

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (11/14)**

BUTTER: Grade AA closed at \$1.9875. The weekly average for Grade AA is \$1.9930 (-.0155).

CHEESE: Barrels closed at \$1.9150 and 40# blocks at \$1.9425. The weekly average for barrels is \$1.9670 (-.1620) and blocks, \$2.0110 (-.1670).

BUTTER HIGHLIGHTS: Across the country, production schedules at most butter plants are seasonally active, although lighter cream availability in some areas affect butter production rates. With Thanksgiving nearing, private labels and clearly retail butter orders are driving good domestic demand, as promotional activities increase in the market. Production managers at butter plants are continuing a close watch on output, as they attempt to balance inventories over the remainder of the year. Bulk butter prices ranged from 3 cents under to 6 cents over market, with various time frames and averages used. According to the DMN *National Dairy Retail Report*, the U.S. weighted average advertised price for 1-pound butter is \$3.63, a decrease of \$0.19 compared to two weeks ago. This week, a cooperative export assistance program accepted requests for 2.866 million pounds of butter. This week, sales at the CME Group have been active. The Grade AA cash butter price closed Friday at \$1.9875, down \$0.0200 from last Friday.

CHEESE HIGHLIGHTS: Cheese manufacturers have milk available for cheese making, even now at or near the low point of milk production in most regions. In some areas there is more milk available than can be used. Recent cheese sales have been strong to very strong, which is attributed to holiday orders being filled. Nevertheless, there is concern voiced as to cheese supplies becoming long as order fulfillments abate in the next few weeks. Once holiday orders are closer to being filled, domestic cheese sales may become more challenging. This will occur as seasonal milk production increases which is expected to result in some manufacturers increasing cheese production. With prevailing global cheese prices, exporting U.S. cheese will face price challenges. Cheese retail advertising reported in the *National Dairy Retail Report* declined 6% from two weeks ago. Friday at the CME Group, barrels closed at \$1.9150, down 20 1/2 cents from a week ago and 40# blocks at \$1.9425, down 25 3/4 cents from a week ago.

FLUID MILK: Milk production is steady to increasing across most of the nation with the exception of the Pacific Northwest and Utah where milk volumes are steady to slightly lower respectively. Cooler weather in California and the Southwest has improved cow comfort levels. The first snow storm of the year in the upper Midwest caused some transportation

delays. Shortages of trucking personnel and equipment are also hampering milk and cream transportation. Processing plants in the Central region are very active with some operating at near capacity. Class I demand is steady to increasing with bottlers working on retail orders for eggnog and other holiday specialty items. Demand for cream is increasing as cream based manufacturers have increased their production schedules ahead of the holiday season.

DRY PRODUCTS: Prices for low/medium heat nonfat dry milk moved lower. Production is active in the Central and West regions. FOB spot sales at lower price levels occurred as manufacturers attempted to decrease inventories prior to the end of the calendar year. High heat nonfat dry milk prices were steady to weak. Dry buttermilk prices are declining in the East and Central regions, unchanged to lower in the West. Dry buttermilk production is active with inventories steady to building. Dry whey prices are unchanged. Production is following the increase in cheese production to fill holiday orders. Export interest is light. Inventories are steady to building incrementally. Prices for whey protein concentrate 34% are unchanged to lower in a weak market. Production is steady with some manufacturers taking steps to cut down on stocks. Lactose prices are unchanged to lower in a soft market. Production is steady with supplies steady to building.

ORGANIC DAIRY MARKET NEWS (DMN): The U.S. weighted average advertised price of organic milk half gallons is \$3.66, up 34 cents from 2 weeks ago. One year ago the price was \$3.48. The lowest price is up 99 cents to \$3.49, while the top of the price range is down 30 cents to \$3.99. Organic cheese (8 ounce blocks) has an average price of \$3.99 up from \$3.83 two weeks ago. Organic cheese (8 ounce shredded) has an average price of \$3.99, unchanged from two weeks ago. The weighted average price of 4-6 ounce organic yogurt is \$1.23; 4-6 ounce organic Greek yogurt is \$1.50; and 32 ounce organic yogurt is \$3.49. A number of organic processors are actively recruiting existing conventional dairy producers and young farmers to transition into organic dairy production. Recent high prices for conventional milk are being cited as an encouraging factor, allowing transitioning producers to receive higher than normal conventional milk pay prices during the transition process.

NATIONAL DAIRY RETAIL REPORT (DMN): Half gallon egg nog ads increased significantly this period with a national average price of \$3.92. Cream cheese ad numbers increased 48% from 2 weeks ago with 8 ounce packages averaging \$1.61, down 3 cents from 2 weeks ago. Ice

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

ORGANIC DAIRY MARKET NEWS (PAGES 8-8A)
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DAIRY GRAPHS (G1-G4)
NATIONAL DAIRY RETAIL REPORT (ATTACHED)

CME GROUP CASH TRADING

COMMODITY	MONDAY NOV 10	TUESDAY NOV 11	WEDNESDAY NOV 12	THURSDAY NOV 13	FRIDAY NOV 14	:: ::	WEEKLY CHANGE*	:: ::	WEEKLY AVERAGE#
CHEESE									
BARRELS	\$2.1200 (N.C.)	\$1.9475 (-.1725)	\$1.9375 (-.0100)	\$1.9150 (-.0225)	\$1.9150 (N.C.)	:: ::	(-.2050)	:: ::	\$1.9670 (-.1620)
40# BLOCKS	\$2.1800 (-.0200)	\$2.0000 (-.1800)	\$1.9900 (-.0100)	\$1.9425 (-.0475)	\$1.9425 (N.C.)	:: ::	(-.2575)	:: ::	\$2.0110 (-.1670)
NONFAT DRY MILK									
GRADE A	\$1.1725 (+.0125)	\$1.1775 (+.0050)	\$1.1775 (N.C.)	\$1.1800 (+.0025)	\$1.1800 (N.C.)	:: ::	(+.0200)	:: ::	\$1.1775 (-.0265)
BUTTER									
GRADE AA	\$2.0000 (-.0075)	\$2.0000 (N.C.)	\$1.9900 (-.0100)	\$1.9875 (-.0025)	\$1.9875 (N.C.)	:: ::	(-.0200)	:: ::	\$1.9930 (-.0155)

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**

cream ads decreased, but were second in frequency behind Greek yogurt ads. The weighted average price of a 48-64 ounce container was \$3.02, 21 cents lower than 2 weeks ago. Sour cream ads increased 71% as the weighted average price decreased 7 cents from the last reporting period to \$1.77. The national average price of 1 pound butter, \$3.63, decreased by 19 cents from the last period, but is \$1.26 higher than one year ago. The national average price has declined for 2 consecutive reporting periods with a cumulative decline of 57 cents.

The national weighted average cheese price for 8 ounce blocks is up 20 cents from two weeks ago to \$2.61, while a year ago the price was \$2.51. The 8 ounce shred category, at \$2.56, is up 10 cents from two weeks ago and 34 cents higher from one year ago. Greek yogurt in 4-6 ounce packages averaged 96 cents, down 2 cents from two weeks ago and 6 cents lower compared to a year ago. Regular yogurt in 4-6 ounce packages, at 52 cents, is up 2 cents from two weeks ago, but down 1 cent from one year ago. The organic versus conventional half gallon price spread is \$1.51, up 49 cents from two weeks ago. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.15, and the average for organic half gallon milk, \$3.66. One year ago the price spread was \$2.02.

NOVEMBER MILK SUPPLY AND DEMAND ESTIMATES

(WAOB): The milk production forecast for 2014 is increased from last month as growth in milk per cow has increased. However, for 2015, the production forecast is lowered as the expansion in cow numbers and growth in milk per cow are expected to be more moderate. Export forecasts for 2014 and 2015 are lowered as U.S. dairy products, especially on a skim solids basis, remain less competitive in world markets. Cheese and nonfat dry milk (NDM) prices are raised for 2014, reflecting current price movements, but the price forecasts for 2015 are lowered as domestic supplies are expected to be relatively large. Butter prices are reduced for both 2014 and 2015 based on prices to date and weaker expected exports. Whey prices are unchanged from last month. The Class III price for 2014 is raised on stronger cheese prices, but weaker cheese prices in 2015 result in a lower expected Class III price. The Class IV price is lowered for 2014 as lower butter prices more than offset a higher NDM price. For 2015 both butter and NDM prices will be weaker, resulting in a lower Class IV price forecast. The all milk price is raised to \$24.15 to \$24.25 for 2014, but is lowered for 2015 to \$18.85 to \$19.75.

CME GROUP

MONDAY, NOVEMBER 10, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$2.1800
 NONFAT DRY MILK -- SALES: 5 CARS GRADE A: 1 @ \$1.1625, 1 @ \$1.1675, 2 @ \$1.1700, 1 @ \$1.1725; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 7 CARS GRADE AA: 1 @ \$2.0050, 6 @ \$2.0000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

TUESDAY, NOVEMBER 11, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.9475; 1 CAR 40# BLOCKS @ \$2.0000
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$1.1775; LAST BID UNFILLED: 2 CARS GRADE A @ \$1.1775; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

WEDNESDAY, NOVEMBER 12, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.9375; 1 CAR 40# BLOCKS @ \$1.9900
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.1775; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.1850
 BUTTER -- SALES: 9 CARS GRADE AA: 7 @ \$2.0000, 1 @ \$1.9950, 1 @ \$1.9900; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.9900; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0000

THURSDAY, NOVEMBER 13, 2014

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.9275, 2 @ \$1.9050, 1 @ \$1.9150; 1 CAR 40# BLOCKS @ \$1.9425; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.9900
 NONFAT DRY MILK -- SALES: 3 CARS GRADE A @ \$1.1800; LAST BID UNFILLED: 3 CARS GRADE A @ \$1.1800; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 6 CARS GRADE AA: 3 @ \$2.0000, 3 @ \$1.9900; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.9875

FRIDAY, NOVEMBER 14, 2014

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.1750; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.9875

BUTTER MARKETS

NORTHEAST

Churning operations are primarily fulfilling seasonal orders. Otherwise, plants are careful in managing production output as to minimize the level of inventory growth. Interest remains seasonally good with on-going holiday buying. Spot transactions are intermittent. The market undertone is mixed. The current bulk butter prices for domestic sales are reported 4-6 cents over the market of the CME Group, with various time frames and averages used. According to the DMN *National Dairy Retail Report*, the U.S. weighted average advertised price for 1-pound butter is \$3.63, a decrease of \$0.19 compared to two weeks ago. The price in the Northeast was \$4.05, a decrease of \$0.32 compared to two weeks ago. The price in the Southeast was \$3.46, a decrease of \$0.05 compared to two weeks ago. At the CME, Grade AA butter closed Tuesday at \$2.0000, down \$0.0200 from a week ago.

CENTRAL

The butter market is active, production is steady and demand for both print and bulk butter is good. Cream supplies are in balance with churning needs. Retail butter orders are good with particularly strong pulls for private label. Bulk butter supplies are being worked lower. Bulk butter prices are ranging from market to 6 cents over the market, with various time frames and averages used. Wednesday at the CME Group, Grade AA butter closed at \$1.9900, down \$0.0600 from last Wednesday. According to FAS, January–September 2014 U.S. butter exports totaled 139.6 million pounds, a 2% increase compared to last year. The DMN *National Dairy Retail Report* noted the national weighted average advertised price for a 1 lb. package of butter was \$3.63, down \$0.19 from two weeks ago, but \$1.26 higher than a year ago. The weighted average price in the Midwest region was \$2.93, \$1.15 lower than two weeks ago. In the South Central region, the average was \$3.77, \$0.04 lower than two weeks ago.

