

## NATIONAL DAIRY MARKET NEWS AT A GLANCE

**CME GROUP CASH MARKETS (1/10):**

**BUTTER:** Grade AA closed at \$1.6750. The weekly average for Grade AA is \$1.6480 (+.1067).

**CHEESE:** Barrels closed at \$2.1600 and 40# blocks at \$2.2000. The weekly average for barrels is \$2.0980 (+.2155) and blocks, \$2.1520 (+.1376).

**BUTTER HIGHLIGHTS:** Butter prices strengthened as the week progressed. The market tone is steady as bulk butter inventories are tight. Butter production is steady to increasing across the regions with focus on 82% production for export and rebuilding bulk butter supplies. Butter churn operators continue to churn at increased rates, taking advantage of additional cream supplies available. Domestic interest is weakening as holiday print orders are done and some buyers are showing price resistance to current prices. Export demand is good given the U.S. price advantage over international prices. Stocks of butter are being replenished. Current bulk butter prices were unchanged this week across the regions; 5-9 cents over the market in the Northeast, flat to 5 cents over in the Central, and market to 4 cents under in the West, based on the CME. The Grade AA butter prices closed unchanged Friday on the CME Group at \$1.6750, up 10.5 cents since last Friday. The CME Group monthly average price for December 2013 for Grade AA butter is \$1.5963 compared to \$1.5590 a year ago. The National Dairy Retail Report noted the U.S. weighted average advertised price for a 1 lb. package of butter was \$2.88, an increase of 40 cents from two weeks ago, but 5 cents lower than a year ago. Regionally, the best deal was found in the Midwest, at \$1.79, in contrast to the most expensive butter found in the Northeast at \$3.79. The number of butter ads was down 77% from two weeks ago to 2,542 ads. NASS Dairy Products reports butter production in the U.S. totaled 142.8 million pounds during November 2013, down 0.1% from a year ago. January-November 2013 U.S. butter production totals 1.71 billion pounds, 1.2% higher than production during the same time span in 2012. According to the Foreign Agricultural Service, exports of butter during November 2013 totaled 19.8 million pounds, a 215% increase from a year ago.

**CHEESE HIGHLIGHTS:** Cheese production is mixed across the country. Cold weather and winter storms in the Midwest and East caused some interruptions in production over the week. Some manufacturers are running full schedules to fill orders while others are slowing production to clear inventories. Cheddar interest remains

good with some slower sales for other varieties. Wholesale cheese prices are mixed with a firm undertone. According to NASS, U.S. cheese production in November totaled 940.7 million pounds, 2.9% more than November 2012. FAS reported exports of cheese for January-November 2013 total 629.3 million pounds, up 19% from the same period a year ago. Cheese prices at the CME Group this week were bid sharply higher on limited sales. Blocks and barrels are opening 2014 trading at the highest price level in six years. Barrels at the CME Group closed Friday at \$2.1600, up 24 cents from last Friday. Blocks closed the week at \$2.2000, up 15.75 cents from the previous Friday.

**FLUID MILK:** An arctic air mass covered the Upper Midwest and much of the Northeastern region with temperatures and wind chills reaching 25 to 50 below zero. Milk production declined in those areas affected by the extreme cold. Milk production in other regions of the country is trending higher along the typical seasonal trend. Feed and operational costs are weighing on producer margins in California. The lack of snow and moisture in California is raising concerns of strengthening drought and water scarcity. Class I demand is building as most educational institutions across the country have resumed classes. Cream supplies are readily available nationwide with butter churn operators happy to absorb the increased volumes. Processing plants across the nation are handling the seasonally heavy manufacturing milk supplies without difficulty or major delay.

**DRY PRODUCTS:** Nonfat dry milk saw higher prices in the West, other regions are holding steady to firm. Production for nonfat dry milk is active across all regions with manufacturers rebuilding inventories and filling current orders. Domestic and export demand is improving. The market tone is firm. Dry buttermilk prices are edging higher in a firm market. Tight inventories and strong demand are causing some Eastern and Central buyers to source product from the Western region. Readily available cream supplies have increased churn schedules and dry buttermilk production. Dry whole milk prices increased in a firm market. Dry whey prices moved higher. Production is mixed as severe weather reduced cheese production in some areas and also due to competition from concentrated whey products. Overall demand is good and supplies are tightening.

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**CME GROUP CASH TRADING**

COMMODITY	MONDAY JAN 06	TUESDAY JAN 07	WEDNESDAY JAN 08	THURSDAY JAN 09	FRIDAY JAN 10	:: WEEKLY CHANGE *	:: WEEKLY AVERAGE #
CHEESE							
BARRELS	\$1.9500 (+.0300)	\$2.0600 (+.1100)	\$2.1600 (+.1000)	\$2.1600 (N.C.)	\$2.1600 (N.C.)	:: (+.2400)	:: \$2.0980 (+.2155)
40# BLOCKS	\$2.0500 (+.0075)	\$2.1100 (+.0600)	\$2.2000 (+.0900)	\$2.2000 (N.C.)	\$2.2000 (N.C.)	:: (+.1575)	:: \$2.1520 (+.1376)
NONFAT DRY MILK							
EXTRA GRADE	\$2.0900 (N.C.)	\$2.0900 (N.C.)	\$2.0900 (N.C.)	\$2.0900 (N.C.)	\$2.0800 (-.0100)	:: (-.0100)	:: \$2.0880 (-.0020)
GRADE A	\$2.0800 (+.0125)	\$2.0800 (N.C.)	\$2.0825 (+.0025)	\$2.0825 (N.C.)	\$2.0700 (-.0125)	:: (+.0025)	:: \$2.0790 (+.0096)
BUTTER							
GRADE AA	\$1.6200 (+.0500)	\$1.6200 (N.C.)	\$1.6500 (+.0300)	\$1.6750 (+.0250)	\$1.6750 (N.C.)	:: (+.1050)	:: \$1.6480 (+.1067)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. \*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.  
Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/DAIRYMARKETNEWS.

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

Whey protein concentrate 34% prices are mostly higher in a firm market. Lactose prices adjusted lower. Prices are expected to adjust over the next few weeks as market-based contracts activate.

**ORGANIC DAIRY MARKET NEWS (DMN):** Flipping the calendar into 2014 has brought an increase in organic dairy advertising. Ads are at the highest reported level of this data series since July last year and very close to the number of ads for the first period of last year. Organic yogurt ads in particular, increased to the highest level in over two years. This is a sharp contrast with two weeks ago when no organic ads ran. Organic milk ads have also increased to a level last reached in late September last year. About two thirds of organic yogurt ads are for 4-6 ounce organic Greek yogurt. The national weighted average advertised price is \$1.16, up 7 cents from one year ago. 32 ounce organic yogurt ranks second in ad numbers, with an average national price of \$2.96, down 3 cents from one year ago. 4-6 ounce yogurt has a national price of 50 cents. The U.S. weighted average advertised price of organic milk half gallons is \$3.45, up 24 cents from the last reported period. The price range is unchanged at the top, \$4.99, and up 20 cents at the bottom to \$2.79. A Washington DC online forum for urban mothers and dads has a recently added new discussion thread titled "Where Is Organic Milk on Sale this Week? Participants in the online discussion provide store location and price updates. A national manufacturer of organic yogurt based in New England announced on Monday that it will embark on a new strategy to generate additional organic milk supplies. The three aspects of the strategy will be to recruit new farmers into organic dairy; help conventional farmers transition to organic; and work with existing dairy farmers wishing to expand or transition ownership to the next generation. Existing organic milk sourcing arrangements pursuant to an agreement with a national organic dairy producer cooperative will remain in effect. Representatives of organic dairy producer organizations are skeptical of the likelihood for success of the three point plan, based on information released so far, stressing that an improved organic milk pay price is the key prerequisite to achieving significant increases in organic milk production.

**NATIONAL DAIRY RETAIL REPORT (DMN):** Three of every four ads are for yogurt, cheese or ice cream. Holiday themed ads are in the past, with egg nog ads having nearly disappeared. Cream cheese ads are slightly less than 1/4 the number of ads two weeks ago and sour cream ads are about 1/3. Total ad numbers are down 12% from two weeks ago and down nearly as much from a year ago. Yogurt ads are up over 1 and 1/2 times the number two weeks ago, comprising over 1 in every 3 ads. Greek yogurt in 4-6 ounce containers leads the category in numbers, with a weighted average advertised price of 98 cents, 2 cents below last period and 1 cent below last year. Second highest in numbers, 4-6 ounce yogurt, has a price of 49 cents, 3 cents below last period but even with last year. Cheese has slipped to the second most advertised dairy product, with ad numbers down 15%. Ads for 8 oz. blocks have narrowly moved into the position of the most numerous of the 5 types of cheese, with an average price up 2 cents to \$2.29, which is 20 cents below last year. 8-ounce shredded, at \$2.39, is up 20 cents from two weeks ago but down 8 cents from last year. Ice cream ad numbers have declined by 18% from two weeks ago. The current average price for 48-64 oz. containers, \$3.17, is 23 cents above two weeks ago and 11 cents above last year. The national weighted average conventional milk price for half gallons is \$1.65 and for organic half-gallon milk, \$3.45. The organic-conventional half-gallon price spread is \$1.80, up 7 cents from the last period, which was down 32 cents from four weeks ago.

**INTERNATIONAL DAIRY MARKET NEWS UPDATE (DMN):** At the January 7 GDT event #107, average prices ranged -1A-

from 3.4% lower to 5.8% higher from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$5,538 -1.8%; butter, \$4,223 +5.1%; buttermilk powder, \$4,539 +0.5%; cheddar cheese, \$4,656 +1.9%; lactose, \$1,826 +5.8; milk protein concentrate, \$9,010 +5.2%; rennet casein, \$11,903 +1.1%; skim milk powder, \$4,688 -3.4%; and whole milk powder, \$4,934 -0.6%.

**NOVEMBER DAIRY PRODUCTS (NASS): BUTTER** production was 143 million pounds, 0.1% below November 2012 and 2.3% below October 2013. **AMERICAN TYPE CHEESE** production totaled 355 million pounds, 2.7% below November 2012 and 3.7% below October 2013. **TOTAL CHEESE** output (excluding cottage cheese) was 941 million pounds, 2.9% above November 2012 but 3.1% below October 2013. **NONFAT DRY MILK** production, for human food, totaled 100 million pounds, 13.6% below November 2012 but 16.7% above October 2013. **DRY WHEY** production, for human food, was 74.4 million pounds, 7.0% above November 2012 and 5.2% above October 2013. **ICE CREAM** (hard) production totaled 52.3 million gallons, 3.3% below November 2012 and 19.3% below October 2013.

**NOVEMBER CONSUMER PRICE INDEX (BLS):** The CPI for all food is 237.6, up 1.2% from November 2012. The dairy products index is 217.5, down 0.7% from a year ago. The following are the November to November changes for selected products: fresh whole milk is -0.6%; cheese, -0.9%; and butter, -2.1%.

## CME GROUP

MONDAY, JANUARY 6, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.9500; 1 CAR 40# BLOCKS @ \$2.0500; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$2.0775; LAST BID UNFILLED: 1 CAR GRADE A @ \$2.0800; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 4 CARS GRADE AA: 2 @ \$1.6000, 1 @ \$1.6025, 1 @ \$1.6125; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.6200; LAST OFFER UNCOVERED: NONE

TUESDAY, JANUARY 7, 2014

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$2.0200, 1 @ \$2.0600; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.0500; 2 CARS 40# BLOCKS @ \$2.1100; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 5 CARS GRADE A @ \$2.0800; LAST BID UNFILLED: 2 CARS GRADE A @ \$2.0800; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.6200; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JANUARY 8, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.1600; 1 CAR 40# BLOCKS @ \$2.2000; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 2 @ \$2.0800, 1 @ \$2.0825; LAST BID UNFILLED: 1 CAR GRADE A @ \$2.0825; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.6425; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.6500; LAST OFFER UNCOVERED: NONE

THURSDAY, JANUARY 9, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.6750; LAST OFFER UNCOVERED: NONE

FRIDAY, JANUARY 10, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 1 CAR EXTRA GRADE @ \$2.0800; 5 CARS GRADE A: 2 @ \$2.0825, 2 @ \$2.0800, 1 @ \$2.0700;  
 LAST BID UNFILLED: 1 CAR GRADE A @ \$2.0600; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$2.0775  
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$1.6800, 1 @ \$1.6700; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.6750; LAST OFFER UNCOVERED: NONE

## BUTTER MARKETS

## NORTHEAST

Butter production is increasing. Inventories are light, but growing as some butter manufacturers work holiday cream surpluses to increase bulk butter volumes. Domestic demand is seeing post-holiday declines. Export sales are active, due to 82% butter interest. According to the *National Dairy Retail Report*, the weighted average price for a 1 lb. package of butter in the Northeast was \$3.40, 52 cents more than the national weighted average price, and 65 cents higher than the previous reporting period. The CME Group butter price was unchanged at \$1.6200 Tuesday, following successive increases in four previous sessions. Since January 1, the CME butter price increased by \$0.0875. Current bulk butter prices for domestic sales range 5-9 cents over the CME Group with various time frames and averages used. According to the NASS *Dairy Products* report, November's U.S. butter production totaled 142.8 million pounds, down 0.1% from a year ago. Production in the Atlantic region totals 12.9 million pounds, up 5.7% from November of 2012. According to FAS, U.S. exports from January through November 2013 total 180.1 million pounds, up 81% from 2012.

