NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (1/24):
BUTTER: Grade AA closed at $1.8900. The weekly average for Grade AA is $1.9000 (+.1260).
CHEESE: Barrels closed at $2.2750 and 40# blocks at $2.3100. The weekly average for barrels is $2.2475 (+.0710) and blocks, $2.2794 (+.0679).

BUTTER HIGHLIGHTS: Butter churn operators across the U.S. regions continue to churn at levels greater than seasonal trends. The market has a firm tone as exceptional demand is inhibiting many manufacturers from rebuilding low inventories. Butter makers are busy filling good 82% orders for export. Domestic demand is above expectations in the Central and Northeast, but a litter slower in the West. Bulk butter prices ranged 6-8 over the market in the Northeast, flat to 8 cents over in the Central, and market to 4 under in the West, based on the CME. The Grade AA butter price at the CME Group reached $1.9400 on Wednesday before declining, and closed at $1.8900 Friday, 3.75 cents above last Friday. The NATIONAL DAIRY RETAIL REPORT noted the national weighted average advertised price for a 1 lb. package of butter was $2.85, a decrease of 3 cents from two weeks ago, but 22 cents higher than a year ago. Regionally, the best deal was found in the Northeast, at $1.99, while the most expensive butter reported was also in the Northeast at $3.79. The number of ads nationally went down 3%. The NASS COLD STORAGE showed U.S. butter stocks as of December 31, 2013 were 111.4 million pounds, down 27% or 41.6 million pounds from a year ago. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 2.46 million pounds of butter.

CHEESE HIGHLIGHTS: Cheese production is mixed across the country as record high cheese prices have buyers and sellers trying to develop new strategies. While milk supplies are increasing seasonally, the increases are not moving solely to cheese manufacturers. Class IV interest continues to pull milk away from cheese plants. The higher prices have reduced some domestic cheese demand. Very good export sales, often made last year and being delivered in the first quarter of 2014, are keeping supplies of cheese tight. According to NASS, U.S. stocks of cheese (total natural) at the end of December are 1.009 billion pounds, 1% less than a year earlier. Thursday and Friday saw new record high daily spot prices at the CME Group. Barrels and blocks both surpassed previous record prices established the last week of May in 2008. Barrels closed at $2.2750 (+$.0250 to the previous 2008 record) and blocks closed at $2.3100 (also +$.0250 to the 2008 record) on Friday.

FLUID MILK: Across all regions of the country, farm milk production is on the rise. In the areas experiencing cold weather, weekly farm milk increases are less pronounced as dairy cows use feed energy to maintain body warmth instead of adding to milk production. With school pipelines full, fluid milk demand is at seasonal levels in most areas of the country. In a few areas, winter storms are causing short-term spikes in bottled milk demand. Supplies of manufacturing milk are trending higher. A few cheese plant managers in the Central region indicate, though, that additional loads of milk are difficult to obtain. Some managers have also looked for UF milk to enhance cheese production, but loads of UF have also been scarce. Cream interest is steady to higher into ice cream and frozen dessert facilities as those operations start rebuilding inventories. Butter manufacturers are actively looking for cream on the spot market as internal supplies are generally short of volumes needed to churn at full capacity. Livestock auctions in the West show strengthening prices for dairy heifers since the beginning of January. In most regions, operating margins have improved through Q4 of 2013 and into January 2014 as milk price trends remain strong and near term feed input costs decline.

DRY PRODUCTS: Nonfat dry milk prices are mixed. The market tone is steady to firm. Supplies are tight. Manufacturing in the East improved following hampering winter weather effects on some of the region’s plant production schedules. The dry buttermilk prices for the Central and East increased. Dry buttermilk prices in the West are unchanged to higher. Prices for dry whole milk are unchanged to higher. Dry whey prices are up in all the regions. Domestic and export demand are active. Lactose prices are steady. Ground lactose is in shorter supply than unground. Prices for whey protein concentrate 34% are unchanged to higher, with the whey stream being directed into higher protein products. Prices for acid and rennet casein are unchanged.

ORGANIC DAIRY MARKET NEWS (DMN): The U.S. weighted average advertised price of organic milk half gallons is $3.41, down 4 cents from two weeks ago. One year ago the national average price was $3.57. The national weighted average organic milk

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*****SPECIALS THIS ISSUE*****

CME GROUP CASH TRADING

COMMODITY	MONDAY JAN 20	TUESDAY JAN 21	WEDNESDAY JAN 22	THURSDAY JAN 23	FRIDAY JAN 24	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS		$2.2150 (+.0125)	$2.2425 (+.0275)	$2.2575 (+.0150)	$2.2750 (+.0175)	(+.0725)	$2.2475 (+.0710)
	HOLIDAY						
40# BLOCKS		$2.2425 (+.0125)	$2.2700 (+.0275)	$2.2950 (+.0250)	$2.3100 (+.0150)	(+.0800)	$2.2794 (+.0679)
NONFAT DRY MILK							
EXTRA GRADE		$2.0900 (+.0100)	$2.0900 (N.C.)	$2.0900 (N.C.)	$2.0900 (N.C.)	(+.0100)	$2.0900 (+.0150)
	NO						
GRADE A	TRADING	$2.1025 (+.0050)	$2.0850 (-.0175)	$2.0700 (-.0150)	$2.0500 (-.0200)	(-.0475)	$2.0769 (+.0014)
BUTTER							
GRADE AA		$1.8700 (+.0175)	$1.9400 (+.0700)	$1.9000 (-.0400)	$1.8900 (-.0100)	(+.0375)	$1.9000 (+.1260)

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

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price for half gallons is $3.41, resulting in an organic-conventional half -gallon price spread of $1.44, down 36 cents from the last period and the narrowest price spread since last July. One year ago the price spread was $1.56. The national weighted average advertised price for organic gallons is $5.80, up 72 cents from the last reported period. One year ago there were no ads for organic gallons. 8 ounce organic milk has a national weighted average advertised price of 91 cents, down 9 cents from two weeks ago. One year ago the average price was $1.01. The national weighted average advertised price of 4-6 ounce yogurt is $.67, up 17 cents from two weeks ago. There were no ads one year ago. 4-6 ounce organic Greek yogurt has an average price of $1.14, down 2 cents from two weeks ago and down 20 cents from one year ago. 32 ounce organic yogurt has an average price of $3.79, 83 cents above two weeks ago and 76 cents above one year ago. A new initiative was recently announced, with the goal of increasing demand for organic milk, by introducing organic dairy branded packaged food with all organic dairy components into a marketplace where the competition uses few organic dairy components. A national organic dairy brand which has been procuring organic milk from over 600 organic farms and selling branded organic milk, butter, cheese, cream, yogurt, cream cheese and cottage cheese, has just expanded offerings and entered the market for organic packaged dinners under its organic dairy brand. The same organic dairy firm this month also announced formation of a joint venture with an existing dairy company located in China. A goal of the joint venture is to manufacture, market and sell products including organic dairy products, originating in the United States, in China. The Chinese joint venture partner has 52 production plants throughout China, as well as a sales network and known brands to Chinese consumers. This joint venture was undertaken by the U.S. organic dairy brand with the expectation of increasing export demand for U.S. produced organic dairy products.

NATIONAL DAIRY RETAIL REPORT (DMN): Dairy ad numbers overall are down. Of the three most advertised dairy categories, yogurt ads fell by nearly 1/3, cheese ads are down by 15%, but ice cream numbers increased slightly. 4-6 ounce Greek yogurt ads lead the yogurt category, with increasing offerings of 5.3 ounce size containers. The weighted average advertised price, $.97, is down 1 cent from 2 weeks ago and down 4 cents from a year ago. Prices range from as low as $.50 in the Southwest, to as high as $1.29 in the Northeast, a 79 cent price range. The bulk of remaining yogurt ads are for 4-6 ounce yogurt, with an average price of $.52, up 3 cents from two weeks ago and up 2 cents from last year. Although overall cheese ad numbers declined, among the top 2 cheese categories, 8 ounce shredded, the most advertised category, only decreased slightly. The average price, $2.31, is down by 8 cents from two weeks ago and down by 13 cents from last year. The second largest cheese category, 8 ounce block, is down 1/3 in ad numbers. The average price is $2.20, down 9 cents from the last report and down 20 cents from last year. Milk ad numbers nearly doubled although conventional milk is not among the top five advertised dairy products. The national weighted average conventional milk price for half gallons is $1.97 and for organic half-gallon milk, $3.41. The organic-conventional half-gallon price spread is $1.44, down 36 cents from the last period and the narrowest price spread since last July. One year ago the price spread was $1.56.

INTERNATIONAL DAIRY MARKET NEWS UPDATE (DMN): At the January 21 GDT event #108, average prices ranged from 0.5% lower to 10.8% 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, $5,641 +2.2%; butter, $4,657 +10.8%; buttermilk powder, $5,244 +3.0%; cheddar cheese, $5,133 +10.4%; lactose, n.a.; milk protein concentrate, $9,657 +7.2%; rennet casein, $12,390 +4.2%; skim milk powder, $4,698 -0.5%; and whole milk powder, $4,943 +0.1%.

DECEMBER COLD STORAGE (NASS): On December 31, U.S. cold storage holdings of butter totaled 111.4 million pounds, down 8.4% from November and down 27.2% from December 2012. Natural American cheese holdings total 618.8 million pounds, 0.8% more than November, but 2.6% less than December 2012. Total cheese stocks were 1.009 billion pounds, 1.2% more than last month, but 1.4% less than December 2012.

DECEMBER PRICE AND POOL HIGHLIGHTS (DY PROGRAMS): During December 2013, more than 10.8 billion pounds of milk were received from producers. This volume of milk is 1.5% lower than the December 2012 volume. In December 2012 and December 2013, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. More than 3.6 billion pounds of producer milk were used in Class I products, 0.1% lower than the previous year. The all-market average Class utilization percentages were: Class I = 33%, Class II = 9%, Class III = 49% and Class IV = 9%. The weighted average statistical uniform price was $20.82, $0.39 higher than last month and $0.71 higher than last year.

OCTOBER MAILBOX PRICES (FMMO & CDFA): In October 2013, mailbox milk prices for selected reporting areas in Federal milk orders averaged $20.83, up $0.70 from the September 2013 average, and down $0.72 from the October 2012 average. The component tests of producer milk in October 2013 were: butterfat, 3.80%; protein, 3.19%; and other solids, 5.72%. On an individual reporting area basis, mailbox prices increased in all Federal milk order reporting areas when compared to the previous month. Mailbox prices in October 2013 ranged from $23.89 in Florida to $18.87 in New Mexico

DECEMBER MILK PRODUCTION (NASS): Milk production in the 23 major States during December totaled 15.7 billion pounds, up slightly from December 2012. Production per cow averaged 1,846 pounds for December, 1 pound below December 2012. The number of milk cows on farms was 8.50 million head, 6,000 head more than December 2012, and 1,000 head more than November 2013.

NOVEMBER MILK SALES (FMMO & CDFA): During November, 4.4 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.1% lower than November 2012. Estimated sales of total conventional fluid milk products decreased 2.2% from November 2012 and estimated sales of total organic fluid milk products increased 0.7% from a year earlier.

FEBRUARY FEDERAL ORDER ADVANCE PRICES (FMMO): Under the Federal milk order pricing system, the Class I base price for February 2014 is $22.02. This price is derived from the Class IV skim milk pricing factor of $16.57 and the advanced butterfat pricing factor of $1.7225. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. The Class I base price increased $0.54 when compared to the previous month of January 2014. For selected consumer products, the price changes are: whole milk (3.25% milk fat), $0.047 per gallon; reduced fat milk (2%), $0.054 per gallon; fat-free (skim milk), $0.063 per gallon. The advanced Class IV skim milk pricing factor is $16.57. Thus, the Class II skim milk price for February 2014 is $17.27, and the Class II nonfat solids price is $1.9189. The two-week product price averages for February 2014 are: butter $1.5939, nonfat dry milk $2.0270, cheese $2.0308, and dry whey $0.5939.

