NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (12/24)

BUTTER: Grade AA closed at $1.5750 on Wednesday. The Friday close and the weekly average price are unavailable at time of publication. This information will be available at approximately 12:30 P.M. on Friday at the following web location: http://www.ams.usda.gov/mnreports/md_da998.txt

CHEESE: Barrels closed at $1.4700 and 40# blocks at $1.5325 on Wednesday. The Friday close and the weekly average prices are unavailable at time of publication. This information will be available at approximately 12:30 P.M. on Friday at the following web location: http://www.ams.usda.gov/mnreports/md_da998.txt

BUTTER HIGHLIGHTS: Butter makers have completed holiday orders and now are looking to restock depleted inventories. The market tone is steady. However, sales are slowing and some market participants expect prices to weaken as supplies build seasonally. Demand for cream was light this week, leaving more cream to churn at many plants. Given heavy milk and cream supplies, many manufacturers were running close to full schedules. Export ordering is lackluster as U.S. prices are uncompetitive in the international markets. Bulk butter prices range from 5 cents under to 6 cents over the market, based on various time frames and averages used. Wednesday at the CME Group, Grade AA butter closed at $1.5750, up $0.0200 from a week ago. The DMN *National Dairy Retail Report* noted the national weighted average advertised price for a 1 pound package of butter was $3.06, down $0.26 from two weeks ago, but $0.58 higher than a year ago. Advertised butter prices ranged from $1.98 to $3.99. The NASS *Cold Storage* report noted U.S. butter stocks on November 30 were 100.9 million pounds, 27% lower than last month and 17% below a year ago.

CHEESE HIGHLIGHTS: Most cheese plants will be operating through the holidays this week and next, but some have decided to close part of the time. Plants wishing to make cheese have all the milk necessary, sometimes at prices below Class prices. Those not operating are reducing hours for reasons other than milk availability. Price uncertainty is a concern throughout the industry. Demand is expected to be good, at least through the football playoff season until the Super Bowl. After that, multiple factors such as the anticipated continuing strong milk supply, international pricing, and potentially weaker demand are increasingly discussed as matters of concern. Wednesday at the CME Group, barrels closed at $1.4700, down $0.1175 from last Wednesday and 40# blocks at $1.5325, down $0.0750 from last Wednesday. NASS reports that total U.S. November 30, 2014 natural cheese stocks were 1.016 billion pounds, 102% of November 30, 2013 and 102% of October 31, this year.

FLUID MILK: Milk production is steady to increasing nationwide. Manufacturing milk supplies have significantly increased across the country as bottling demand and production of holiday related products have declined. Butter/powder and cheese manufacturers will manage milk intakes through the balance of the week. Where possible, plant managers are working together to maximize processing room and tanker availability. Cream supplies are heavy this week with increased volumes going to churns. Cream multiples moved lower as numerous cream based product manufacturers reduced operation schedules over the holiday period.

DRY PRODUCTS: Low/medium heat nonfat dry milk prices are unchanged to lower. Supplies are exceeding existing demand. Production is very active. There is more interest by producers to place multiple load transactions with buyers in the coming weeks. End users and resellers are negotiating for the best possible terms on new purchases. Dry buttermilk prices are unchanged in light trading. Production is active and supplies are gradually growing. Dry whey prices moved lower to varying degrees across the nation. Production is active and inventories are steady to increasing. The market tone is weak as buyers are requiring incentives to complete sales. Whey protein 34% prices moved lower in a weaker market. Lactose prices decreased as buyers appear to be sitting on the sidelines until the first few weeks of 2015. The market undertone is weak.

ORGANIC DAIRY MARKET NEWS (DMN): AMS reports total organic milk products sales for August 2014, 204 million pounds, were up 4.3% from August last year and up 10.7% year to date compared with last year. Organic whole milk sales for August 2014, 62 million pounds, were up 14.1% compared with August last year and up 20.9% year to date compared with last year. Organic reduced fat milk sales for August, 63 million pounds, were 16.2% above sales one year earlier and up 17.8% year to date compared with last year. The most advertised organic dairy product this holiday period is organic cheese. Organic 8 ounce blocks have an average price of $3.95. Shredded organic cheese (8 ounce) has an average price of $3.99. The U.S. weighted average advertised price of organic milk half gallons is $3.15, down 34 cents from 2 weeks ago. One year ago the price was $3.21. The lowest advertised price, $2.99, is in the Northwest. The highest advertised price, $3.49, is found in the Southeast. The U.S. weighted average price of organic milk gallons this period is $5.89. Two weeks ago the U.S. average price was $6.15 and the price one year ago was $5.60. Prices range from $5.29 in the Northwest, to $6.39 in the Southwest.

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

CME GROUP CASH TRADING

COMMODITY	MONDAY DEC 22	TUESDAY DEC 23	WEDNESDAY DEC 24	THURSDAY DEC 25	FRIDAY DEC 26	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	$1.5650 (+.0150)	$1.5350 (-.0300)	$1.4700 (-.0650)	CME Closed	1/	1/	1/
40# BLOCKS	$1.6300 (+.0200)	$1.5900 (-.0400)	$1.5325 (-.0575)	No Trading			
NONFAT DRY MILK GRADE A	$1.0025 (N.C.)	$1.0025 (N.C.)	$1.0000 (-.0025)				
BUTTER GRADE AA	$1.6250 (+.0150)	$1.6250 (N.C.)	$1.5750 (-.0500)				

1/ This information will be available at approximately 12:30 P.M. on Friday at the following web location: http://www.ams.usda.gov/mnreports/md_da998.txt

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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NATIONAL DAIRY RETAIL REPORT (DMN): During this period including Christmas week, holiday themed dairy products experienced ad volume increases but U.S. average advertised prices mostly decreased from two weeks ago. Ad volume changes, average prices and price changes from two weeks ago include: 1 pound butter, +68%, $3.06, -26 cents; 8 ounce cream cheese, +55%, $1.42, -26 cents; half gallon egg nog, +334%, $3.73, - 67 cents; and 16 ounce sour cream, +45%, $1.67, -24 cents. The national price of 8 ounce cheese shreds, $2.35, is down 10 cents from two weeks ago, but 16 cents higher than one year ago. The national average 8 ounce block cheese price is $2.51, is down 11 cents from two weeks ago, but up 24 cents from a year ago. Total cheese advertising volume is down 13% from two weeks ago. Greek yogurt in 4-6 ounce packages averages 95 cents, down 3 cents from two weeks ago and down 5 cents from one year ago. Greek yogurt in 32 ounce packages averages $4.84, down 84 cents from two weeks ago and down 17 cent from a year ago. Yogurt in 4-6 ounce packages averages 48 cents, down 3 cents from two weeks ago and down 4 cents from one year ago. The organic versus conventional half gallon price spread is $.65, down 44 cents from two weeks ago. The price spread is the difference between the national weighted average conventional milk price for half gallons, $2.50, and the average for organic half gallon milk, $3.15. This is the narrowest price spread of 2014, which has ranged from this week's $.65, to $2.55, which occurred during a period when conventional milk reached the lowest average price of the year, $1.25.

COLD STORAGE (NASS): On November 30, U.S. cold storage holdings of butter totaled 100.9 million pounds, down 27% from the previous month and 17% from November 2013. Natural American cheese holdings total 634.6 million pounds, 2% more than the previous month and 3% more from November 2013. Total natural cheese stocks were 1,016.0 million pounds, 2% more than last month and 2% more from November 2013.

NOVEMBER MILK PRODUCTION (NASS): Milk production in the 23 major States during November totaled 15.5 billion pounds, up 3.5% from November 2013. Production per cow averaged 1,806 pounds for November, 41 pounds above November 2013. This is the highest production per cow for the month of November since the 23 State series began in 2003. The number of milk cows on farms was 8.59 million head, 93,000 head more than November 2013, and 3,000 head more than October 2014.