## CENTRAL

Many butter manufacturers in the Central region are producing additional supplies of 82% given the U.S. price advantage over international prices. The market tone is steady. Butter churn operators are welcoming extra available cream supplies as churn rates are good. Domestic butter demand is light to moderate and showing signs of price resistance. Inventories are higher. Current bulk butter prices ranged flat to 5 cents over the market, based on the CME, with various time frames and averages used. The Grade AA butter price on the CME Group closed 3 cents higher on Wednesday to \$1.6500, up 8 cents since Friday's close. The CME

Group monthly average price for December 2013 for Grade AA butter is \$1.5963 compared to \$1.5590 a year ago. The *National Dairy Retail Report* noted the weighted average advertised price for a 1 lb. package of butter in the Midwest was \$2.25, down 4 cents from two weeks ago and 63 cents lower than the national price. Retail butter ranged from \$1.79-\$2.50 in the Midwest. The national weighted average price was \$2.88, an increase of 40 cents from two weeks ago, but 5 cents lower than a year ago. The number of butter ads was down 77% from two weeks ago to 2,542 ads. NASS *Dairy Products* reports butter production in the Central region totaled 56.7 million pounds during November 2013, a 1.6% increase from a year ago. January-November 2013 Central butter production totals 666.0 million pounds, 3.0% higher than production during the same time span in 2012. Butter production in the U.S. totaled 142.8 million pounds during November 2013, down 0.1% from a year ago. January-November 2013 U.S. butter production totals 1.71 billion pounds, 1.2% higher than production during the same time span in 2012. According to the Foreign Agricultural Service, exports of butter during November totaled 19.8 million pounds, a 215% increase from a year ago.

## WEST

Western butter prices are showing strength this week. Tighter than anticipated butter stocks are limiting sales. Butter churns were active over the two holiday weeks and continue to push production to rebuild inventories. Print butter demand has slowed, but export demand for bulk butter is good with processors working hard to fill

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**NATIONAL DAIRY PRODUCTS SALES REPORT**  
 U.S. AVERAGES AND TOTAL POUNDS

<u>WEEK ENDING</u>	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
January 4, 2014					
	1.5698	1.9579	1.9666	0.5975	2.0029
	3,062,899	8,350,632	10,364,785	4,351,557	13,955,693

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demand. According to the *National Dairy Retail Report*, U.S. butter showed a weighted average price of \$2.88 per pound compared to \$2.48 two weeks ago and \$2.93 a year ago. Butter ads decreased 77% from two weeks ago. In light featuring, the weighted average price for butter in the Northwest was \$1.90. According to FAS, U.S. exports of butter and milkfat for January-November 2013 total 180.1 million pounds, up 81% from the same period a year ago. The butter and milkfat exports account for 10.6% of butter production in the U.S. for the period. Exports for November amounted to 19.8 million pounds, up 215% from November 2012. According to the NASS Dairy Products report, November butter production for the U.S. totals 142.8 million pounds, down 0.1% from November 2012. Cumulative output through November for the U.S. is 1.706 billion pounds, up 1.2% or 19.6 million pounds from the same period in 2012. November output in the Western region totals 73.1 million pounds, down 2.4% or 1.8 million pounds less than November 2012. The West produced 51% of the butter in the U.S. in November. Butter prices at the CME Group on Wednesday were up 3 cents and closed at \$1.6500. Wednesday's increase was on top of a 5 cent rise on Monday. By midweek, there were five sales. Prices for bulk butter range from market to 4 cents under, based on the CME with various time frames and averages used. CME Group average price for December 2013 for butter was \$1.5963 compared to \$1.5590 for December 2012.

**2013 U.S. Butter and Milkfat Exports,(USDA-FAS)**

(Million Lb.)                      % Change From  
1 Year Ago

Nov. Total	19.8	+ 215
Total, Jan - Nov	180.1	+ 81
1 Saudi Arabia	39.6	+ 20
2 Iran	22.3	+ 62
3 Morocco	16.2	+ 112
4 Ukraine	14.3	*
5 Egypt	12.1	+ 79

\*There were no exports to the Ukraine last year



## CHEESE MARKETS

## NORTHEAST

Cheese production is mixed in the region as winter storms and arctic temperatures limit vat volumes for cheesemakers in some areas. Other plants are running heavy production schedules as inventories are being built following the holiday period. Demand is good but there is some concern that winter storms may limit consumer retail purchases. According to the *National Dairy Retail Report*, the weighted average price for 8 oz. cheese blocks in the Northeast was \$2.34, 5 cents higher than the national weighted average price and 11 cents more than the previous reporting period. The weighted average price for 8 oz. shredded cheese in the Northeast was \$2.70, 31 cents above than the national weighted average price and 41 cents more than the previous reporting period. The weekly average cheese prices were mixed last week on the CME Group cheese prices. Wholesale prices for 40# block and muenster increased by \$0.0150, but declined \$0.0850 for process 5# slices. Swiss cheese prices increased \$0.0100. CME Group cheese prices increased Tuesday with barrels up \$0.1100 to close at \$2.0600. Blocks increased \$0.0600 to close at \$2.1100. According to NASS, U.S. cheese production in November totaled 940.7 million pounds, 2.9% more than November 2012. Cumulative 2013 through November, U.S. cheese production totaled 10.2 billion pounds, 2.5% greater than November 2012. In November, total cheese production in the Atlantic region was 141.4 million pounds, 19.6% more than the same month last year. Total cheese production for November in New York was 87.9 million pounds, 36.4% more than one year ago. Pennsylvania produced 34.7 million pounds in November, 7.4% more than one year ago. Vermont produced 9.6 million pounds in November, 21.5% less than one year ago. According to FAS, U.S. exports from January through November 2013 total 629.3 million pounds, up 19% from 2012.

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

Cheddar 40# Block	: 2.4075-2.6925
Process 5# Sliced	: 2.1050-2.5850
Muenster	: 2.4275-2.7875
Grade A Swiss Cuts 10 - 14#	: 3.4675-3.7900

## MIDWEST

Blocks and barrels are opening 2014 trading at the highest price level in six years. Price increases through this Wednesday show extraordinarily robust strength. Barrels increased \$.2400 over three days to \$2.1600 and blocks increased \$.1575 to \$2.2000. That is both good news and bad news, depending on who is opining. Good for manufacturers with strong recent sales and bad for manufacturers with recent sales less robust than anticipated. For example, this week some manufacturers have not received the volume of cheese orders by midweek that they anticipated when scheduling weekly production. Opinions as to factors vary – some related to current high cheese prices and others to extremely cold weather. Yet other manufacturers report selling extra loads last week into this week, with inquiries for extra loads into next week as well. One factor believed to be mitigating higher prices and weather, is this being the first full work week of the year for many buyers. Some of those buyers who have been taking long vacation weekends and time off for the past two holiday weeks, seem to be suddenly engaged to catch up on orders. Some cheese varieties are faring bet-

ter than others. During the last week there has been cancelation of some orders for pepper jack, while cheddar interest is called “hot”. Plants report milk production through last week had come up from the week before. One plant manager reported that farms supplying the plant were noticeably attributing stronger milk production in part to decent feed prices and hence, use of feed. This week’s two decade record cold temperature is generally reported to have primarily slowed the increase in milk production, rather than decreasing production. A number of plants report that milk production has been steadily increasing on a daily basis for about two weeks – until this week’s extremely cold weather. Little concern has been expressed though, with production being expected to rebound quickly. The National Dairy Retail Report (DMN) found that Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.02, 37 cents lower than the national average. For 8 ounce blocks in the Midwest, the average price is \$1.93, 36 cents lower than the national average. National ad numbers for all cheese categories this period decreased by 15% from two weeks ago. Total U.S. cheese production for November (NASS), 940.7 million pounds, results in cumulative 2013 production through November leading 2012 by 2.5%. Total Italian cheese production through November 2013 is 3.6% ahead of 2012. Central region total cheese production for November 2013, 407.0 million pounds, is 2.1% below November 2012 and 3.7% below October 2013. November 2013 Central total Italian cheese production, 155.5 million pounds, was down 1.8% from November 2012 and down 4.2% from October 2013. Cheese manufacturers asked to comment noted that they had opted to sell some milk during November rather than make cheese, citing price weakness and slower retail demand.

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

Process American 5# Loaf	: 1.9825-2.3425
Brick And/Or Muenster 5#	: 2.3875-2.8125
Cheddar 40# Block	: 2.0925-2.5100
Monterey Jack 10#	: 2.3625-2.5675
Blue 5#	: 2.6550-3.6425
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 2.2325-3.1275
Grade A Swiss Cuts 6 - 9#	: 2.9850-3.1025

## WEST

Western wholesale cheese prices were mixed as weekly averages were lower for barrels and higher for blocks. Swiss cheese prices are also slightly higher. The market tone is firmer overall as tight supplies are limiting spot sales. Production in the West is lower this week with a plant down for scheduled maintenance. Higher spot prices this week are putting a damper on export and domestic sales. Advertised U.S. cheese prices as reported in the National Dairy Retail Report showed prices for packages of 8 oz. shred, 8 oz. blocks, and 1 lb. blocks were higher, while 2 lb. blocks and 1 lb. shreds were lower from two weeks ago. Combined cheese advertising was down 15% from two weeks ago. The 8 oz. block price in the West ranged from \$1.50-2.99, while the 8 oz. shred ranged \$2.00-3.99. The price for the 2 pound block in the West ranged

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## CHEESE MARKETS

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from \$5.00-7.99 per package. According to the NASS *Dairy Products* report, total cheese production in the U.S. in November reached 940.7 million pounds, up 2.9% or 26.4 million pounds from November 2012. Cumulative total cheese output for the U.S. through November is 10.18 billion pounds, up 2.5% or 245.6 million pounds from 2012. November total cheese production in the Western region was 392.2 million pounds, up 3.2% or 12.1 million pounds from November 2012. The West produced 42% of all the cheese in the U.S. in November. Swiss output for the U.S. in November is 23.6 million pounds, down 5.5% or 1.4 million pounds from a year ago. Cheese prices at the CME Group have rallied higher each day of trading this week. Barrels on Wednesday closed up \$.1000 to \$2.1600. Blocks were also higher, finishing \$.0900 higher at \$2.2000. Barrels have moved higher for four consecutive sessions and blocks are higher for five days in a row. Sales have been light with two sales of barrels and no sales of blocks by mid-week. The CME Group monthly average price for December 2013 for barrels is \$1.8651 compared to November 2012 at \$1.6634. Blocks averaged \$1.9431 for December 2013 compared to \$1.7448 for the previous year. According to FAS, exports of cheese and curd for January-November 2013 total 629.3 million pounds, up 19% from the same period a year ago. Cheese and curd exports for the period account for 6.2% of U.S. cheese production. Exports for November 2013 totaled 62.7 million pounds and are 54% higher than a year ago.

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

Process 5# Loaf	: 2.0125-2.2700
Cheddar 40# Block	: 2.1300-2.4825
Cheddar 10# Cuts	: 2.3100-2.5300
Monterey Jack 10#	: 2.3200-2.4800
Grade A Swiss Cuts 6 - 9#	: 3.0450-3.4750

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.5475-4.0350*
Gorgonzola	: 3.4900-6.6900	: 3.0500-3.4625*
Parmesan (Italy)	: -0-	: 3.9375-6.0275*
Provolone (Italy)	: -0-	: 2.5900-2.7475*
Romano (Cows Milk)	: -0-	: 3.7375-5.8875*
Sardo Romano (Argentine)	: 2.8500-3.6900	: -0-
Reggianito (Argentine)	: 3.2900-4.4600	: -0-
Jarlsberg-(Brand)	: 2.9500-5.6300	: -0-
Swiss Cuts Switzerland	: -0-	: 3.5650-3.8875*
Swiss Cuts Finnish	: 2.6000-2.8600*	: -0-

\* = Price change.

## 2013 U.S. Cheese and Curd Exports, (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
Nov. Total	62.7	+ 54
Total Jan.-Nov.	629.3	+ 19
1 Mexico	160.8	+ 24
2 South Korea	98.5	+ 21
3 Japan	62.1	+ 16
4 Canada	29.9	+ 7
5 Australia	23.6	+ 5

## FOREIGN

Sales of imported cheeses are suffering from the extreme cold covering much of the Midwest and Northeastern U.S., as consumers are limiting their outings to stores and restaurants. The weekly average block price on the CME Group increased last week. Wholesale prices for domestic foreign type cheese were raised by \$0.0150. Swiss cuts increased \$0.0100 following last week's Class III price release. Imported cheese prices were unchanged.

DAIRY PRODUCTS: According to NASS, domestic parmesan production during November totaled 20.3 million pounds, 14.7% less than a year ago. Provolone production during November totaled 30.1 million pounds, 4.2% more than a year ago. Romano production during November totaled 3.4 million pounds, 21.0% less than a year ago. Swiss production during November totaled 23.6 million pounds, 5.5% less than a year ago.

## FLUID MILK AND CREAM

## EAST

SPOT SHIPMENTS OF GRADE A MILK INTO OR OUT OF FLORIDA &amp; SOUTHEASTERN STATES

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	22	0	0	50	0	57
SOUTHEAST STATES	0	0	0	0	0	0

The combination of heavy winter snow and arctic temperatures has caused milk production to decline in some areas of the Northeast. Manufacturing milk supplies are heavy coming off the holiday period in the Northeast and Mid-Atlantic regions. Milk transports have experienced some delays due to various winter storms. Class I demand has had a strong bounce back in Florida as most schools and universities are back in session. Milk production has seen an increase with the cooler weather that has moved into the state. The increase in fluid demand has created the need for imports with 22 spot loads this week. The Southeast region has also seen a significant increase in Class I demand. Milk supplies are barely adequate to cover fluid demand. Manufacturing supplies have been cut below contract minimums. The forecast for a winter storm crossing the region is causing retail runs on dairy products. Expanded cream volumes were less of a problem this week, compared to last, as cream based dairy product manufacturers are resuming production after the yearend holidays. Good butter demand is helping absorb the excess cream supplies within the region. **Cream multiples for all classes** ranged 1.10-1.20. **Condensed skim** demand has improved marginally with some increases in spot load sales. Supplies are heavy with the bulk of the volumes going to Class IV production. According to NASS, hard ice cream production in the Atlantic region for November totaled 10.6 million gallons, 3.9% less than November 2012. U.S. yogurt production (plain and flavored) for November totaled 324.4 million pounds, up 4.4% from November 2012. Cumulative 2013 production through November totaled 4.3 billion pounds, 5.2% higher than a year ago.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, DOLLARS PER LB. BUTTERFAT:

F.O.B. producing plants: Northeast -	1.6954-1.8496
F.O.B. producing plants: Upper Midwest -	1.6954-1.9729

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.93-2.01
Northeast - Class III - spot prices -	1.62-1.65

## MIDWEST

Subzero temperatures and adverse road conditions created many problems in the Central region the past week. Some of the problems included the following: switching of heat sources at plants, frozen pipes at various facilities, compressors going out at farms, and milk truck breakdowns. Those conditions led to milk production rates at the farm stalling as cows used more feed energy for body warmth, some dumping of milk as trucks could not make it to the farm or plant, and logistic problems at various plants. Spot loads of milk ranged from Class to \$2.00 over Class as supplies were not readily available. Bottling demand is good as school pipelines were refilled. Class II demand has slowed but is expected to pick up as the Super Bowl is nearing. Condensed skim demand is weakening.