CME GROUP

MONDAY, JANUARY 20, 2014—-HOLIDAY NO TRADING

TUESDAY, JANUARY 21, 2014
CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ $2.2150; 1 CAR 40# BLOCKS @ $2.2425; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: 13 CARS GRADE A: 10 @ $2.1025, 3 @ $2.1000; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ $2.0900; 1 CAR GRADE A @ $2.1025; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ $1.8700; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JANUARY 22, 2014
CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ $2.2425; 1 CAR 40# BLOCKS @ $2.2700; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: 4 CARS GRADE A: 1 @ $2.1025, 2 @ $2.0900, 1 @ $2.0850; LAST BID UNFILLED: 2 CARS GRADE A @ $2.0800; LAST OFFER UNCOVERED: 1 CAR GRADE A @ $2.0975
BUTTER -- SALES: 18 CARS GRADE AA: 1 @ $1.9200, 3 @ $1.9300, 5 @ $1.9500, 2 @ $1.9400, 1 @ $1.9375, 2 @ $1.9350, 1 @ $1.9400, 1 @ $1.9375, 1 @ $1.9400, 1 @ $1.9400; LAST BID UNFILLED: 5 CARS GRADE AA @ $1.9300; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ $1.9400

THURSDAY, JANUARY 23, 2014
CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ $2.2575; 1 CAR 40# BLOCKS @ $2.2950; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: 5 CARS GRADE A: 1 @ $2.0850, 1 @ $2.0800, 1 @ $2.0750, 2 @ $2.0700; LAST BID UNFILLED: 1 CAR GRADE A @ $2.0700; LAST OFFER UNCOVERED: 1 CAR GRADE A @ $2.0800
BUTTER -- SALES: 4 CARS GRADE AA: 2 @ $1.9300, 2 @ $1.9000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ $1.9500

FRIDAY, JANUARY 24, 2014
CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ $2.2950, 1 @ $2.3100; LAST BID UNFILLED: 1 CAR BARRELS @ $2.2750; 1 CAR 40# BLOCKS @ $2.3025; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: 3 CARS GRADE A: 1 @ $2.0600, 2 @ $2.0500; LAST BID UNFILLED: 2 CARS GRADE A @ $2.0500; LAST OFFER UNCOVERED: 1 CAR GRADE A @ $2.0675
BUTTER -- SALES: 2 CARS GRADE AA: 1 @ $1.8800, 1 @ $1.8900; LAST BID UNFILLED: 1 CAR GRADE AA @ $1.8900; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

Butter production is active, with substantial cream supplies supporting heavy churning in the region. Current orders are being filled as most buttermakers look to rebuild inventories. Domestic demand is good, comparably, export of 82% unsalted butter remains active. The market undertone is firm. According to the *National Dairy Retail Report*, the weighted average price for a 1 lb. package of butter in the Northeast was $2.85, equal to the national weighted average price, and 55 cent less than the previous reporting period. Current bulk butter prices for domestic sales are reported at 6-8 cents over the market on the CME Group, with various time frames and averages used. The CME Group butter price increased $0.0175 Tuesday and closed at $1.8700.

CENTRAL

Butter makers in the Central region are doing their best to keep up with strong export sales and good domestic print orders. The market tone is firm with little excess butter available. Butter production rates remain high as many churn operators are running near full capacity. Production of 82% is the main focal point for many butter manufacturers. A few butter makers are worried the higher prices may reduce domestic consumption rates. Print butter inventories are low and bulk butter suppliers are limited. Bulk butter prices increased, ranging from flat to 8 cents over the market, based on the CME, with various time frames and basing points used. Grade AA butter prices at the CME Group increased 7 cents on 18 sales to $1.94 on Wednesday, 17 cents higher than last Wednesday. The NATIONAL DAIRY RETAIL REPORT noted the weighted average advertised price for a 1 lb. package of butter in the Midwest was $2.48, up 23 cents from two weeks ago, but 37 cents lower than this week's national price. Retail butter in the South Central was $3.00. The national weighted average price was $2.85, a decrease of 3 cents from two weeks ago, but 22 cents higher than a year ago. The number of retail butter ads combined between the Midwest and South Central regions, 151 ads, were down from 270 ads two weeks ago. The number of ads nationally went down 3%. The NASS COLD STORAGE showed U.S. butter stocks as of December 31, 2013 were 111.4 million pounds, down 27% or 41.6 million pounds from a year ago. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 2.46 million pounds of butter. Year-to-date, CWT has assisted in selling 2.99 million pounds of butter.

WEST

Western butter prices are higher again this week. The market remains strong with tighter than expected inventories. Cream supplies are increasing seasonally, but are often below expectations. Good export demand continues to pull production away from the building of inventories. Domestic demand is slower after the rush of holiday business and at current price levels buyers are looking to fill immediate needs and are willing to wait for opportunities to buy ahead. According to the NASS *Cold Storage* report, U.S. stocks of butter as of December 31, 2013, total 111.4 million pounds, down 27% or 41.6 million pounds less than a year ago. Butter stocks are 8% lower (-10.2 million pounds) than the end of November 2013. According to the National Dairy Retail Report, U.S. butter showed a weighted average price of $2.85 per pound compared to $2.88 two weeks ago and $2.63 a year ago. Butter ads decreased 3% from two weeks ago. The weighted average price for butter in the Northwest was $2.50 and $2.85 in the Southwest. Butter prices at the CME Group on Wednesday were up 7 cents and closed at $1.9400. Prices have moved higher for the last seven trading sessions. Wednesday's trading included 18 sales. Prices for bulk butter range from market to 4 cents under, based on the CME with various time frames and averages used.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
January 18, 2014					
	1.6244	2.0722	2.0424	0.5950	2.0362
	2,747,592	9,782,801	9,858,630	6,694,017	21,888,317

Further data and revisions may be found on the internet at: http://www.ams.usda.gov/AMSv1.0/DairyProductMandatoryReporting

CHEESE MARKETS

NORTHEAST

Cheese production schedules are steady for the region. Inventories are suitable for current orders as most manufacturers replenish their stocks. Demand for cheese is uneven, with winter storm activity limiting retail sales in the region. The market tone remains firm. The weekly average cheese prices saw increases for both blocks and barrels last week on the CME Group. Wholesale prices for 40# block and muenster increased by $0.0600, while prices for process 5# slices increased by $0.0775, reflecting a rise in the weekly average block and barrel prices on the CME group. Prices for Swiss cheese are consistent with last week.

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

Cheddar 40# Block	: 2.6050-2.8900
Process 5# Sliced	: 2.3975-2.8775
Muenster	: 2.6250-2.9850
Grade A Swiss Cuts 10 - 14#	: 3.4675-3.7900

MIDWEST

These are uncertain times for cheese manufacturers. Continuing cheese price increases at the CME to unusually high levels, coupled with price strength for butter and nonfat dry milk, leave little precedent to guide manufacturers or buyers. In almost every dimension of the markets, there are parties doing contrary things. Cheese plant operators are both buying spot loads of milk to increase production while others sell milk from contracted supplies to reduce production. Sales to retailers are described by some plants as good, but weak by others. Export sales are strong for some plants, weak for others. Some manufacturers with export orders are surprised at the strength of Mozzarella exports. There seems to be some strength in buyers looking for bulk cheese. The National Dairy Retail Report (DMN) found that Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of $2.02, 29 cents lower than the national average. The Midwest average is the same as two weeks ago. For 8 ounce blocks in the Midwest, the average price is $2.13 7 cents lower than the national average. The Midwest average has increased 20 cents from two weeks ago. National ad numbers for all cheese categories this period decreased by 15% from two weeks ago.

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

Process American 5# Loaf	: 2.2750-2.6350
Brick And/Or Muenster 5#	: 2.5850-3.0100
Cheddar 40# Block	: 2.2900-2.7075
Monterey Jack 10#	: 2.5600-2.7650
Blue 5#	: 2.8525-3.8400
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 2.4300-3.3250
Grade A Swiss Cuts 6 - 9#	: 2.9850-3.1025

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

	BUTTER	:	CHEESE
01/20/14	10,173	:	100,576
01/01/14	7,566	:	96,535
CHANGE	2,607	:	4,041
% CHANGE	34	:	4

WEST

Western cheese prices moved higher again this week. Tighter than expected supplies have cheese manufacturers filling contracted orders with little to offer to the spot market. Good export sales into the first quarter of 2014 are keeping inventories from building in some cases. Domestic demand has softened with the higher prices. Buyers are willing to buy enough to fill orders, but are cautious about building stocks at current price levels. According to the NASS *Cold Storage* report, U.S. stocks of cheese (total natural) at the end of December 2013 are 1.009 billion pounds, 1% less or 14.1 million pounds less than December 31, 2012. American stocks were 3% less, other natural stocks were 3% higher, and Swiss stocks at the end of December were down 23% compared to a year ago. Advertised U.S. cheese prices as reported in the National Dairy Retail Report showed prices were mixed compared two weeks ago. Nationally 1 lb. blocks were 19 cents lower with a weighted average of $3.88, while 1 lb. shred packages were 36 cents higher at $3.82. Combined cheese advertising was down 15% from two weeks ago. The 1 lb. block price in the West ranged from $3.33-3.99, while the 1 lb. shred ranged $3.29-4.79. The price for the 2 pound block in the West ranged from $4.99-6.99 per package. Cheese prices at the CME Group on Wednesday were higher with barrels closing at $2.2425 and blocks at $2.2700. Both types were 2.75 cents higher from the previous close. There have been no sales reported at the exchange by midweek.

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

Process 5# Loaf	: 2.3050-2.5625
Cheddar 40# Block	: 2.3275-2.6800
Cheddar 10# Cuts	: 2.5075-2.7275
Monterey Jack 10#	: 2.5175-2.6775
Grade A Swiss Cuts 6 - 9#	: 3.0450-3.4750

FOREIGN

Cheese sales are slowing for both imported and domestic foreign type cheeses. Slower sales are typical for this time of year, but the current high prices domestically and globally are making buyers hesitant to build inventories at current price levels. The euro has strengthened against the U.S. dollar, making import purchases more costly. Domestic prices have been supported by the increases in the CME Group block price. Imported cheeses saw some increases in gorgonzola and reggianito cheeses this week with other varieties holding steady.

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

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
Blue	2.6400-5.2200	2.7450-4.2325*
Gorgonzola	3.6900-6.9700*	3.2475-3.6600*
Parmesan (Italy)	-0-	4.1350-6.2250*
Provolone (Italy)	-0-	2.7875-2.9450*
Romano (Cows Milk)	-0-	3.9350-6.0850*
Sardo Romano (Argentine)	2.8500-3.6900	-0-
Reggianito (Argentine)	3.2900-4.5600*	-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.

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	43	0	88	0	84	0
SOUTHEAST STATES	0	0	0	0	0	0

A winter storm covering the Mid-Atlantic and the coastal regions of the Northeast prompted increases in Class I demand and lowered manufacturing milk supplies in both regions. Dairy product retail sales have increased as consumers stock up in preparation for the extreme cold air mass that is forecast to move into both regions. Class I demand has leveled off in Florida and reduced imported spot loads to 43 this week. Florida weather conditions are good and increasing cow comfort levels, prompting an uptick in milk production. Southeast milk supplies are more than adequate to meet fluid demand. Manufacturing milk volumes have seen some marginal increases. Cream supplies are adequate to cover needs with butter manufacturers happy to receive any additional loads. Demand is fairly good with some recent increases in ice cream production. **Cream multiples for all classes** ranged 1.15-1.28. **Condensed skim** supplies tightened significantly this week as increased Class I demand pulled milk away from some balancing plants. Most supplies are moving through contracts with few spot sales.

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 -	2.0401-2.2707
F.O.B. producing plants: Upper Midwest -	2.0401-2.2530

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,
F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.98-2.01
Northeast - Class III - spot prices -	1.62-1.65

MIDWEST

Central milk production levels increased minimally this week, the extreme cold weather has kept rates below forecast levels. Many farm producers have been busy working with their nutritionists to figure out ways of improving rations to make up for forage quality deficiencies. The time spent has paid off as solids and components are up. Feed supplies for the most part are ample, unlike last year. Spot loads of milk are tough to come by and range from $0.50 to $2.00 over Class when secured. Bottling sales are good, exceeding some processors' expectations. Class II demand is improved as retail stores stock up for seasonal Super Bowl products. **Class II cream multiples took a step back, ranging 1.15-1.27.** Butter makers are churning at higher levels, resulting in tighter than normal seasonal cream supplies. Class III demand is mixed as some cheese makers are buying extra milk while others are selling. Condensed skim demand is very good with bakeries and candy industries building inventories and some cheese manufacturers taking on extra supplies. Ice cream makers are debating on whether to purchase condensed supplies early or wait out high prices.