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CME GROUP

MONDAY, DECEMBER 22, 2014
CHEESE -- SALES: 4 CARS BARRELS: 1 @ $1.5725, 1 @ $1.5800, 1 @ $1.5775, 1 @ $1.5650; 3 CARS 40# BLOCKS: 2 @ $1.6500, 1 @ $1.6400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ $1.5700; 1 CAR 40# BLOCKS @ $1.6300
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ $0.9900; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: 2 CARS GRADE AA: 1 @ $1.6300, 1 @ $1.6250; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

TUESDAY, DECEMBER 23, 2014
CHEESE -- SALES: 4 CARS BARRELS: 1 @ $1.5975, 1 @ $1.5750, 1 @ $1.5650, 1 @ $1.5550; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ $1.5350; 1 CAR 40# BLOCKS @ $1.5900
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ $1.5500; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ $1.6250

WEDNESDAY, DECEMBER 24, 2014
CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ $1.4700; 1 CAR 40# BLOCKS @ $1.5325
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ $1.0000
BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ $1.4900; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ $1.5750

THURSDAY, DECEMBER 25, 2014
CME closed, no trading

FRIDAY, DECEMBER 26, 2014
Information is unavailable at publication time.
This information will be available at approximately 12:30 P.M. at the following web location: http://www.ams.usda.gov/mnreports/md_da998.txt

BUTTER MARKETS

NORTHEAST

Heavy cream supplies are finding fewer buyers this week, and as a result, significantly more cream is being channeled to churns. Demand for butter is slowing as most buyers have their needs covered for the holidays. Butter production is at near capacity levels at most plants and adding to supplies. Export interest remains marginal at best as buyers are waiting to see if expanding inventories pressure prices lower into the New Year. The current bulk butter prices for domestic sales are flat to 5 over the market, with various time frames and averages used. At the CME Group, Grade AA butter closed Monday at $1.6250, down $0.2150 from a week ago. According to the DMN *National Dairy Retail Report*, the U.S. weighted average advertised price for 1-pound butter is $3.06, a decrease of $0.26 compared to two weeks ago. The price in the Northeast was $2.87, a decrease of $0.69 compared to two weeks ago. The price in the Southeast was $3.03, a decrease of $0.56 compared to two weeks ago.

CENTRAL

Strong fourth quarter ordering has kept churns running at high rates, while working inventories to lower levels. The market tone is steady with anticipated softening and gradual building of supplies as the holidays pass. Cream is available, but not to the degree as some expected. However, cream prices were lower on the week. Bulk butter spot load offerings increased as prices range from 1.5 cents under to 6 cents over the market, with various time frames and averages used. Print orders are tapering down from prior week highs. Tuesday at the CME Group, Grade AA butter closed at $1.6250, up $0.0150 from last Tuesday. The DMN *National Dairy Retail Report* noted the national weighted average advertised price for a 1 pound package of butter was $3.06, down $0.26 from two weeks ago, but $0.58 higher than a year ago. Advertised butter prices ranged from $1.98 to $3.99. The weighted average price in the Midwest region was $2.43, $0.31 lower than two weeks ago. In the South Central region, the average was $3.09, $0.31 lower than two weeks ago. The NASS *Cold Storage* report noted U.S. butter stocks on November 30 were 100.9 million pounds, 27% lower than last month and 17% below a year ago. According to FAS, January–November U.S. butter quota imports total 13.7 million pounds, a 42% increase compared to same time span last year.

WEST

Churning is active throughout the Western region as cream demand from higher Class manufacturing declines over the holiday week. Several plant managers have switched from print to bulk butter production to help clear intakes. The *National Dairy Retail Report* found that the U.S. weighted average advertised price of 1# butter, $3.06, is $0.26 below the price two weeks ago. Ad numbers have risen by more than 65%. Retail prices for 1# butter in the Southwest ranged from $2.50 to $3.99, with the weighted average at $3.57. Butter prices for the Northwest ranged from $2.49 to $3.99, with the weighted average at $3.24. Butter prices at the CME Group on Tuesday closed at $1.6250. The market moved up $0.0150 from last week Tuesday. Bulk butter prices range from 5 cents under to even with the CME.

COLD STORAGE: According to NASS, U.S. butter in storage on November 30, 2014 totaled 100.9 million pounds, 27% less than the previous month, and 17% less than a year ago.

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NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
(Information is unavailable at publication time.)					

Further data and revisions may be found on the internet (2:00 pm CT) at: http://www.ams.usda.gov/AMSv1.0/DairyProductMandatoryReporting

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

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Nov. Quota Imports	0.9	- 17	6
Jan. – Nov.			
High Tier	6.1	+1106	N.A.
Quota Imports	13.7	+ 42	89

CHEESE MARKETS

NORTHEAST

Milk volumes going to cheese plants are expanding and prompting production increases. Demand is slowing as the holidays approach with most buyers having their needs covered for Christmas week. Additional orders will likely occur next week as buyers restock for the New Year's holiday. Expanded cheese production is adding to supplies, and in some cases, to aging programs. The CME Group daily cash prices, on Monday, saw barrels close at $1.5650, down $0.0125 from a week ago, while blocks closed at $1.6300, up $0.0250 from a week ago. According to the DMN National Dairy Retail Report, the weighted average advertised price for 8 oz. cheese blocks in the Northeast was $2.37, 14 cents less than the national price and 16 cents less than two weeks ago. The Southeast 8 oz. block cheese price was $2.64, 13 cents more than two weeks ago. The weighted average price for 8 oz. shredded cheese in the Northeast was $2.47, 12 cents more than the national price, but 15 cents less than two weeks ago. The Southeast 8 oz. shredded cheese price was $2.33, 16 cents less than two weeks ago.

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

Cheddar 40# Block	: 2.0025-2.2875
Process 5# Sliced	: 1.8000-2.2800
Muenster	: 2.0225-2.3825
Grade A Swiss Cuts 10 - 14#	: 4.1925-4.5150

MIDWEST

There is Christmas week and New Year's week milk being shopped around to Midwest cheese plants. Price quotes mentioned span from $2.00 to $10.00 below class, depending on location and circumstance. Some cheese plants are buying the surplus milk and plan full schedules through the holidays. However, even plant managers opting to acquire extra milk to full throttle output have some uncertainty about prices beyond the near term future. For now, with Christmas week cheese orders filled, block demand is believed to be maintained in part due to cheese converters having increased focus on inventory for cheese sales through the football playoffs, leading to the Super Bowl. This is believed to have helped sustain current cheese pricing. Uncertainty about price expectations once January ends is a matter of interest. Even so, the allure of milk priced below class will increase cheese output this week and next while people ponder what pricing will be in a few weeks. The National Dairy Retail Report (DMN) found that Midwest ads for 8 ounce shredded cheese have a weighted average advertised price of $2.09, 26 cents lower than the national average, $2.35. One year ago the national average price was $2.19. The Midwest price range is $1.49 to $2.50. For 8 ounce blocks, the Midwest average price is $2.21, 30 cents lower than the national average price, $2.51. One year ago the national average price was $2.27. The Midwest price range is $1.49 to $3.00. Nationally, cheese ad numbers are 13% lower than two weeks ago. Wisconsin wholesale selling prices for 1,000 to 5,000 pound mixed lots of process cheese increased $.0750, Swiss is unchanged and the remaining varieties increased $.0200. NASS reports that November 30, 2014 East North Central region (Wisconsin, Illinois, Michigan, Indiana and Ohio) other cheese stocks were 91% of November last year, but 101% of October 31 this year. East North Central region American cheese stocks were 95% of November last year, and 97% of this October. Total U.S. November 30, 2014 natural cheese stocks were 1.016 billion pounds, 102% of November 30, 2013, and 102% of October 31, this year. Total U.S. Swiss cheese stocks ending November this year, 24.4 million pounds, were 94% of November 30 last year and 95% of October 31 this year. CME Group trading closed Tuesday with barrels at $1.5350, down 4 1/4 cents from last Tuesday and blocks at $1.5900, down 1 3/4 cents from last Tuesday.

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

Process American 5# Loaf	: 1.6825-2.0425
Brick And/Or Muenster 5#	: 1.9825-2.4075
Cheddar 40# Block	: 1.6875-2.1050
Monterey Jack 10#	: 1.9575-2.1625
Blue 5#	: 2.2500-3.2375
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 1.8275-2.7225
Grade A Swiss Cuts 6 - 9#	: 3.7100-3.8275

WEST

Manufacturing milk availability in the Western region is mostly higher for the week as several smaller manufacturers have signaled shortened production hours starting at midweek. Some processors with the ability to send milk to other end users are doing that, favoring butter/ powder production. Advertised U.S. cheese prices as reported in the National Dairy Retail Report showed lower national weighted average prices for packages of 8 oz. block ($3.74, -.50) and 8 oz. shred ($2.35, -.10) from two weeks ago. Combined cheese advertising was down 6% from two weeks ago. Retail prices in the Southwest were lower for 1 lb. block ($2.74, -.11), 8 ounce shred ($2.40, -.05). Retail prices in the Northwest were lower for 8 ounce block ($2.75, -.26), and 2 lb. block ($7.60, -.49) compared to two weeks ago. This week, a cooperative export assistance program accepted requests for a total of 1.056 million pounds of Cheddar, Colby-Jack and Gouda cheese. Barrel prices closed on Tuesday at the CME Group at $1.5350 and blocks closed at $1.5900. Last week Tuesday, barrels closed at $1.5775 and blocks closed at $1.6075. According to NASS Cold Storage report, U.S. total natural cheese in storage on November 30, 2014 totaled 1.016 billion pounds, 2% more than one year ago and 2% more than one month ago.