## Class II cream multiples picked up this week, ranged 1.10-1.28.

Cream supplies were readily available and butter churn operators are happily picking up the additional product. Many cheesemakers backed off on milk purchases. Some processing plants noted they lost a few producers over the past few weeks. The December 2013 Dairy Market News average of the range price series for Upper Midwest spot prices of Class II cream was \$2.0721 compared to \$1.7383 a year ago. The weekly cow slaughter totaled 61,500 head for the week ending on December 21, down 6,000 head or 8.9% from a year ago.

## WEST

Farm milk production is strengthening seasonally across the Southwest. Fluid orders are active, with some milk handlers responding to bottlers' orders from outside the Southwest. Dairy processors in CALIFORNIA report farm milk production and pickup volumes are maintaining a slow upward trend. Fluid demand is steady as most educational institutions have refilled their pipelines for meal programs. Cooperative members indicate feed and operating costs continue to weigh on profitability. In addition, the California Department of Water Resources issued the first Snow Survey of 2014, showing the statewide snowpack water content at about 20% of normal for this time of year. In NEW MEXICO, milk production is steady to slightly higher. Interest from bottlers is active, with some orders for additional standby loads placed early in the week. Additional bottler orders emerged for refilling some retail outlets in the Southeast and South Central as the week progressed. Trends in milk sales into cheese plants run the gamut, with some plants pushing back loads and others ordering more heavily to meet upcoming cheese orders. Farm milk production in ARIZONA is maintaining a gradual upward trend. Current daytime temperatures are pleasant, ranging from the 50's - 70's. Bottlers are drawing strongly on milk supplies. Lighter seasonal demand is noted from some Class II operations. CREAM availability in the Southwest is improving as usage in whipped and aerated forms decreases seasonally. Bulk and consumer sized package production of ice cream in the perennial flavors (vanilla, chocolate, strawberry) is reemerging as a focus for some manufacturers. Churn operators are keeping internal cream supplies and buying additional cream loads, as available, to rebuild 80% and 82% butter stocks for meeting upcoming butter orders. The Western cream multiple range is higher and lower, 1.10 - 1.15, depending on Class usage and basing points. At the CME Group, Grade AA butter closed on Wednesday at \$1.6500, up 8 cents so far this week. Milk production in the PACIFIC NORTHWEST is showing some improvement as milk totals are finally moving off of seasonal lows. Weather conditions are not causing any difficulties in either moving milk or stressing of dairy cows. A cheese plant in Washington was down for scheduled maintenance for a few days this week and that milk was moved within the region to various drying plants. UTAH and IDAHO milk production is mostly steady to increasing slightly. A midweek storm brought snow and windy conditions to southern Idaho. Travel was slowed but no serious problems were reported in moving milk in the area. Temperatures remain in the 20's and 30's as much of the High Desert area missed the polar vortex cold. Processing capacity in the region is above current local milk supplies and competition amongst processors for any available spot milk loads is good.



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

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

## NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Nonfat dry milk prices for low/medium heat moved higher on the bottom of the mostly, otherwise were unchanged. Prices for high heat NDM are unchanged on a status quo market. The market tone for low/medium heat NDM is firm with buyers seeing a few more offers and product available in the spot market. NDM manufacturers are busy restocking inventories and fulfilling contract obligations with increased production rates. Domestic demand is good and international interest is active. The December 2013 Dairy Market News average of the range price series for Central and East low/medium NDM was \$2.0460 compared to \$1.5666 a year ago. The average of the mostly price series for Central and East low/medium NDM was \$2.0245 compared to \$1.5678 a year ago. High heat NDM range price series averaged \$2.0757 for December 2013 compared to \$1.6629 a year ago. Extra Grade NDM is unchanged at the CME Group since last Thursday, closing at \$2.0900 Wednesday. Grade A NDM picked back up this week, closing at \$2.0825 on Wednesday, up 2.25 cents since last Thursday. The CME Group monthly average price for December 2013 for Extra Grade NDM was \$2.0543 compared to \$1.5600 a year ago. Grade A NDM for December 2013 was \$2.0762 compared to \$1.5575 a year ago. According to NASS, NDM production in the Central region totaled 15.6 million pounds during November 2013, 27.8% lower than a year ago. Cumulative nonfat dry milk production for 2013 in the Central region totals 236.5 million pounds, 7.2% higher compared to production during the same time span in 2012. NDM production in the U.S. totaled 100.1 million pounds during November 2013, down 13.6% from a year ago. Cumulative NDM production for 2013 in the U.S totals 1.36 billion pounds, 15.6% lower than 2012 production during the same time span. November 2013 month ending stocks were at 118.2 million pounds, 6.7% lower than a year ago. November 2013 production of skim milk powders, which includes protein standardized and blended product, totaled 56.4 million pounds, 26.1% higher than a year ago. Cumulative 2013 skim milk powder production totals 572.7 million pounds, a 67.2% increase in production compared to production during the same time span in 2012.

EAST: Prices are holding steady to firm in fairly light trading following the holiday week. Production is active in the region with emphasis on low heat. Inventories are being rebuilt with the increase in production. Domestic demand for NDM is flat as most buyers are purchasing for immediate needs, while export demand is active. The market tone is firm.

DAIRY PRODUCTS: NASS Dairy Products report shows U.S. production of human food nonfat dry milk during November 2013 totaled 100.1 million pounds, 13.6% lower than one year ago. Cumulative nonfat dry milk production for 2013 totals 1.36 billion pounds, 15.6% lower than 2012 production during the same time span. November month ending stocks, at 118.2 million pounds are 6.7% lower than one year ago. November 2013 U.S. production of skim milk powder, which include protein standardized and blended product, totaled 56.4 million pounds, 26.1 % higher than one year ago. Cumulative 2013 skim milk powder production totals 572.7 million pounds, a 67.2% increase in production compared to the same time span in 2012. Nonfat dry milk production for November in the Atlantic region totaled 15.8 million pounds, 29% more than one year ago.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: 2.0275 - 2.1400 MOSTLY: 2.0400 - 2.1000  
HIGH HEAT: 2.0825 - 2.1650

## NONFAT DRY MILK - WEST

Western nonfat dry milk prices are mostly higher and the market is maintaining a firm tone. Manufacturers indicate demand is steady to higher as some international transfer points reopen following the holidays. Domestic interest is also strong, with end users and resellers striving to meet near term needs. Various buyers indicate they have been unable to build inventories prior to the end of the year, and F.O.B. spot loads remain tight. Nonfat dry milk production in the West is trending seasonally higher as manufacturing milk volumes increase. Manufacturers indicate inventories of low/medium heat NDM are light and somewhat below contract fulfillment needs for some December and January contracts. Participation in the F.O.B. spot market is intermittent due to light holdings as well as due to focusing on fulfilling contractual international demand. High heat NDM production is taking up some dryer time as slots become available. Inventories of high heat NDM are limited and most sales activity is filling contracts. According to NASS, NDM production in the West region totaled 68.8 million pounds during November 2013, 14.0% more than one month ago, but 16.2% less than the one year ago. This production is 69% of total November production in the U.S. California produced 36.2 million pounds of NDM during November, 36% of the national monthly production.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows U.S. production of human food NONFAT DRY MILK during November 2013 totaled 100.1 million pounds, up 16.7% from one month ago production but 13.6% lower than one year ago. Cumulative nonfat dry milk production for 2013 totals 1.36 billion pounds, 15.6% lower than 2012 production during the same time span. Month ending stocks, at 118.2 million pounds, are 6.5% higher than a month ago, but 6.7% lower than one year ago. November 2013 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 56.4 million pounds, 9.6% lower than one month ago but 26.1% higher than production of one year ago. Cumulative 2013 skim milk powder production totals 572.7 million pounds, a 67.2% increase compared the same time span in 2012.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 2.0175 - 2.1200 MOSTLY: 2.0500 - 2.0800  
HIGH HEAT: 2.0375 - 2.1300

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

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	100.4	+ 54
TOTAL, JAN - NOV	1,125.5	+ 24
1 Mexico	365.5	- 9
2 China	120.3	+ 278
3 Philippines	119.5	+ 31
4 Indonesia	117.8	+ 85
5 Vietnam	75.3	+ 63

CONTINUED ON PAGE 5A



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

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

## CONTINUED FROM PAGE 5

## DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Prices for dry buttermilk increased on the bottom of the range. The market tone is firm as product is difficult to find and secure. The production rates of drying buttermilk continue at increased levels. Domestic demand is good as many manufacturers have product spoken for as soon as it's ready to be shipped. The December 2013 Dairy Market News average of the range price series for Central and East dry buttermilk was \$1.8490 compared to \$1.5955 a year ago. According to NASS, U.S. dry buttermilk production during November 2013 totaled 8.1 million pounds, 6.5% lower than a year ago. Cumulative 2013 dry buttermilk production totals 107.9 million pounds, 10.7% more than during the same time span of 2012. Month ending stocks of dry buttermilk was at 7.3 million pounds, 43.7% lower than a year ago.

EAST: The dry buttermilk market remained firm this week as spot sales increased the low end of the range. Production has increased as cream volumes going to churns remain heavy in the post-holiday week. Supplies continue to be tight with little available for the spot market. Some buyers need to look out of region in order to secure product. Demand remains good as buyers continue to look for lower priced alternative products to nonfat dry milk. The market undertone remains firm.

F.O.B. CENTRAL/EAST: 1.8750 - 1.9300

## DRY BUTTERMILK - WEST

Dry buttermilk prices are steady to higher on a firm market. Market participants indicate interest from Mexico remains active, but shipments were stalled during the holidays. Trucks are now moving across the U.S.-Mexico border and finishing some December deliveries. Demand from Eastern buyers is also active because dry buttermilk production has been light in that region. Some buyers report Western dry buttermilk F.O.B. spot prices plus transportation tend to pencil out somewhere below Central prices plus transportation to the East, making Western sellers the preferred source for filling Eastern dry buttermilk shortfalls. Dry buttermilk production in the West is higher for the week as cream availability to churns improves post-holiday.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows dry buttermilk production in the U.S. for November 2013 totals 8.1 million pounds, down 6.5% from last year. Cumulative 2013 dry buttermilk production totals 107.9 million pounds, a 10.7% increase compared to 2012 production during the same time span. Stocks at the end of October stand at 7.3 million pounds, a decrease of 43.7% from last year.

F.O.B. WEST: 1.8600 - 1.9300 MOSTLY: 1.8600 - 1.9000

## DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged on the top of the range, but the bottom of the range gained 7.5 cents. The market tone is firm, buyer interest is steady, and uncommitted F.O.B. inventories are light to comfortable. Some additional manufacturing milk loads cleared into dry whole milk production when transportation problems kept those loads away from other plants.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows U.S. dry whole milk production during November 2013 totaled 5.3 million pounds, 29.7% lower than one month ago, but 1.9% higher than one year ago. Cumulative 2013 production totals 66.9 million pounds, a 23.7% increase compared to the same time span in 2012. Month ending stocks, at 8.5 million pounds, are 3.2% lower than one month ago, but 36.1% higher than one year ago.

F.O.B. PRODUCING PLANT: 2.0750 - 2.1500

## CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
January 3	\$1.9664	7,253,946	0
December 27	\$1.9436	4,518,409	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**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**

Prices for DRY WHEY in the Central moved higher on the bottom of the range and top of the mostly price series. The dry whey market tone is steady to firming as some end users are finding it difficult to locate product. The subzero temperatures created some implications for a few manufacturers as they had to switch heat sources, frozen pipes, and periods where dryers were shut down. End users received delayed loads due to trucking issues from the road conditions and temperatures. Demand for dry whey is good domestically, but export interest is sluggish. The December Dairy Market News average of the range price series for Central dry whey was \$0.5726, compared to \$0.6318 a year ago. The mostly price series was \$0.5552, compared to \$0.6410 a year ago. ANIMAL FEED WHEY prices moved slightly higher on the bottom of the range and are unchanged on the top of the range on an active F.O.B spot market week. The market tone is steady with tight supplies and buyers looking for product. Domestic demand is good. The December 2013 Dairy Market News average of the range price series for animal feed Central milk replacer dry whey was \$0.4693 compared to \$0.5528 a year ago. NASS Dairy Products report notes human food dry whey production during November 2013 in the Central region totaled 32.1 million pounds, 9.4% lower than a year ago. Cumulative 2013 human food dry whey production in the Central region totals 414.9 million pounds, 1.0% lower than 2012 production during the same time span. U.S. production of human food dry whey in November 2013 totaled 74.4 million pounds, 7.0% higher than a year ago. December month ending stocks of U.S. human food dry whey totaled 55.2 million pounds, 44.0% more than a year ago.

F.O.B. CENTRAL: .5325 - .6350 MOSTLY: .5450 - .5900  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4225 - .5500

**DRY WHEY - NORTHEAST**

Prices for dry whey are firm due to higher spot prices and indices. Production of dry whey is mixed in the region as manufacturing interruptions, resulting from severe winter snow storms, limit volumes at some plants. Inventories are adequate for current needs. Demand for dry whey is good with active domestic and export interest. The market undertone is firm.