WEST

Farm milk production in CALFORNIA continues to trend higher. Seasonally steady demand from bottlers accounts for a decreasing percentage of use of total milk volumes. Manufacturing plants within the state are processing milk intakes on a timely basis, even as intakes make weekly volume gains. Some milk handlers relate the recent farm milk increases to herd growth as well as seasonality. Anecdotal reports indicate heifer demand is firm and prices are trending higher. On January 17, 2014, Governor Edmund Brown declared a Drought State of Emergency for California. Through this declaration, the Water Board may direct water rights holders to reduce or cease water diversions. Milk processors in NEW MEXICO report intakes are stepping higher from week to week, buoyed by comfortable temperatures and low humidity. Manufacturing plant operators from cheese and butter/powder facilities report intakes are building steadily as farm milk production increases and demand from Class I declines. Transportation conditions are excellent. ARIZONA farm milk production is climbing steadily. Sales into Class II are steady to higher. With lighter demand coming from bottlers, and despite the higher demand from Class II, many processors are experiencing improving availability of manufacturing milk. Plant managers report they have capacity to spare at this point in the milk production season. CREAM supplies in the West are uneven. Some areas report cream is in tight supply and F.O.B. spot loads are limited. A few locations are selling cream loads to accommodate scheduled churn maintenance projects which require short term shutdowns. Some western cream loads are clearing to active Class II demand in the Central region. **The western cream multiple range is higher on the bottom, unchanged on the top, 1.15 – 1.25, depending on Class usage and basing points.** At the CME Group, Grade AA butter closed on Wednesday at $1.94, 17 cents higher than one week ago. Milk production in the PACIFIC NORTHWEST is increasing along seasonally expected lines. With good demand for processed dairy products, manufacturers are anxious for any increased production. Temperatures in the region are favorable for increased milk production with no serious winter storms to disrupt production. The dry weather across the region continues to be a cause for worry for this summer's irrigation needs. UTAH and IDAHO milk production is increasing as mild winter weather has had little adverse effects on dairies. Lower feed costs have helped to improve profitability for dairies. High cull cow prices are another positive factor. Replacement heifer prices at local auctions are moving higher as demand picks up. A recent auction in Idaho, had the top 50 heifers averaging $1670 per head. These prices are $100-$200 higher than much of last year's sales. Milk processing capacity in the region is well above current production levels. Processors are hoping dairies will increase herd sizes as a way to further increase milk volumes.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: LOW/MEDIUM HEAT nonfat dry milk prices narrowed on the range, increasing on the bottom and decreasing on the top. The mostly price series was unchanged. The market tone is firm, but seeing some hesitations from buyers as they are unsure what the market will do. Orders are small but more offers seem to be prevalent in both the spot and resale market respectively. Production levels of low/medium heat NDM are steady. Demand for domestic product is moderate, but not as aggressive as previous weeks. International interest is good and has expectations of picking up some strength as a few countries come back to the market. Some manufacturers have improved working low/medium heat inventories with others in sold out positions. Prices of HIGH HEAT NDM moved higher. The market tone is firming with good demand and most supplies going towards fulfilling contracts. Heat heat production rates are mostly steady. Extra Grade NDM on the CME Group closed at $2.0900 Wednesday, a 2.25 cent increase since last Wednesday. Grade A NDM price moved up 2 cents from last Wednesday, closing at $2.0850 on Wednesday. Seventeen sales of Grade A were traded Tuesday and Wednesday.

EAST: Nonfat dry milk prices for low/medium heat moved in opposite directions as prices rose on the bottom end of the range and fell at the top of the range, while the mostly price remained the same as last week's. Nonfat dry milk production volumes are affected at some plants by the funneling of milk supplies to Class I operations, as consumer dairy retail purchases increase in response to winter weather conditions. Nonfat dry milk inventories are tight, with some manufacturers shipping loads immediately upon clearance. Demand is active for export markets, moderate for domestic accounts. The market tone is steady to firm. High heat nonfat dry milk saw increases on both ends of the range.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 2.0300 - 2.1500 MOSTLY: 2.0500 - 2.1200
HIGH HEAT: 2.1350 - 2.2050

NONFAT DRY MILK - WEST

Prices for nonfat dry milk in the West are unchanged to fractionally higher for low/medium heat NDM. Prices are unchanged to lower on the high heat NDM. The NDM market is steady to firm. A few resellers report North American spot market demand slacked off at the end of last week as NDM prices notched higher and buyers turned to reevaluating the market. Some buyers concede they waited too long to contract NDM, and those bypassed 2013 contract offers from manufacturers look pretty good in the rearview mirror. One or two NDM buyers/end users are puzzled by the lack of spot market offers from manufacturers, noting steady to increasing milk production trends. Other market participants point to what they term the "new normal," which is the continued focus on offshore markets as one reason NDM from Western sources is in short supply. NDM manufacturers report the seasonal declines in bottling demand and the upticks in milk production are sending higher milk volumes through the dryers. A few brokers report receiving resale offers at close to the current market from other brokers, which may indicate those with holdings beyond near term needs may be trying to rebalance inventories.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 2.0300 - 2.1200 MOSTLY: 2.0500 - 2.1000
HIGH HEAT: 2.0300 - 2.1400

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Prices for dry buttermilk increased on F.O.B spot market activity. The market tone is firm with little product available. Production of dry buttermilk is steady with a few additional manufacturers drying extra product instead of selling the condensed form. Domestic demand remains good. Stocks of dry buttermilk are tight as multiple manufacturers are in sold out positions.

EAST: Prices for dry buttermilk are firm this week, with upward movement on both ends of the range. Production of dry buttermilk is active along seasonal trends, as sufficient cream supplies add volumes to churns. Some manufacturers of dry buttermilk report inventories as being improved. Domestic demand is good.

F.O.B. CENTRAL/EAST: 1.9000 - 1.9525

DRY BUTTERMILK - WEST

Western dry buttermilk prices are unchanged to fractionally higher on a firm market. The timing on contract fulfillment is improving as manufacturers fill inventory shortfalls. Various manufacturers report spot demand from end users is steady. Some brokers report their intermittent customers continue to purchase through the resale market on a hand-to-mouth basis to conserve expenditures on raw materials. Dry buttermilk production is steady to higher as manufacturing milk intake volumes increase.

F.O.B. WEST: 1.8800 - 1.9300 MOSTLY: 1.8900 - 1.9150

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are unchanged to higher on a firm market. Manufacturers report interest in U.S.-made dry whole milk remains active. Various manufacturers report the availability of gas-flushed dry whole milk is enhancing contract and F.O.B. spot interest as customers become familiar with this packaging enhancement. Production is steady to higher as dryer schedules and manufacturing milk supplies allow, and contract fulfillment requires.

F.O.B. PRODUCING PLANT: 2.0750 - 2.1700

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
January 17	$2.0044	10,490,218	0
January 10	$1.9661	9,561,782	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 region moved higher on the bottom of the range, but unchanged on the top of the range. The mostly price series increased slightly on the bottom, but status quo on the top. The market tone is getting firmer as supplies are becoming harder to find and no discounts have been available. Dry whey production levels are steady, but some manufacturers are worried that the higher cheese prices may result in reduced production rates. Transportation is mostly caught up with delayed loads from the previous few weeks of issues with road conditions, snow, and extreme cold weather. Dry whey manufacturers and resellers are receiving additional inquiries for product domestically and international demand is good. Many manufacturers are in sold out positions. Prices for ANIMAL FEED WHEY are higher. The market tone is firm as buyers are having difficulty locating product. Domestic demand for animal feed whey is increasing. Inventories are minimal.

F.O.B. CENTRAL: .5475 - .6375 MOSTLY: .5600 - .6000
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4325 - .5550

DRY WHEY - NORTHEAST

Prices for dry whey moved higher for the third consecutive week. Price increases significantly raised the low end of the range. Production is mostly steady with recent weeks, but the severe winter weather this week did cause some periodic interruptions in cheese/dry whey production. Supplies are steady. Demand activity is best for export, while domestic buyers are a little more cautious and hand to mouth in their buying with prices above $0.6000. On a per unit basis, dry whey continues to be the lowest priced dairy protein powder.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .6025 - .6425

DRY WHEY - WEST

Western dry whey prices are mostly steady to higher with a firm undertone. Whey production is increasing seasonally with higher processing milk volumes. Increased cheese production, with the subsequent increase in whey stream products, is helping to supply both contract and spot buyers with whey. Domestic demand is good and whey is available for most needs. Higher prices have slowed some demand for building of inventories. Good export interest and overall high protein prices have firmed international demand.

NONHYGROSCOPIC: .5900 - .6300 MOSTLY: .5900 - .6250

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are unchanged to higher on a firm market for sales based on the current market. Contacts note some longer term contract prices are below the market. Availability of F.O.B. spot loads is intermittent from many manufacturers as contract fulfillment claims close to 100% of projected production. Tight manufacturing milk supplies in some areas are also hampering the seasonal ramp up of production. Various market participants also note the directing of the whey stream into higher protein products continues to limit WPC 34% production and overall availability.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.6000 - 1.9650 MOSTLY: 1.7450-1.8250

LACTOSE - CENTRAL AND WEST

Lactose prices are steady. Various manufacturers report milk availability for cheese is short of filling near term cheese orders, and hampering lactose production from week to week. However, components in manufacturing milk are on the rise. Supply and demand are split along the ground/unground lactose mesh sizes. Supplies of unground lactose at a few locations are higher than needed to fulfill near term contracts and F.O.B. spot loads are available. Ground lactose is in shorter supply than unground. Availability of spot loads is light. On a continuous basis, manufacturers are exploring new markets for all lactose mesh sizes and submitting samples to various food industry sectors for approval.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .4000-.7200 MOSTLY: .5400-.6500

CASEIN - NATIONAL

Prices for acid and rennet casein are unchanged and are trading within the reported ranges for current and contracted sales. The effects of higher dairy protein prices for other product categories remain supportive of the casein market. At the GDT auction event 108, rennet pricing for New Zealand production traded at $5.60 (+3.9%) for March shipments and $5.72 (+5.4%) for April shipment. Production of casein in several European countries is suggested to be lower than early projections. Supplies in the U.S. are in place to meet contracted needs.

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 2013

WEEK ENDING	WEEKLY DAIRY COWS	2014 CUMULATIVE DAIRY COWS	2013 WEEKLY DAIRY COWS	2013 CUMULATIVE DAIRY COWS
01/04/2014	51.2	51.2	51.1	51.1

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% 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

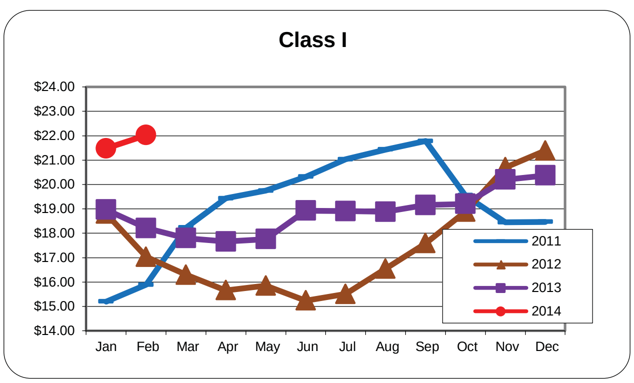
FEDERAL MILK ORDER CLASS PRICES FOR 2013 (3.5%)

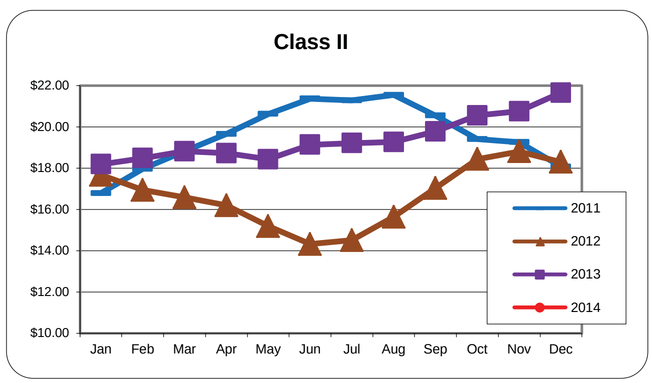
CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.97	18.21	17.80	17.66	17.76	18.93	18.91	18.88	19.16	19.20	20.20	20.37
II	18.19	18.49	18.82	18.73	18.43	19.14	19.22	19.27	19.78	20.56	20.76	21.66
III	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95
IV	17.63	17.75	17.75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