WEST

Some butter manufacturers are using their available cream to churn for retail butter order fulfillment, rather than sell cream. Retail orders are keeping churns busy. The National Dairy Retail Report found that the U.S. weighted average advertised price of 1# butter, \$3.63, is \$1.900 below the price two weeks ago. Ad numbers have risen 25%. Retail prices for 1# butter in the Southwest ranged from \$1.99 to \$4.99, with the weighted average at \$3.79. Butter prices for the Northwest ranged from \$2.49 to \$4.99, with the weighted average at \$3.93. Butter prices at the CME Group at midweek closed at \$1.9900. Compared to last Wednesday, butter prices are 6 cents lower. Bulk butter prices range from market to -3 cents under, based on the CME with various time frames and averages used.

2014 U.S. Butter and Milk Fat Exports, (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
September Total	5.3	- 79
Total, Jan - Sep	139.6	+ 2
1 Saudi Arabia	32.6	- 6
2 Morocco	17.8	+ 56
3 Iran	14.0	- 26
4 Egypt	10.5	+ 14
5 Mexico	6.9	+ 81

2014 U.S. Butter Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Sep. Quota Imports	0.7	+ 8	5
Jan. - Sep.			
High Tier	2.7	+ 533	N.A.
Quota Imports	12.1	+ 63	79

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
November 8, 2014					
	1.9672	2.2198	2.0912	0.6454	1.4633
	4,154,765	11,790,072	9,587,393	6,818,751	16,580,555

CHEESE MARKETS

NORTHEAST

Cheese output is holding steady at anticipated seasonal volumes. Plants continue to monitor inventory levels. Holiday demand is steady. Last week, the weekly average cheese prices on the CME Group moved in the same direction after moving contrary close to a month. As a result, this week's wholesale prices for 40# block and muenster changed higher \$0.0525, and process 5# sliced changed higher \$0.0950. Grade A Swiss prices moved higher \$0.0750 with adjustments based on Class III component prices. According to the DMN National Dairy Retail Report, the weighted average advertised price for 8 oz. cheese blocks in the Northeast was \$2.56, 5 cents less than the national price but 7 cents more than two weeks ago. The Southeast 8 oz. block cheese price was \$2.75, 25 cents more than two weeks ago. The weighted average price for 8 oz. shredded cheese in the Northeast was \$2.53, 3 cents less than the national price but 10 cents more than two weeks ago. The Southeast 8 oz. shredded cheese price was \$2.41, 36 cents less than two weeks ago. Tuesday's CME Group cash closing saw barrels end the day at \$1.9475 down \$0.1625 from a week ago, while blocks closed at \$2.0000, down \$0.1700 from a week ago.

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

Cheddar 40# Block	:	2.5725-2.8575
Process 5# Sliced	:	2.3525-2.8325
Muenster	:	2.5925-2.9525
Grade A Swiss Cuts 10 - 14#	:	3.9250-4.2475

MIDWEST

Cheese production has been active, with some plants operating near capacity. Milk supplies are readily available. Some cheese plants are also fortifying vats with nonfat dry milk. This has resulted in a situation where increasingly cheese supplies are being viewed as long as holiday orders move closer to being filled. Buyers have been adding to inventories lately but recent CME activity reflects sellers with extra blocks and barrels finding less buyer interest than expected. The weaker buyer interest has surprised some cheese sellers. The National Dairy Retail Report (DMN) found that Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of \$2.31, 25 cents lower than the national average, \$2.56. Midwest prices range from \$1.98 to \$2.49. For 8 ounce blocks, the Midwest average price is \$2.46, 15 cents lower than the national average price, \$2.61. Midwest ad prices range from \$1.66 to \$2.99. Nationally, cheese ad numbers are 6% lower than two weeks ago. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese increased \$.0950, Swiss increased \$.0750 and the remaining varieties increased \$.0525. CME Group trading closed Wednesday with barrels at \$1.9375, down \$.2225 from last Wednesday, and blocks at \$1.9900, down \$.1900 from last Wednesday.

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

Process American 5# Loaf	:	2.2300-2.5900
Brick And/Or Muenster 5#	:	2.5525-2.9775
Cheddar 40# Block	:	2.2575-2.6750
Monterey Jack 10#	:	2.5275-2.7325
Blue 5#	:	2.8200-3.8075
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.3975-3.2925
Grade A Swiss Cuts 6 - 9#	:	3.4425-3.5600

WEST

Western cheese manufacturers have "good" milk supplies, even with this being the seasonal low for milk production. Some cheese manufacturers with multiple product production options are running cheese production close to full, rather than diverting milk supplies into other dry dairy products. There is also opportunity milk available this week from Idaho, selling in the region, at below Class prices. For some cheese makers, there is more of the surplus milk available than can be used. Supplies of cheddar and monterey jack are getting tighter, while mozzarella is in a longer supply situation. Advertised U.S. cheese prices as reported in the National Dairy Retail Report showed higher weighted average prices for packages of 8 oz. block (\$2.61, +.20) and 8 oz. shred (\$2.56, +.10) from two weeks ago. Retail prices were lower for 1 lb. block (\$3.95, -1.35), 2 lb. block (\$7.83, -.62) and 1 lb. shred (\$4.00, -.98). Combined cheese advertising was down 6% from two weeks ago. Western wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese increased \$.0950, Swiss increased \$.0750 and the remaining varieties increased \$.0525. CME Group trading closed Wednesday with barrels at \$1.9375 down \$.2225 from last Wednesday and blocks at \$1.9900, down \$.1900 from last Wednesday.

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

Process 5# Loaf	:	2.2600-2.5175
Cheddar 40# Block	:	2.3000-2.6525
Cheddar 10# Cuts	:	2.4800-2.7000
Monterey Jack 10#	:	2.4900-2.6500
Grade A Swiss Cuts 6 - 9#	:	3.5025-3.9325

2014 U.S. Cheese Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Sep. Quota Imports	17.1	+ 11	6
Jan. - Sep.			
High Tier	21.6	+ 15	N.A.
Quota Imports	121.7	+ 3	41

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

	BUTTER	: CHEESE
		:
11/10/14	10,694	: 93,467
11/01/14	12,593	: 95,011
CHANGE	-1,899	: -1,544
% CHANGE	-15	: -2

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CHEESE MARKETS

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FOREIGN

Domestic foreign type cheese prices rebounded \$.0525 this week from significant declines last week. Domestic Swiss prices moved \$.0750 higher. Imported cheese prices were unchanged. September imports of Italian type and Swiss cheeses were significantly higher compared to year ago levels, reflecting wholesalers expanding their inventories ahead of the upcoming holidays, readily available supplies in Europe, and a weaker Euro compared to the U.S. dollar. U.S. imports of high tier and quota Italian-type cheese from January through September 2014 totaled 19.4 million pounds, up 2% compared to last year. Imports of quota Italian-type cheese for September totaled 2.5 million pounds, 92% higher than last year. Imports of high tier and quota Swiss/Emmenthaler varieties from January through September 2014 totaled 35.1 million pounds, 7% more than last year. Imports of quota Swiss/Emmenthaler for September totaled 4.4 million pounds, 20% higher than last year.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.7125-4.2000*
Gorgonzola	: 3.6900-6.9700	: 3.2150-3.9175*
Parmesan (Italy)	: -0-	: 4.1025-6.1925*
Provolone (Italy)	: -0-	: 2.7550-3.0075*
Romano (Cows Milk)	: -0-	: 3.9025-6.0525*
Sardo Romano (Argentine)	: 2.8500-4.4900	: -0-
Reggianito(Argentine)	: 3.2900-4.4900	: -0-
Jarlsberg-(Brand)	: 2.9500-6.0800	: -0-
Swiss Cuts Switzerland	: -0-	: 4.0225-4.3450*
Swiss Cuts Finnish	: 2.6700-2.9300	: -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	70	0	58	0	35	0
SOUTHEAST STATES	0	0	0	0	0	0

Northeast and Mid-Atlantic milk production is steady. Fluid sales are growing. Contacts note that milk intakes to balancing plants are seeing modest declines. Class II manufacturing is trending higher, as demand from specialty market products improve, with the approaching Thanksgiving holiday. Overall, the Southeast region's milk production has climbed. However, contacts report route sizes are flat in areas of the region where colder seasonal weather took effect. Sales to bottling plants are strong, with a few added orders requested by some bottlers leading into the week. Cow comfort has increased, causing an uptick in Florida's milk production. This week, Grade A spot milk shipments included 70 imported loads, 12 above last week. Classes I sales are below last year's level. Seasonally cooler temperatures and shorter days are deteriorating pasture quality throughout Florida. Temperatures range from 40s to mid-50s at night, with daytime temperatures in the 70s. According to the *DMN National Dairy Retail Report*, the U.S. weighted average price for 1 gallon of milk was \$3.55, a \$0.23 decrease compared to two weeks ago. The weighted average price in the Northeast was \$4.62, an increase of \$0.13 compared to two weeks ago. Cream supplies remain tight in the region. Processors note multiple buyers seeking supplies. **Cream multiples for all Classes** ranged **1.28-1.45**, as prices firmed. Cream based manufacturing of eggnog and holiday dips is steady to increasing with the approaching holiday. Last week, the CME Group Grade AA weekly average butter price was \$2.0085, up \$0.1685 from the previous week. **Condensed skim** supplies are somewhat lighter this week due to the stronger Class I demand. Fewer condensed skim transactions are occurring in the spot market. Condensed skim supplies clearing to Class II manufacturing are steady, with orders being satisfied.

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 -	2.5709-2.9123
F.O.B. producing plants: Upper Midwest -	2.4705-2.5910

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.55-1.58
Northeast - Class III - spot prices -	1.74-1.77

MIDWEST

Milk production is steady to increasing in most areas of the region with component levels increasing. The first major snow storm of the season covered portions of the upper Midwest, causing some transportation delays of milk and dairy products. Milk supplies are more than adequate to cover needs with some loads being shipped from the central to the upper Midwest for processing. Processing plants are very active with some operating at capacity. Bottling demand is steady to firm as some plants are expanding production in preparation for the upcoming Thanksgiving Day holiday. The expanding milk supply has lowered spot loads with prices ranging \$2.00 - \$5.00 under the Class III price. Class II cream manufacturers

have increased their operating schedules, which is typical for this time of year. **Cream multiples ranged from 1.23 to 1.29.** Wednesday at the CME Group, Grade AA butter closed at \$1.9900, down \$0.0600 from last Wednesday. The *DMN National Dairy Retail Report* noted the national weighted average advertised price for one gallon of milk was \$3.55, down \$0.23 from two weeks ago. The weighted average price in the Midwest region was \$2.60, \$0.27 lower than two weeks ago. According to the *NASS Crop Production* report, the U.S. corn production forecast is 14.4 billion bushels, down slightly from the previous report, but up 3% from last year. If realized, this will be the highest production on record. U.S. soybean production is forecast at a record 3.96 billion bushels, up less than 1% from October and up 18% from last year.

WEST

Milk production in CALIFORNIA is noticeably increasing compared to last month. Dairy producers indicate dairy herds have weathered the hot, dry summer in good condition. Now that cooler weather is settling into the state, cows are responding by delivering steadily increasing milk volumes. Sales to Class 1 accounts are steady, but lower than year ago volumes. Balancing plant operators indicate bottler orders for the upcoming holiday week are arriving. Bottlers are working on retail orders for eggnog and other holiday specialty items. ARIZONA dairy operators report the uptick in milk production is more noticeable and the new milk production season is underway. Processors report the volumes of milk clearing to manufacturing are rising as fluid milk demand is unchanged. Condensed skim sales into Class II are steady overall, but loads moving toward production of some holiday cultured, whipped, and aerated products are creeping higher from week to week while ice cream and frozen dessert uses move lower. Dairy producers in NEW MEXICO report cows are responding to the arrival of cooler weather. Overnight temperatures are in the 20s, while daytime temperatures are reaching the mid-30s. Balancing plant operators report a solid increase in orders from their Class I customers. Bottlers are staging consumer milk for delivery through the next week to match up with retailers' pricing specials. Cream multiples in the West took a jump on the bottom of the range, with the full range at 1.20 - 1.32. Interest from butter churn operators is still active as several manufacturers indicate they are making a last push to finish holiday print production that will satisfy orders through the balance of the year. Shortages of trucking personnel and equipment are getting in the way of clearing some cream loads to interested buyers. At the CME, Grade AA butter closed on Wednesday at \$1.9900, a 6 cent decrease compared to last week. Weather in the PACIFIC NORTHWEST continues to be cool coastally to cold inland. Milk production is near seasonal lows. Coastal weather remains seasonally cool with little precipitation. Interior Washington is catching the winter cold, with night temperatures in the teens. In Oregon there is snow in the Cascades. UTAH milk production is still slightly declining, is expected to bottom out in December, then to seasonally increase. The mild fall has delayed winter, but now it is colder and snow has been falling. IDAHO milk production is good and there is surplus milk available and being shopped to cheese makers and other potential users. The milk is being offered in the range of \$2.00 below class prices.