DAIRY PRODUCTS: NASS's Dairy Products report shows U.S. production of human food dry whey in November 2013 totaled 74.4 million pounds, 7.0% higher than last year. In the Atlantic region, November production of human food dry whey totaled 18.6 million pounds, 3.1% less than last year. November U.S. month ending stocks of human food dry whey totaled 55.2 million pounds, 44.0% more than November 2012. Cumulative 2013 dry whey production totals 852.5 million pounds, 6.3% lower than 2012 production during the same time span.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5725 - .6325

**DRY WHEY - WEST**

Western dry whey prices are higher for the first full week of the New Year. New contract and higher spot prices, along with overall firm dairy protein prices moved the market higher this week. Export demand is also strong and helping to raise the market. Whey production is being limited by lower cheese production and competition from concentrated whey products. According to the NASS *Dairy Products* report, edible U.S. whey production in November totals 74.4 million pounds, up 7.0% or 4.9 million pounds from November of last year. The Western region produced 23.7 million pounds of human food dry whey in November, up 59% (8.8 million pounds) from last year. The West produced 32% of the human food dry whey in the U.S. in November. Cumulative U.S. total dry whey production through November is 852.5 million pounds, down 6.3% or 57.1 million pounds from the same period in 2012. Manufacturers' stocks at the end of November for total dry whey are 55.8 million pounds, up 36% (14.8 million pounds) from last year. According to the Foreign Agricultural Service, U.S. exports of dry whey for January-November 2013 total 482.9 million pounds, up 8% (37.2 million pounds) from the same period a year ago. The exports equate to 57% of the total dry whey production in the U.S. for January-November 2013. The December 2013 Dairy Market News monthly average price for Western dry whey range was \$0.5846 compared to \$0.6184 for December 2012; the Western dry whey mostly series averaged \$.5849 compared to \$.6328 a year ago.

NONHYGROSCOPIC: .5800 - .6200

MOSTLY: .5900 - .6175

**U.S. Dry Whey Exports. H.S. Code 0404104000(FAS)**

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	44.6	+ 15
TOTAL, JAN - NOV	482.9	+ 8
1 China	158.4	+ 47
2 Canada	44.0	+ 6
3 Mexico	40.3	- 22
4 Japan	36.1	+ 3
5 Indonesia	30.8	+ 7

CONTINUED ON PAGE 6A

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

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

**CONTINUED FROM PAGE 6****WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices for whey protein concentrate 34% are mostly higher and the firm market tone is holding. Some buyers/end users are still looking for Q1 coverage and this has kept inquiries coming in to producers. Many producers though, have completed contracting for the near term at close to 100% of their projected production. Other manufacturers are reassessing Q1 production projections, generally to the downside, and working through adjustments on contract volumes. Both of these issues are channeling more interest to manufacturers who either can flex end product output or are newer to the WPC 34% marketplace and not fully contracted. WPC 34% inventories are generally light and consistent with near term contract fulfillment. Some delays in contract shipments are noted in the West and Central as suitable container availability is limited. A few manufacturers report the slowdown in shipping is prompting searches for outside storage.

DAIRY PRODUCTS: The NASS *Dairy Products* report shows U.S. production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during November 2013 totaled 24.6 million pounds, 27.6% higher than one year ago. Cumulative production for 2013 totals 228.1 million pounds, 4.8% higher than 2012 production during the same time span. Manufacturers' end-of-month stocks totaled 18.6 million pounds, 27.6% lower than one year ago.

F.O.B. EXTRA GRADE 34% PROTEIN:1.6000 - 1.9200 MOSTLY:1.7200 - 1.8100

**U.S. WPC ≤ 80% Exports, H.S. Code 0404100500(FAS)**

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	20.2	+ 2
TOTAL, JAN - NOV	232.2	- 7
1 China	75.3	- 21
2 Mexico	55.1	+ 51
3 Canada	30.6	- 3
4 Japan	9.8	- 27
5 Taiwan	7.9	+ 181

**LACTOSE - CENTRAL AND WEST**

For the first full week of the month, quarter, and year, lactose prices adjusted lower throughout both price series. Current prices represent fixed monthly and quarterly contract prices as well as F.O.B. spot prices. Prices are expected to adjust during the next few weeks as market-based contracts activate. Lactose availability is variable, with unground - 100 mesh lactose loads within easy reach while 200 mesh lactose F.O.B. inventories are tight. Lactose production varies from plant to plant, with some manufacturers filling cheese vats to capacity while others are curtailing cheese production due to slower cheese orders.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows U.S. HUMAN and ANIMAL lactose production during November 2013 totaled 83.6 million pounds, a 5.0% decrease from one month ago, but 4.2% higher than one year ago. Cumulative 2013 lactose production totals 961.1 million pounds, a 2.4% increase from the same time span in 2012. Month ending stocks, at 87.4 million pounds, are 3.6% lower than one month ago, and unchanged from one year ago.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .4000 - .7100 MOSTLY: .5300 - .6300

**U.S. Lactose Exports, H.S. Code 1702110000(FAS)**

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
November Total	33.6	+ 1
TOTAL, JAN - NOV	448.8	+ 30
1 China	78.7	+ 3
2 New Zealand	61.6	+ 4
3 Mexico	60.9	+ 27
4 Japan	34.8	+ 22
5 Brazil	27.7	+ 41

**CASEIN - NATIONAL**

The casein market is firm with pricing levels for both acid and rennet moving higher. The impact of higher dairy protein prices carries over into the casein market. Production of casein is sporadic as returns for other dairy products are more favorable in the current world market. First quarter contract pricing is in effect at higher pricing points. End users are finding offerings tight to adequate for needs, but at less favorable pricing points from their perspective.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 4.9000 - 5.2000  
ACID: 5.0000 - 5.4000

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS EFFECTIVE NOVEMBER 1, 2009

BUTTER Bulk \$1.05 per pound; CHEESE 40# Blocks \$1.13 per pound; 500# Barrels \$1.10; NONFAT DRY MILK \$.80 per pound

The CCC Purchase table will no longer be shown unless purchases occur. Last CCC purchase: October 2009

U.S. Dairy Cow Slaughter (000 head) under Federal Inspection & Comparable Week 2012

WEEK ENDING	WEEKLY DAIRY COWS	2013 CUMULATIVE DAIRY COWS	2012 WEEKLY DAIRY COWS	2012 CUMULATIVE DAIRY COWS
12/21/2013	61.5	3,003.7	67.5	2,987.2

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

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

**CLASS III MILK PRICES (3.5% BF)**

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	19.32	17.03	18.00	16.76	18.18	20.25	18.24	17.32	16.28	17.06	15.51	15.28
2009	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66

**CLASS IV MILK PRICES (3.5% BF)**

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	19.78	20.29	21.05	20.33	20.14	19.53	18.41	17.87	16.87
2012	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76	17.41	18.54	18.66	17.83

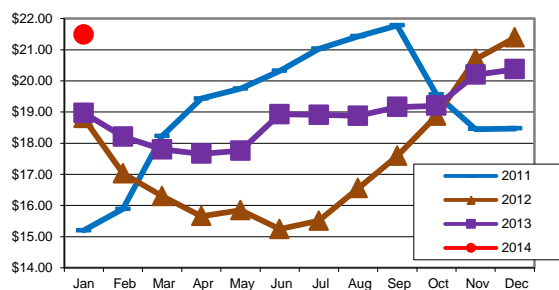
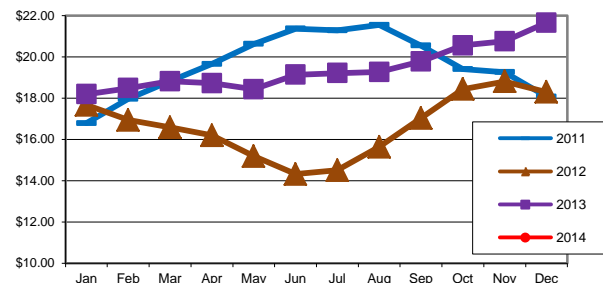
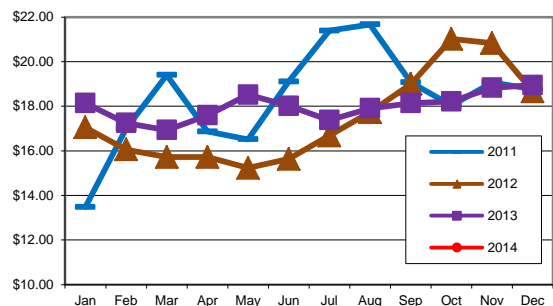
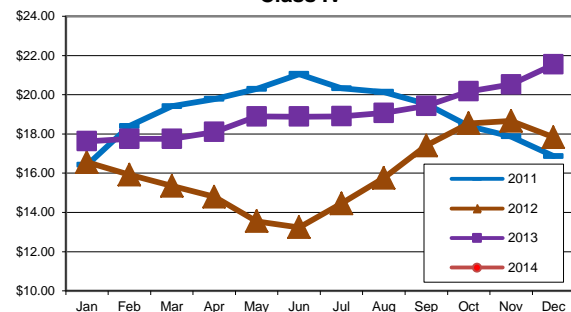
**FEDERAL MILK ORDER CLASS PRICES FOR 2013 (3.5%)**

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.97	18.21	17.80	17.66	17.76	18.93	18.91	18.88	19.16	19.20	20.20	20.37
II	18.19	18.49	18.82	18.73	18.43	19.14	19.22	19.27	19.78	20.56	20.76	21.66
III	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
IV	17.63	17.75	17.75	18.10	18.89	18.88	18.90	19.07	19.43	20.17	20.52	21.54

**FEDERAL MILK ORDER CLASS PRICES FOR 2014 (3.5%)**

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	21.48											

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

**Class I****Class II****Class III****Class IV**



## ORGANIC DAIRY MARKET NEWS

Information gathered January 6 -10, 2014

## ORGANIC DAIRY FLUID OVERVIEW

Organic dairy producers in the Northeast have been awaiting news from a national organic yogurt manufacturer based in New England, about organic milk procurement plans for 2014. The manufacturer has historically purchased all organic milk needed for operations from a Midwest based cooperative representing producers throughout most of the U.S.

The manufacturer announced on Monday that the existing sourcing arrangement would remain in effect, but the manufacturer will embark on a new strategy to generate additional organic milk supplies. The three aspects of the strategy will be to recruit new farmers into organic dairy; help conventional farmers transition to organic; and work with existing dairy farmers wishing to expand or transition ownership to the next generation.

Representatives of organic dairy producer organizations are skeptical of the likelihood for success based on information released so far, stressing that an improved organic milk pay price is the key prerequisite to achieving significant increases in organic milk production.

A viewpoint expressed is that “all the low hanging fruit has transitioned” and future transitioning will mostly be accomplished with better pay prices, especially with conventional milk economics being “relatively healthy”. Producer representatives also note that at this time, offers of technical assistance are not particularly compelling to organic dairy producers in terms of expanding, transitioning or beginning production.

The overall concern of many producers, expressed by representatives, is the need for more specifics about pay prices and who will handle logistics and balance the organic milk supply. Absent these unaddressed details concerning Monday’s announcement being made more definite, producer representatives do not expect much movement by dairy producers toward expanding the organic dairy supply in the region.

## ORGANIC DAIRY RETAIL OVERVIEW

## NATIONALLY ADVERTISED PRICE COMPARISON

**Organic Dairy Overview.** Flipping the calendar into 2014 has brought an increase in organic dairy advertising. Ads are at the highest reported level of this data series since July last year and very close to the number of ads for the first period of last year.

Organic yogurt ads in particular, increased to the highest level in over two years. This is a sharp contrast with two weeks ago when no organic yogurt ads ran. Organic milk ads have also increased to a level last reached in late September last year.

Ads appeared for only organic milk and yogurt. Organic milk accounted for 62% of ads and organic yogurt for 38%. Never during any survey period last year, were there ads only for organic milk and yogurt. There were always additional organic dairy products advertised.

Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period December 30, 2013, to January 10, 2014, identifying weekly “specials” and containing organic dairy content. Surveyed ads reflect advertised “specials” and not the range of non-advertised supermarket cooler prices.

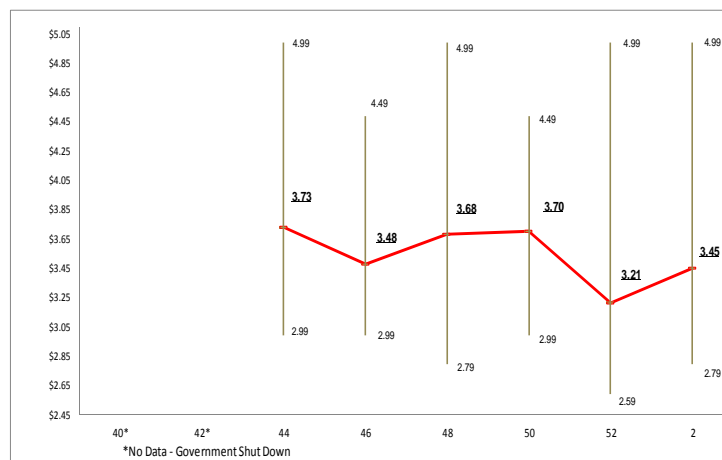
Complete results of this bi-weekly survey providing additional graphs, tables, and regional delineation, follow at the end of Dairy Market News, or can be accessed at: <http://www.ams.usda.gov/AMSV1.0/DairyRetailReport>

**Regional Organic Dairy Ad Trends.** Organic dairy ads appeared in all 6 regions. Regional ad numbers as a percentage of all ads declined in the Southwest and Northwest but increased in the other four regions, more than doubling in the Southeast.

**Organic Milk Half Gallons.** There are over five times as many ads for organic milk half gallons as gallons and 8 ounce combined. The U.S. weighted average advertised price of organic milk half gallons is \$3.45, up 24 cents from the last reported period.

The price range is unchanged at the top, \$4.99, and up 20 cents at the bottom to \$2.79. One year ago the national average price was \$3.29. The highest advertised price, \$4.99, is in the Northeast and the lowest, \$2.79, is in the South Central Region.