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

Process 5# Loaf	: 1.7025-1.9600
Cheddar 40# Block	: 1.7350-2.1800
Cheddar 10# Cuts	: 1.9150-2.1350
Monterey Jack 10#	: 1.9250-2.0850
Grade A Swiss Cuts 6 - 9#	: 3.7700-4.2000

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CHEESE MARKETS

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FOREIGN

Prices for domestic foreign type cheese varieties reversed its prolonged downward trend with modest increases. Import cheeses and Swiss prices were unchanged. Traders are reminded that December 31 is the last day for licensees to make entries to fulfill their requirement to use 85% of their 2014 license amount. It is also the last day that 2014 licenses are valid. According to FAS, imports of high tier and quota Italian-type cheese from January through November 2014 totaled 27.9 million pounds, up 5% compared to last year. Imports of quota Italian-type cheese for November totaled 3.0 million pounds, 45% higher than last year. Imports of high tier and quota Swiss/Emmenthaler varieties from January through November 2014 totaled 44.9 million pounds, 9% more than last year. Imports of quota Swiss/Emmenthaler for November totaled 4.9 million pounds, 19% higher than last year.

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

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
Blue	2.6400-5.3800	2.1425-3.6300*
Gorgonzola	3.6900-6.9700	2.6500-3.3475*
Parmesan (Italy)	-0-	3.5325-5.6225*
Provolone (Italy)	-0-	2.1850-2.4375*
Romano (Cows Milk)	-0-	3.3325-5.4825*
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-	4.2900-4.6125
Swiss Cuts Finnish	2.6700-2.9300	-0-

* = Price change.

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

	BUTTER	CHEESE
12/22/14	2,618	91,178
12/01/14	5,642	94,184
CHANGE	-3,024	-3,006
% CHANGE	-54	-3

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	0	80	0	0	0	77
SOUTHEAST STATES	0	0	0	0	0	0

Manufacturing milk supplies are significantly higher in the Northeast and Mid-Atlantic regions as Class I demand and holiday related product production slows. Milk production in both regions is incrementally increasing and above year ago levels. Balancing plants in both regions are operating at near capacity levels. Manufacturing milk volumes for the holiday period are expected to exceed historic highs at most plants with the likelihood of having to dump milk at some time in the next two weeks. Southeast bottling plants have added some loads to this week's schedules, but not enough to keep auxiliary manufacturing facilities from running at near maximum levels. Milk production in Florida has increased as favorable weather conditions have improved cow comfort levels. Class I demand has declined, but at anticipated levels. Excess milk supplies resulted in 80 spot milk shipments heading out of state this week. Imported spot loads are expected to resume following the holidays. **Cream multiples** moved significantly lower **for all Classes**, ranging **1.10–1.16.** Cream volumes are very heavy with excess loads finding fewer takers than in recent weeks. Cream volumes going to ice cream plants are declining as numerous plants are restricting production or shutting down completely for extended periods over the holidays. Most butter plants are operating at maximum churning levels. The **condensed skim** market is trending much lower this week as incoming milk volumes are overwhelming Class IV production capacities. Condensed skim going to Class III plants is also being severely discounted in order to find excess loads a home. According to the DMN *National Dairy Retail Report*, the U.S. weighted average price for a half gallon of milk was $2.50, a $0.10 increase compared to two weeks ago.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. producing plants: Northeast -	1.8073 - 1.9059
F.O.B. producing plants: Upper Midwest -	1.8073 - 2.0373

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

Northeast - Class II - includes monthly formula prices -	1.00-1.25
Northeast - Class III - spot prices -	1.05-1.40

MIDWEST

Milk production in the Central region is holding mostly above year ago levels. Milk supplies are plentiful as spot loads range from $10.00 under to $2.00 under Class. Given the holiday landing on Thursday this week, processors are faced with additional decisions pertaining to production scheduling, internal milk supply, and available transportation. Bottling orders are moderate with declining sales expected until schools resume the first full week of 2015. Demand for Class II cultured products is moderate. Sales for ice cream are light. A few Class II manufacturing plants are down for scheduled maintenance and updates. Cream supplies were readily available at lower multiples this week. **Cream multiples ranged from 1.10 to 1.24.** For the most part, cream volumes were moving within the region. Tuesday at the CME Group, Grade AA butter closed at $1.6250, up $0.0150 from last Tuesday. The DMN *National Dairy Retail Report* noted the national weighted average advertised price for one gallon of milk was $3.15, down $0.25 from two weeks ago, but $0.29 higher than a year ago. The weighted average price in the Midwest region was $2.99, $0.21 higher than two weeks ago. In the South Central region, the average was $2.23, $0.41 lower than two weeks ago. The NASS *Milk Production* report noted November milk production in the 23 selected states was 15.5 billion pounds, 3.5% above a year ago. The following shows Central states included in the report and the changes compared to a year ago: Illinois, -4.0%; Indiana, +3.2%; Iowa, +4.1%; Kansas, +5.8%; Michigan, +7.0%; Minnesota, +3.1%; Ohio, +1.4%; South Dakota, +6.7%; Texas, +7.7% and Wisconsin, +2.8%. Milk cows in the 23 selected states totaled 8.592 million head in November, 93,000 head more than a year ago. The weekly *Cow Slaughter under Federal Inspection* report shows U.S. dairy cow slaughter for the week ending December 6, at 61,900 head, 1,900 head or 3% less than the comparable week a year ago. This was the first week since March that slaughter eclipsed 60,000 head.

WEST

In CALIFORNIA, milk production is mixed, with processors in some areas reporting small week to week gains, but others indicating milk production is unchanged in comparison to previous weeks. Haulers attribute some of these declines to farm sellouts. Sales into Class 1 plants will trend lower throughout the week as some bottling plants will be closed over the extended holiday weekend. Balancing plant managers indicate milk loads are stairstepping from plant to plant within California in order to find processing room and use tankers efficiently. November 2014 POOL RECEIPTS of milk in CALIFORNIA total 3.25 billion pounds, 2.7% higher compared to November last year, according to California Department of Food and Agriculture. Year-to-date through November 2014 receipts are 3.9% higher from the comparable months in 2013. The November Value at Test price is $20.42, $2.44 lower than October 2014 but $0.44 higher than November 2013. The percentage of receipts used in Class 1 products is 14.06%. The November quota price is $20.70 and the over quota price is $19.00. These prices are $2.49 lower than October but $0.39 higher than a year ago. Processors indicate there is no turning back the rising milk volumes coming into ARIZONA manufacturing plants. Bottlers are generally out of the market after Tuesday afternoon, thus the butter/powder plants will manage intakes through the balance of the week. Out of state milk loads are clearing into Arizona to find processing room. Haulers report steady gains in farm milk volumes are coming off the dairy operations in NEW MEXICO. In addition, milk coming into the state from surrounding areas is creeping higher. Class I and II orders are sharply lower for the week, but processors report plans are in place to manage all milk intakes over the holiday week. Tankers are strategically located near to transfer points and processing locations. Help in the form of sales into neighboring operations is also spreading the milk volumes throughout the lower Southwest. Churning operations are busy this week, with in house cream volumes building from steady to higher milk intakes and push back from lower weekly contract cream needs. Intakes are clearing strongly into butter. Several churn operators report production is centered on bulk unsalted/salted, which is clearing to storage. Cream multiples are unchanged from last week, ranging from 1.22 to 1.27.

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FLUID MILK AND CREAM

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At the CME Group, Grade AA butter closed Tuesday at $1.6250, up $0.0150 compared to last Tuesday's closing price. PACIFIC NORTHWEST milk production is steady to incrementally higher, but demand into bottling plants is lower for the week. The last production push for many holiday drinkables, such as eggnog, are over for the month. Consumer outlets placed heavy orders late last week to cover holiday needs. UTAH and IDAHO milk intakes at cheese and butter/powder facilities are mostly higher as bottler demand trends lower for the week. According to NASS, November milk production for the 23 selected states totals 15.5 billion pounds, 3.5% higher than one year ago. November milk production changes from one year ago for selected Western states are as follows: Arizona +5.4%, California +2.2%, Colorado +7.7%, Idaho +4.0%, New Mexico -0.5%, Oregon N.C., Utah +7.9% and Washington +5.0%.