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: Nonfat dry milk prices for low/medium heat moved lower this week. Production is active as milk intake volumes are increasing in most areas of the region. Some drying facilities are operating at near capacity. Supplies are building. Market activity is light with buyers not wanting to expand inventories in a downward trending market. Export demand has weakened as global milk production and processing has increased, expanding global supplies of competing milk powders. The market undertone is weak. High heat nonfat dry milk prices held steady in light trading. Wednesday at the CME Group, Grade A NDM closed at \$1.1775, down \$0.0175 from last Wednesday.

EAST: Prices for low/medium heat nonfat dry milk decreased due to lower f.o.b. spot prices and indices. Production declined marginally, reflecting modest reductions in processors' condensed skim supplies. Inventories are adequate. Buyer interest is unchanged and follows "as needed" purchasing, as prices continue to ease. Discounted offerings are encouraging spot market sales. Competitive nonfat dry milk pricing hampers export interest. High heat nonfat dry milk prices are steady. Production levels are moderate. Demand is steady from baking industry, with most loads clearing through contracts. Orders are being placed for Q1 2015. Overall, the nonfat dry milk market continues to soften.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.1000 - 1.5450 MOSTLY: 1.2200 - 1.4675
HIGH HEAT: 1.4950 - 1.6300

NONFAT DRY MILK - WEST

Prices for Western low/medium heat NDM moved lower across the range, while the mostly series is unchanged to lower. These price changes fit in with the downward movement of various indices. Market participants term the market as soft. FOB spot sales occurred from several manufacturers in an effort to decrease inventories prior to the end of the calendar year. Resellers and end users expressed surprised that some large manufacturers are holding current production and adding to stocks on hand. Low/medium heat nonfat dry milk production is active throughout the region, and producers are managing drying schedules around maintenance projects. Western high heat nonfat dry milk prices are unchanged to lower on variably priced indices and a few FOB spot sales. Demand is light outside of contracts. Production is on track to fill needs.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.1100 - 1.4925 MOSTLY: 1.1500 - 1.4125
HIGH HEAT: 1.4700 - 1.5700

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices moved lower on both ends of the range. Sellers are willing to make price concessions to complete sales to better manage inventories. Drying schedules are active and inventories are expanding. Demand interest has declined as buyers are aware of the expanding manufacturers' inventories and are willing to hold off purchases for possible lower prices in the future.

EAST: Prices for dry buttermilk moved lower, in a weakening market. Dry buttermilk volumes are experiencing some fall off as tight cream supplies in the region affect butter and dry buttermilk production in some channels. Supplies are adequate and building marginally, as butter makers fill holiday orders. Domestic market sales are fair to good to end-users securing dry buttermilk for holiday baking needs. Reductions in prices are increasing buyers/sellers interest in spot market purchasing. However, most are content in waiting to procure dry buttermilk.

F.O.B. CENTRAL/EAST: 1.0000 - 1.1900

DRY BUTTERMILK - WEST

Western dry buttermilk prices are unchanged to lower on a weak market. A few buyers mentioned being puzzled by the light offerings coming out of the some of the larger Western manufacturers, but FOB spot load sales were completed by small to midsize producers. Ample availability from the Central region is filling some of the needs normally satisfied with Western dry buttermilk. Western market participants also report difficulty in arranging for transportation, especially for loads clearing out of the West to other regions. Competition for trucks is increasing due to seasonally increasing use by holiday tree and potato growers. Dry buttermilk production is active, however manufacturers are selling liquid buttermilk when possible to make room in dryer schedules for clearing condensed skim. Ice cream and frozen dessert producers indicate their needs for liquid buttermilk are seasonally lighter. Dry buttermilk inventories are steady to building as butter production is active.

F.O.B. WEST: 1.1600 - 1.3800 MOSTLY: 1.2600 - 1.3400

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged on a lightly tested FOB spot market. Producers are filling contracts out of inventory at most locations. Dry whole milk production is not on the dryer schedules at many plants as current holdings are sufficient to cover Q4 needs.

F.O.B. PRODUCING PLANT: 1.6000 - 1.8200

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
November 7	\$1.4524	7,200,762
October 31	\$1.4892	8,539,287

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

Central dry whey prices are unchanged on the range and mostly price series. The market tone is mixed, with steady demand for contract loads, but light to moderate demand for FOB spot offers. Exporting is difficult as domestic prices are higher than international prices. Dry whey production is active in the Central region as manufacturers focus on cheese making to fill holiday orders. Edible dry whey inventories are steady to building incrementally. ANIMAL FEED DRY WHEY prices are unchanged. Demand outside of contracts is light as many buyers already purchased loads to carry them through Q4. Feed blenders report finished feed sales into dairy replacements and beef raising operations are steady.

F.O.B. CENTRAL: .4000 - .6800 MOSTLY: .5400 - .6375
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3500 - .5775

DRY WHEY - NORTHEAST

Northeast dry whey prices are unchanged, in a weak market. Production is flat. Sourcing dry whey beyond contracts is somewhat confined, as limited transaction occur in the spot market. Stocks are adequate. The market undertone is quiet.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .6100 - .6900

DRY WHEY - WEST

Western dry whey prices are unchanged. Contract sales are moving on schedule but the spot market is relatively quiet. Active cheese making fueled by some surplus milk, with good demand from cheese buyers, is keeping whey production active. Price pressure from international markets limits whey exports and keeps inventories steady to increasing.

NONHYGROSCOPIC: .4800 - .6775 MOSTLY: .5400 - .6375

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for whey protein concentrate 34% are unchanged to lower on a weak market. Competition for selling into the animal feed sector is active, with off specification NDM, procream, and varying formulations of whey protein concentrates filling a portion of that need. Sales into human food end user accounts are steady. Production is unchanged for the week, with steady milk supplies supporting cheese manufacturing. Inventories are uneven, with a few manufacturers taking steps to cut down on stocks on hand before the end of the year.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.0800 - 1.5300 MOSTLY: 1.1500 - 1.3975

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged to lower on the range, but steady on the mostly. The market is soft, with moderate FOB spot trading activity. Some manufacturers are willing wait before settling for lower prices. Uncommitted buyers are also willing to wait out the next few weeks before embarking on Q1 negotiations, especially because of the current market weakness. Lactose production is ongoing, with ample manufacturing milk supplies clearing into cheese production. Lactose inventories are steady to building.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2450 - .6200 MOSTLY: .3400 - .4800

CASEIN - NATIONAL

Acid and rennet casein prices are unchanged. Global supplies of casein are expanding, reflecting the increases in milk production worldwide. A majority of trade activity is being transacted through existing contracts. Spot sales activity is light as some buyers are limiting purchases to cover immediate needs. Negotiations are ongoing for Q1 with expectations that prices could move below current levels.

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: 4.2000 - 4.8000
ACID: 4.4000 - 5.0000

U.S. Dairy Cow Slaughter (1000 head) under Federal Inspection & Comparable Week 2013

WEEK ENDING	2014 WEEKLY DAIRY COWS	2014 CUMULATIVE DAIRY COWS	2013 WEEKLY DAIRY COWS	2013 CUMULATIVE DAIRY COWS
10/25/2014	56.1	2,313.4	60.6	2,583.8

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)

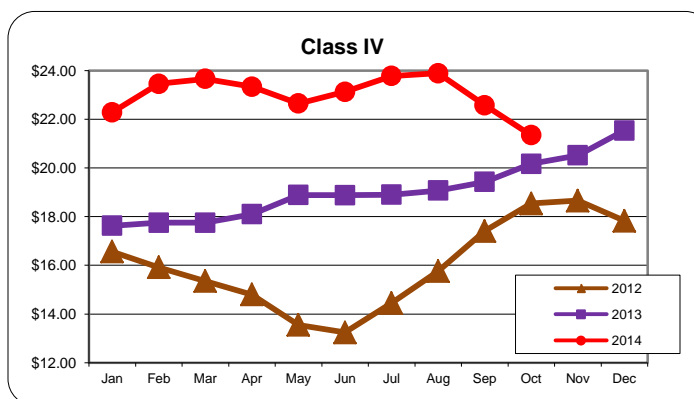
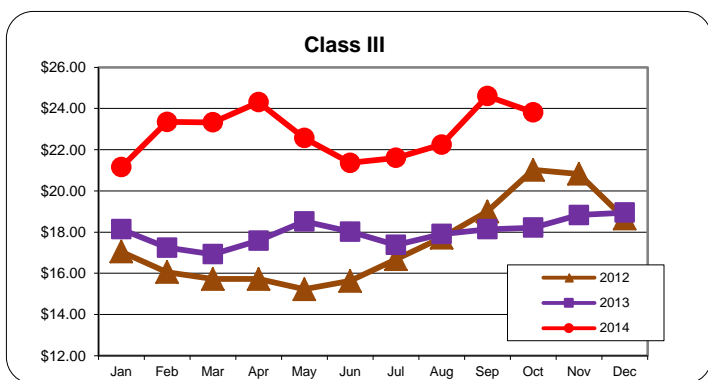
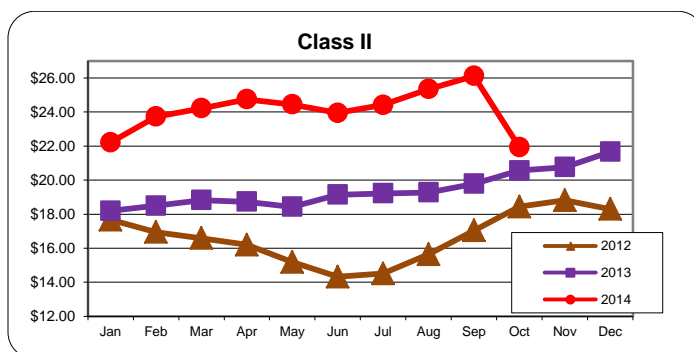
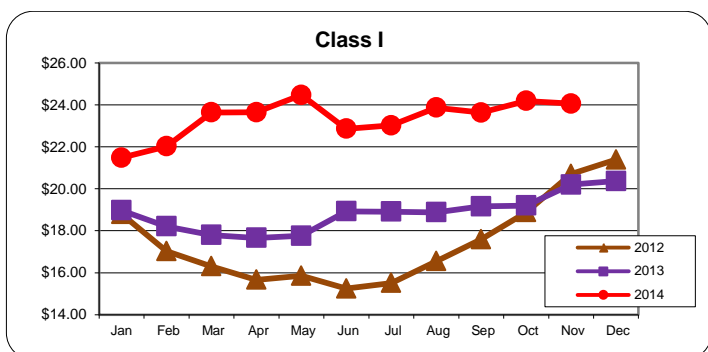
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2009	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95

CLASS IV MILK PRICES (3.5%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2013	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	23.64	23.65	24.47	22.86	23.02	23.87	23.63	24.19	24.06	
II	22.21	23.73	24.22	24.74	24.44	23.94	24.41	25.34	26.11	21.93		
III	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82		
IV	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58	21.35		

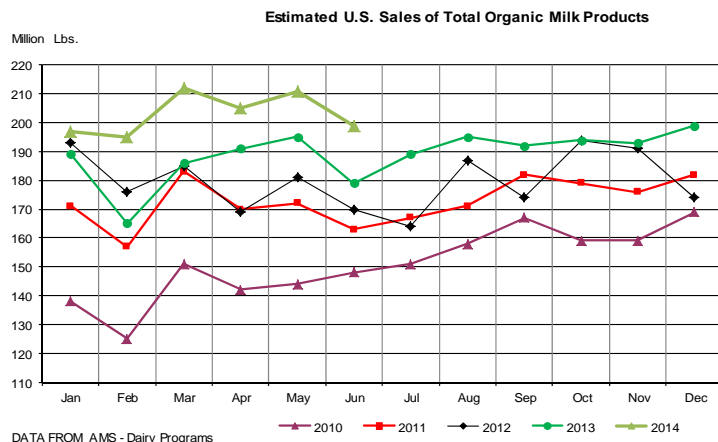
1/ Specific order differentials to be added to this base price can be found by going to: www.ams.usda.gov/DairyMarketingStatistics; then select "Prices"; and then select "Principal Pricing Points."