## Advertised Organic Milk Half Gallon Price Range and Weighted Average Advertised Price by 2013 - 2014 Week



**Organic - Conventional Milk Half Gallon Price Spread.** The national weighted average organic milk price for half gallons is \$3.45 and for conventional half-gallon milk, \$1.65. The organic-conventional half-gallon price spread is \$1.80, up 7 cents from the last period following a decrease of 32 cents two weeks ago.

**Organic Milk Gallons.** The national weighted average advertised price for organic gallons is \$5.08, down 52 cents from the last reported period. One year ago the average price of organic gallons was \$5.68.

**Organic Milk 8 Ounce.** A few ads for 8 ounce organic milk appeared in the Midwest, all priced \$1.00, up 9 cents from one year ago.

**Organic Yogurt.** About two thirds of organic yogurt ads are for 4 -6 ounce organic Greek yogurt. The national weighted average advertised price is \$1.16, up 7 cents from one year ago. 32 ounce organic yogurt ranks second in ad numbers, with an average national price of \$2.96, down 3 cents from one year ago. 4-6 ounce yogurt has a national price of 50 cents. There were no ads one year ago to compare prices.

**Social Networking Tracking Organic Milk Prices.** A Washington DC online forum for urban mothers and dads has a recently added new discussion thread titled “Where Is Organic Milk on Sale this Week? Participants in the online discussion provide store location and price updates. The website location is [www.durbanmom.com/jforum/posts/list/353328.page](http://www.durbanmom.com/jforum/posts/list/353328.page).

CONTINUED ON PAGE 8-A

## ORGANIC DAIRY MARKET NEWS

Information gathered January 6 -10, 2014

## CONTINUED FROM PAGE 8

## SUPERMARKET PRICE COMPARISON:

**Madison, Wisconsin Prices.** Non-advertised organic milk, yogurt, butter and cheese prices in a range of food stores in Madison, Wisconsin are compared for this two week period. Stores included a big-box sized local supermarket; 2 regional chain supermarkets; a smaller but full product line food market; and 2 natural food stores; a national discount big box chain store also selling food; and a large local cooperative grocery store. Organic milk available included 2 national brands, 4 private label store brands, and 3 small local or near-by creamery brands, one featuring non-homogenized milk. Cheese available included 2 national brands, 2 store brands, and cheese from 5 other cheese makers.

Organic milk in gallons and half gallons each had price reductions this period to levels lower than in some time. These price reductions occurred when organic milk was included in a protein themed promotion of a regional supermarket chain.

MADISON, WI. January 09, 2014 (REPORT 2)

INFORMATION GATHERED 12/30/2013 - 01/10/2014

**ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE  
2014 REPORTING WEEK 02**

	MADISON, WISCONSIN		
	LOW	HIGH	RANGE
	(in Dollars)		
FLUID MILK			
MILK - gallon			
Whole	4.99*	7.09	2.10*
Reduced fat (2%)	4.99*	7.09	2.10*
Low fat (1%)	4.99*	7.09	2.10*
Nonfat (Skim)	4.99*	7.09	2.10*
MILK - half gallon			
Whole	3.00*	4.89	1.89*
Reduced fat (2%)	3.00*	4.89	1.89*
Low fat (1%)	3.00*	4.89	1.89*
Nonfat (Skim)	3.00*	4.89	1.89*
FLAVMILK - half gallon			
All fat tests	3.99	5.69	1.70
YOGURT			
Yogurt - 4-6 oz			
Yogurt	0.69	1.29	0.60
CHEESE			
Cheese - 8 oz block			
Mozzarella	4.10	5.99	1.89
Mild Cheddar	4.10	5.39	1.29
Monterey Jack	3.29	5.39	2.10
Pepper Jack	3.49	5.99	2.50
Cheese - 6 oz string			
Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	5.69	1.80
BUTTER			
Butter - 1 Pound	4.89*	6.39	1.50*

\* = Price change from prior reporting period.

## ORGANIC GRAIN AND FEEDSTUFF MARKETS:

Prices for reported commodities are mostly steady as we move into the New Year. Market activity is moderate for corn and soybeans and light for all other commodities. Demand for feed grade organic corn and soybeans is good. The supply of organic hay remains very light this week. Trucking issues have been prevalent across all commodity industries the past couple of weeks due to extreme winter weather.

Additional livestock and grain market news information is available at: [www.ams.usda.gov/LSMarketNews](http://www.ams.usda.gov/LSMarketNews)

AREA and PRODUCT	2013 MONTHLY AVERAGES												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
-----													
CME GROUP													
BUTTER - DAILY TRADING													
GRADE AA	1.4933	1.5713	1.6421	1.7197	1.5997	1.5105	1.4751	1.4013	1.5233	1.5267	1.6126	1.5963	1.5560
CHEESE - DAILY TRADING													
BARRELS	1.6388	1.5880	1.5920	1.7124	1.7251	1.7184	1.6919	1.7425	1.7688	1.7714	1.7833	1.8651	1.7165
40# BLOCKS	1.6965	1.6420	1.6240	1.8225	1.8052	1.7140	1.7072	1.7493	1.7956	1.8236	1.8478	1.9431	1.7642
NONFAT DRY MILK - DAILY TRADING													
EXTRA GRADE	1.5600	1.5600	1.5600	1.6559	1.7000	1.7000	1.7225	1.7541	1.7800	1.8091	1.9121	2.0543	1.7307
GRADE A	1.5383	1.5101	1.5133	1.7395	1.7002	1.7066	1.7583	1.7939	1.8258	1.8601	1.9554	2.0762	1.7481
CHEESE													
WISCONSIN													
PROCESS AMERICAN 5# LOAF	2.2127	2.1225	2.1351	2.2378	2.2688	2.2856	2.2178	2.2976	NO	NO	2.0793	2.1108	NO
BRICK AND/OR MUENSTER 5#	2.3855	2.3178	2.2749	2.4444	2.4425	2.3419	2.2934	2.3626	SEPTEMBER	OCTOBER	2.4372	2.4973	ANNUAL
CHEDDAR 40# BLOCKS	2.5417	2.4740	2.4311	2.6058	2.6550	2.5544	2.5059	2.5751	MONTHLY	MONTHLY	2.1385	2.1985	AVERAGES
MONTEREY JACK 10#	2.5267	2.4590	2.4161	2.5908	2.6400	2.5394	2.4934	2.5626	AVERAGES	AVERAGES	2.3022	2.3623	2/
BLUE 5#	2.8630	2.7953	2.7512	2.9258	2.9750	2.8744	2.8259	2.8951	2/	2/	2.9860	3.0460	
MOZZARELLA 5 - 6#	2.5142	2.4465	2.4024	2.5770	2.6263	2.5256	2.4797	2.5489			2.5172	2.5773	
GRADE A SWISS CUTS 6 - 9#	3.4195	3.1818	3.1116	3.0315	2.9764	3.0275	3.1301	3.0988			3.0056	3.0278	
NORTHEAST													
CHEDDAR 40# BLOCKS	2.2605	2.1928	2.1499	2.3245	2.3738	2.2750	2.2272	2.2964			2.3872	2.4473	
PROCESS 5# SLICED	2.1020	2.0375	2.0501	2.1528	2.1838	2.1981	2.1278	2.2076			2.2618	2.2933	
MUENSTER	2.3180	2.2503	2.2074	2.3820	2.4313	2.3325	2.2847	2.3539			2.4447	2.5048	
GRADE A SWISS CUTS 10 - 14#	4.0020	3.7643	3.6941	3.6140	3.5589	3.6100	3.7126	3.6813			3.5906	3.6128	
WEST													
PROCESS 5# LOAF	1.9240	1.8338	1.8464	1.9491	1.9800	1.9944	1.9241	2.0039			2.0581	2.0896	
CHEDDAR 40# BLOCKS	2.0142	1.9465	1.9036	2.0777	2.1275	2.0288	1.9809	2.0501			2.1422	2.2035	
CHEDDAR 10# CUTS	2.1280	2.0603	2.0174	2.1915	2.2413	2.1425	2.0947	2.1639			2.2559	2.3173	
MONTEREY JACK 10#	2.1080	2.0403	1.9974	2.1715	2.2213	2.1225	2.0747	2.1439			2.2359	2.2973	
GRADE A SWISS CUTS 6 - 9#	3.6332	3.3955	3.3254	3.2452	3.1901	3.2413	3.3439	3.3125			3.2218	3.2440	
FLUID PRODUCTS													
CLASS II CREAM													
NORTHEAST - F.O.B.	1.6182	1.7330	1.9016	2.1099	2.0118	2.0734	2.0633	1.9984			2.1770	2.1428	
UPPER MIDWEST - F.O.B.	1.7192	1.8512	1.9190	2.0914	2.0211	1.9873	2.0272	1.9170			2.1178	2.0721	
CONDENSED SKIM - NORTHEAST - F.O.B.													
CLASS II	1.5826	1.5855	1.5386	1.5491	1.5341	1.5950	1.6893	1.7850			1.8984	1.9455	
CLASS III	1.6079	1.5663	1.5079	1.4014	1.4225	1.4963	1.5093	1.5555			1.6076	1.6540	

1/ Prices for all products are issued once a week and represent a value for the entire week. 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. **No monthly average is computed if one or more weekly prices are missing. No annual average is computed if one or more monthly average prices are missing.** 2/ USDA Dairy Market News resumed operations on Thursday, October 17, 2013. Until that date, no prices were collected or released after the October 1st government shutdown.

AREA and PRODUCT	2013 MONTHLY AVERAGES													AVERAGE
	: JAN	: FEB	: MAR	: APR	: MAY	: JUN	: JUL	: AUG	: SEP	: OCT	: NOV	: DEC		
-----														
DRY PRODUCTS														
NONFAT DRY MILK														
CENTRAL/EAST - LOW/MEDIUM HEAT	1.5723	1.5590	1.5268	1.6590	1.7023	1.7184	1.7548	1.7993	NO	NO	1.9411	2.0460	NO	
-- MOSTLY	1.5679	1.5505	1.5217	1.6288	1.7066	1.7091	1.7594	1.7864	SEPTEMBER	OCTOBER	1.9283	2.0245	ANNUAL	
CENTRAL/EAST - HIGH HEAT	1.6592	1.6488	1.6396	1.6777	1.7560	1.7922	1.8438	1.8859	MONTHLY	MONTHLY	1.9846	2.0757	AVERAGES	
WEST - LOW/MEDIUM HEAT	1.5513	1.5291	1.4995	1.6231	1.6769	1.6950	1.7565	1.7832	AVERAGES	AVERAGES	1.9076	2.0040	2/	
-- MOSTLY	1.5402	1.5175	1.4858	1.5989	1.6907	1.7056	1.7567	1.7953	2/	2/	1.9113	2.0036		
WEST - HIGH HEAT	1.6213	1.6303	1.5961	1.6463	1.7363	1.7388	1.7991	1.8493			1.9917	2.0330		
WHEY POWDER														
CENTRAL -	0.6302	0.6137	0.5830	0.5581	0.5514	0.5528	0.5486	0.5495			0.5451	0.5726		
-- MOSTLY	0.6298	0.5993	0.5538	0.5402	0.5402	0.5434	0.5441	0.5414			0.5446	0.5552		
WEST -	0.5993	0.5894	0.5768	0.5705	0.5884	0.5888	0.5907	0.5825			0.5645	0.5846		
-- MOSTLY	0.6063	0.5747	0.5611	0.5633	0.5796	0.5881	0.5916	0.5838			0.5689	0.5849		
NORTHEAST - EXTRA AND GRADE A	0.6420	0.6180	0.5899	0.5792	0.5779	0.5813	0.5898	0.5832			0.5853	0.5986		
WHEY PROTEIN CONCENTRATE														
CENTRAL AND WEST	1.2638	1.2255	1.1998	1.2736	1.3484	1.3747	1.4024	1.4011			1.5782	1.6321		
-- MOSTLY	1.2606	1.2472	1.2150	1.2378	1.2786	1.3172	1.3518	1.3670			1.6046	1.6908		
ANIMAL FEED														
CENTRAL - MILK REPLACER	0.5448	0.5280	0.4864	0.4672	0.4738	0.4738	0.4738	0.4726			0.4657	0.4693		
DRY BUTTERMILK														
CENTRAL/EAST	1.5174	1.4237	1.3821	1.4862	1.5584	1.5600	1.5869	1.6359			1.7989	1.8490		
WEST	1.4579	1.4263	1.3640	1.4585	1.5150	1.5597	1.6123	1.6802			1.7955	1.8630		
-- MOSTLY	1.4671	1.4266	1.3814	1.4457	1.5185	1.5622	1.6114	1.6795			1.7589	1.8376		
DRY WHOLE MILK														
NATIONAL	1.7714	1.7215	1.7270	1.8409	1.8900	1.8763	1.8818	1.9455			2.0013	2.0667		
LACTOSE														
CENTRAL AND WEST	0.7414	0.6745	0.6376	0.6044	0.6080	0.6350	0.6281	0.5943			0.5937	0.6324		
-- MOSTLY	0.7314	0.7187	0.6838	0.6439	0.6450	0.6450	0.6310	0.6393			0.6430	0.6362		
CASEIN														
RENNET	4.1619	4.2474	4.2500	4.5080	4.5659	4.6750	4.8000	4.8227			4.8500	4.8548		
ACID	4.6250	4.6724	4.6750	4.7580	4.8784	5.0000	5.0500	5.0727			5.1000	5.1048		

1/ Prices for all products are issued once a week and represent a value for the entire week. 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. **No monthly average is computed if one or more weekly prices are missing. No annual average is computed if one or more monthly average prices are missing.** 2/ USDA Dairy Market News resumed operations on Thursday, October 17, 2013. Until that date, no prices were collected or released after the October 1st government shutdown.



