.00	1821	2.32	2.99-3.00	251	3.00	2.33	60	2.33
Cheese	Natural Varieties	1 # block	3.49	114	3.49	3.50-3.99	240	3.86	3.49-3.99	410	3.84
Cheese	Natural Varieties	2 # block				6.99	114	6.99			
Cheese	Natural Varieties	8 oz shred	1.79-3.00	1312	2.39	1.88-3.00	1506	2.43	1.99-2.50	644	2.25
Cheese	Natural Varieties	1 # shred	3.49	114	3.49	3.50	62	3.50			
Cottage cheese		16 oz				1.99-2.50	239	2.12			
Cream cheese		8 oz	1.49-1.79	446	1.57	1.49-2.00	542	1.66	1.99-2.00	463	2.00
Flavored milk	All fat tests	half gallon				2.50-3.49	422	2.92	3.49	289	3.49
Flavored milk	All fat tests	gallon							1.99	174	1.99
Ice cream		48-64oz	2.99-4.00	501	3.45	1.99-3.99	1194	3.02	2.99-3.50	353	3.14
Milk	All fat tests	half gallon	1.99-3.50	344	2.61	1.99-2.24	401	2.09	1.99-2.99	645	2.49
Milk	All fat tests	gallon	2.89	133	2.89	2.49-2.69	178	2.56			
Sour cream		16 oz	1.25-1.50	262	1.38	1.99	177	1.99			
Yogurt	Greek	4-6 oz	0.80-1.00	664	.98	0.75-1.00	1244	.89	0.88-1.00	463	.95
Yogurt	Greek	32 oz	3.97-4.99	129	4.59	3.50-5.00	356	4.25	3.50	289	3.50
Yogurt	Yogurt	4-6 oz	0.39-0.50	572	.49	0.33-0.50	1334	.45	0.50	358	.50
Yogurt	Yogurt	32 oz	2.29-3.78	1094	3.62	1.99	114	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
Cheese	Natural Varieties	8 oz block				2.50	34	2.50
Cheese	Natural Varieties	8 oz shred	2.50	11	2.50	2.50	34	2.50
Cottage cheese		16 oz				2.50	24	2.50
Cream cheese		8 oz	3.00	21	3.00			
Ice cream		48-64oz	2.99-6.99	39	5.86			
Milk	All fat tests	gallon	4.00	11	4.00			
Yogurt	Greek	4-6 oz	2.00	28	2.00			
Yogurt	Yogurt	4-6 oz	0.70	21	.70	0.50	34	.50

NATIONAL -- ORGANIC DAIRY PRODUCTS

Wtd Avg - Simple weighted average

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 #	159	5.51	108	5.29		
Cheese	Natural Varieties	8 oz block			430	4.32		
Cheese	Natural Varieties	8 oz shred					119	2.99
Cottage cheese		16 oz			123	3.78	133	2.99
Cream cheese		8 oz			252	2.85	629	2.50
Flavored milk	All fat tests	half gallon					180	3.99
Milk	All fat tests	half gallon	2503	3.61	2889	4.00	3519	3.48
Milk	All fat tests	gallon	214	4.99	335	5.51	247	6.15
Sour cream		16 oz	1197	2.05	361	2.33		
Yogurt	Greek	4-6 oz					1083	1.25
Yogurt	Greek	32 oz			87	3.99	684	3.54
Yogurt	Yogurt	4-6 oz	383	1.32			241	1.17
Yogurt	Yogurt	32 oz	61	3.99	135	3.50	1333	2.80

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	108	5.29						
Milk	All fat tests	half gallon	2.69-4.99	934	3.59	2.99-4.78	597	3.57	2.99-3.99	565	3.37
Milk	All fat tests	gallon				4.99	214	4.99			
Sour cream		16 oz				2.00	1083	2.00			

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 #	5.97	51	5.97						
Milk	All fat tests	half gallon	2.99	78	2.99	3.99	295	3.99			
Sour cream		16 oz	2.49	114	2.49						
Yogurt	Yogurt	4-6 oz				1.00-1.50	383	1.32			
Yogurt	Yogurt	32 oz							3.99	61	3.99

Wtd Avg - Simple weighted average

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				6.99	34	6.99

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

Wtd Avg - Simple weighted average

Dairy Market News

United States Department of Agriculture

Agricultural Marketing Service | Dairy Programs | Market Information Branch

Volume 86, Report 10 March 8, 2019

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