ORGANIC DAIRY MARKET NEWS

Information gathered November 3 - 14, 2014

ORGANIC DAIRY FLUID OVERVIEW

U.S. Organic Milk Products Sales. Estimated U.S. Sales of Total Organic Milk Products through June 2014 shows overall increases over prior years. The graph which follows displays sales for 2010-2014.



Organic Dairy News. Organic cows continue to leave Western organic dairy herds to be sold into slaughter auctions, as some producers elect to ease back from organic dairy production. At an auction in Oregon last week, organic cows sold for slaughter continued to bring a premium over conventional cows, a premium greater than last month. The top ten organic cows auctioned brought an average price of \$1.8379 a pound, compared with a \$1.1476 average for the top ten conventional cows. The current top 10 organic price is up from \$1.8324 last month while the top 10 conventional price is down from last month's \$1.1506 average. Last week the top 100 organic cows brought \$1.5631 versus \$0.9543 for the top 100 conventional cows.

A number of organic processors are actively recruiting existing conventional dairy producers and young farmers to transition into organic dairy production. Recent high prices for conventional milk are being cited as an encouraging factor, allowing transitioning producers to receive higher than normal conventional milk pay prices during the transition process.

A factor being watched by existing organic dairy producers as well as farmers considering transitioning into organic dairy, is organic feed supplies and cost looking forward. That is leading to active evaluation of the 2014 organic feed harvest to better plan ahead for herd size and feed variables.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic milk ad numbers are at the lowest level since July. Organic cheese ad strength remains strong, nearly triple the bi-weekly average number of ads for 2014. Overall organic dairy ad numbers are slightly below average and down 26% from two weeks ago.

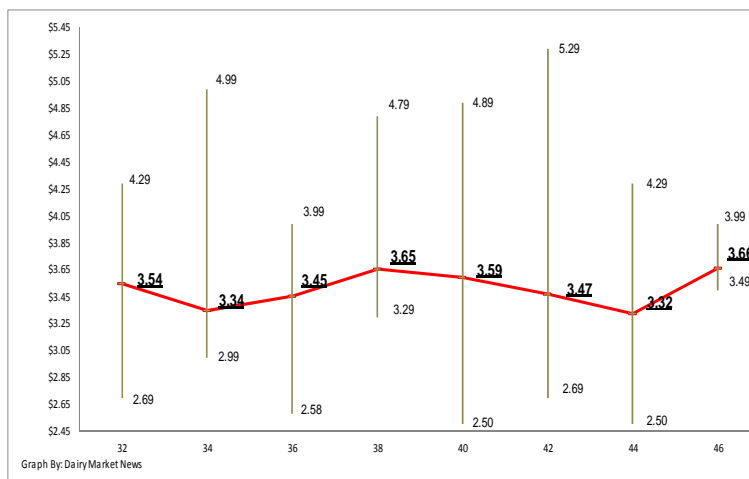
Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period November 3 to November 14, 2014, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket 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>

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is \$3.66, up 34 cents from 2 weeks ago. One year ago the price was \$3.48.

The lowest price is up 99 cents to \$3.49, while the top of the price range is down 30 cents to \$3.99. The lowest advertised price, \$3.50, is in the Northeast. The highest advertised price, \$3.99, is found in the Southwest, South Central and Northwest.

U.S. Advertised Organic Milk Half Gallon Price Range and Weighted Average Advertised Price by 2014 Week



Organic - Conventional Milk Half Gallon Price Spread. The conventional-organic milk half gallon average advertised price spread is \$1.51. This spread is calculated from the organic milk half-gallon average advertised price, \$3.66, and the conventional milk half gallon average advertised price of \$2.15. The price spread this year has ranged between \$0.67 and \$2.55.

Organic 8 Ounce Milk. The U.S. weighted average price of organic 8 ounce milk this period is \$1.00, unchanged from two weeks ago but up 20 cents from one year ago. All ads are priced \$1.00.

8 Ounce Block Organic Cheese. Organic cheese (8 ounce blocks) has an average price of \$3.99 up from \$3.83 two weeks ago.

8 Ounce Shredded Organic Cheese. Organic cheese (8 ounce shredded) has an average price of \$3.99, unchanged from two weeks ago.

8 Ounce Organic Cream Cheese. All ads for organic cream cheese appeared in the Northwest, priced \$2.99, unchanged from two weeks ago.

1 Pound Organic Butter. All ads for organic butter appeared in the Northeast, priced \$6.49.

Organic Yogurt. The weighted average price of 4-6 ounce organic yogurt is \$1.23, 4-6 ounce organic Greek yogurt is \$1.50, and 32 ounce organic yogurt is \$3.49.

CONTINUED ON PAGE -8A-

ORGANIC DAIRY MARKET NEWSInformation gathered November 3 - 14, 2014

CONTINUED FROM PAGE -8-

ORGANIC GRAIN AND FEEDSTUFF MARKETS: Prices are steady on all organic grains, with market activity slow to moderate. Demand for organic corn and wheat is light to good, organic soybeans light to moderate, and light to moderate for other smaller organic grains. Producers and processors continue to be focused on harvesting efforts, especially in light of recent cold temperatures and storm activity moving throughout the country. Other concerns included moisture levels and test weights, drying costs, storage, transportation, and wheat quality and availability (e.g. protein levels, weather challenges, associated plant diseases).

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

NOVEMBER MILK SUPPLY AND DEMAND ESTIMATES

The milk production forecast for 2014 is increased from last month as growth in milk per cow has increased. However, for 2015, the production forecast is lowered as the expansion in cow numbers and growth in milk per cow are expected to be more moderate. Export forecasts for 2014 and 2015 are lowered as U.S. dairy products, especially on a skim solids basis, remain less competitive in world markets. Cheese and nonfat dry milk (NDM) prices are raised for 2014, reflecting current price movements, but the price forecasts for 2015 are lowered as domestic supplies are expected to be relatively large. Butter prices are reduced for both 2014 and 2015 based on prices to date and weaker expected exports. Whey prices are unchanged from last month. The Class III price for 2014 is raised on stronger cheese prices, but weaker cheese prices in 2015 result in a lower expected Class III price. The Class IV price is lowered for 2014 as lower butter prices more than offset a higher NDM price. For 2015 both butter and NDM prices will be weaker, resulting in a lower Class IV price forecast. The all milk price is raised to \$24.15 to \$24.25 per cwt for 2014, but is lowered for 2015 to \$18.85 to \$19.75 per cwt.

U.S. MILK SUPPLY AND USE					
Commodity	2013	2014 Projected		2015 Projected	
		October	November	October	November
MILK	BILLION POUNDS				
PRODUCTION	201.2	206.1	206.2	212.8	212.3
FARM USE	1.0	1.0	1.0	1.0	1.0
FAT BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	12.2	11.2	11.2	10.7	10.5
MARKETINGS	200.2	205.1	205.2	211.8	211.3
IMPORTS	3.7	4.3	4.2	3.8	3.8
TOTAL COMMERCIAL SUPPLY	216.2	220.5	220.6	226.3	225.7
FAT BASIS USE					
COMMERCIAL EXPORTS	12.4	12.6	12.3	11.5	11.0
ENDING COMMERCIAL STOCKS	11.2	10.7	10.5	12.0	12.1
CCC DONATIONS	0.0	0.0	0.0	0.0	0.0
DOMESTIC COMMERCIAL USE	192.6	197.3	197.8	202.9	202.6
SKIM-SOLID BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	12.4	11.6	11.6	12.6	12.0
MARKETINGS	200.2	205.1	205.2	211.8	211.3
IMPORTS	5.3	5.6	5.8	5.2	5.4
TOTAL COMMERCIAL SUPPLY	217.9	222.3	222.6	229.6	228.8
SKIM-SOLIDS BASIS USE					
COMMERCIAL EXPORTS	38.5	39.2	38.3	38.5	37.4
ENDING COMMERCIAL STOCKS	11.6	12.6	12.0	12.7	12.8
CCC DONATIONS	0.0	0.0	0.0	0.0	0.0
DOMESTIC COMMERCIAL USE	167.7	170.5	172.3	178.4	178.6

NOTE: Totals may not add due to rounding.

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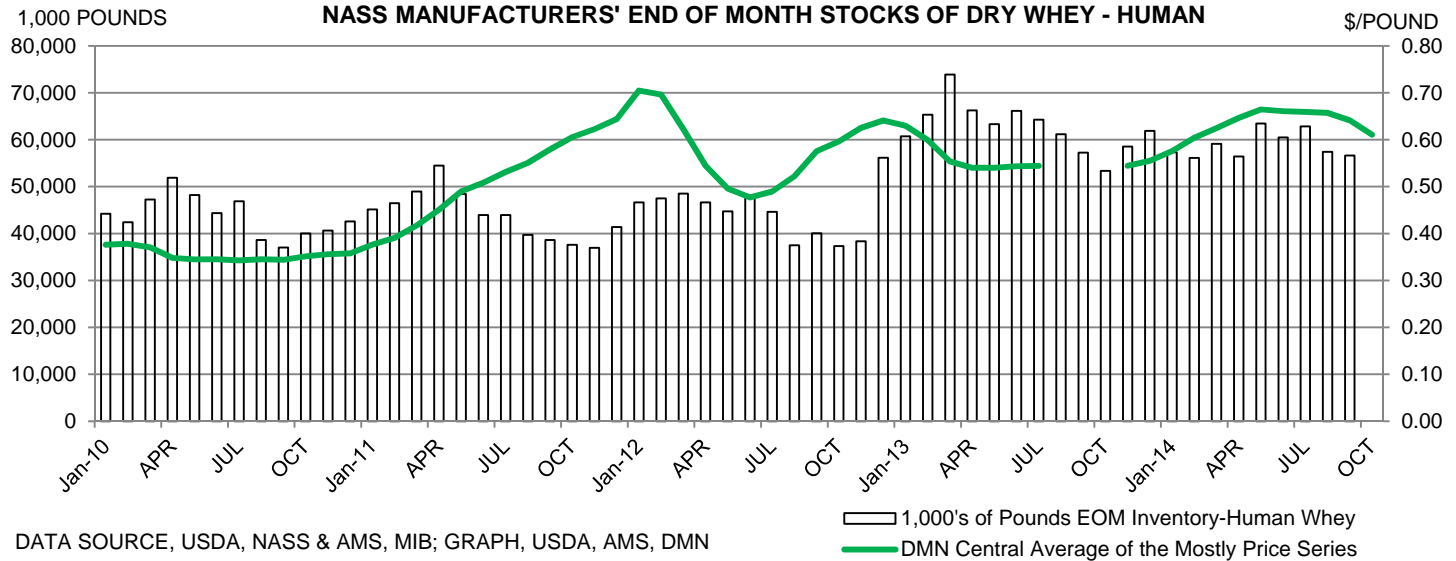
NOVEMBER MILK SUPPLY AND DEMAND ESTIMATES-cont'd