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: Supplies are exceeding existing demand for low/medium heat nonfat dry milk, causing some lower prices in the spot market. The market tone is softening. Production remains at higher levels as manufacturers direct heavy incoming milk supplies. Larger discounts available in the spot market have spurred additional end users to take a position. Export activity is light. Inventory levels vary from moderate to heavy, while many manufacturers look to unload supplies prior to year end. HIGH HEAT NDM prices are steady to weaker. Activity is mostly limited to contract fulfillment with light trading in the spot market. Tuesday at the CME Group, Grade A NDM closed at $1.0025, down $0.0025 from last Tuesday.
EAST: Nonfat dry milk prices moved lower. Low heat nonfat dry milk saw price declines in index based and spot sales. Production has increased as all plants are operating on expanded schedules in order to clear heavy milk volumes as quickly as possible. Current production is focused on low heat nonfat dry milk and adding to supplies. Manufacturers, in an attempt to clear some inventories, are offer sizable block volumes at significant discounts. Demand is mixed with some buyers covering their needs well into 2015 with sizable discounted block load purchases. Other buyers are unwilling to expand inventories at this time. The market has a weak undertone. High heat prices moved lower primarily on index based sales.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9950 - 1.2850 MOSTLY: 1.0000 - 1.2250
HIGH HEAT: 1.2400 - 1.4100

NONFAT DRY MILK - WEST

Western nonfat dry milk prices, low/medium heat, are unchanged to lower following price movements on various indices. Market participants indicate there is more interest by producers to place multiple load transactions with buyers for next week and early 2015. End users and resellers are negotiating for the best possible terms on new purchases, including price, contract length, and credit terms. Low/ medium heat NDM production is active, although mechanical problems at one or two plants have slowed throughput of condensed skim. High heat NDM prices shifted lower, following movement on indices. Buyers continue to take contract loads, but interest outside of contracts is light. Manufacturers are not overly burdened with high heat NDM inventories, thus they are reluctant to enact price discounts. Production is light as dryer time is focused on maximum clearance of condensed skim via low heat NDM output.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: .9450 - 1.2750 MOSTLY: .9900 - 1.1800
HIGH HEAT: 1.3250 - 1.4450

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Spot activity for dry buttermilk was limited this week as prices are unchanged. The market tone is weak with some suppliers noting difficulty moving volumes at discounts. Buyer interest is light. Production is steady to higher as condensed buttermilk sales are slowing and butter churning remains at high levels. Supplies are gradually growing.
EAST: Dry buttermilk prices were unchanged in light trading. Production of dry buttermilk has increased as expanded cream flows are being channeled to churns. Current production is adding to supplies. Most trading activity is limited to contract transactions. Demand is lackluster as many buyers are taking a wait and see attitude, thinking increased production and expanding supplies over the holiday period will possibly lower prices in the New Year. The market has a weak undertone.

F.O.B. CENTRAL/EAST: .9500 - 1.0775

DRY BUTTERMILK - WEST

Prices for Western dry buttermilk are unchanged for the week on light FOB spot trading. End users and resellers are reviewing near term needs and planning hand to mouth buying. Buyers are generally reluctant to build positions on dry buttermilk. Production is active. Butter/powder plant operators indicate interest in condensed buttermilk is minimal, so that stream is clearing through the dryers. Dry buttermilk inventories are building and generally higher than needed for filling nearby contracts.

F.O.B. WEST: .9000 - 1.1300 MOSTLY: .9600 - 1.1000

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are steady. Manufacturers indicate demand is light for FOB spot offers. Production is generally off the schedule until after the end of the year. Producers are reviewing Q1 2015 fulfillment needs. Inventories are sufficient to meet contract needs for the balance of the December.

F.O.B. PRODUCING PLANT: 1.4000 - 1.6500

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
December 19	$1.2561	6,844,052
December 12	$1.3034	9,276,961

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

Some manufacturers adjusted spot pricing lower to move supplies before year's end. The market tone is softening as many buyers have adequate inventories for the near-term and note current overall weak CME whey futures. Production rates are mostly unchanged at high levels. Domestic buyer interest is mostly light. Export orders are limited. Inventory levels are steady to slightly higher. ANIMAL FEED WHEY prices moved slightly lower on the top of the range. Spot trading was light on the short week.

F.O.B. CENTRAL: .4000 - .6300 MOSTLY: .5200 - .6050
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3500 - .5500

DRY WHEY - NORTHEAST

Prices for dry whey decreased as sales based on various price indices moved lower. Whey production has increased as most cheese plants are operating at capacity. Supplies are increasing and demand is sluggish as many buyers do not want to expand inventories prior to the end of the year. Manufacturers are attempting to entice buyers with discount prices, but those buyers needing additional loads are finding prices below manufacturers' discounts on the resale market.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5250 - .6350

DRY WHEY - WEST

Prices for Western dry whey are unchanged to sharply lower on the mostly. Interest in FOB spot offers hinges on price, and buyers are requiring incentives to help alleviate manufacturers' inventories. Some sale prices on multiple FOB spot load transactions are reported to be below the world market, and that is helping loads move to buyers. Dry whey production is active as manufacturing milk supplies build during the extended holiday weekend. Offers of condensed whey spot loads are available within the region, with limited interest displayed by buyers. Dry whey inventories are steady to building.

NONHYGROSCOPIC: .4000 - .6250 MOSTLY: .4400 - .5400

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are mostly weaker. The market tone is softening as end users report discounted offerings available. Totes are generally more available than bags. Supplies for infant formula applications are mostly moving through prior commitments. Buyer interest is light to moderate. Some end users are electing not to renew annual contracts, while others are noting reduced overages for 2015.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.0800-1.4100 MOSTLY: 1.1000-1.3300

LACTOSE - CENTRAL AND WEST

Lactose prices are shifting lower as some suppliers made year-end price adjustments to work inventories down. A few manufacturers noted push back in the export markets. Buyers appear to be sitting on the sidelines until the first few weeks of 2015. The market tone is weak. Production is mostly steady at high rates as milk supplies are heavy. Supplies vary amongst brands and mesh sizes.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .1700-.5200 MOSTLY: .2800-.4800

CASEIN - NATIONAL

The casein market is quiet going into the last two weeks of the year. Prices are unchanged. Strong global milk production, significant supplies of skim milk powder, lower skim milk powder prices and weaker demand are combining to give the casein market a significantly weak undertone going into the New Year. Current supplies of rennet are more available than acid casein.

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
12/06/2014	61.9	2,643.8	63.8	2,941.0

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 PRCES (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

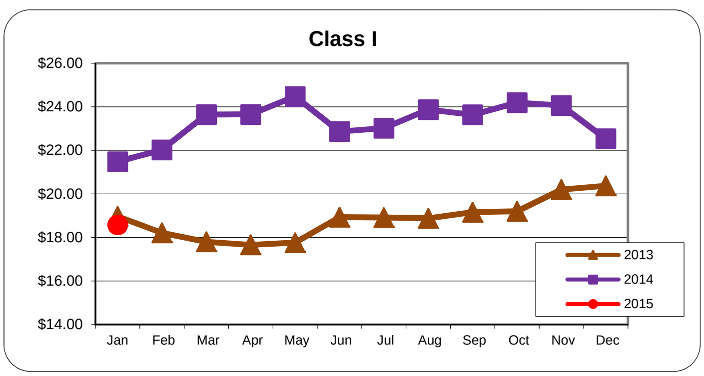
FEDERAL MILK ORDER CLASS PRICES FOR 2014 (3.5%)

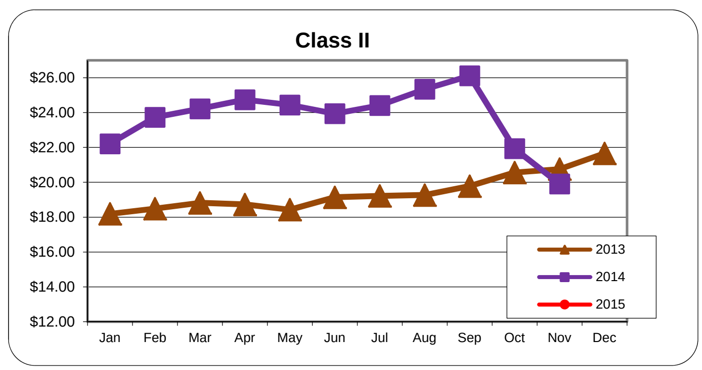
CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	21.48	22.02	23.64	23.65	24.47	22.86	23.02	23.87	23.63	24.19	24.06	22.53
II	22.21	23.73	24.22	24.74	24.44	23.94	24.41	25.34	26.11	21.93	19.91	
III	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	
IV	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58	21.35	18.21	