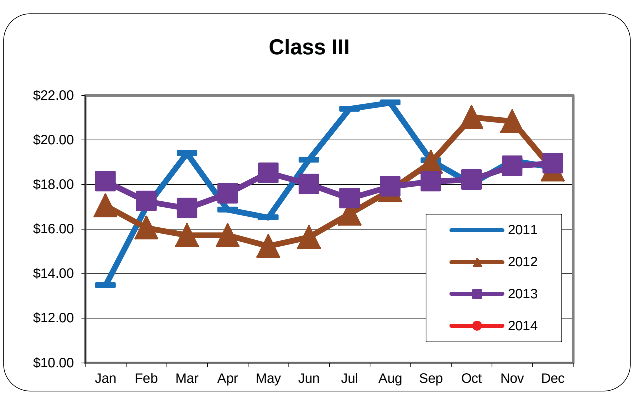
FEDERAL MILK ORDER CLASS PRICES FOR 2014 (3.5%)

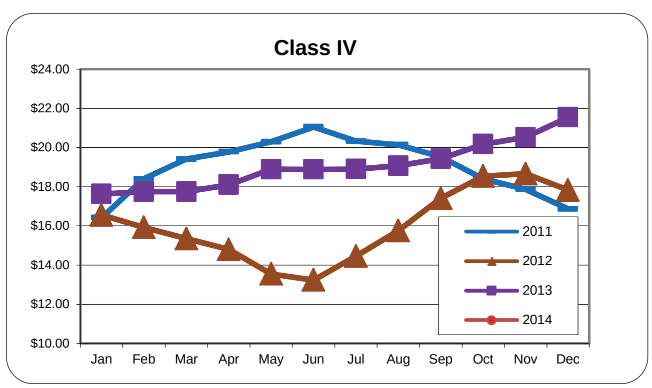
CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	21.48	22.02										

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 January 20—24, 2014

ORGANIC DAIRY FLUID OVERVIEW

New Organic Dairy Initiative. A new initiative was recently announced, with the goal of increasing demand for organic milk, by introducing organic dairy branded packaged food with all organic dairy components into a marketplace where the competition uses few organic dairy components.

A national organic dairy brand which has been procuring organic milk from over 600 organic farms and selling branded organic milk, butter, cheese, cream, yogurt, cream cheese and cottage cheese, has just expanded offerings and entered the market for organic packaged dinners under its organic dairy brand.

The new product category is packaged organic mac and cheese, sold under the organic dairy brand. The new product contains organic cheese, organic whey, organic butter and organic milk. The newly introduced product differs from a number of existing packaged mac and cheese dinners, which feature organic wheat pasta, but frequently not all organic dairy components.

Offering 100% nationally branded organic dairy components in this new product, supported by an existing national distribution network, is a new evolution of the developing organic dairy sector. The product is being placed in national discount chains, food store chains, and natural food stores.

This transition by a national organic dairy brand into a food segment heretofore dominated by non-dairy brands, which procured unbranded dairy ingredients from other firms, represents a new element of retail competition expected to help develop increased demand for organic dairy products: organic dairy branded packaged food.

International Organic Dairy Joint Venture. The same organic dairy firm this month also announced formation of a joint venture with an existing dairy company located in China. A goal of the joint venture is to manufacture, market and sell products including organic dairy products, originating in the United States, in China. The Chinese joint venture partner has 52 production plants throughout China, as well as a sales network and known brands to Chinese consumers. This joint venture was undertaken by the U.S. organic dairy brand with the expectation of increasing export demand for U.S. produced organic dairy products.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. The fifth consecutive year opens with organic ad numbers increasing from the first to the second reporting period. Organic ad numbers this period exceed any period since last October. Organic milk ad numbers increased by about 1/3, an increase primarily driven by a tripling in ads for organic milk gallons. Organic yogurt ads declined by about 1/3.

Organic milk accounts for slightly over 3 of every 4 organic dairy ads, with organic yogurt slightly less than 1 of every 4 ads. Organic butter comprised 2% of ads and organic cheese 1%.

Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period January 13 to January 24, 2014, identifying weekly “specials” and containing organic dairy content. Surveyed ads reflect advertised “specials” and not the range of non-advertised supermarket cooler prices.

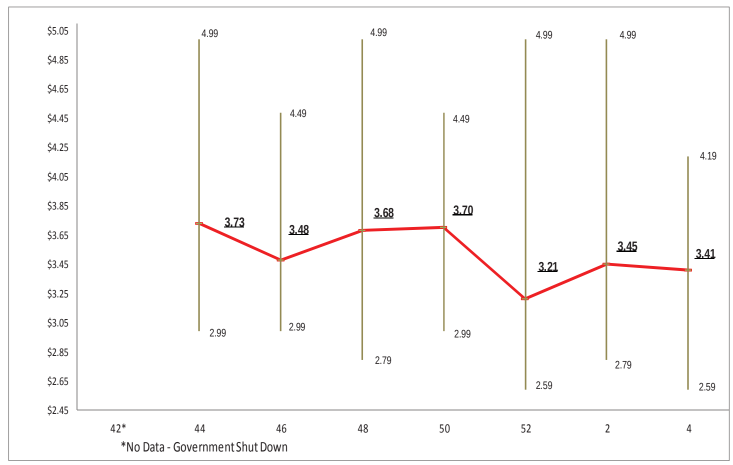
Complete results of this bi-weekly survey providing additional graphs, tables, and regional delineation, follow at the end of Dairy Market News, or can be accessed at: http://www.ams.usda.gov/AMSv1.0/DairyRetailReport

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 Midwest and Northwest but increased in the other four regions, nearly tripling in the Northeast.

Organic Milk Half Gallons. Organic milk half gallons ad volume is up very slightly from two weeks ago. The U.S. weighted average advertised price of organic milk half gallons is $3.41, down 4 cents from the last reported period. One year ago the national average price was $3.57.

The price range declined 80 cents at the top to $4.19, and 20 cents at the bottom to $2.59. The highest advertised price, $4.19, is in the Northeast and the lowest, $2.59, 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 $3.41 and for conventional half-gallon milk, $1.97. The organic-conventional half-gallon price spread is $1.44, down 36 cents from the last period and the narrowest price spread since last July. One year ago the price spread was $1.56.

Organic Milk Gallons. The national weighted average advertised price for organic gallons is $5.80, up 72 cents from the last reported period. One year ago there were no ads for organic gallons.

Organic Milk 8 Ounce. 8 ounce organic milk has a national weighted average advertised price of 91 cents, down 9 cents from two weeks ago. One year ago the average price was $1.01. Prices ranged from 79 cents to $1.00.

Organic Yogurt. The majority of ads for organic yogurt are generally split between 4-6 ounce yogurt and 4-6 ounce Greek yogurt, with a smattering of ads for organic 32 ounce yogurt.

The national weighted average advertised price of 4-6 ounce yogurt is $.67, up 17 cents from two weeks ago. There were no ads one year ago.

4-6 ounce organic Greek yogurt has an average price of $1.14, down 2 cents from two weeks ago and down 20 cents from one year ago.

32 ounce organic yogurt has an average price of $3.79, 83 cents above two weeks ago and 76 cents above one year ago.

1# Organic Butter. Organic butter ads appeared again after an absence two weeks ago. All ads appeared in the Northeast, priced $4.99. This is $1.00 above the price one year ago.

CONTINUED ON PAGE 1-A

ORGANIC DAIRY MARKET NEWS

Information gathered January 20—24, 2014

CONTINUED FROM PAGE 1

Organic Cheese. Ads for 8 ounce organic shredded cheese appeared in the Northeast, all at a price of $3.99. No ads appeared two weeks ago but one year ago the price was $2.50.

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.

INFORMATION GATHERED 01/13/2014 - 01/24/2014

ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE
2014 REPORTING WEEK WISCONSIN

	MADISON, WISCONSIN		
	LOW (in Dollars)	HIGH	RANGE
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	3.49*	4.99*	1.50*
Reduced fat (2%)	3.49*	4.99*	1.50*
Low fat (1%)	3.49*	4.99*	1.50*
Nonfat (Skim)	3.49*	4.99*	1.50*
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	4.99*	6.39	1.40*

*** = Price change from prior reporting period.**

ORGANIC GRAIN AND FEEDSTUFF MARKETS:

Prices for reported commodities are slightly lower for feed grade corn and soybeans and slightly higher for food grade soybeans. Market activity is moderate for corn and soybeans and a bit more active for wheat. Demand for feed grade organic corn and soybeans remains good. The supply of organic hay is still light this week. Trucking issues have continued to be a problem across all commodity industries due to extreme winter weather.

Additional livestock and grain market news information is available at: www.ams.usda.gov/LSMarketNews

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

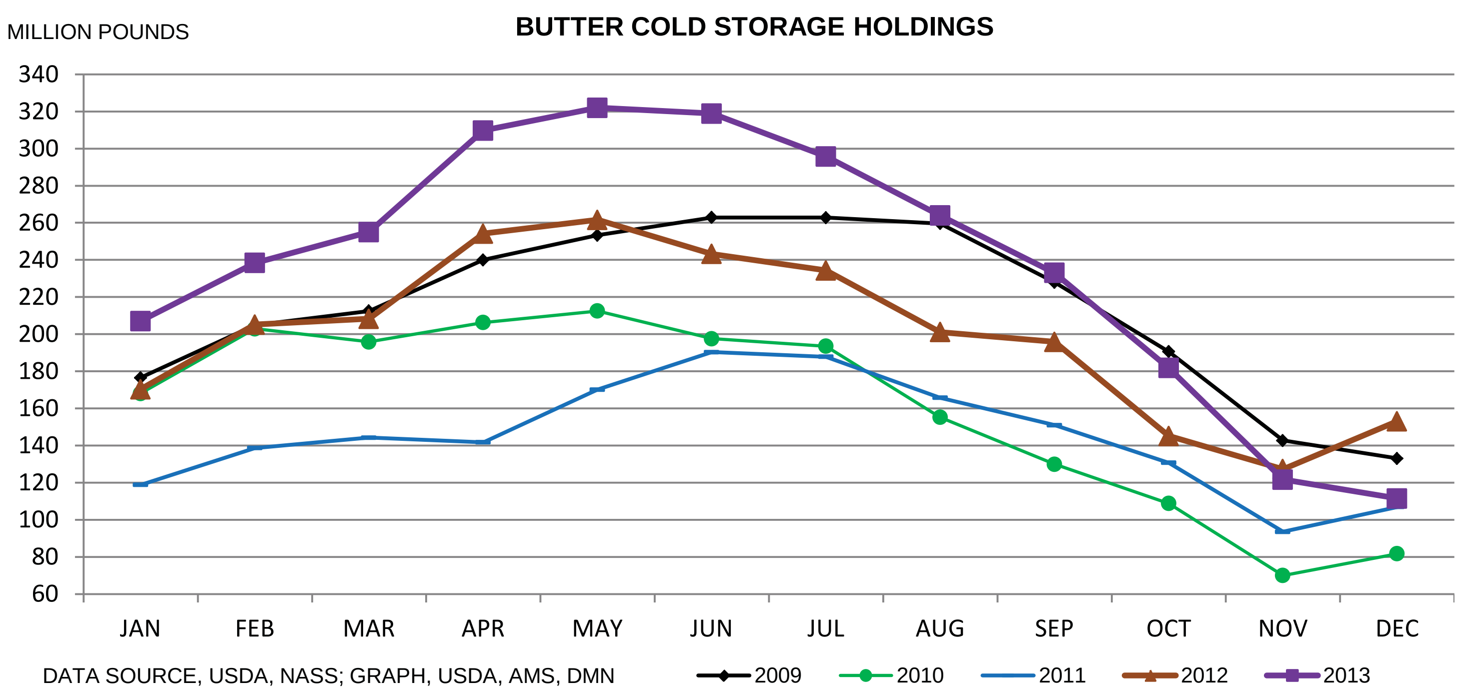
U.S. HOLDINGS OF DAIRY PRODUCTS

COMMODITY	NOV 30, 2011	NOV 30, 2012	REVISED NOV 30, 2013	DEC 31, 2011	DEC 31, 2012	DEC 31, 2013
Butter	93,523	127,282	121,627	106,856	153,027	111,445
Cheese, Natural American	592,773	611,687	613,965	610,998	635,590	618,786
Cheese, Swiss	30,073	30,906	26,102	27,637	31,747	24,352
Cheese, Other Natural	354,919	343,278	356,542	352,981	355,765	365,901
Total Cheese	977,765	985,871	996,609	991,616	1,023,102	1,009,039