## NOVEMBER 2013 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 143 million pounds, 0.1 percent below November 2012 and 2.3 percent below October 2013. **AMERICAN TYPE CHEESE** production totaled 355 million pounds, 2.7 percent below November 2012 and 3.7 percent below October 2013. **TOTAL CHEESE** output (excluding cottage cheese) was 941 million pounds, 2.9 percent above November 2012 but 3.1 percent below October 2013. **NONFAT DRY MILK** production, for human food, totaled 100 million pounds, 13.6 percent below November 2012 but 16.7 percent above October 2013. **DRY WHEY** production, for human food, was 74.4 million pounds, 7.0 percent above November 2012 and 5.2 percent above October 2013. **ICE CREAM** (hard) production totaled 52.3 million gallons, 3.3 percent below November 2012 and 19.3 percent below October 2013.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	NOV 2013	PERCENT CHANGE FROM:			PRODUCT	NOV 2013	PERCENT CHANGE FROM:		
	1,000 LBS.	NOV 2012	OCT 2013	YEAR TO DATE 1/		1,000 LBS.	NOV 2012	OCT 2013	YEAR TO DATE 1/
BUTTER	142,755	-0.1	-2.3	1.2	YOGURT (PLAIN AND FLAVORED)	324,407	4.4	-11.6	5.2
CHEESE					DRY WHEY, HUMAN FOOD	74,360	7.0	5.2	---
AMERICAN TYPES 2/	354,545	-2.7	-3.7	1.8	DRY WHEY, ANIMAL FEED	715	-78.3	-39.8	---
CHEDDAR	250,351	-3.4	-6.2	2.0	DRY WHEY, TOTAL 8/	75,075	3.1	4.4	-6.3
OTHER AMERICAN	104,194	-1.2	2.9	---	REDUCED LACTOSE AND MINERALS				
BRICK & MUENSTER	15,655	15.9	-2.2	---	HUMAN FOOD	2,555	35.7	6.8	---
CREAM & NEUFCHATEL	77,059	0.6	-1.9	---	ANIMAL FEED	5,259	4.3	-0.1	---
HISPANIC	20,088	11.6	-3.1	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	83,611	4.2	-5.0	2.4
TOTAL ITALIAN TYPES	414,515	7.8	-4.0	3.6	WHEY PROTEIN CONCENTRATE				
MOZZARELLA	320,011	7.6	-3.8	3.4	HUMAN FOOD 9/	41,499	22.0	-6.2	---
OTHER ITALIAN	94,504	8.7	-4.5	---	ANIMAL FEED 9/	575	-68.0	-83.9	---
SWISS	23,603	-5.5	-1.4	---	TOTAL 9/	42,074	17.5	-12.0	10.0
ALL OTHER TYPES	35,197	9.3	11.7	---	25.0-49.9 PERCENT 10/	24,581	27.6	-13.6	---
TOTAL	940,662	2.9	-3.1	2.5	50.0-89.9 PERCENT 10/	17,493	5.7	-9.7	---
COTTAGE CHEESE, CURD 3/	30,787	-2.1	-7.2	---	WHEY PROTEIN ISOLATES 11/	7,497	35.6	-2.9	---
COTTAGE CHEESE, CREAM 4/	24,352	-2.3	-8.4	-4.1					
COTTAGE CHEESE, LOWFAT 5/	27,738	-0.9	-11.8	-3.3	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
DRY BUTTERMILK	8,129	-6.5	-3.9	---	ICE CREAM (HARD)	52,321	-3.3	-19.3	-0.7
DRY WHOLE MILK	5,305	1.9	-29.7	---	ICE CREAM, LOWFAT (HARD)	13,070	22.7	-9.5	---
MILK PROTEIN CONC. (MPC), TOTAL 6/	4,610	-48.1	-29.8	---	ICE CREAM, LOWFAT (SOFT)	11,740	-30.5	-17.7	---
NONFAT DRY MILK (NDM), HUMAN	100,126	-13.6	16.7	-15.6	ICE CREAM, LOWFAT (TOTAL)	24,810	-9.9	-13.6	-12.0
SKIM MILK POWDERS (SMP) 7/	56,391	26.1	-9.6	67.2	SHERBET, HARD	2,529	2.7	-23.6	5.1
SOUR CREAM	120,602	-3.0	2.6	-0.2	FROZEN YOGURT (TOTAL)	4,429	-8.5	-17.3	-6.2

## MANUFACTURERS' STOCKS, END OF MONTH 12/

PRODUCT	NOV 2013	PERCENT OF:		PRODUCT	NOV 2013	PERCENT OF:	
	1,000 LBS.	NOV 2012	OCT 2013		1,000 LBS.	NOV 2012	OCT 2013
DRY WHEY, HUMAN FOOD	55,249	44.0	6.8	WHEY PROTEIN CONCENTRATE			
DRY WHEY, ANIMAL FEED	565	-79.0	-56.8	HUMAN FOOD 9/	42,172	-14.3	-14.6
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 13/	6,270	15.3	8.4	ANIMAL FEED 9/	1,177	-48.0	5.8
LACTOSE, HUMAN FOOD & ANIMAL FEED	87,435	0.0	-3.6	TOTAL 9/	43,349	-15.8	-14.1
DRY BUTTERMILK	7,338	-43.7	-14.8	25.0-49.9 PERCENT 10/	18,623	-27.6	-3.5
NONFAT DRY MILK (NDM), HUMAN FOOD	118,199	-6.7	6.5	50.0-89.9 PERCENT 10/	24,726	-4.0	-20.7
				WHEY PROTEIN ISOLATES 11/	9,698	14.0	-4.8

1/ 2013 cumulative as percent change of 2012 cumulative. 2/ Includes Cheddar, Colby, Monterey and Jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Dry milk protein concentrate, 40-89.9 percent. 7/ Includes protein standardized and blends. 8/ Excludes all modified dry whey products. 9/ Whey protein concentrate, 25.0 to 89.9 percent. 10/ Whey protein concentrate, human and animal. 11/ Whey protein isolates, 90.0 percent or greater. 12/ Stocks held by manufacturers at all points and in transit. 13/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

**Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Dairy Products, January 2014*.

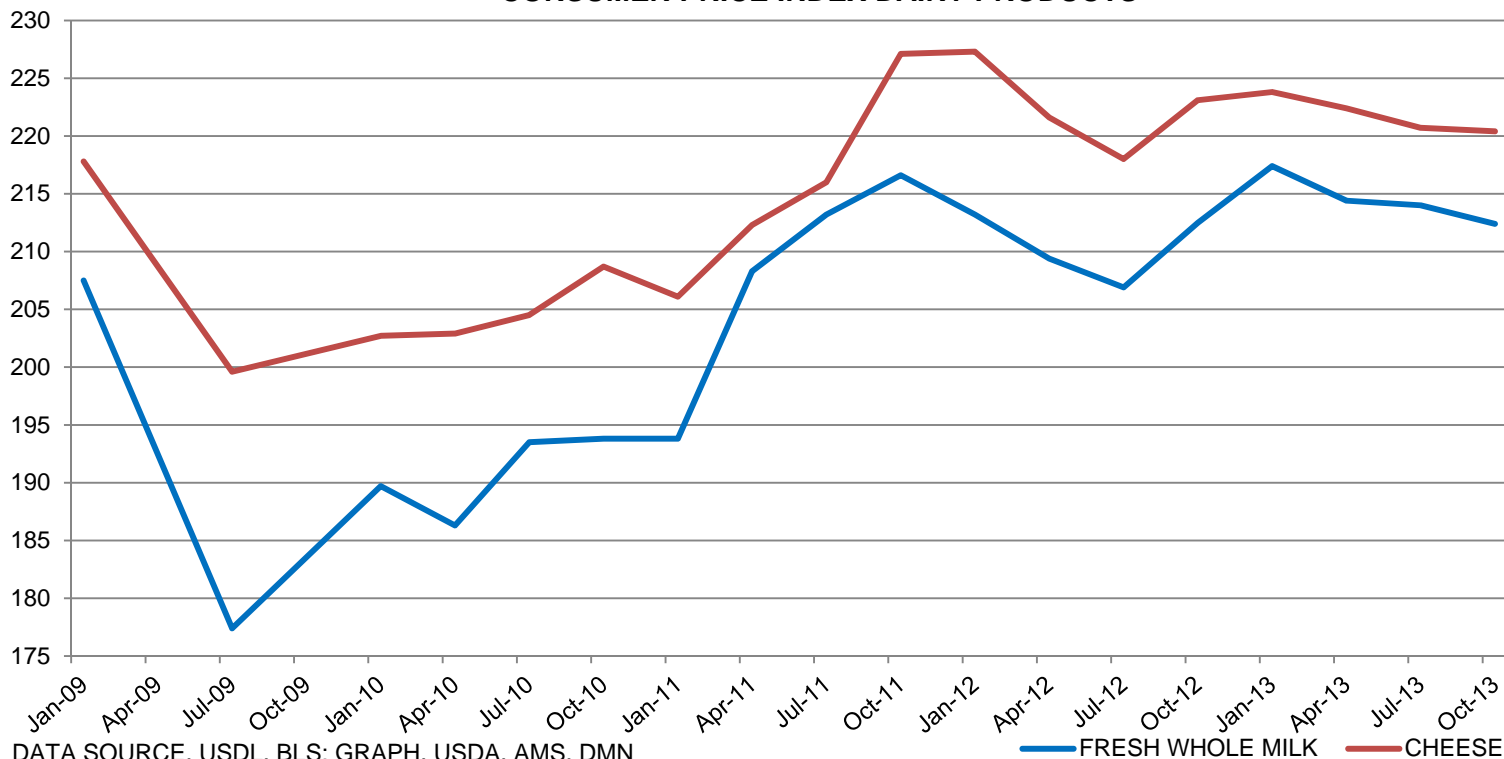
CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE <sup>1/</sup>

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>
SEP 2013	237.5	1.4	217.0	0.8	212.9	2.2	221.9	0.8	198.5	0.3	238.4	2.9
OCT 2013	237.9	1.3	216.6	-0.2	212.4	0.0	220.4	-1.2	197.8	0.9	239.8	3.0
NOV 2013	237.6	1.2	217.5	-0.7	216.7	-0.6	221.2	-0.9	194.5	-2.1	238.8	2.8
<b>U.S. City Average Retail Prices</b>												
Month	Whole Milk <sup>4/</sup>		Butter <sup>5/</sup>		Process Cheese <sup>6/</sup>		Natural Cheese <sup>7/</sup>		Ice Cream <sup>8/</sup>			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Dollars											
SEP	3.428	3.469	N/A	N/A	4.137	4.127	5.433	5.575	4.795	4.893		
OCT	3.462	3.524	N/A	N/A	4.088	4.093	5.390	5.635	4.945	5.128		
NOV	3.491	3.536	N/A	N/A	4.317	4.188	5.391	5.833	4.885	5.036		

N/A = Not available. <sup>1/</sup> "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. <sup>2/</sup> The standard reference base period for these indexes is 1982-1984 = 100. <sup>3/</sup> Percent change over previous year. <sup>4/</sup> Per gallon. <sup>5/</sup> Per pound. Grade AA, salted, stick butter. <sup>6/</sup> Per pound, any size and type of package. <sup>7/</sup> Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). <sup>8/</sup> Per 1/2 gallon prepackaged regular.