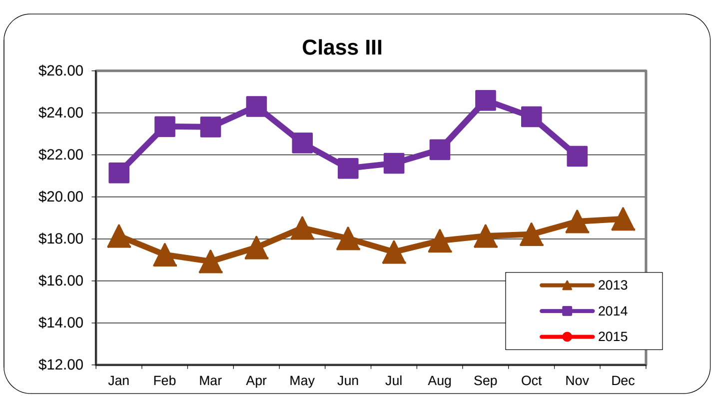
FEDERAL MILK ORDER CLASS PRICES FOR 2015 (3.5%)

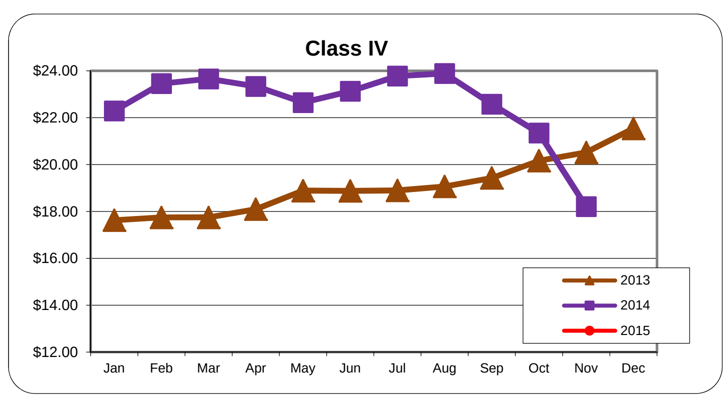
CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.58											

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 December 15 - 26 , 2014

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales. AMS reports total organic milk products sales for August 2014, 204 million pounds, were up 4.3% from August last year and up 10.7% year to date compared with last year.

Organic whole milk sales for August 2014, 62 million pounds, were up 14.1% compared with August last year and up 20.9% year to date compared with last year.

Organic reduced fat milk sales for August, 63 million pounds, were 16.2% above sales one year earlier and up 17.8% year to date compared with last year.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, AUGUST 2014, WITH COMPARISONS 1/

Product Name	Sales Aug. (Mil. Lbs.)	Sales Y-T-D (Mil. Lbs.)	Change from: 2/ Prev Yr. (Percent)	Change from: 2/ Y-T-D (Percent)
ORGANIC PRODUCTION PRACTICE				
Whole Milk	**62**	**482**	**14.1**	**20.9**
Reduced Fat Milk (2%)	**63**	**496**	**16.2**	**17.8**
Low Fat Milk (1%)	**38**	**318**	**-0.9**	**6.3**
Fat-Free Milk (Skim)	**32**	**273**	**-10.7**	**-3.6**
Flavored Fat-Reduced Milk	**8**	**75**	**-35.6**	**9.8**
Other Fluid Milk Products	**0**	**3**	**0.0**	**-14.1**
Total Fat-Reduced Milk 3/	**141**	**1,162**	**0.1**	**7.0**
Tot. Organic Milk Products	**204**	**1,648**	**4.3**	**10.7**

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/ Both conventional and organic fat-reduced milk categories are total of reduced fat, lowfat, skim, and flavored fat reduced milk.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. The most advertised organic dairy product this holiday period is organic cheese, replacing organic egg nog, which had led organic dairy product ad numbers two weeks ago. In fact, organic egg nog has slipped to the lowest number of ads among advertised organic dairy products this period, having only a small number of ads in the Northeast.

Organic milk ads consist in substantial part of organic gallon ads, with a small number of half gallon ads in the Southeast and Northwest. Overall organic milk ad numbers are below one half the average level of the year. Organic yogurt ads are regional this period, with all ads being for Northeast stores.

Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period December 15 to December 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

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is $3.15, down 34 cents from 2 weeks ago. One year ago the price was $3.21.

The lowest advertised price, $2.99, is in the Northwest. The highest advertised price, $3.49, is found in the Southeast.

2014 Annual Overview of Organic Milk Half Gallon Prices and Advertising. Averaging 2014 bi-weekly advertised prices of organic half gallons of milk and advertising volume by region shows distinct regional differences. The Northeast has the highest annual average price, $4.08 and the lowest percentage of ads, 7%. The lowest regional average price is $3.26 in the South Central. The highest regional percentage of ads is the Southwest. The 2014 national average advertised price for organic half gallons for all periods is $3.48. The table which follows shows 2014 regional averages for organic half gallon milk prices and organic half gallon milk ad volume.

2014 ORGANIC MILK HALF GALLON ANNUALIZED AVERAGE REGIONAL PRICE AND ADVERTISING PERCENTAGE

Region	Price	Ad %
NE	**$4.08**	**7%**
SE	**$3.52**	**20%**
MW	**$3.38**	**16%**
SC	**$3.26**	**18%**
SW	**$3.57**	**28%**
NW	**$3.35**	**10%**

Organic Milk Gallons. The U.S. weighted average price of organic milk gallons this period is $5.89. Two weeks ago the U.S. average price was $6.15 and the price one year ago was $5.60. Prices range from $5.29 in the Northwest, to $6.39 in the Southwest.

8 Ounce Block Organic Cheese. Organic cheese (8 ounce blocks) has an average price of $3.95, 46 cents higher than two weeks ago. Prices range from $3.49 in the Northeast, to $3.99 in in the Northeast, South Central, Southwest, and Northwest.

8 Ounce Shredded Organic Cheese. Shredded organic cheese (8 ounce) has an average price of $3.99. There were no ads two weeks ago. All ads are priced $3.99.

Organic Yogurt. The U.S. weighted average price of Organic Greek 4-6 ounce yogurt, $1.25, is up 7 cents from two weeks ago. All ads are in the Northeast. There were no ads one year ago.

Organic 32 ounce yogurt has an average price of $3.49, up 45 cents from two weeks ago. All ads are in the Northeast. There were no ads one year ago.

Organic Egg Nog – Quart Size. The U.S. average price of 32 ounce organic egg nog is $2.99, down 96 cents from two weeks ago. One year ago the price was $3.84. All ads are for Northeast stores.

ORGANIC GRAIN AND FEEDSTUFF MARKETS: Organic grain prices are trending mostly steady. Market activity is slow to moderate. Demand for organic durum wheat is moderate to good, while demand for all other organic grains remains light to moderate. Concerns prevail as to limited storage capacity, transportation challenges and associated costs, moisture levels, test weights, drying costs, quality issues, and harvest yields.