DECEMBER STORAGE HOLDINGS BY REGION

REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
New England	42,697	37,134	50,494	---	---	---	937	961	1,198
Middle Atlantic	47,021	39,735	62,947	---	---	---	17,382	18,283	14,798
East North Central	251,982	263,804	223,376	---	---	---	263,094	253,782	254,962
West North Central	114,370	111,649	107,518	---	---	---	35,003	35,049	39,063
South Atlantic	61	433	643	---	---	---	6,157	5,247	5,476
East South Central	1,459	3,425	3,324	---	---	---	307	11,069	9,587
West South Central	819	10,323	6,488	---	---	---	1,150	482	476
Mountain	46,627	61,189	50,281	---	---	---	4,727	6,594	2,947
Pacific	105,962	107,898	113,715	---	---	---	24,224	24,298	37,394
TOTAL	610,998	635,590	618,786	106,856	153,027	111,445	352,981	355,765	365,901

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



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2012 TO DATE

Month	Butter		Natural American Cheese		Nonfat Dry Milk					
	Commercial		Commercial		Total [1/]		Commercial		Government	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Million Pounds		Million Pounds		Million Pounds					
January	207	170	643	642	198	157	198	157	0	0
February	238	205	661	635	226	193	226	193	0	0
March	255	208	685	651	232	210	232	210	0	0
April	310	254	699	664	208	226	208	226	0	0
May	322	262	715	652	230	215	230	215	0	0
June	319	243	711	662	230	144	230	144	0	0
July	296	234	702	671	206	129	206	129	0	0
August	264	201	668	649	195	106	194	106	0	0
September	233	196	661	642	147	118	147	118	0	0
October	174	145	629	611	111	104	111	104	0	0
November	122	127	614	612	118	127	118	127	0	0
December	111	153	619	636		183		183		0

[1/] Includes instant nonfat dry milk.

Source: U.S. Department of Agriculture. Farm Service Agency. *Summary of Processed Commodities, Septembert 2013*. National Agricultural Statistics Service. *Cold Storage* and *Dairy Products, January 2014*.

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, DECEMBER 2013

HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for December 2013 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During December 2013, more than 10.8 billion pounds of milk were received from producers. This volume of milk is 1.5 percent lower than the December 2012 volume. In December 2012 and December 2013, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. More than 3.6 billion pounds of producer milk were used in Class I products, 0.1 percent lower than the previous year. The all-market average Class utilization percentages were: Class I = 33%, Class II =9%, Class III = 49% and Class IV = 9%. The weighted average statistical uniform price was $20.82 per cwt., $0.39 higher than last month and $0.71 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF DECEMBER 2013

FEDERAL MILK ORDER MARKETING AREA 1/	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE 2/
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			$ PER CWT.
Northeast (Boston)	001	2,134.3	-1.1	814.5	-2.4	38	22	27	13	21.79
Appalachian (Charlotte)	005	469.2	-5.9	320.2	-0.4	68	13	8	11	23.26
Florida (Tampa)	006	243.6	-3.5	204.5	-1.1	84	9	3	4	25.28
Southeast (Atlanta)	007	487.2	-14.9	353.2	-2.4	73	10	8	9	23.74
Upper Midwest (Chicago)	030 3/	2,866.0	3.0	316.6	-1.5	11	2	86	1	19.34
Central (Kansas City)	032 3/	1,298.3	19.6	418.9	1.6	32	8	54	6	20.03
Mideast (Cleveland)	033 3/	1,284.4	-11.0	546.7	1.2	43	9	39	9	20.58
Pacific Northwest (Seattle)	124	698.0	1.0	178.7	-0.2	26	6	42	26	20.31
Southwest (Dallas)	126 3/	1,002.9	-14.8	371.4	5.1	37	4	58	1	20.78
Arizona (Phoenix)	131	394.3	2.8	118.9	3.1	30	8	27	35	21.34
ALL MARKET AVERAGE OR TOTAL	3/	10,878.2	-1.5	3,643.7	-0.1	33	9	49	9	20.82

1/ Names in parentheses are the major city in the principal pricing point of the market.
2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.
3/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform price in these markets, handlers elected not to pool an estimated 487.9 million pounds of milk that normally would have been associated with these markets. In December 2012, the estimated not pooled volume of milk was 495.8 million pounds, occurring in order numbers 030, 032, and 131. After adjusting for non pooled milk, the year-to-year percent change is +1.5%.
Report Contact: Randal Stoker, randal.stoker@usda.gov or 202-690-1932.

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, OCTOBER 2013, WITH COMPARISONS

In October 2013, mailbox milk prices for selected reporting areas in Federal milk orders averaged $20.83 per cwt., up $0.70 from the September 2013 average, and down $0.72 from the October 2012 average. The component tests of producer milk in October 2013 were: butterfat, 3.80%; protein, 3.19%; and other solids, 5.72%. On an individual reporting area basis, mailbox prices increased in all Federal milk order reporting areas when compared to the previous month. Mailbox prices in October 2013 ranged from $23.89 in Florida to $18.87 in New Mexico.

Reporting Area 1/	Mailbox Milk Price 2/		
	October 2012	September 2013	October 2013
	Dollars per hundredweight		
New England States 3/	22.42	21.67	22.42
New York	21.45	20.66	21.38
Eastern Pennsylvania 4/	21.61	20.74	21.49
Appalachian States 5/	21.74	21.61	21.85
Southeast States 6/	22.22	22.08	22.16
Southern Missouri 7/	20.70	21.13	21.91
Florida	23.83	23.40	23.89
Western Pennsylvania 8/	21.83	20.44	21.27
Ohio	21.22	20.61	21.33
Indiana	20.44	20.12	20.76
Michigan	20.45	20.07	20.51
Wisconsin	22.77	19.97	20.64
Minnesota	22.96	19.76	20.57
Iowa	22.12	20.24	21.03
Illinois	22.38	20.40	21.08
Corn Belt States 9/	21.24	19.31	20.06
Western Texas 10/	20.24	19.04	19.85
New Mexico	19.39	17.96	18.87
Northwest States 11/	21.18	19.88	20.73
All Federal Order Areas 12/	21.55	20.13	20.83
California 13/	19.40	18.48	19.26

1/ Areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay prices received by dairy farmers for milk. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are weighted averages of the prices reported for all orders receiving milk from the reporting area and are reported at the average butterfat tests. Prices do not include any Milk Income Loss Contract (MILC) payments, but do include, for the most part, the assessment under the Cooperatives Working Together (CWT) program. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. 4/ Includes all counties to the east of those listed in 8/. 5/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 6/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 7/ Includes the counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 8/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. 9/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 7/. 10/ Includes all counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. 11/ Includes Oregon and Washington. 12/ Weighted average of prices for all selected reporting areas. California is simple average. 13/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."

Report Contact: Randal Stoker, randal.stoker@usda.gov or 202-690-1932

DECEMBER MILK PRODUCTION

Milk production in the 23 major States during December totaled 15.7 billion pounds, up slightly from December 2012. November revised production at 14.9 billion pounds, was up 0.1 percent from November 2012. The November revision represented a decrease of 32 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,846 pounds for December, 1 pound below December 2012.

The number of milk cows on farms in the 23 major States was 8.50 million head, 6,000 head more than December 2012, and 1,000 head more than November 2013.

DECEMBER 2013 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS [1]		MILK PER COW [2]		MILK PRODUCTION [2]		
	2012	2013	2012	2013	2012	2013	% CHANGE FROM 2012
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	188	191	1,995	1,985	375	379	1.1
CA	1,780	1,781	1,920	1,950	3,418	3,473	1.6
CO	135	139	2,020	2,050	273	285	4.4
FL	122	123	1,580	1,635	193	201	4.1
ID	580	565	1,930	1,960	1,119	1,107	-1.1
IL	100	96	1,690	1,630	169	156	-7.7
IN	174	178	1,820	1,820	317	324	2.2
IA	205	206	1,890	1,870	387	385	-0.5
KS	131	136	1,840	1,845	241	251	4.1
MI	377	381	1,990	1,985	750	756	0.8
MN	465	460	1,690	1,665	786	766	-2.5
MO	93	90	1,230	1,190	114	107	-6.1
NM	321	323	2,100	2,050	674	662	-1.8
NY	610	613	1,830	1,850	1,116	1,134	1.6
OH	270	268	1,710	1,665	462	446	-3.5
OR	123	124	1,660	1,670	204	207	1.5
PA	534	530	1,675	1,675	894	888	-0.7
TX	433	440	1,855	1,820	803	801	-0.2
UT	90	94	1,810	1,850	163	174	6.7
VT	134	132	1,630	1,650	218	218	--
VA	95	94	1,545	1,600	147	150	2.0
WA	264	266	1,950	1,955	515	520	1.0
WI	1,270	1,270	1,850	1,815	2,350	2,305	-1.9
23 STATE TOTAL	8,494	8,500	1,847	1,846	15,688	15,695	--

[1] Includes dry cows. Excludes heifers not yet fresh.
[2] Excludes milk sucked by calves.

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

NOVEMBER MILK SALES

During November, 4.4 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.1 percent lower than November 2012. Estimated sales of total conventional fluid milk products decreased 2.2 percent from November 2012 and estimated sales of total organic fluid milk products increased 0.7 percent from a year earlier.

Editor's Note: Additional data can be found at http://www.ams.usda.gov/AMSv1.0/FluidMilkSalesDataMonthlyandYeartoDate.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, NOVEMBER 2013, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	November	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Whole Milk	1,130	12,130	-0.8	-1.3
Flavored Whole Milk	55	521	10.8	9.3
Reduced Fat Milk (2%)	1,495	16,084	-1.2	-1.9
Low Fat Milk (1%)	586	6,360	-3.1	-3.4
Fat-Free Milk (Skim)	544	6,093	-8.4	-8.7
Flavored Fat-Reduced Milk	334	3,443	-3.2	-0.9
Buttermilk	53	455	14.1	4.4
Total Conventional Milk Products 5/	4,197	45,086	-2.2	-2.7
Organic Whole Milk	55	562	11.2	11.8
Organic Reduced Fat Milk	59	597	15.8	13.4
Organic Low Fat Milk	38	413	-7.1	-2.3
Organic Fat-Free Milk (Skim)	35	388	-5.3	-3.8
Organic Flavored Milk	5	99	-47.1	-13.5
Organic Fat-Reduced Milk 3/	138	1,504	-2.9	1.8
Total Organic Milk Products	193	2,066	0.7	4.3
Total Fluid Milk Products 4/	4,390	47,152	-2.1	-2.4
Total Fluid Milk Products Adjusted 4/ 5/	*	*	*	*

* Total Fluid Milk Products Adjusted for Calendar Composition will not be published until the release of "*An Overview of Calendar Composition of Fluid Milk Sales*." 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. 3/ Total of organic reduced fat, lowfat, skim, flavored, and miscellaneous organic milk products combined. 4/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 5/ Sales volumes and percent changes have been adjusted for calendar composition. Report contact: Daniel Manzoni, Daniel.manzoni@ams.usda.gov or 202-720-2352

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS AND CALIFORNIA, NOVEMBER 2013, WITH COMPARISONS 1/

Marketing Area	Order Number	Sales		Change from: 2/	
		November	Year to Date	Previous Year	Year to Date
		Million Pounds		Percent	
Northeast	001	768	8,099	-2.2	-1.9
Appalachian	005	291	3,096	-3.1	-3.6
Florida	006	237	2,559	-2.5	-2.2
Southeast	007	398	4,255	-2.0	-2.8
Upper Midwest	030	341	3,646	-3.4	-3.3
Central	032	379	4,039	-3.5	-2.7
Mideast	033	490	5,171	-2.7	-3.7
Pacific Northwest	124	178	1,909	-4.6	-4.5
Southwest	126	391	4,095	1.7	0.5
Arizona	131	98	1,028	0.9	-2.8
California	---	508	5,572	-1.8	-1.4

1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 4/ above for the products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis.