U.S. DAIRY PRICES						
Commodity	2013	2014 Projected		2015 Projected		
		October	November	October	November	
PRODUCT PRICES ¹	DOLLARS PER POUND					
	CHEESE	1.7683	2.160-2.170	2.170-2.180	1.695-1.785	1.690-1.780
	BUTTER	1.5451	2.220-2.250	2.120-2.150	1.680-1.800	1.660-1.780
	NONFAT DRY MILK	1.7066	1.760-1.780	1.770-1.790	1.450-1.520	1.410-1.480
	DRY WHEY	0.5902	0.650-0.660	0.650-0.660	0.560-0.590	0.560-0.590
MILK PRICES ^{2/}	DOLLARS PER CWT					
	CLASS III	17.99	22.40-22.50	22.50-22.60	17.25-18.15	17.15-18.05
	CLASS IV	19.05	22.40-22.60	22.05-22.25	17.45-18.45	17.05-18.05
	ALL MILK ^{3/}	20.05	24.10-24.20	24.15-24.25	18.95-19.85	18.85-19.75
	QUARTERLY					
	2014 III	2014 IV ^{4/}	2015 I ^{4/}	2015 II ^{4/}	2015 III ^{4/}	
MILK PRODUCTION	BILLION POUNDS					
	51.1	51.2	52.7	54.4	52.6	
	DOLLARS PER CWT.					
	ALL MILK PRICE ^{2/ 3/}	24.37	23.55-23.85	20.60-21.20	17.65-18.55	18.10-19.10
	CLASS III PRICE ^{2/}	22.82	21.90-22.20	17.45-18.05	16.60-17.50	17.30-18.30
CLASS IV PRICE ^{2/}	23.42	18.90-19.30	16.45-17.15	16.35-17.35	17.45-18.55	

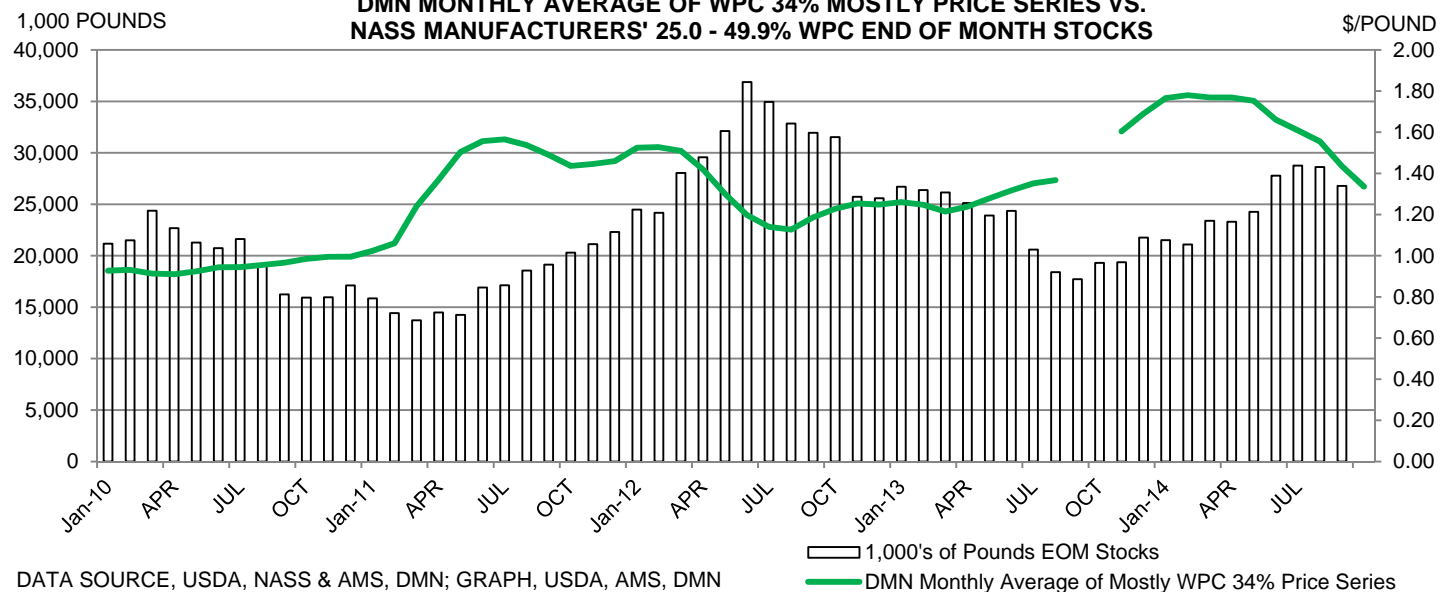
^{1/} Simple average of monthly prices calculated from AMS (formerly NASS) weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/DairyMarketStatistics>; then select "Prices;" then select "Description." ^{2/} Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test. ^{3/} Does not reflect any deductions from producers as authorized by legislation. ^{4/} Projection.

Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-535, November 10, 2014*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Uthra Raghunathan, AMS; Paul Kiendl, FAS; Roger Hoskin, ERS; and Milton Madison, FSA].

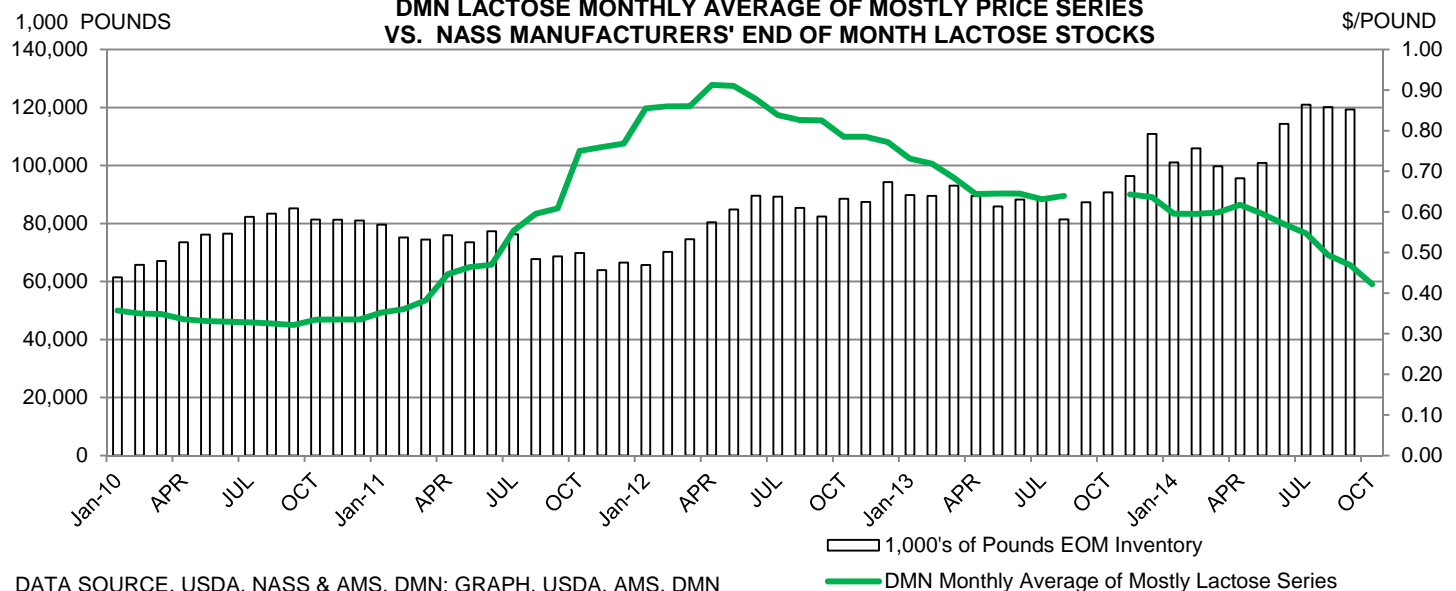
**4-5 WEEK AVERAGE DRY WHEY PRICES FROM FMMO CALCULATED MILK PRICE FORMULAS VS.
NASS MANUFACTURERS' END OF MONTH STOCKS OF DRY WHEY - HUMAN**

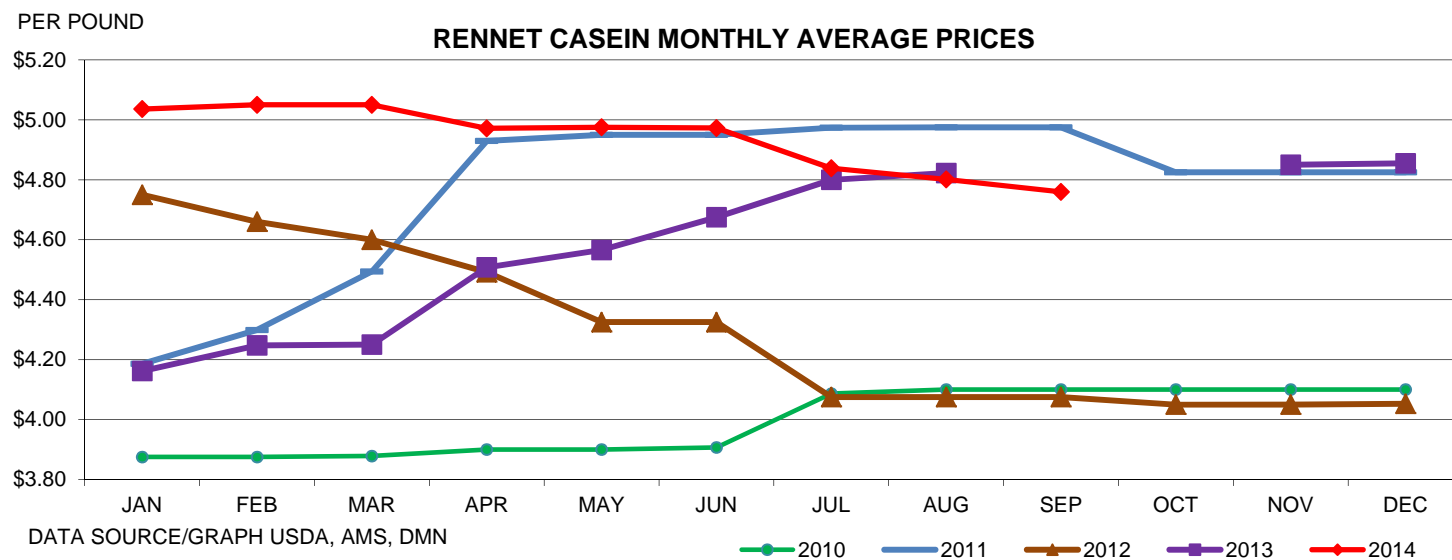
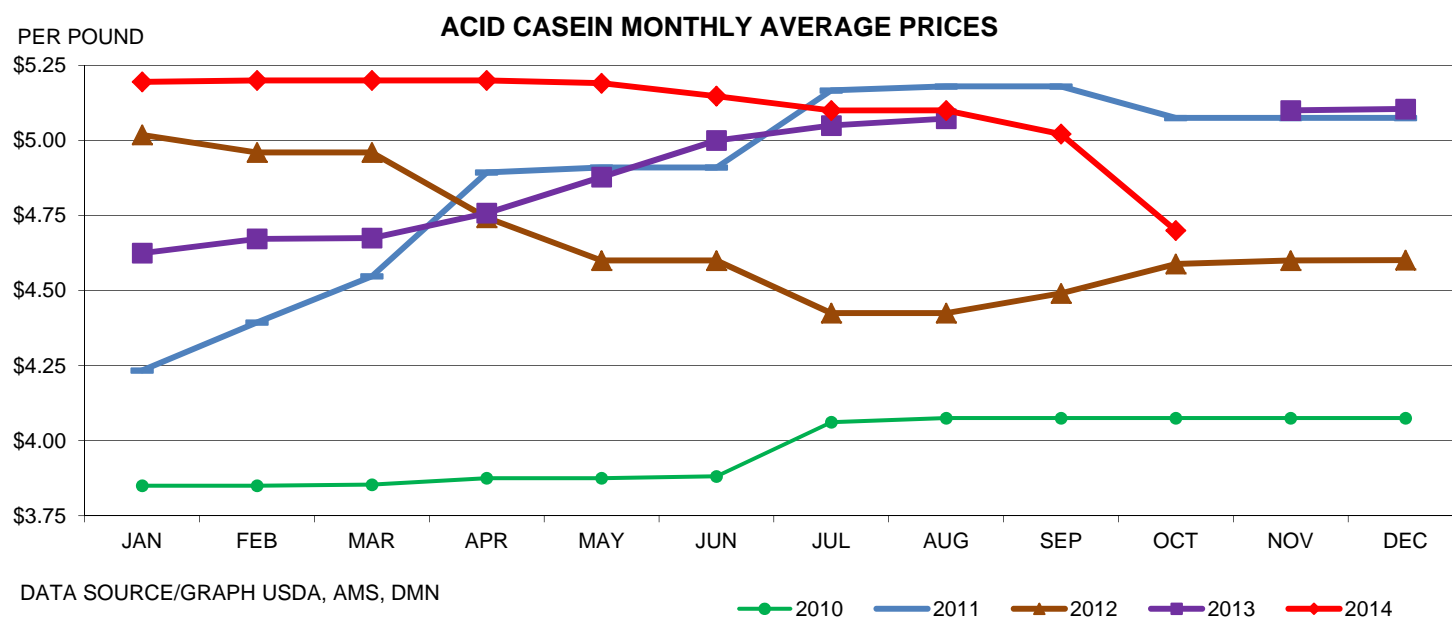
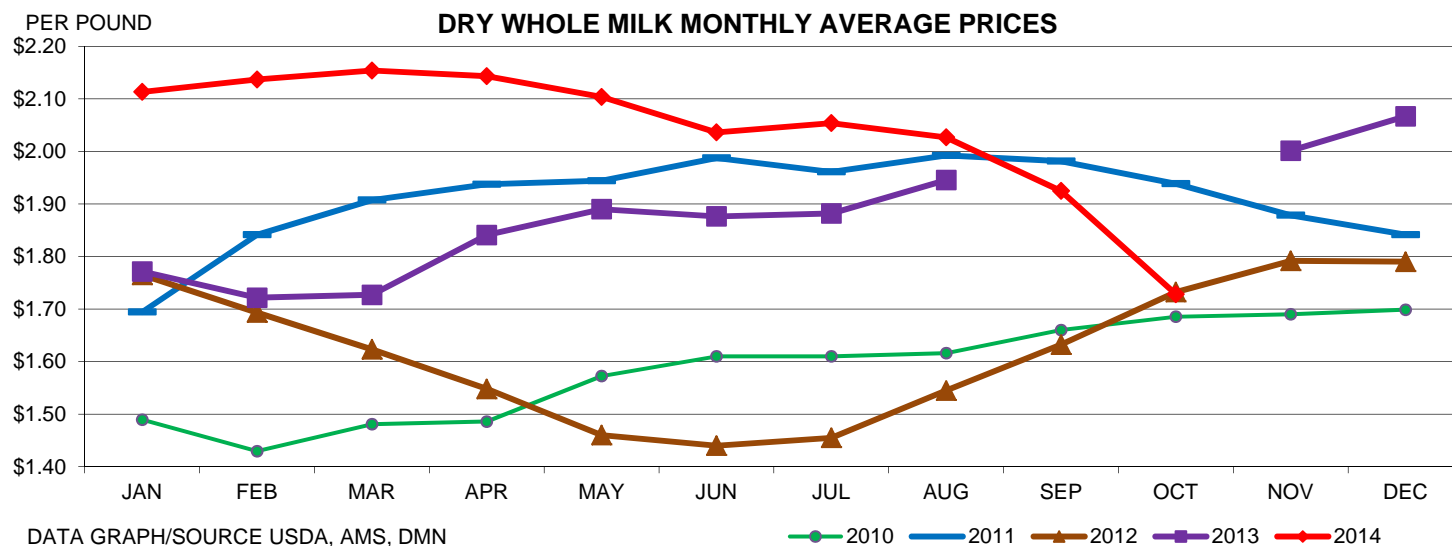