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

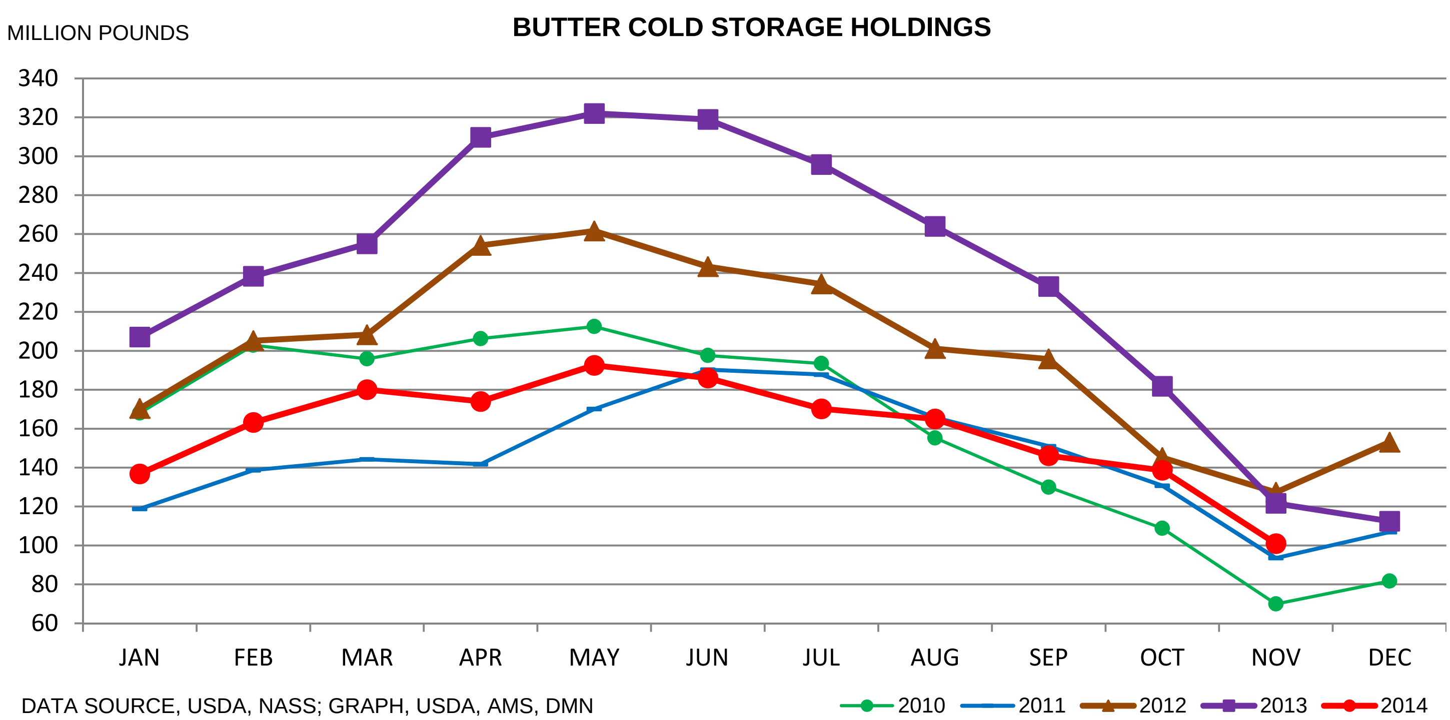
U.S. HOLDINGS OF DAIRY PRODUCTS

COMMODITY	OCT 31, 2012	OCT 31, 2013	REVISED OCT 31, 2014	NOV 30, 2012	NOV 30, 2013	NOV 30, 2014
Butter	145,098	181,799	138,600	127,282	121,627	100,916
Cheese, Natural American	610,931	626,161	623,336	611,687	613,965	634,648
Cheese, Swiss	30,021	27,923	25,600	30,906	26,102	24,420
Cheese, Other Natural	354,411	365,632	346,730	343,278	356,542	356,935
Total Cheese	995,363	1,019,716	995,666	985,871	996,609	1,016,003

NOVEMBER STORAGE HOLDINGS BY REGION

REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
New England	35,013	50,948	62,082	---	---	---	837	850	1,038
Middle Atlantic	39,744	60,582	68,152	---	---	---	14,314	13,403	22,843
East North Central	258,529	236,537	225,026	---	---	---	249,778	254,385	232,588
West North Central	105,308	93,137	101,173	---	---	---	29,652	39,782	42,380
South Atlantic	559	652	726	---	---	---	4,510	4,963	3,292
East South Central	4,960	3,294	4,872	---	---	---	14,163	9,352	16,493
West South Central	11,815	8,400	22,562	---	---	---	604	462	492
Mountain	56,679	49,415	49,420	---	---	---	7,387	3,254	2,258
Pacific	99,080	111,000	100,635	---	---	---	22,033	30,091	35,551
TOTAL	611,687	613,965	634,648	127,282	121,627	100,916	343,278	356,542	356,935

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



NOVEMBER MILK PRODUCTION

Milk production in the 23 major States during November totaled 15.5 billion pounds, up 3.5 percent from November 2013. October revised production, at 16.0 billion pounds, was up 3.7 percent from October 2013. The October revision represented a decrease of 35 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,806 pounds for November, 41 pounds above November 2013. This is the highest production per cow for the month of November since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.59 million head, 93,000 head more than November 2013, and 3,000 head more than October 2014.

NOVEMBER 2014 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS [1/]		MILK PER COW [2/]		MILK PRODUCTION [2/]		
	2013	2014	2013	2014	2013	2014	% CHANGE FROM 2013
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	190	193	1,860	1,930	353	372	5.4
CA	1,780	1,780	1,840	1,880	3,275	3,346	2.2
CO	138	145	1,975	2,030	273	294	7.7
FL	123	123	1,495	1,535	184	189	2.7
ID	567	579	1,885	1,920	1,069	1,112	4.0
IL	96	92	1,550	1,550	149	143	-4.0
IN	178	179	1,730	1,775	308	318	3.2
IA	206	207	1,775	1,840	366	381	4.1
KS	135	143	1,800	1,800	243	257	5.8
MI	380	399	1,930	1,965	733	784	7.0
MN	461	460	1,565	1,615	721	743	3.1
NM	322	323	1,990	1,975	641	638	-0.5
NY	611	615	1,750	1,805	1,069	1,110	3.8
OH	268	267	1,600	1,630	429	435	1.4
OR	123	124	1,625	1,615	200	200	---
PA	530	530	1,585	1,640	840	869	3.5
SD	95	97	1,735	1,810	165	176	6.7
TX	440	470	1,770	1,785	779	839	7.7
UT	93	96	1,775	1,855	165	178	7.9
VT	132	132	1,570	1,630	207	215	3.9
VA	94	92	1,490	1,535	140	141	0.7
WA	266	276	1,885	1,905	501	526	5.0
WI	1,271	1,270	1,725	1,775	2,192	2,254	2.8
23 STATE TOTAL	8,499	8,592	1,765	1,806	15,002	15,520	3.5

[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, December 2014.*

Agricultural
Marketing
Service

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 52 Issued Biweekly Wednesday, December 24, 2014

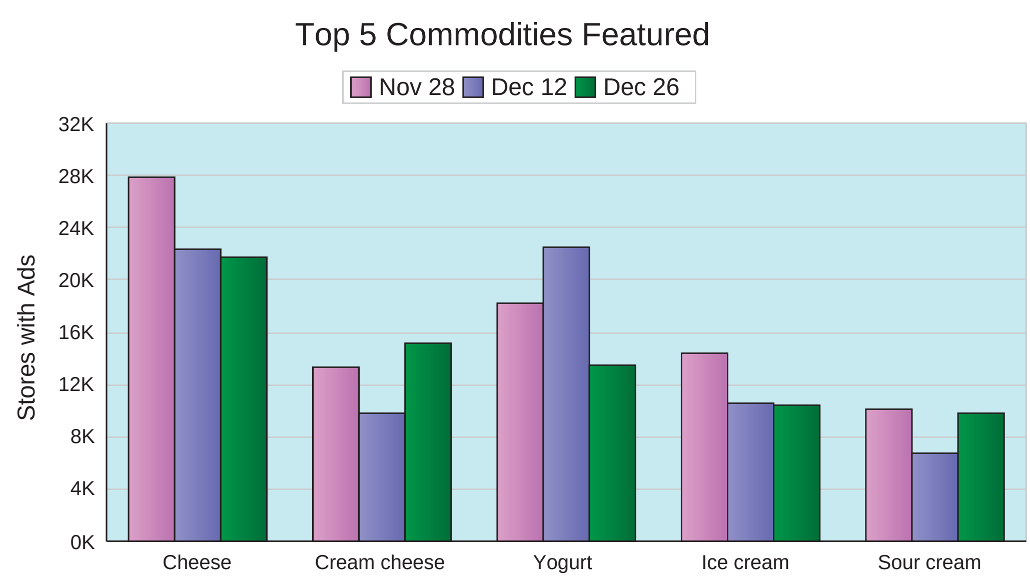
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 12/15 to 12/26

During this period including Christmas week, holiday themed dairy products experienced ad volume increases but U.S. average advertised prices mostly decreased from two weeks ago. Ad volume changes, average prices and price changes from two weeks ago include: 1 pound butter, +68%, $3.06, - 26 cents; 8 ounce cream cheese, +55%, $1.42, -26 cents; half gallon egg nog, +334%, $3.73, - 67 cents; and 16 ounce sour cream, +45%, $1.67, -24 cents.

The national price of 8 ounce cheese shreds, $2.35, is down 10 cents from two weeks ago, but 16 cents higher than one year ago. The national average 8 ounce block cheese price is $2.51, is down 11 cents from two weeks ago, but up 24 cents from a year ago. Total cheese advertising volume is down 13% from two weeks ago.