Source: U.S. Department of Agriculture. California Department of Food and Agriculture. Milk Stabilization Branch. *California Dairy Information Bulletin*, *November 2013.*

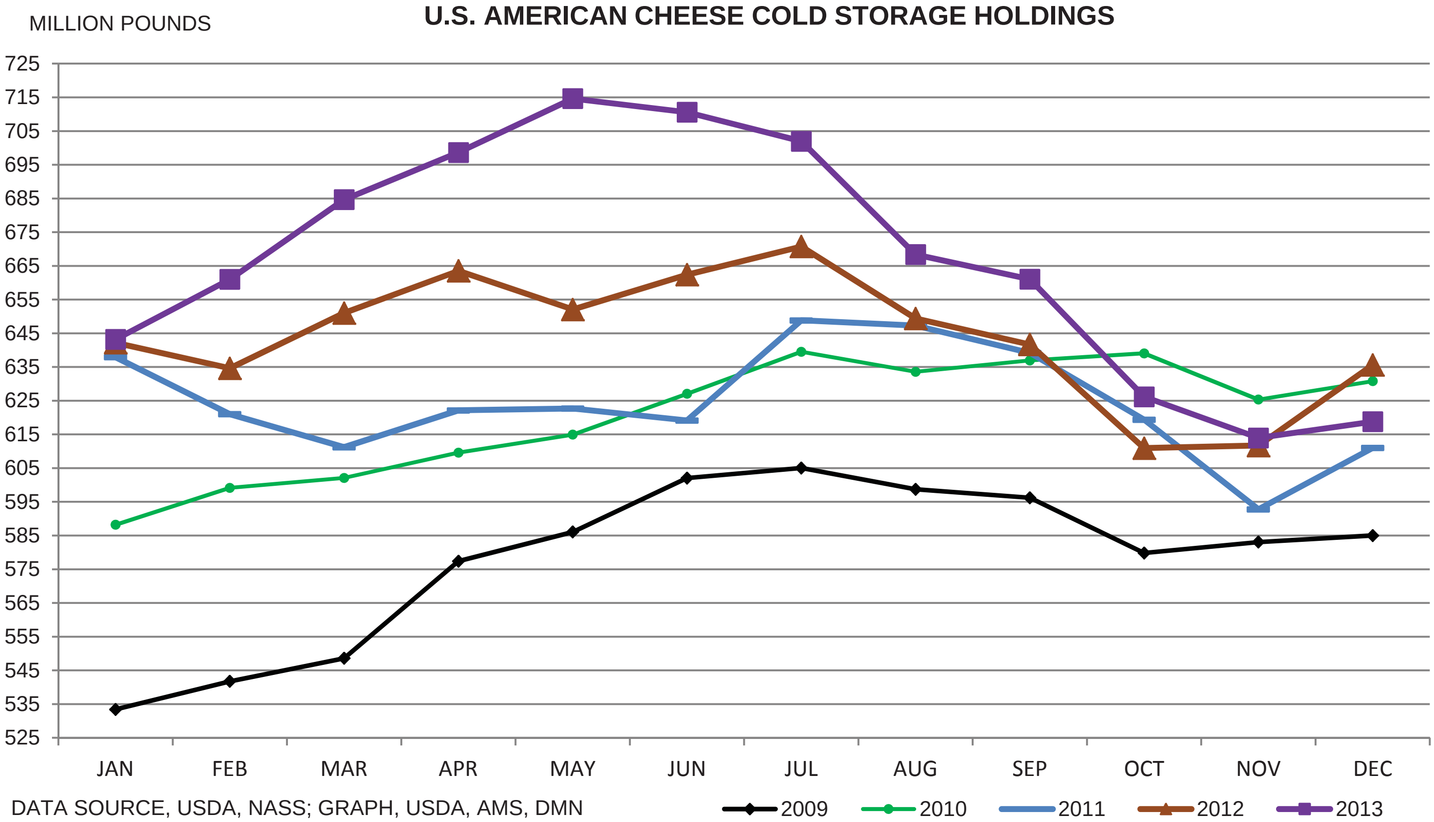
FEDERAL MILK ORDER ADVANCE PRICES, FEBRUARY

Base Class I Price: Under the Federal milk order pricing system, the base Class I price for February 2014 is $22.02 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of $16.57 and the advanced butterfat pricing factor of $1.7225. A Class I differential for each order's principle pricing point (county) is added to the base price to determine the Class I Price.
Comparison to Previous Month: The base Class I price increased $0.54 per cwt when compared to the previous month of January 2014. For selected consumer products, the price changes are: whole milk (3.25% milk fat), $0.55 per cwt., $0.047 per gallon; reduced fat milk (2%), $0.63 per cwt., $0.054 per gallon; fat-free (skim milk), $0.73 per cwt., $0.063 per gallon.
Class II Price Information: The advanced Class IV skim milk pricing factor is $16.57. Thus, the Class II skim milk price for February 2014 is $17.27 per cwt., and the Class II nonfat solids price is $1.9189.
Product Price Averages: The two-week product price averages for February 2014 are: butter $1.5939, nonfat dry milk $2.0270, cheese $2.0308 and dry whey $0.5939.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION [1/ 2/]

Federal Milk Order Marketing Area 3/	Order Number	February 2014 Class I Price (3.5%)	Class I Skim Milk Price	Class I Butterfat Price
		$ per cwt.	$ per cwt.	$ per pound
Northeast (Boston) [4/]	001	25.27	19.82	1.7550
Appalachian (Charlotte) [5/ 6/]	005	25.42	19.97	1.7565
Florida (Tampa) [6/ 7/]	006	27.42	21.97	1.7765
Southeast (Atlanta) [6/ 8/]	007	25.82	20.37	1.7605
Upper Midwest (Chicago) [9/]	030	23.82	18.37	1.7405
Central (Kansas City) [10/]	032	24.02	18.57	1.7425
Mideast (Cleveland) [11/]	033	24.02	18.57	1.7425
Pacific Northwest (Seattle) [12/]	124	23.92	18.47	1.7415
Southwest (Dallas) [13/]	126	25.02	19.57	1.7525
Arizona (Phoenix)	131	24.37	18.92	1.7460
All-Market Average		24.91	19.46	1.7514

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk.
2/ Note: The mandatory $0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.
3/ Names in parentheses are the major city in the principal pricing point of the markets.
4/ Class I prices at other cities are: New York City, minus $0.10; Philadelphia, minus $0.20; Baltimore, minus $0.25, and Washington, DC, minus $0.25.
5/ Class I prices at other cities are: Knoxville, minus $0.20 and Louisville, minus $1.10.
6/ Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted.
7/ Class I prices at other cities are: Orlando, same; Miami, plus $0.60; and Jacksonville, minus $0.40.
8/ Class I prices at other cities are: New Orleans, same; Memphis, minus $0.90; Nashville, minus $0.90; and Springfield, MO, minus $1.40.
9/ Class I prices at other cities are: Milwaukee, minus $0.05; and Minneapolis, minus $0.10.
10/ Class I prices at other cities are: Des Moines, minus $0.20; Omaha, minus $0.15; Oklahoma City, plus $0.60; St. Louis, same; and Denver, plus $0.55.
11/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus $0.20; Pittsburgh, plus $0.10; and Detroit, minus $0.20.
12/ Class I prices at other cities are: Portland, same; and Spokane, same.
13/ Class I prices at other cities are: Houston, plus $0.60; San Antonio, plus $0.45; Albuquerque, minus $0.65; and El Paso, minus $0.75.


MILLION POUNDS
U.S. AMERICAN CHEESE COLD STORAGE HOLDINGS
725
715
705
695
685
675
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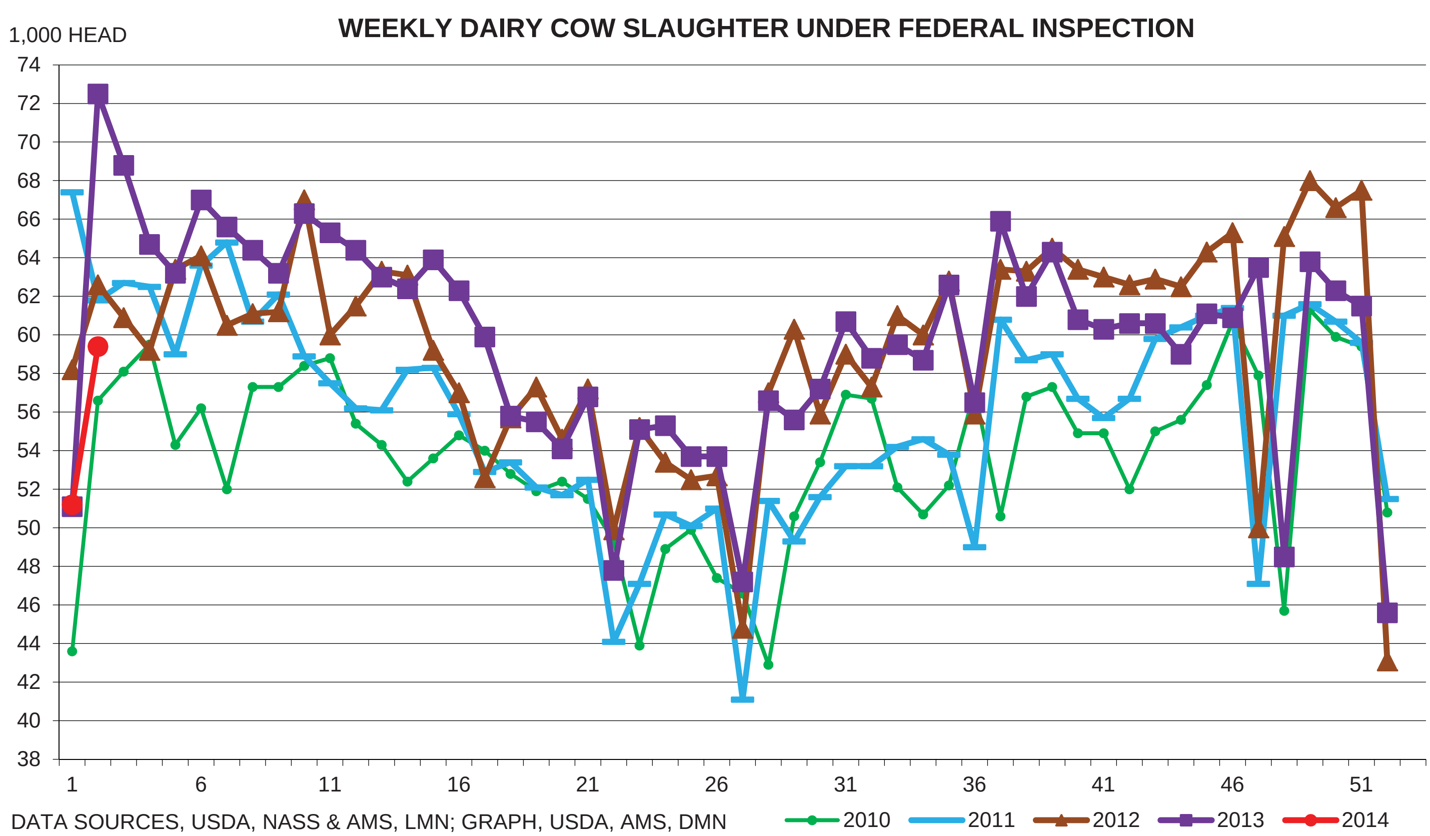
655
645
635
625
615
605
595
585
575
565
555
545
535
525
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN
2009
2010
2011
2012
2013