## CONSUMER PRICE INDEX DAIRY PRODUCTS

1982 -1984=100

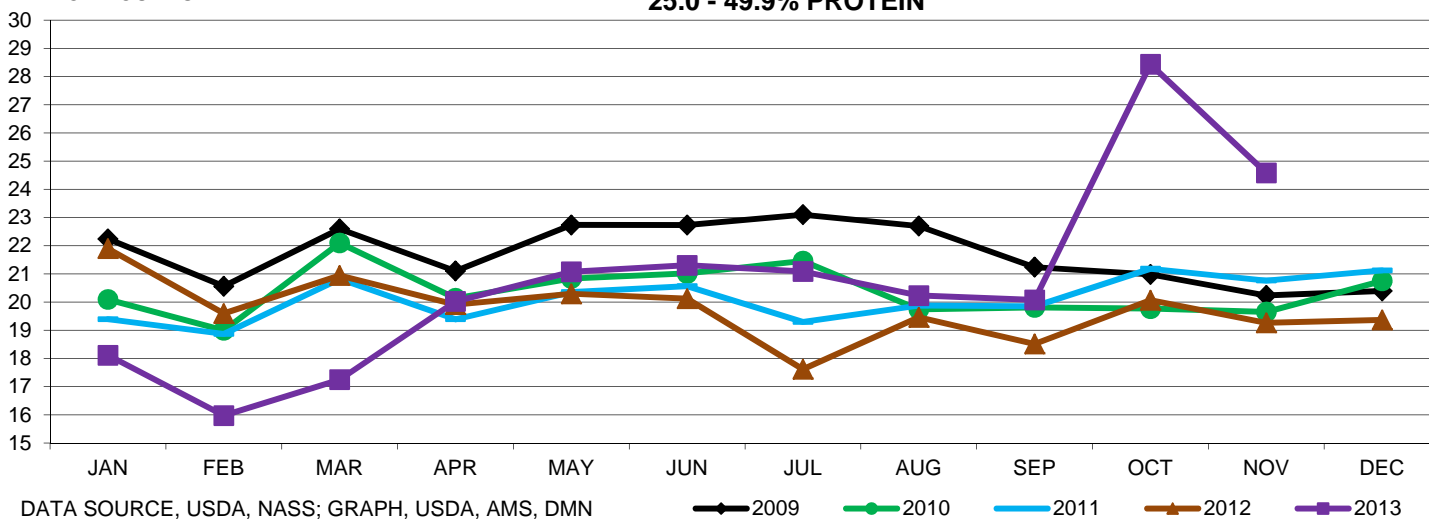


DATA SOURCE, USDL, BLS; GRAPH, USDA, AMS, DMN

— FRESH WHOLE MILK — CHEESE

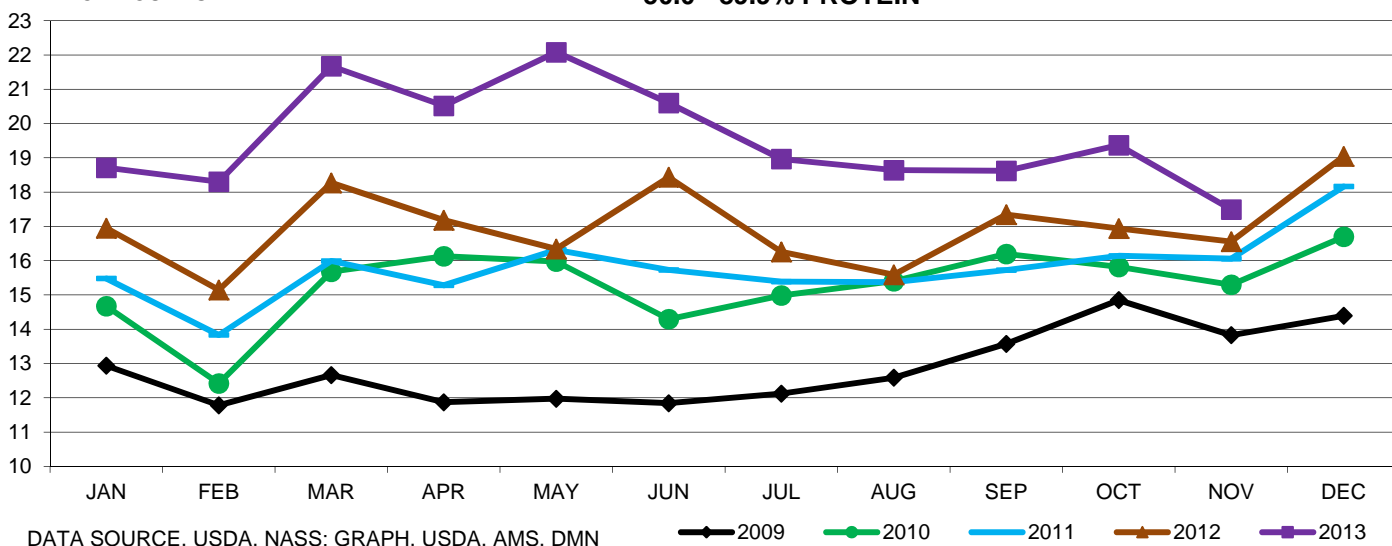
### U.S. TOTAL DRY WPC PRODUCTION, HUMAN AND ANIMAL, 25.0 - 49.9% PROTEIN

MILLION POUNDS



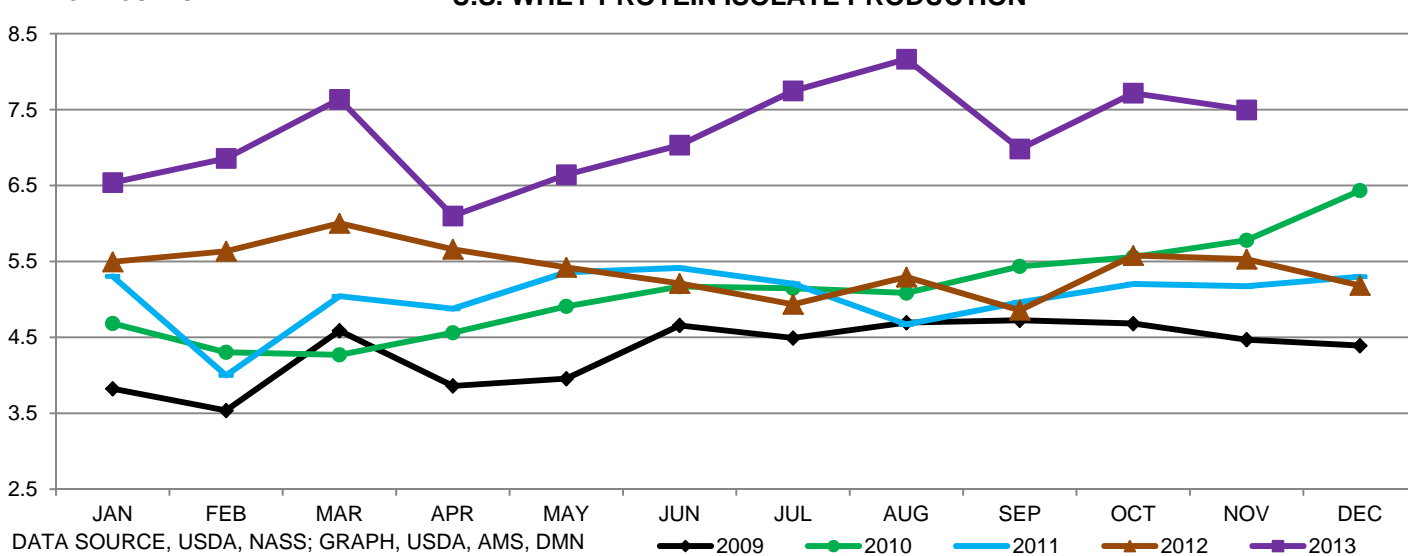
### U.S. TOTAL DRY WPC PRODUCTION, HUMAN AND ANIMAL, 50.0 - 89.9% PROTEIN

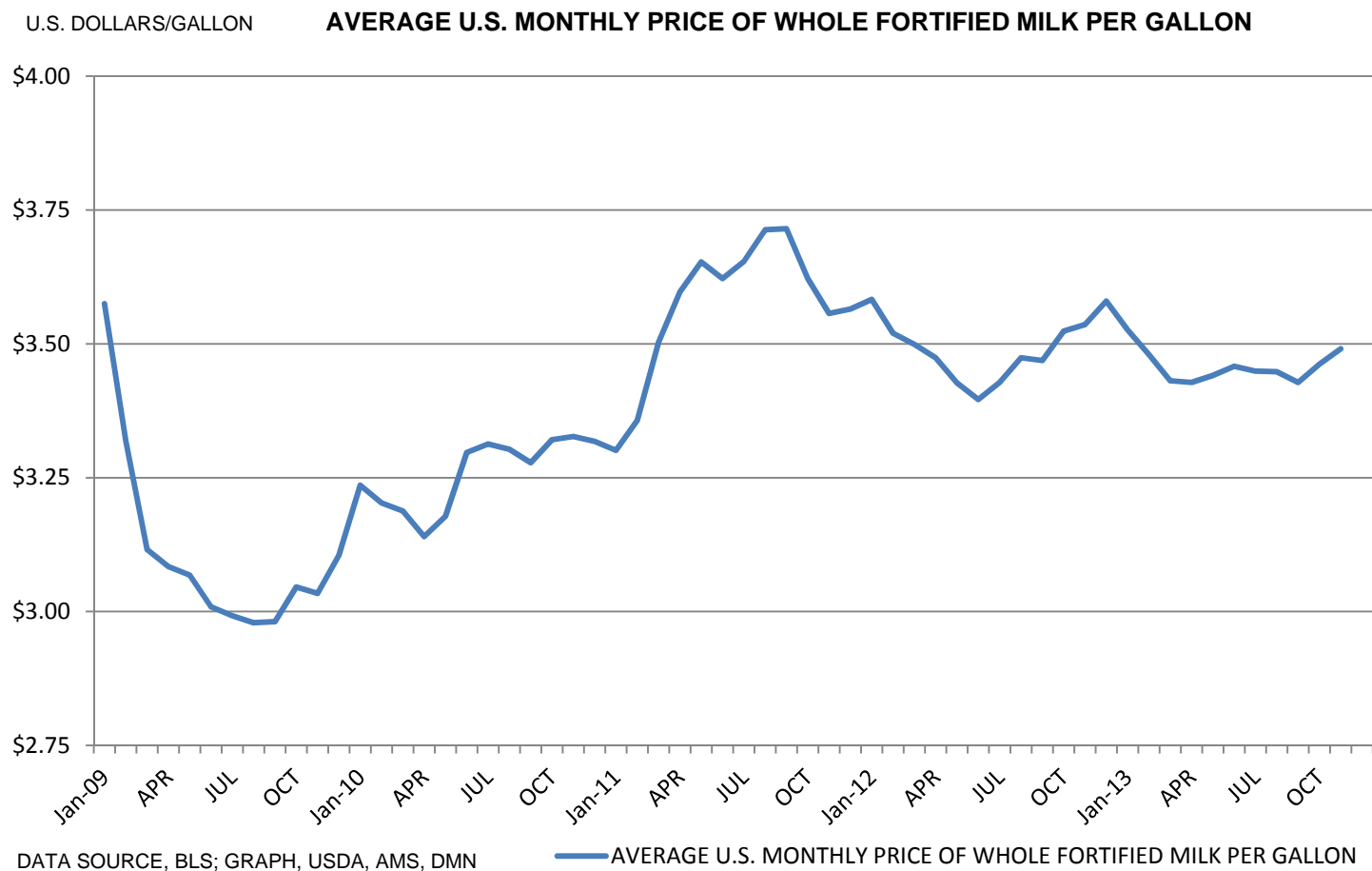
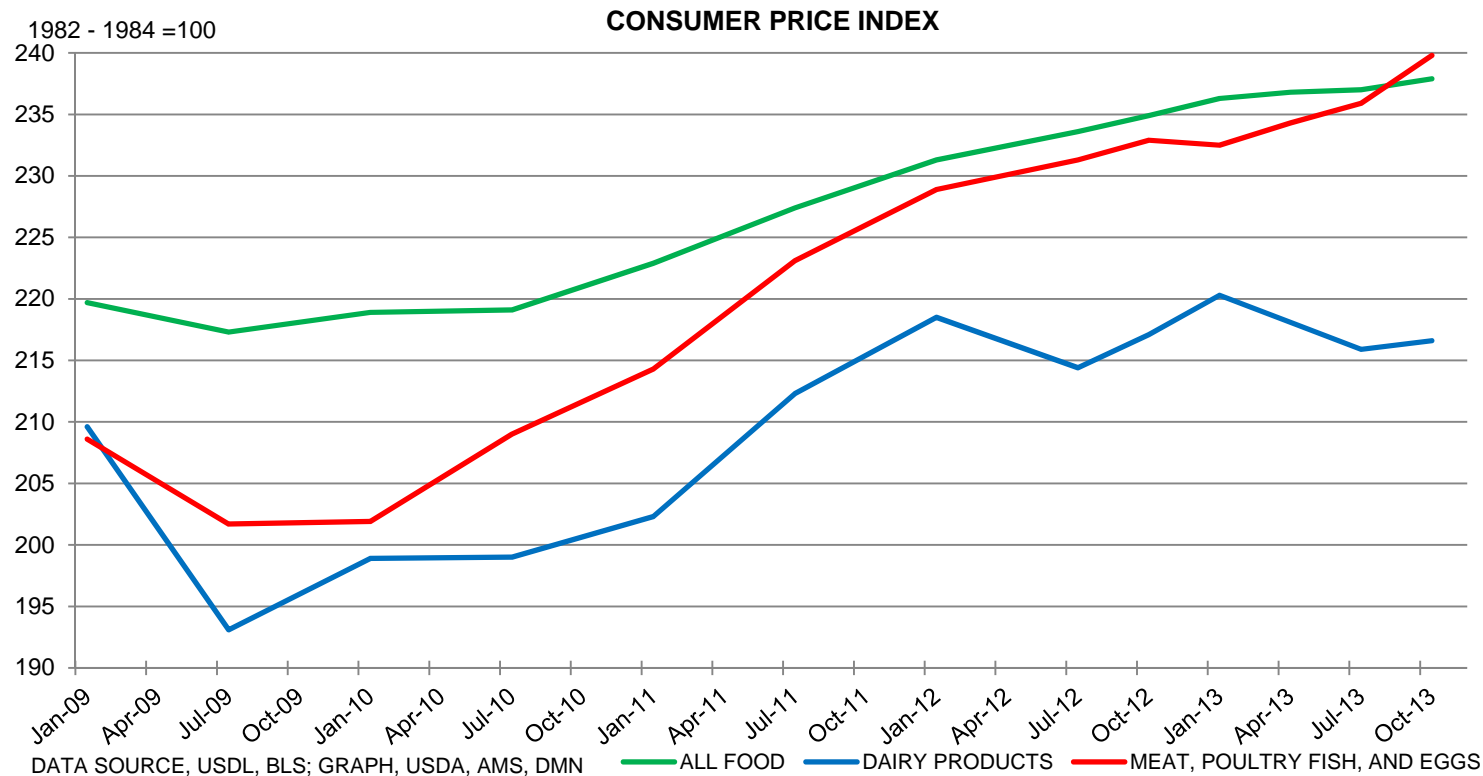
MILLION POUNDS



### U.S. WHEY PROTEIN ISOLATE PRODUCTION

MILLION POUNDS









## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Dairy Retail Report

Websites: <http://www.marketnews.usda.gov/portal/da> and <http://www.ams.usda.gov/mnreports/dybretail.pdf>

Volume 81- Number 02

Issued Biweekly

Thursday, January 9, 2014

### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 12/30 to 01/10

Three of every four ads are for yogurt, cheese or ice cream. Holiday themed ads are in the past, with egg nog ads having nearly disappeared. Cream cheese ads are slightly less than 1/4 the number of ads two weeks ago and sour cream ads are about 1/3. Total ad numbers are down 12% from two weeks ago and down nearly as much from a year ago.