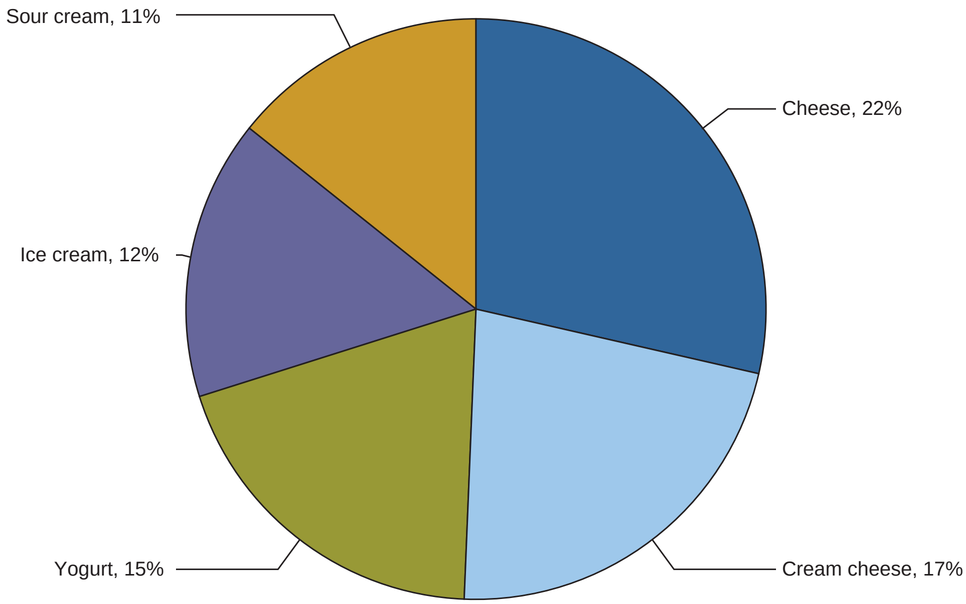
Greek yogurt in 4-6 ounce packages averages 95 cents, down 3 cents from two weeks ago and down 5 cents from one year ago. Greek yogurt in 32 ounce packages averages $4.84, down 84 cents from two weeks ago and down 17 cent from a year ago. Yogurt in 4-6 ounce packages averages 48 cents, down 3 cents from two weeks ago and down 4 cents from one year ago.

The organic versus conventional half gallon price spread is $.65, down 44 cents from two weeks ago. The price spread is the difference between the national weighted average conventional milk price for half gallons, $2.50, and the average for organic half gallon milk, $3.15. This is the narrowest price spread of 2014, which has ranged from this week's $.65, to $2.55, which occurred during a period when conventional milk reached the lowest average price of the year, $1.25.

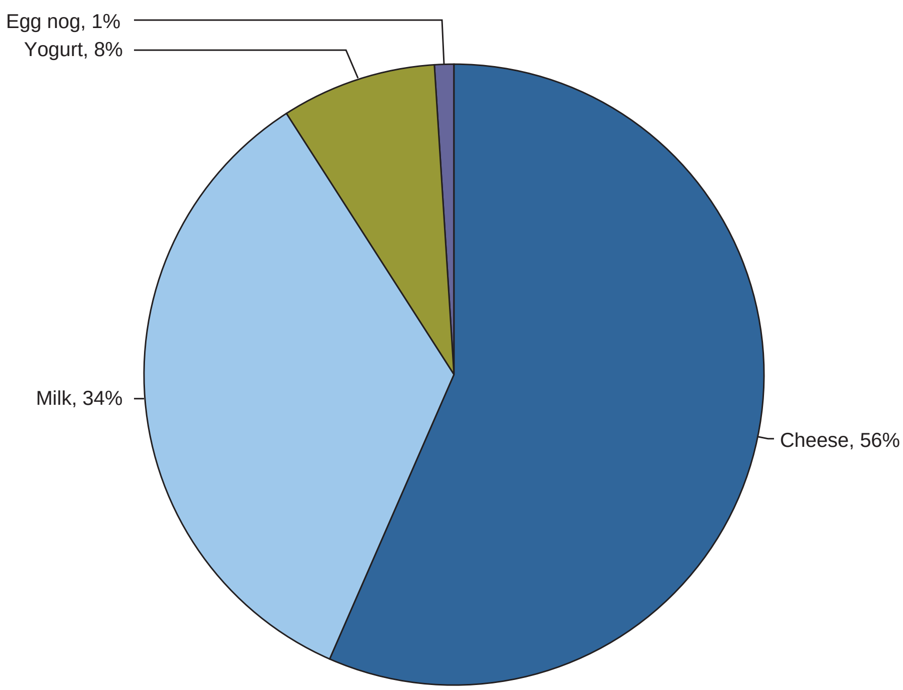


1 -- Dairy Market News surveys nearly100 retailers, comprising over 14,000 individual stores, with online weekly advertised features.
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

Top 5 Percentage of Total Conventional Ads



Top 5 Percentage of Total Organic Ads



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 #	9237	3.06	5489	3.32	10926	2.48
Cheese	Natural Varieties	8 oz block	9443	2.51	7724	2.62	10544	2.27
Cheese	Natural Varieties	1 # block	555	3.74	1617	4.24	1391	3.10
Cheese	Natural Varieties	2 # block	957	7.83	2820	7.93	2276	7.02
Cheese	Natural Varieties	8 oz shred	7738	2.35	7825	2.45	10674	2.19
Cheese	Natural Varieties	1 # shred	495	3.61	2126	3.99	467	4.21
Cottage cheese		16 oz	1624	1.86	2659	2.35	915	1.98
Cream cheese		8 oz	15132	1.42	9770	1.68	11201	1.32
Egg nog		quart	678	2.33	1646	2.48	1645	2.43
Egg nog		half gallon	4704	3.73	1084	4.40	4211	3.44
Flavored milk	All fat tests	half gallon	271	2.53	1202	2.46	480	2.69
Flavored milk	All fat tests	gallon	51	4.19	142	4.49		
Ice cream		48-64oz	10459	2.98	10624	3.34	14314	2.94
Milk	All fat tests	half gallon	70	2.50	542	2.40	172	1.48
Milk	All fat tests	gallon	1582	3.15	2996	3.40	1247	2.86
Sour cream		16 oz	9792	1.67	6764	1.91	11308	1.52
Yogurt	Greek	4-6 oz	9934	.95	14258	.98	8638	1.00
Yogurt	Greek	32 oz	1923	4.84	839	5.68	1410	5.01
Yogurt	Yogurt	4-6 oz	1238	.48	6445	.51	995	.52
Yogurt	Yogurt	32 oz	63	2.50	53	2.49	803	2.02

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 #	2.47-3.99	1596	2.87	2.49-3.99	2220	3.03	1.98-3.00	1448	2.43
Cheese	Natural Varieties	8 oz block	1.77-3.49	2951	2.37	1.67-3.49	1742	2.64	1.49-3.00	1401	2.21
Cheese	Natural Varieties	1 # block	3.99	203	3.99	3.99	107	3.99	3.99	165	3.99
Cheese	Natural Varieties	2 # block				7.99	58	7.99			
Cheese	Natural Varieties	8 oz shred	1.77-3.00	2291	2.47	1.99-2.50	1040	2.33	1.49-2.50	1056	2.09
Cheese	Natural Varieties	1 # shred	3.99	141	3.99				3.69-3.99	274	3.80
Cottage cheese		16 oz	1.99-2.50	569	2.20	2.50	124	2.50	1.25	244	1.25
Cream cheese		8 oz	1.25-2.00	2455	1.61	0.99-2.49	4643	1.41	0.79-1.99	1988	1.38
Egg nog		quart	1.99	108	1.99	2.00	195	2.00	2.39-2.78	325	2.62
Egg nog		half gallon	3.49-4.99	782	4.19	3.49-3.79	468	3.56	3.39-4.29	684	3.59
Flavored milk	All fat tests	half gallon							1.79-2.79	271	2.53
Flavored milk	All fat tests	gallon	4.19	51	4.19						
Ice cream		48-64oz	1.99-3.99	2516	2.76	2.50-4.99	2230	3.32	2.50-3.98	1747	3.05
Milk	All fat tests	gallon	3.49	281	3.49	3.49	58	3.49	2.99	62	2.99