1,000 HEAD
WEEKLY DAIRY COW SLAUGHTER UNDER FEDERAL INSPECTION
74
72
70
68
66
64
62
60
58
56
54
52
50
48
46
44
42
40
38
1
6
11
16
21
26
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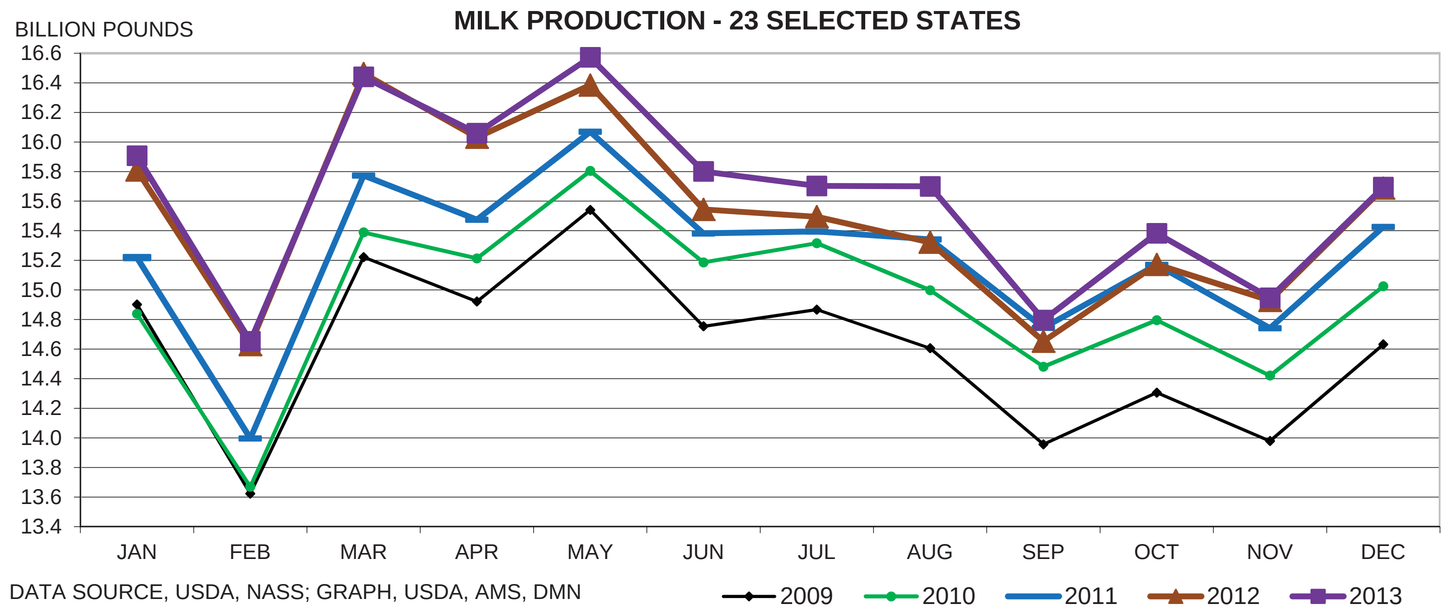
41
46
51
DATA SOURCES, USDA, NASS & AMS, LMN; GRAPH, USDA, AMS, DMN
2010
2011
2012
2013
2014


MILK PRODUCTION - 23 SELECTED STATES
BILLION POUNDS
16.6
16.4
16.2
16.0
15.8
15.6
15.4
15.2
15.0
14.8
14.6
14.4
14.2
14.0
13.8
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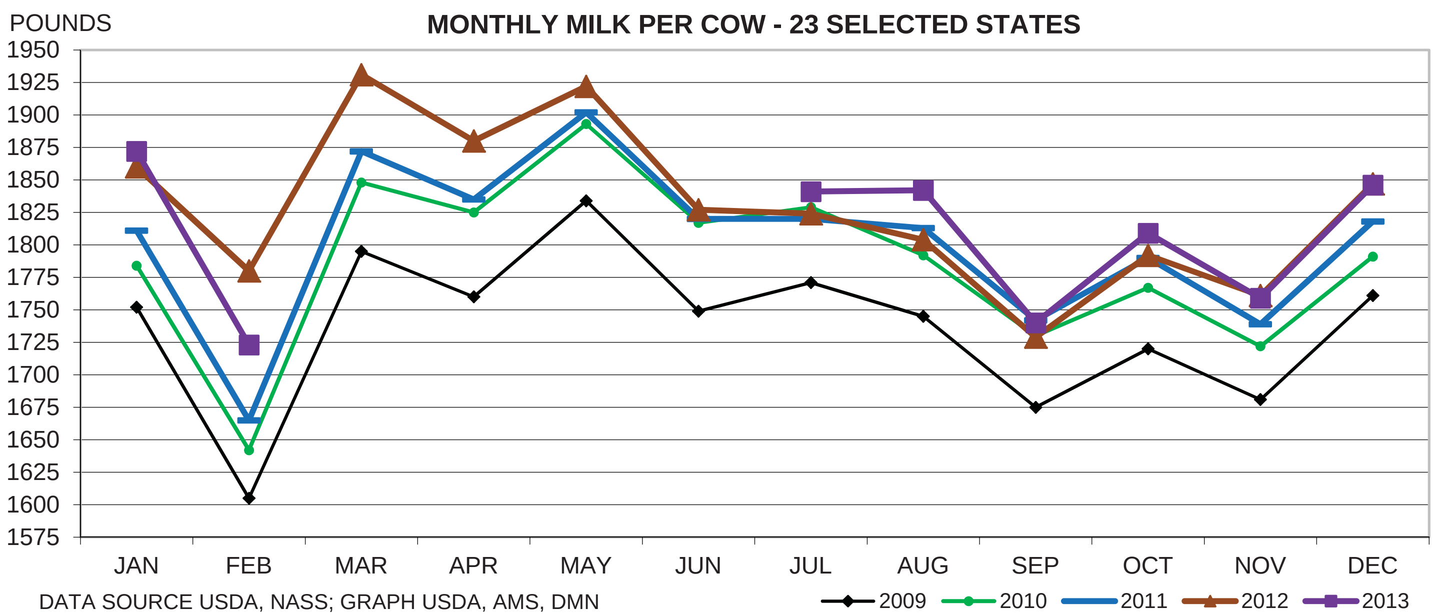
13.4
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN
2009 2010 2011 2012 2013


MONTHLY MILK PER COW - 23 SELECTED STATES
POUNDS
1950
1925
1900
1875
1850
1825
1800
1775
1750
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1700
1675
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1625
1600
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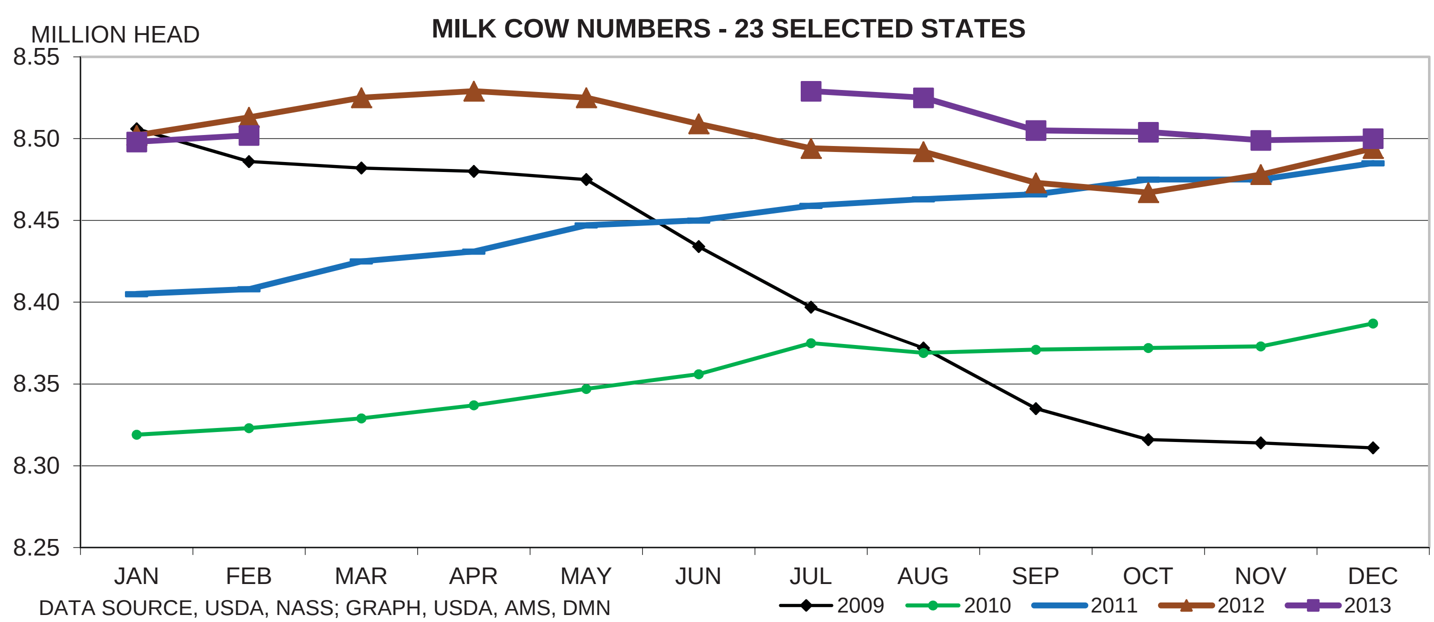
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
DATA SOURCE USDA, NASS; GRAPH USDA, AMS, DMN
2009 2010 2011 2012 2013


MILK COW NUMBERS - 23 SELECTED STATES
MILLION HEAD
8.55
8.50
8.45
8.40
8.35
8.30
8.25
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN
2009 2010 2011 2012 2013

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Dairy Market News Branch

National Dairy Retail Report

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

Volume 81- Number 04 | Issued Biweekly | Thursday, January 23, 2014

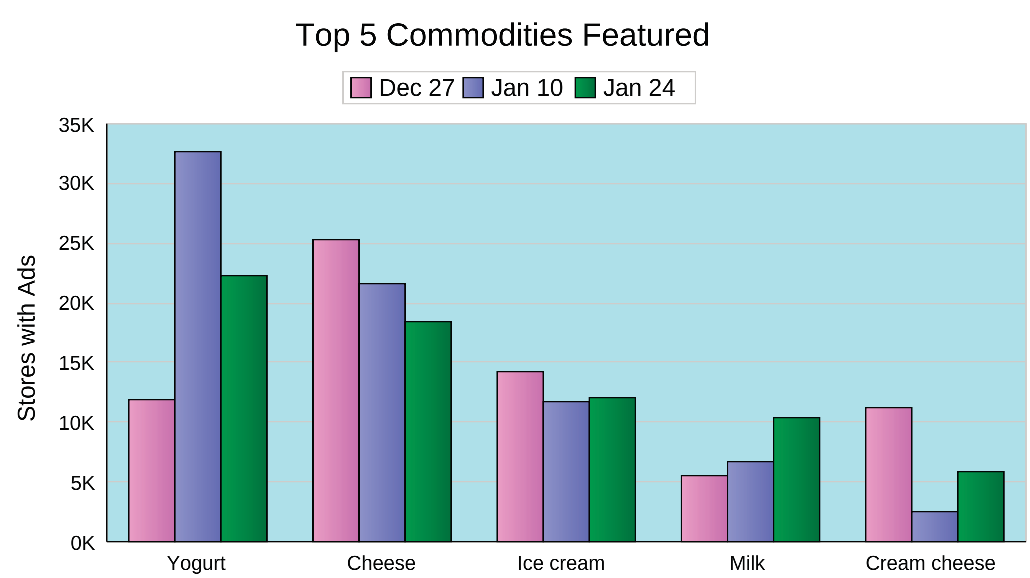
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 01/13 to 01/24

Dairy ad numbers overall are down. Of the three most advertised dairy categories, yogurt ads fell by nearly 1/3, cheese ads are down by 15%, but ice cream numbers increased slightly.