**DMN MONTHLY AVERAGE OF WPC 34% MOSTLY PRICE SERIES VS.
NASS MANUFACTURERS' 25.0 - 49.9% WPC END OF MONTH STOCKS**



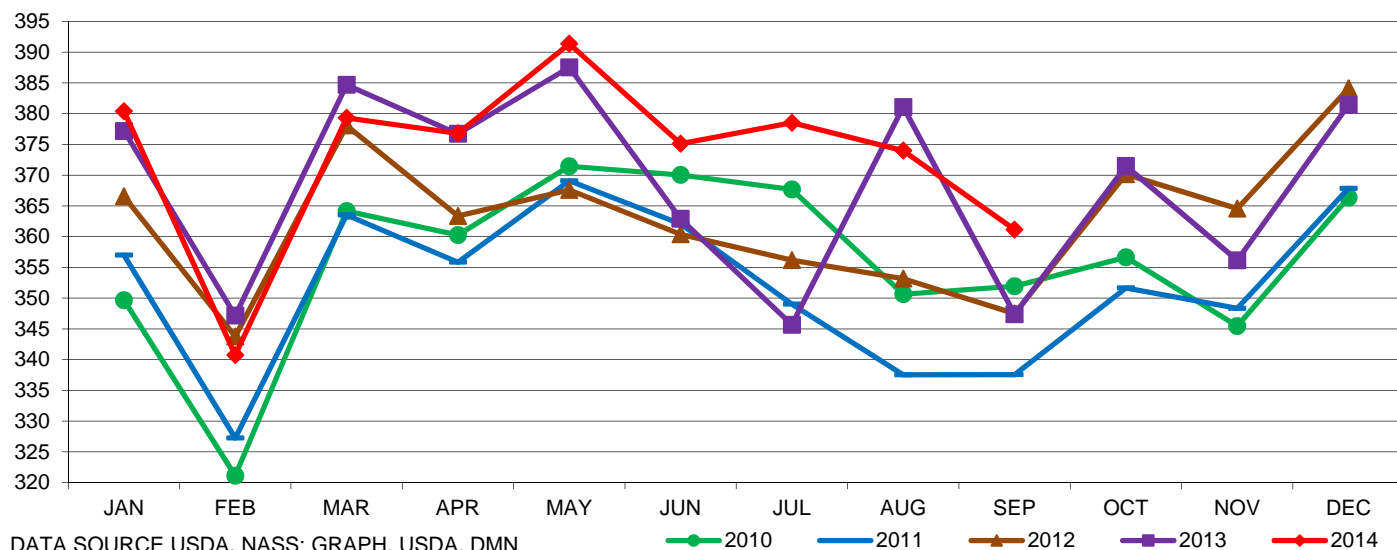
**DMN LACTOSE MONTHLY AVERAGE OF MOSTLY PRICE SERIES
VS. NASS MANUFACTURERS' END OF MONTH LACTOSE STOCKS**