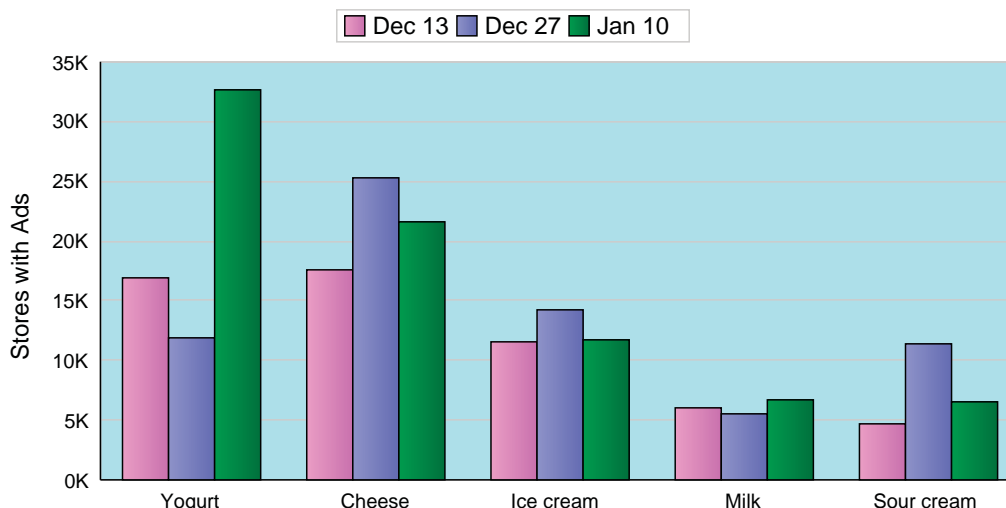
Yogurt ads are up over 1 and 1 / 2 times the number two weeks ago, comprising over 1 in every 3 ads. Greek yogurt in 4-6 ounce containers leads the category in numbers, with a weighted average advertised price of 98 cents, 2 cents below last period and 1 cent below last year. Second highest in numbers, 4-6 ounce yogurt, has a price of 49 cents, 3 cents below last period but even with last year.

Cheese has slipped to the second most advertised dairy product, with ad numbers down 15%. Ads for 8 oz. blocks have narrowly moved into the position of the most numerous of the 5 types of cheese, with an average price up 2 cents to \$2.29, which is 20 cents below last year. 8-ounce shredded, at \$2.39, is up 20 cents from two weeks ago but down 8 cents from last year.

Ice cream ad numbers have declined by 18% from two weeks ago. The current average price for 48-64 oz. containers, \$3.17, is 23 cents above two weeks ago and 11 cents above last year.

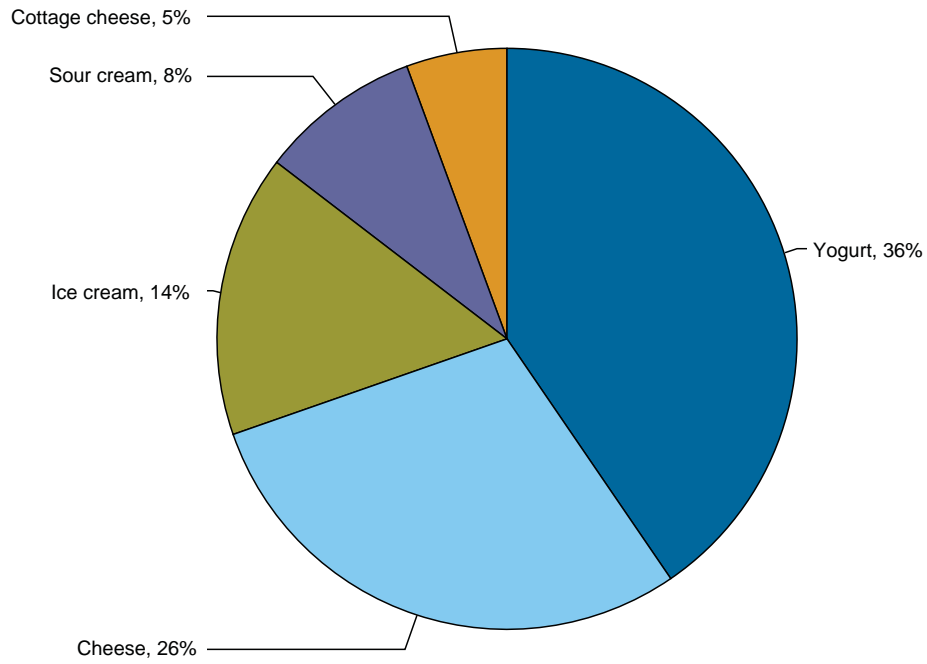
The national weighted average conventional milk price for half gallons is \$1.65 and for organic half-gallon milk, \$3.45. The organic-conventional half-gallon price spread is \$1.80, up 7 cents from the last period, which was down 32 cents from four weeks ago.

Top 5 Commodities Featured

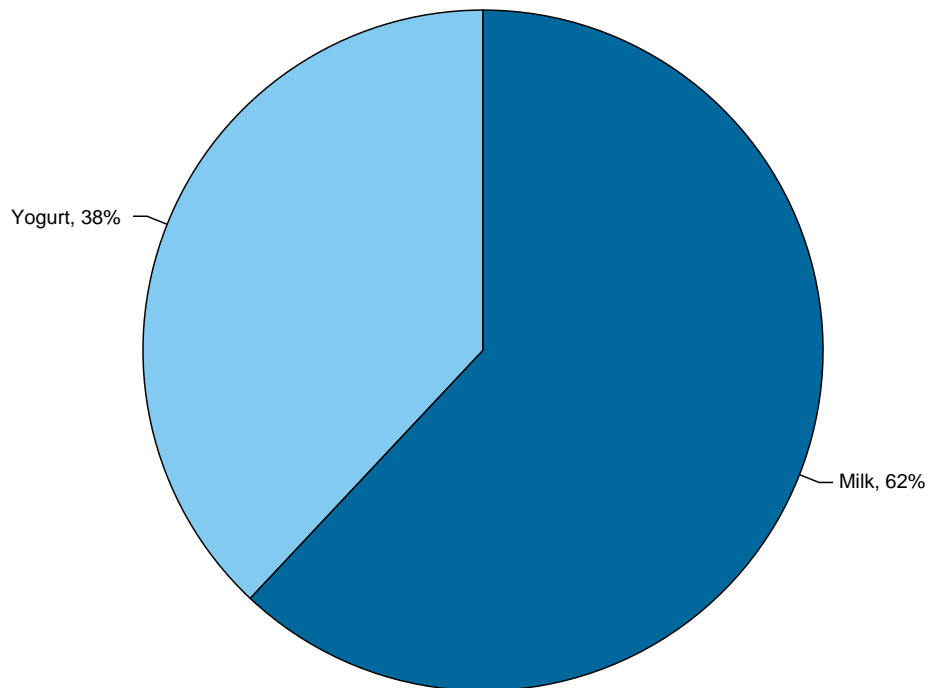


1 -- Dairy Market News surveys nearly 100 retailers, comprising over 14,000 individual stores, with online weekly advertised features.  
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

### Top 5 Percentage of Total Conventional Ads



### Top 5 Percentage of Total Organic Ads





## NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	2542	2.88	10926	2.48	3900	2.93
Cheese	Natural Varieties	8 oz block	9123	2.29	10544	2.27	6372	2.49
Cheese	Natural Varieties	1 # block	1092	4.07	1391	3.10	3139	4.00
Cheese	Natural Varieties	2 # block	1325	6.11	2276	7.02	3165	5.17
Cheese	Natural Varieties	8 oz shred	8591	2.39	10674	2.19	7869	2.47
Cheese	Natural Varieties	1 # shred	1403	3.46	467	4.21	2352	3.32
Cottage cheese		16 oz	4001	1.90	915	1.98	3417	1.96
Cream cheese		8 oz	2533	1.58	11201	1.32	4252	1.80
Egg nog		quart	160	3.27	1645	2.43		
Egg nog		half gallon	71	4.79	4211	3.44		
Flavored milk	All fat tests	half gallon	882	2.93	480	2.69	712	2.25
Flavored milk	All fat tests	gallon	71	3.65			542	3.88
Ice cream		48-64oz	11720	3.17	14314	2.94	13090	3.06
Milk	All fat tests	half gallon	252	1.65	172	1.48	1787	2.30
Milk	All fat tests	gallon	2010	3.07	1247	2.86	3789	3.02
Sour cream		16 oz	6558	1.57	11308	1.52	4870	1.55
Yogurt	Greek	4-6 oz	16799	.98	8638	1.00	17819	.99
Yogurt	Greek	32 oz	2100	3.37	1410	5.01	202	3.99
Yogurt	Yogurt	4-6 oz	9906	.49	995	.52	12801	.49
Yogurt	Yogurt	32 oz	1149	2.73	803	2.02	1908	2.52

## 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 #	2.29-3.79	663	3.40	2.50-2.97	1407	2.90	1.79-2.50	270	2.25
Cheese	Natural Varieties	8 oz block	1.50-3.00	1962	2.34	1.99-2.50	4929	2.29	1.49-2.00	661	1.93
Cheese	Natural Varieties	1 # block	3.99-5.99	547	4.87				3.29	89	3.29
Cheese	Natural Varieties	2 # block	5.00	112	5.00	5.00	58	5.00			
Cheese	Natural Varieties	8 oz shred	1.99-3.00	2232	2.70	1.99-3.00	3828	2.29	1.66-2.50	1182	2.02
Cheese	Natural Varieties	1 # shred	4.39	71	4.39				3.29-3.99	254	3.74
Cottage cheese		16 oz	1.79-2.79	1984	2.14	1.49-1.79	190	1.59	1.25-2.50	651	1.64
Cream cheese		8 oz	0.79-2.50	1498	1.68	1.50-1.99	143	1.76	0.99-1.99	474	1.43
Egg nog		quart	2.99	71	2.99				3.50	89	3.50
Egg nog		half gallon	4.79	71	4.79						
Flavored milk	All fat tests	half gallon	2.39-3.29	558	3.11	2.50	53	2.50	2.50-3.00	271	2.63
Flavored milk	All fat tests	gallon	3.65	71	3.65						
Ice cream		48-64oz	1.99-3.99	3307	2.87	2.39-4.99	4381	3.20	2.50-4.44	1370	3.06
Milk	All fat tests	half gallon	1.98	71	1.98				2.50	62	2.50
Milk	All fat tests	gallon	3.49-4.19	311	3.77	3.00-3.99	128	3.45	2.49-3.00	340	2.70

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	0.99-2.50	1967	1.66	0.99-2.00	3348	1.60	1.48-2.00	263	1.67
Yogurt	Greek	4-6 oz	0.88-1.33	3893	1.00	0.88-1.00	5259	.97	0.87-1.00	2282	.99
Yogurt	Greek	32 oz	2.99-4.79	493	4.02	2.99	58	2.99	2.99	85	2.99
Yogurt	Yogurt	4-6 oz	0.38-0.60	2441	.49	0.34-0.60	3031	.48	0.33-0.50	1409	.45
Yogurt	Yogurt	32 oz	1.99-3.79	306	3.37						

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 #							1.90	202	1.90
Cheese	Natural Varieties	8 oz block	1.79-2.50	575	2.17	2.50	676	2.50	1.50-2.99	320	2.44
Cheese	Natural Varieties	1 # block				2.99-3.99	376	3.24	3.33	80	3.33
Cheese	Natural Varieties	2 # block				5.00-7.99	777	6.69	5.00-6.99	378	5.42
Cheese	Natural Varieties	8 oz shred	1.88-2.50	325	2.05	2.00-2.50	772	2.44	2.99-3.99	252	3.19
Cheese	Natural Varieties	1 # shred	2.99	291	2.99	2.99-3.99	707	3.47	3.33	80	3.33
Cottage cheese		16 oz	1.25	276	1.25	1.25-2.49	568	1.82	1.25-1.99	332	1.81
Cream cheese		8 oz	1.99	88	1.99	1.00	128	1.00	1.25	202	1.25
Ice cream		48-64oz	3.33-4.99	742	4.12	2.99-3.99	1168	3.30	1.99-4.99	752	3.33
Milk	All fat tests	half gallon				1.00	119	1.00			
Milk	All fat tests	gallon	2.19-2.29	234	2.24	1.99-3.70	649	3.25	2.79-3.49	348	2.89
Sour cream		16 oz	1.25-1.50	153	1.34	1.25-1.50	495	1.37	0.99-1.50	332	1.14
Yogurt	Greek	4-6 oz	0.88-1.00	1386	.97	0.79-1.19	2971	.96	0.88-1.00	1008	.96
Yogurt	Greek	32 oz	2.99-3.98	517	3.53	2.99	649	2.99	2.99	298	2.99
Yogurt	Yogurt	4-6 oz	0.44-0.50	733	.49	0.49-0.50	1712	.50	0.50	580	.50
Yogurt	Yogurt	32 oz	2.29	118	2.29	1.88-2.99	405	2.55	2.00-2.79	320	2.50

## NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #			248	4.82	1100	4.07
Egg nog		quart			323	3.84		
Ice cream		48-64oz					100	6.89
Milk	All fat tests	half gallon	3648	3.45	2602	3.21	3417	3.29
Milk	All fat tests	gallon	543	5.08	1485	5.60	342	5.68
Milk	All fat tests	8 oz UHT	165	1.00			881	.91
Sour cream		16 oz			56	2.99		
Yogurt	Greek	4-6 oz	1783	1.16			1180	1.09

Wtd Avg - Simple weighted average





Yogurt	Yogurt	4-6 oz	143	.50				
Yogurt	Yogurt	32 oz	769	2.96			235	2.99

## 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
Milk	All fat tests	half gallon	3.49-4.99	354	3.84	2.99-3.49	421	3.06	2.99-4.29	535	3.28
Milk	All fat tests	gallon	3.49-5.99	183	4.46	4.99	195	4.99	5.88	165	5.88
Milk	All fat tests	8 oz UHT							1.00	165	1.00
Yogurt	Greek	4-6 oz	4.99	71	4.99	1.00	1298	1.00	1.00	361	1.00
Yogurt	Yogurt	4-6 oz	0.50	68	.50						
Yogurt	Yogurt	32 oz				3.00	195	3.00	2.99	89	2.99

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon	2.79-3.49	610	3.17	3.19-3.99	1146	3.71	2.99-3.79	582	3.42
Yogurt	Greek	4-6 oz	1.00	53	1.00						
Yogurt	Yogurt	4-6 oz				0.50	75	.50			
Yogurt	Yogurt	32 oz	2.99	276	2.99	2.74-2.99	209	2.88			

Notice: Effective with Report 12, 2013, the tables breaking out information by national and store brands are no longer available.

## 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
NATIONAL	Continental United States

# DAIRY MARKET NEWS

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