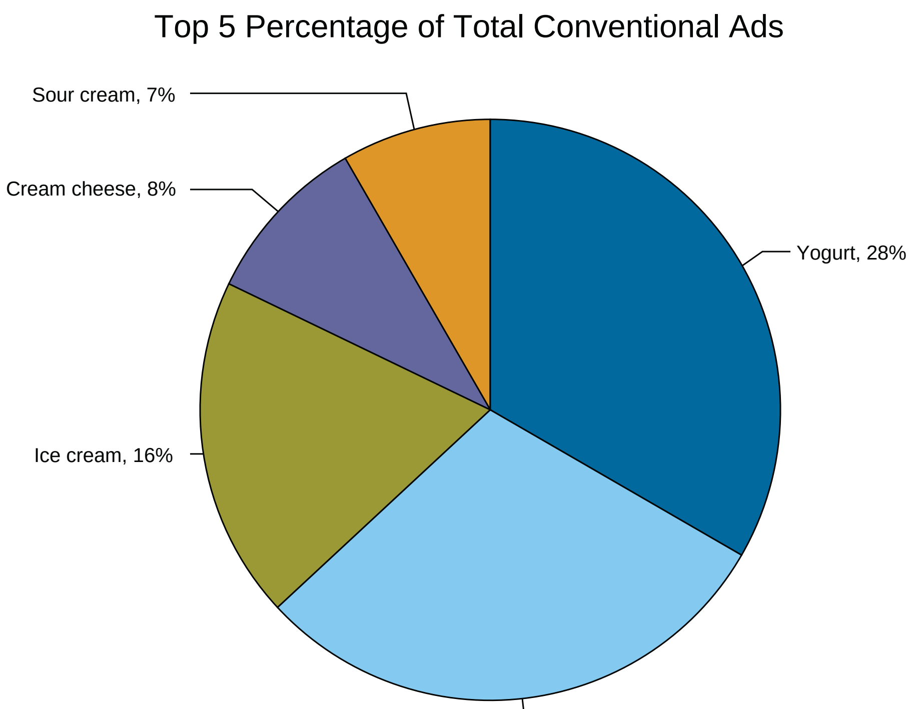
4-6 ounce Greek yogurt ads lead the yogurt category, with increasing offerings of 5.3 ounce size containers. The weighted average advertised price, $.97, is down 1 cent from 2 weeks ago and down 4 cents from a year ago. Prices range from as low as $.50 in the Southwest, to as high as $1.29 in the Northeast, a 79 cent price range. The bulk of remaining yogurt ads are for 4-6 ounce yogurt, with an average price of $.52, up 3 cents from two weeks ago and up 2 cents from last year.

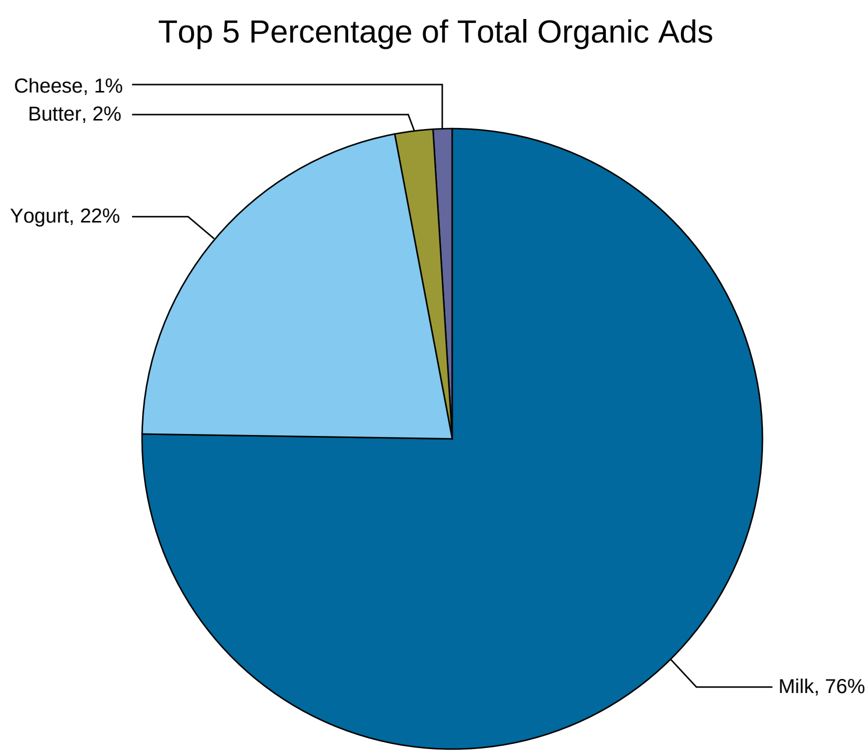
Although overall cheese ad numbers declined, among the top 2 cheese categories, 8 ounce shredded, the most advertised category, only decreased slightly. The average price, $2.31, is down by 8 cents from two weeks ago and down by 13 cents from last year. The second largest cheese category, 8 ounce block, is down 1/3 in ad numbers. The average price is $2.20, down 9 cents from the last report and down 20 cents from last year.

Milk ad numbers nearly doubled although conventional milk is not among the top five advertised dairy products. The national weighted average conventional milk price for half gallons is $1.97 and for organic half-gallon milk, $3.41. The organic-conventional half-gallon price spread is $1.44, down 36 cents from the last period and the narrowest price spread since last July. One year ago the price spread was $1.56.



1 -- Dairy Market News surveys nearly100 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.





Wtd Avg - Simple weighted average

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 #	2467	2.85	2542	2.88	3249	2.63
Cheese	Natural Varieties	8 oz block	6029	2.20	9123	2.29	8863	2.40
Cheese	Natural Varieties	1 # block	1415	3.88	1092	4.07	2299	4.08
Cheese	Natural Varieties	2 # block	592	6.29	1325	6.11	210	6.52
Cheese	Natural Varieties	8 oz shred	8132	2.31	8591	2.39	12694	2.44
Cheese	Natural Varieties	1 # shred	2110	3.82	1403	3.46	614	3.90
Cottage cheese		16 oz	2987	2.24	4001	1.90	3909	1.75
Cream cheese		8 oz	5799	1.56	2533	1.58	4800	1.39
Egg nog		quart	71	2.99	160	3.27		
Egg nog		half gallon	71	4.79	71	4.79		
Flavored milk	All fat tests	half gallon	343	2.55	882	2.93	862	1.90
Flavored milk	All fat tests	gallon	559	3.85	71	3.65	379	3.43
Ice cream		48-64oz	11983	3.27	11720	3.17	11233	3.02
Milk	All fat tests	half gallon	581	1.97	252	1.65	2115	2.01
Milk	All fat tests	gallon	3665	3.01	2010	3.07	4356	2.90
Sour cream		16 oz	5143	1.70	6558	1.57	6658	1.53
Yogurt	Greek	4-6 oz	11838	.97	16799	.98	14827	1.01
Yogurt	Greek	32 oz	329	4.49	2100	3.37	2992	3.16
Yogurt	Yogurt	4-6 oz	6870	.52	9906	.49	5930	.50
Yogurt	Yogurt	32 oz	1561	2.37	1149	2.73	2206	2.37

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 #	1.99-3.79	1163	2.85	2.79-3.00	674	2.93	2.48	98	2.48
Cheese	Natural Varieties	8 oz block	1.50-3.29	1983	2.30	1.67-2.50	1937	2.28	1.66-2.50	1228	2.13
Cheese	Natural Varieties	1 # block	3.99-4.99	401	4.41				3.29-3.99	430	3.64
Cheese	Natural Varieties	2 # block				6.99	58	6.99			
Cheese	Natural Varieties	8 oz shred	1.99-3.69	2576	2.46	1.67-2.79	2935	2.25	1.66-2.50	690	2.02
Cheese	Natural Varieties	1 # shred	4.39-4.99	240	4.81	3.29	237	3.29	3.29	89	3.29
Cottage cheese		16 oz	1.74-2.99	2351	2.25	1.99-2.29	224	2.13	1.99	190	1.99
Cream cheese		8 oz	1.39-2.50	1183	1.71	0.99-2.00	2666	1.57	0.99	361	.99
Egg nog		quart	2.99	71	2.99						
Egg nog		half gallon	4.79	71	4.79						
Flavored milk	All fat tests	half gallon	2.39	125	2.39	2.49	53	2.49	2.69	165	2.69
Flavored milk	All fat tests	gallon	3.65-4.99	194	4.50	3.99	195	3.99	2.50	120	2.50
Ice cream		48-64oz	2.48-4.59	2954	2.99	2.50-5.99	4099	3.18	2.50-5.99	1706	3.15
Milk	All fat tests	half gallon	1.39-1.89	199	1.71				1.49-1.66	160	1.56
Milk	All fat tests	gallon	3.85-3.99	183	3.94	2.99-3.99	1318	3.03			

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	1.39-2.00	2213	1.63	1.50-2.00	1596	1.90	1.50-1.69	312	1.56
Yogurt	Greek	4-6 oz	0.83-1.29	3034	1.00	0.80-1.00	3961	.94	0.99-1.00	1490	1.00
Yogurt	Greek	32 oz	4.29-5.49	127	4.82	4.28	202	4.28			
Yogurt	Yogurt	4-6 oz	0.40-0.78	2910	.54	0.40-0.60	1122	.51	0.50-0.66	710	.54
Yogurt	Yogurt	32 oz	1.99-2.50	725	2.08	3.00	195	3.00	2.00	168	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 #	3.00	53	3.00	2.69-2.99	429	2.85	2.50	50	2.50
Cheese	Natural Varieties	8 oz block	1.88-2.50	457	2.13	1.50	222	1.50	1.99	202	1.99
Cheese	Natural Varieties	1 # block				3.33-3.99	504	3.75	3.33	80	3.33
Cheese	Natural Varieties	2 # block				5.49	118	5.49	4.99-6.99	416	6.42
Cheese	Natural Varieties	8 oz shred	1.88-2.99	864	2.36	1.50-2.69	613	2.10	1.99-4.49	454	2.49
Cheese	Natural Varieties	1 # shred	3.29-3.34	363	3.33	3.29-3.99	899	3.76	3.33-4.79	282	4.38
Cottage cheese		16 oz				2.50	222	2.50			
Cream cheese		8 oz	1.48-2.00	389	1.62	1.00-2.50	598	1.69	1.00-1.50	602	1.40
Flavored milk	All fat tests	gallon							3.99	50	3.99
Ice cream		48-64oz	2.99-4.99	959	4.20	2.50-3.99	1437	3.31	2.50-4.99	828	3.78
Milk	All fat tests	half gallon				2.50	222	2.50			
Milk	All fat tests	gallon	2.19-2.98	510	2.38	1.99-3.70	1104	3.15	2.79-3.69	550	2.94
Sour cream		16 oz	1.00-1.69	290	1.41	1.00-1.99	480	1.50	1.99	252	1.99
Yogurt	Greek	4-6 oz	0.88-1.00	1294	.98	0.50-1.00	1429	.94	1.00-1.25	630	1.02
Yogurt	Yogurt	4-6 oz	0.50	428	.50	0.50	1098	.50	0.38-0.50	602	.45
Yogurt	Yogurt	32 oz				2.50-2.68	271	2.59	2.79	202	2.79

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 #	169	4.99			1522	3.99
Cheese	Natural Varieties	8 oz block					195	2.50
Cheese	Natural Varieties	8 oz shred	63	3.99			195	2.50
Cottage cheese		16 oz					57	3.99
Flavored milk	All fat tests	half gallon					232	3.99
Milk	All fat tests	half gallon	3734	3.41	3648	3.45	3132	3.57
Milk	All fat tests	gallon	1697	5.80	543	5.08		
Milk	All fat tests	8 oz UHT	671	.91	165	1.00	1929	1.01

Wtd Avg - Simple weighted average

Sour cream		16 oz					57	2.99
Yogurt	Greek	4-6 oz	707	1.14	1783	1.16	273	1.34
Yogurt	Yogurt	4-6 oz	801	.67	143	.50		
Yogurt	Yogurt	32 oz	235	3.79	769	2.96	986	3.03

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 #	4.99	169	4.99						
Cheese	Natural Varieties	8 oz shred	3.99	63	3.99						
Milk	All fat tests	half gallon	4.19	232	4.19	3.49-3.59	1484	3.57	2.99-3.59	526	3.18
Milk	All fat tests	gallon	5.00-6.69	456	5.77	6.69	58	6.69			
Milk	All fat tests	8 oz UHT				1.00	202	1.00	0.79-1.00	265	.93
Yogurt	Greek	4-6 oz	1.00-1.59	470	1.21	1.00	237	1.00			
Yogurt	Yogurt	4-6 oz	0.50	323	.50	0.50	202	.50			
Yogurt	Yogurt	32 oz	3.79	235	3.79						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon	2.59-3.99	666	3.24	2.79-3.69	628	3.24	2.99	198	2.99
Milk	All fat tests	gallon	5.59-6.99	352	6.09	5.99	533	5.99	5.00	298	5.00
Milk	All fat tests	8 oz UHT	0.79	85	.79	0.79	119	.79			
Yogurt	Yogurt	4-6 oz				1.00	276	1.00			

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

Wtd Avg - Simple weighted average

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