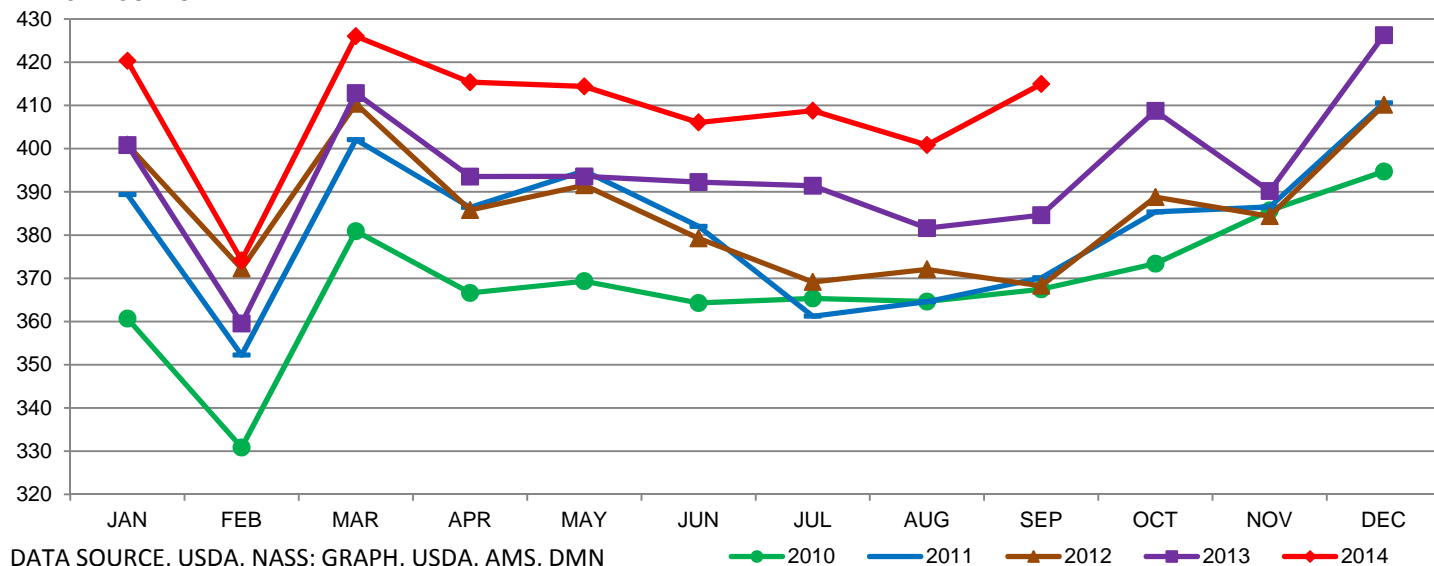
MILLION POUNDS

U.S. TOTAL AMERICAN CHEESE PRODUCTION



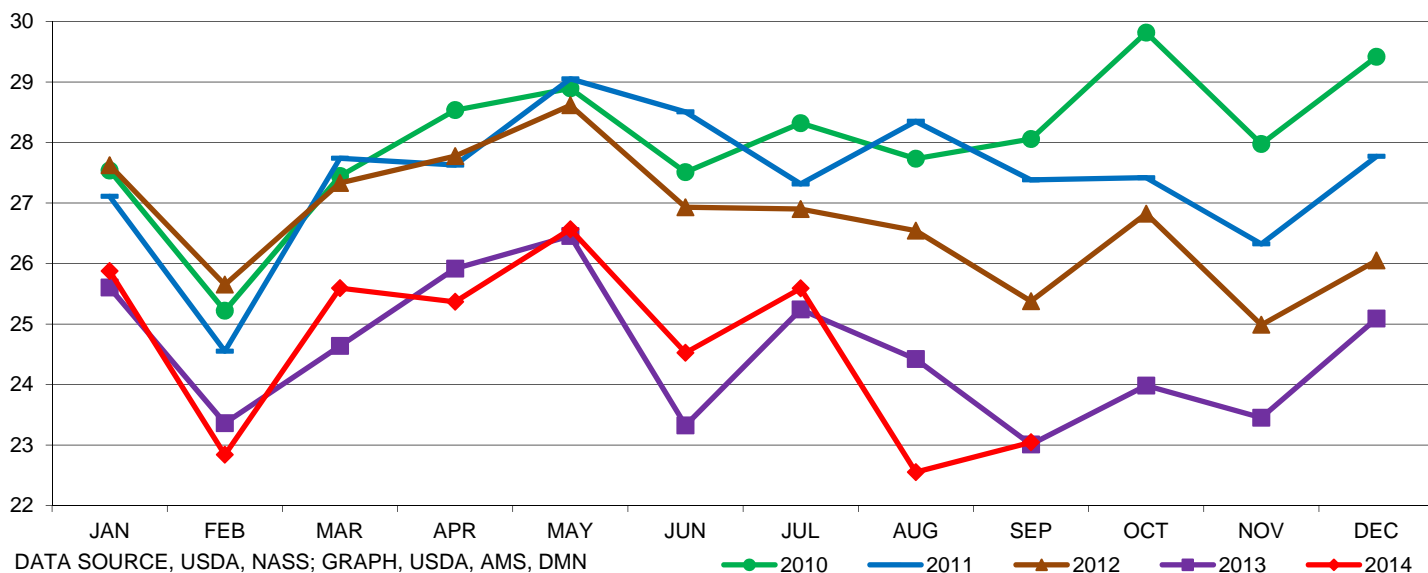
MILLION POUNDS

U.S. TOTAL ITALIAN-TYPE CHEESE PRODUCTION



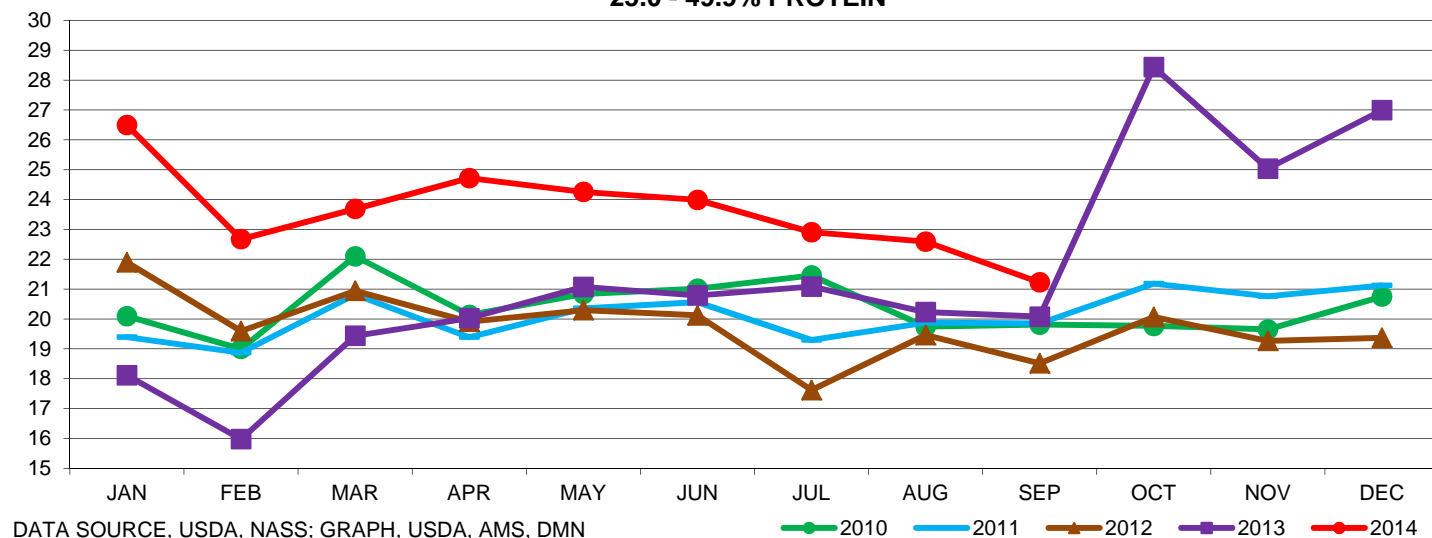
MILLION POUNDS

U.S. SWISS CHEESE PRODUCTION



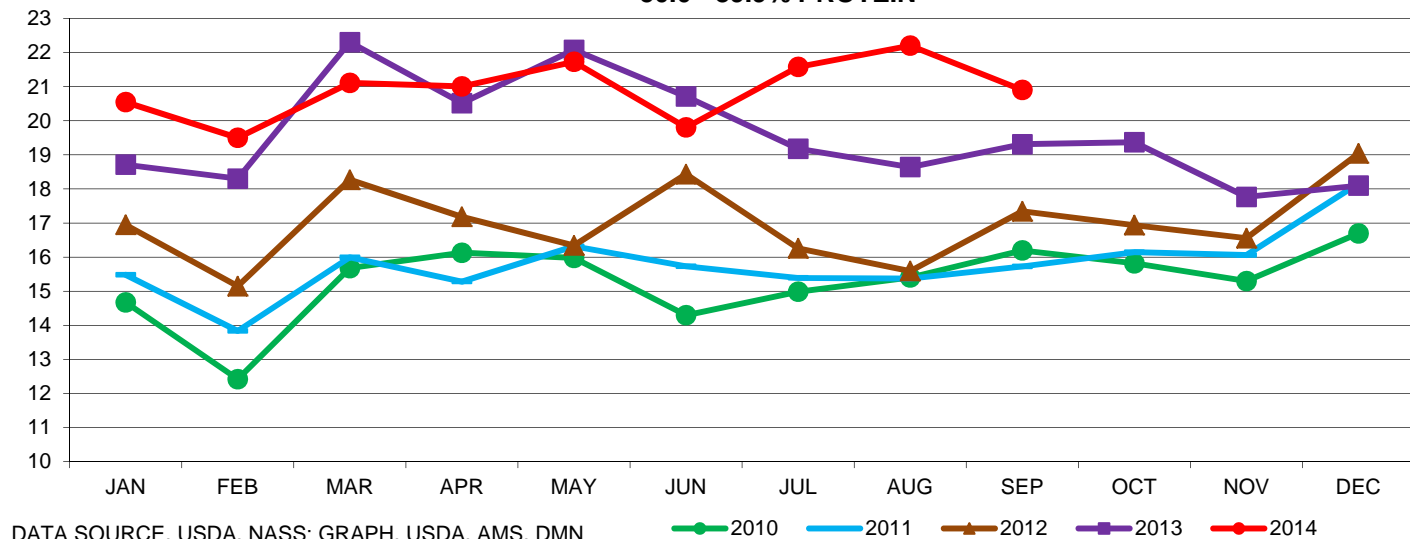
U.S. TOTAL DRY WPC PRODUCTION, HUMAN AND ANIMAL, 25.0 - 49.9% PROTEIN

MILLION POUNDS



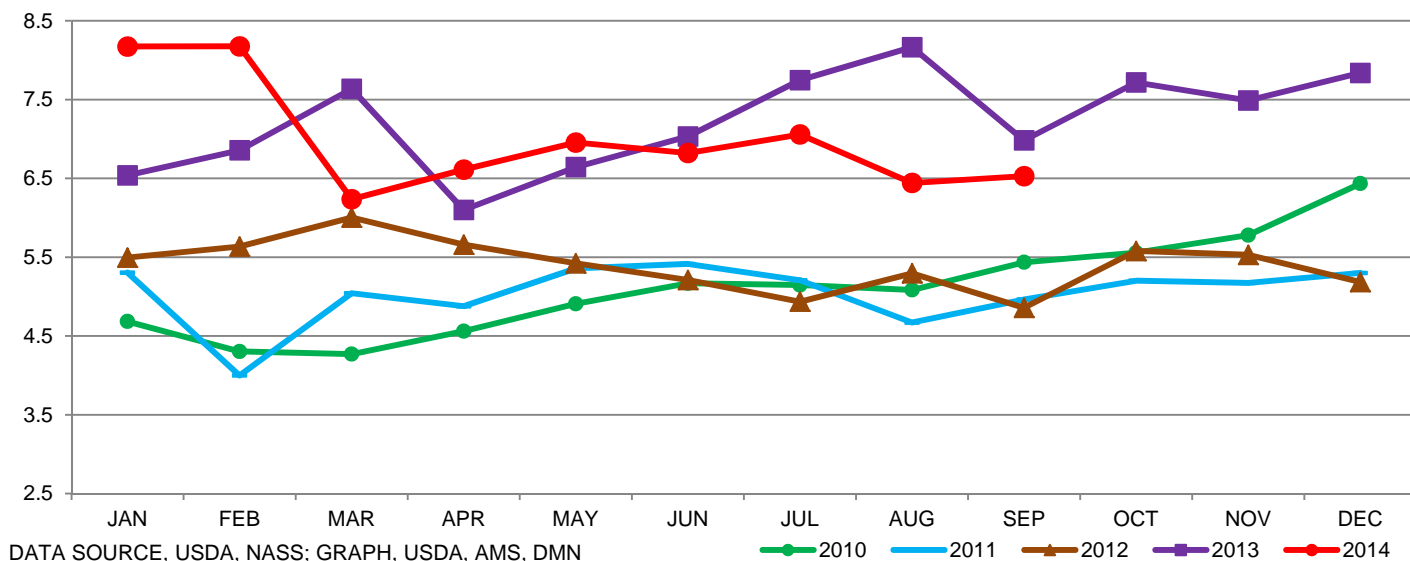
U.S. TOTAL DRY WPC PRODUCTION, HUMAN AND ANIMAL, 50.0 - 89.9% PROTEIN

MILLION POUNDS



U.S. WHEY PROTEIN ISOLATE PRODUCTION

MILLION POUNDS





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Service

National Dairy Retail Report

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

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Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 11/03 to 11/14

Half gallon egg nog ads increased significantly this period with a national average price of \$3.92. Cream cheese ad numbers increased 48% from 2 weeks ago with 8 ounce packages averaging \$1.61, down 3 cents from 2 weeks ago. Ice cream ads decreased, but were second in frequency behind Greek yogurt ads. The weighted average price of a 48-64 ounce container was \$3.02, 21 cents lower than 2 weeks ago. Sour cream ads increased 71% as the weighted average price decreased 7 cents from the last reporting period to \$1.77.

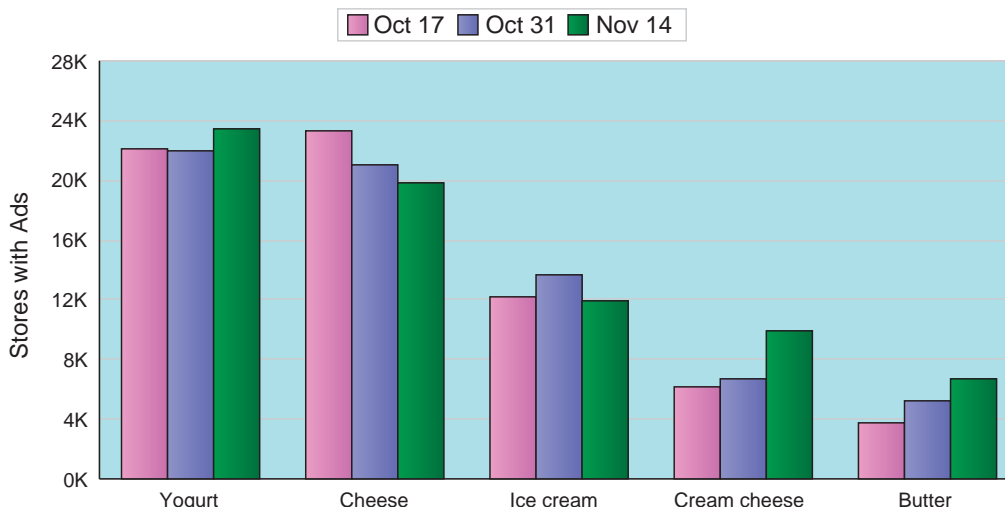
The national average price of 1 pound butter, \$3.63, decreased by 19 cents from the last period, but is \$1.26 higher than one year ago. The national average price has declined for 2 consecutive reporting periods with a cumulative decline of 57 cents.

The national weighted average cheese price for 8 ounce blocks is up 20 cents from two weeks ago to \$2.61, while a year ago the price was \$2.51. The 8 ounce shred category, at \$2.56, is up 10 cents from two weeks ago and 34 cents higher from one year ago.

Greek yogurt in 4-6 ounce packages averaged 96 cents, down 2 cents from two weeks ago and 6 cents lower compared to a year ago. Regular yogurt in 4-6 ounce packages, at 52 cents, is up 2 cents from two weeks ago, but down 1 cents from one year ago.

The organic versus conventional half gallon price spread is \$1.51, up 49 cents from two weeks ago. The price spread is the difference between the national weighted average conventional milk price for half gallons, \$2.15, and the average for organic half gallon milk, \$3.66. One year ago the price spread was \$2.02.

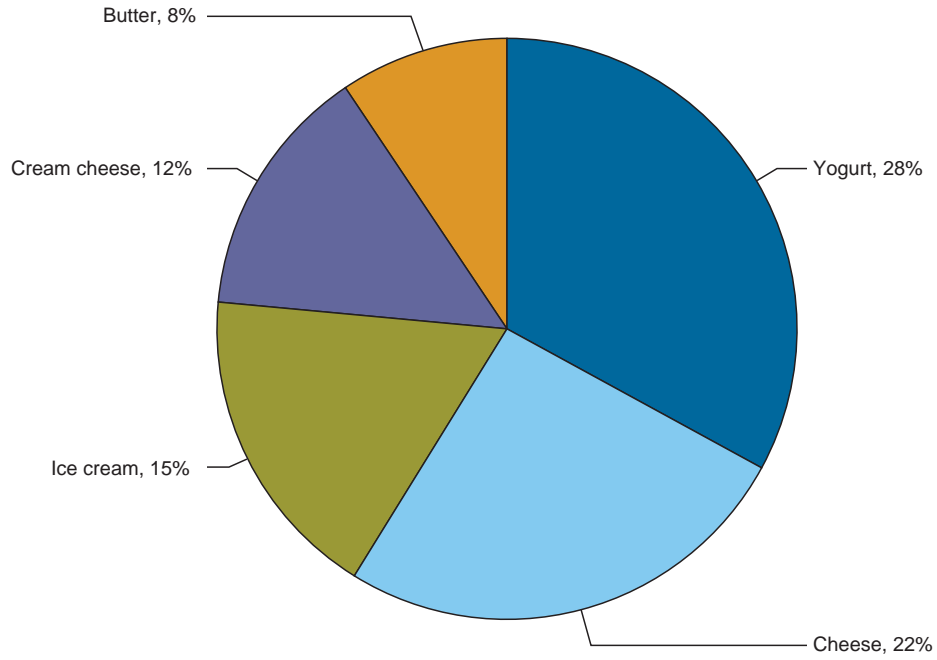
Top 5 Commodities Featured



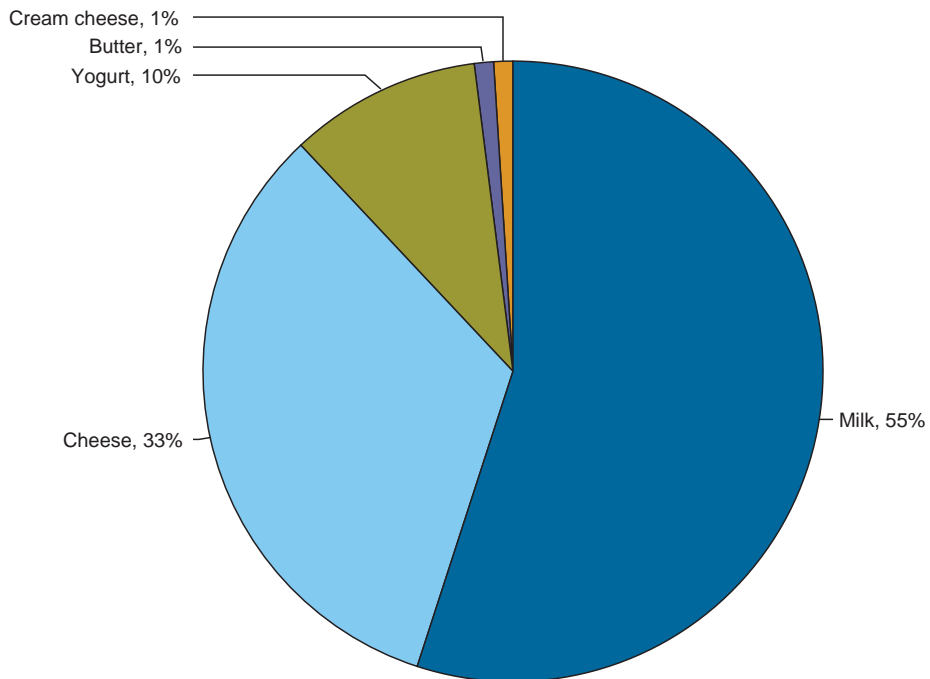
1 -- Dairy Market News surveys nearly 100 retailers, comprising over 14,000 individual stores, with online weekly advertised features.

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 #	6591	3.63	5266	3.82	6604	2.37
Cheese	Natural Varieties	8 oz block	6961	2.61	6918	2.41	5471	2.51
Cheese	Natural Varieties	1 # block	1546	3.95	1439	5.30	2192	3.81
Cheese	Natural Varieties	2 # block	1091	7.83	2337	8.45	1233	6.91
Cheese	Natural Varieties	8 oz shred	6357	2.56	6035	2.46	8005	2.22
Cheese	Natural Varieties	1 # shred	1716	4.00	2031	4.98	839	3.55
Cottage cheese		16 oz	1272	2.39	2989	2.02	5090	1.95
Cream cheese		8 oz	9893	1.61	6677	1.64	7788	1.55
Egg nog		quart	217	2.22	474	2.28	853	2.24
Egg nog		half gallon	1181	3.92			314	3.79
Flavored milk	All fat tests	half gallon			415	2.40	516	2.24
Flavored milk	All fat tests	gallon			533	3.94	98	2.50
Ice cream		48-64oz	11876	3.02	13666	3.23	12785	3.16
Milk	All fat tests	half gallon	987	2.15	443	2.30	810	1.46
Milk	All fat tests	gallon	1795	3.55	1041	3.78	1511	2.83
Sour cream		16 oz	6347	1.77	3706	1.84	7294	1.57
Yogurt	Greek	4-6 oz	14652	.96	16528	.98	12296	1.02
Yogurt	Greek	32 oz	1688	5.19			603	4.96
Yogurt	Yogurt	4-6 oz	4917	.52	4938	.50	5160	.53
Yogurt	Yogurt	32 oz	1541	2.44	167	2.49	605	2.24

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-5.99	1429	4.05	2.49-4.49	1732	3.46	2.49-3.50	1050	2.93
Cheese	Natural Varieties	8 oz block	1.47-3.29	2628	2.56	2.00-3.50	2301	2.75	1.66-2.99	1055	2.46
Cheese	Natural Varieties	1 # block				3.79-4.99	487	4.10	3.99	344	3.99
Cheese	Natural Varieties	2 # block	7.99	235	7.99						
Cheese	Natural Varieties	8 oz shred	1.67-3.00	2283	2.53	2.00-3.29	2040	2.41	1.98-2.49	179	2.31
Cheese	Natural Varieties	1 # shred							3.79-3.99	783	3.88
Cottage cheese		16 oz	1.99-2.99	913	2.44				1.99-2.50	295	2.34
Cream cheese		8 oz	1.00-2.50	1732	1.54	1.25-2.50	2735	1.87	1.25-1.50	1213	1.41
Egg nog		quart				1.99	105	1.99	2.39	62	2.39
Ice cream		48-64oz	1.98-3.99	3293	2.88	2.50-5.49	2693	3.13	2.50-3.50	1511	3.06
Milk	All fat tests	gallon	3.49-4.99	472	4.62	2.99	237	2.99	2.50-2.88	762	2.60
Sour cream		16 oz	1.29-2.00	2137	1.70	1.49-2.00	684	1.69	1.49-2.00	1304	1.67
Yogurt	Greek	4-6 oz	0.79-1.33	3587	.98	0.79-1.00	3432	.94	0.79-1.25	2760	.98
Yogurt	Greek	32 oz	5.99-6.99	363	6.64	3.50-4.99	1325	4.80			

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	4-6 oz	0.33-0.60	1227	.50	0.44-0.50	904	.49	0.50-0.79	683	.63
Yogurt	Yogurt	32 oz	1.97-2.50	223	2.26	2.47-2.49	1265	2.47			

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 #	3.50-3.99	200	3.77	1.99-4.99	1548	3.79	2.49-4.99	632	3.93
Cheese	Natural Varieties	8 oz block	1.59-2.79	659	2.33	1.99-3.49	318	3.04			
Cheese	Natural Varieties	1 # block	3.79	191	3.79	2.99-4.99	326	4.06	3.49-3.50	198	3.50
Cheese	Natural Varieties	2 # block	7.99	291	7.99	5.99-7.99	485	7.62	7.99	80	7.99
Cheese	Natural Varieties	8 oz shred	1.59-2.99	623	2.23	1.99-3.49	970	2.90	2.99-3.99	262	3.68
Cheese	Natural Varieties	1 # shred	3.79-3.99	494	3.91	3.99-4.99	439	4.32			
Cottage cheese		16 oz				1.99	64	1.99			
Cream cheese		8 oz	1.25-1.66	967	1.45	1.20-1.99	2490	1.57	1.49-1.66	756	1.56
Egg nog		quart							2.50	50	2.50
Egg nog		half gallon	3.29-3.99	234	3.65	3.99	649	3.99	3.99	298	3.99
Ice cream		48-64oz	2.39-4.99	402	3.35	2.49-4.88	2931	3.08	2.50-3.50	1046	2.80
Milk	All fat tests	half gallon	2.69	100	2.69	1.38-2.50	341	2.11	1.25-2.49	546	2.07
Milk	All fat tests	gallon	2.79	87	2.79	5.29	237	5.29			
Sour cream		16 oz	1.48-2.50	543	1.92	1.39-1.99	1251	1.88	1.49-2.19	428	1.99
Yogurt	Greek	4-6 oz	0.79-1.00	1588	.95	0.69-1.20	2427	.95	0.79-1.00	858	.95
Yogurt	Yogurt	4-6 oz	0.50	287	.50	0.50-0.67	1034	.51	0.50-0.59	782	.51
Yogurt	Yogurt	32 oz				2.50	53	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 #	56	6.49				
Cheese	Natural Varieties	8 oz block	1109	3.99	1373	3.83		
Cheese	Natural Varieties	1 # block	296	3.99				
Cheese	Natural Varieties	8 oz shred	703	3.99	885	3.99		
Cottage cheese		16 oz					165	3.88
Cream cheese		8 oz	56	2.99	50	2.99	56	2.49
Egg nog		quart			195	3.49		
Egg nog		half gallon					143	3.99

Wtd Avg - Simple weighted average



Ice cream		48-64oz					143	5.99
Milk	All fat tests	half gallon	824	3.66	1961	3.32	2785	3.48
Milk	All fat tests	gallon			235	5.99	890	5.26
Milk	All fat tests	8 oz UHT	2616	1.00	3242	1.00	71	.80
Sour cream		16 oz			251	3.00		
Yogurt	Greek	4-6 oz	68	1.50			244	1.00
Yogurt	Greek	32 oz					235	3.19
Yogurt	Yogurt	4-6 oz	334	1.23			416	.96
Yogurt	Yogurt	32 oz	235	3.49	373	3.61	108	3.99

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
Butter		1 #	6.49	56	6.49						
Cheese	Natural Varieties	8 oz block	3.99	224	3.99						
Cream cheese		8 oz	2.99	56	2.99						
Milk	All fat tests	half gallon	3.50	165	3.50				3.88	70	3.88
Milk	All fat tests	8 oz UHT	1.00	224	1.00				1.00	201	1.00
Yogurt	Greek	4-6 oz	1.50	68	1.50						
Yogurt	Yogurt	4-6 oz	0.99-1.39	112	1.19						
Yogurt	Yogurt	32 oz	3.49	235	3.49						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz block	3.99	234	3.99	3.99	353	3.99	3.99	298	3.99
Cheese	Natural Varieties	1 # block				3.99	296	3.99			
Cheese	Natural Varieties	8 oz shred	3.99	234	3.99	3.99	353	3.99	3.99	116	3.99
Milk	All fat tests	half gallon				3.49-3.99	539	3.64	3.99	50	3.99
Milk	All fat tests	8 oz UHT	1.00	319	1.00	1.00	1458	1.00	1.00	414	1.00
Yogurt	Yogurt	4-6 oz				1.25	222	1.25			

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

Wtd Avg - Simple weighted average



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

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