Wtd Avg - Simple weighted average

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Sour cream		16 oz	0.99-2.00	2908	1.61	1.25-2.00	2162	1.79	0.99-2.00	1400	1.60
Yogurt	Greek	4-6 oz	0.88-1.33	2207	1.00	0.79-1.00	3011	.89	0.79-1.00	1345	.93
Yogurt	Greek	32 oz	3.99	247	3.99	2.99-4.99	1328	4.90	4.19-5.38	263	4.94
Yogurt	Yogurt	4-6 oz	0.39-0.60	705	.46	0.50	107	.50			
Yogurt	Yogurt	32 oz	2.50	63	2.50						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-3.99	1054	3.09	2.50-3.99	2121	3.57	2.49-3.99	798	3.24
Cheese	Natural Varieties	8 oz block	2.00-3.00	807	2.55	1.99-3.50	1946	2.74	2.50-3.00	596	2.75
Cheese	Natural Varieties	1 # block							2.29	80	2.29
Cheese	Natural Varieties	2 # block	7.99	521	7.99				7.49-7.99	378	7.60
Cheese	Natural Varieties	8 oz shred	1.99-2.79	1334	2.25	1.99-2.50	1603	2.40	2.50-3.00	414	2.64
Cheese	Natural Varieties	1 # shred							2.29	80	2.29
Cottage cheese		16 oz				1.39-1.99	489	1.82	1.25-1.50	198	1.35
Cream cheese		8 oz	0.99-1.67	1634	1.30	0.99-2.00	3404	1.41	1.20-1.99	1008	1.37
Egg nog		quart							2.50	50	2.50
Egg nog		half gallon	3.49-3.99	610	3.59	3.29-4.79	1580	3.91	1.99-3.99	580	3.07
Ice cream		48-64oz	1.67-4.50	605	3.31	2.49-3.50	2467	2.81	2.50-3.50	894	2.84
Milk	All fat tests	half gallon	2.50	70	2.50						
Milk	All fat tests	gallon	1.99-2.50	234	2.23	1.97-3.99	649	3.40	2.99	298	2.99
Sour cream		16 oz	1.25-2.00	730	1.46	1.00-2.00	1960	1.80	1.25-1.99	632	1.58
Yogurt	Greek	4-6 oz	0.79-1.00	939	.94	0.79-1.25	1856	1.00	0.79-1.00	576	.97
Yogurt	Greek	32 oz	5.99	85	5.99						
Yogurt	Yogurt	4-6 oz				0.50	128	.50	0.50	298	.50

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #					248	4.82
Cheese	Natural Varieties	8 oz block	1616	3.95	235	3.49		
Cheese	Natural Varieties	8 oz shred	989	3.99				
Egg nog		quart	63	2.99	1844	3.95	323	3.84
Milk	All fat tests	half gallon	176	3.15	58	3.49	2602	3.21
Milk	All fat tests	gallon	1421	5.89	1127	6.15	1485	5.60

Wtd Avg - Simple weighted average

Sour cream		16 oz					56	2.99
Yogurt	Greek	4-6 oz	235	1.25	152	1.18		
Yogurt	Greek	32 oz			71	6.49		
Yogurt	Yogurt	4-6 oz			58	.69		
Yogurt	Yogurt	32 oz	141	3.49	430	3.04		

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
Cheese	Natural Varieties	8 oz block	3.49-3.99	253	3.71						
Cheese	Natural Varieties	8 oz shred	3.99	112	3.99						
Egg nog		quart	2.99	63	2.99						
Milk	All fat tests	half gallon				3.49	58	3.49			
Milk	All fat tests	gallon	5.99	112	5.99						
Yogurt	Greek	4-6 oz	1.25	235	1.25						
Yogurt	Yogurt	32 oz	3.49	141	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	649	3.99	3.99	480	3.99
Cheese	Natural Varieties	8 oz shred	3.99	112	3.99	3.99	649	3.99	3.99	116	3.99
Milk	All fat tests	half gallon							2.99	118	2.99
Milk	All fat tests	gallon	5.79-6.19	234	6.00	5.99-6.39	777	6.05	5.29-5.49	298	5.37

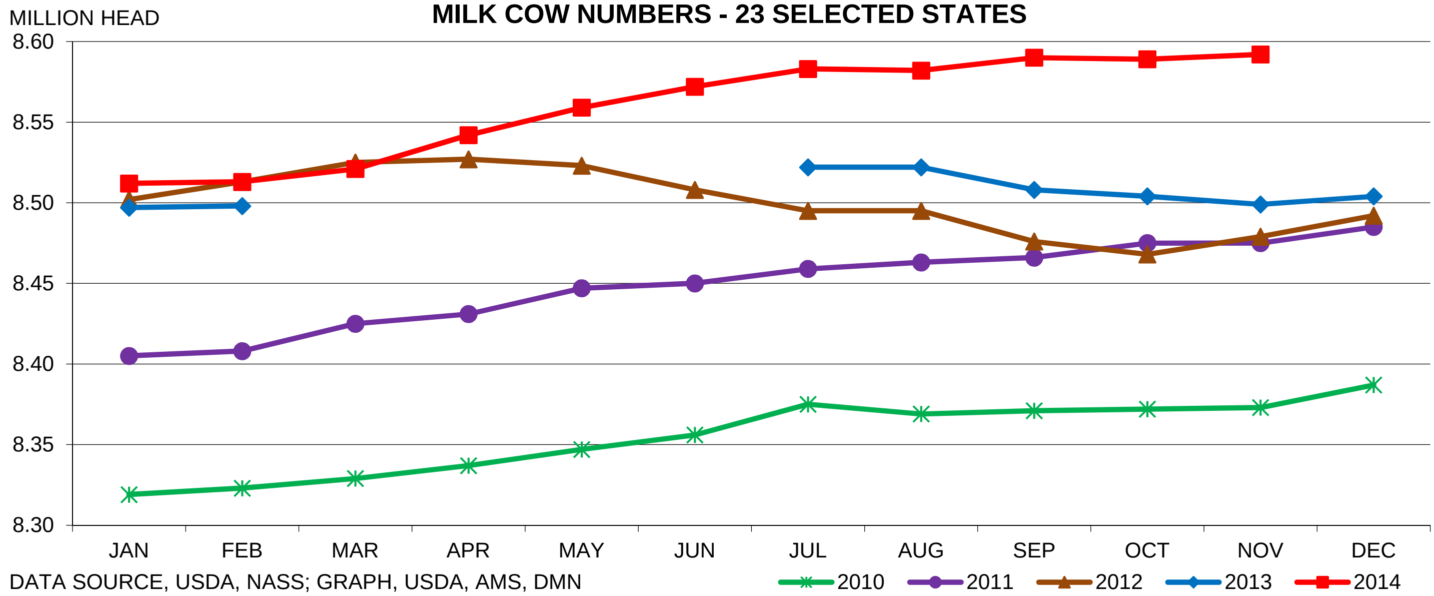
Notice: Effective with Report 12, 2013, the tables breaking out information by national and store brands are no longer available.

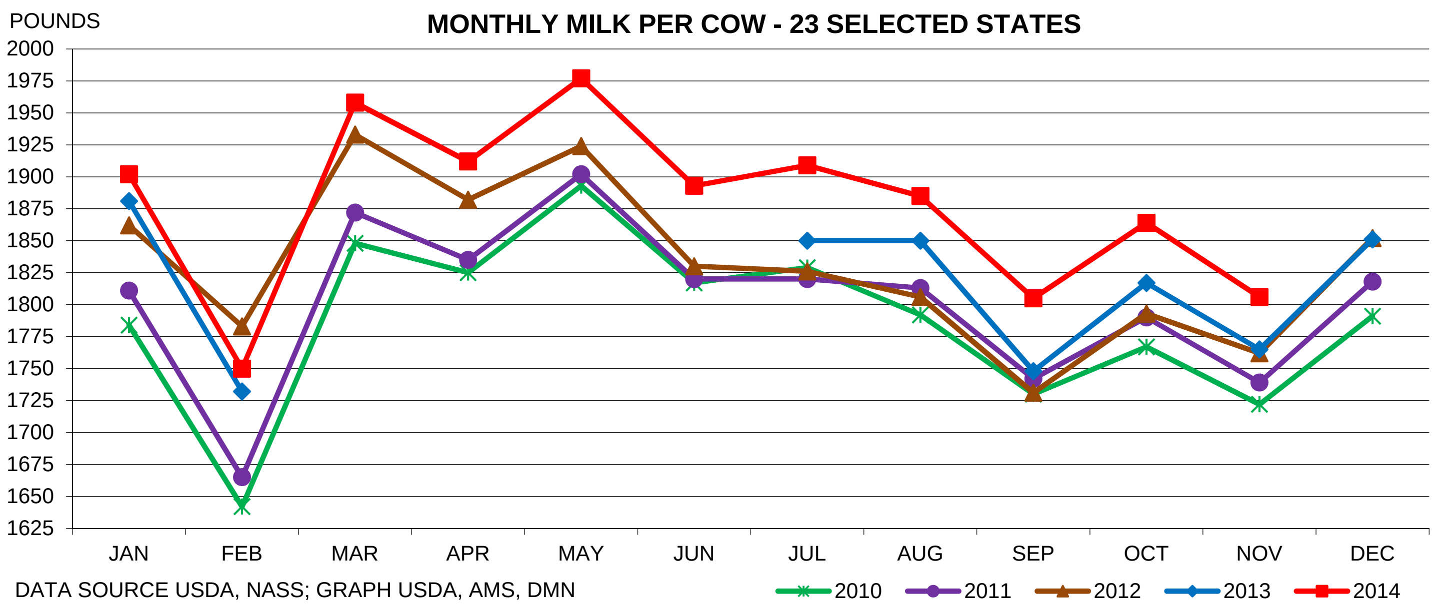
REGIONAL DEFINITIONS

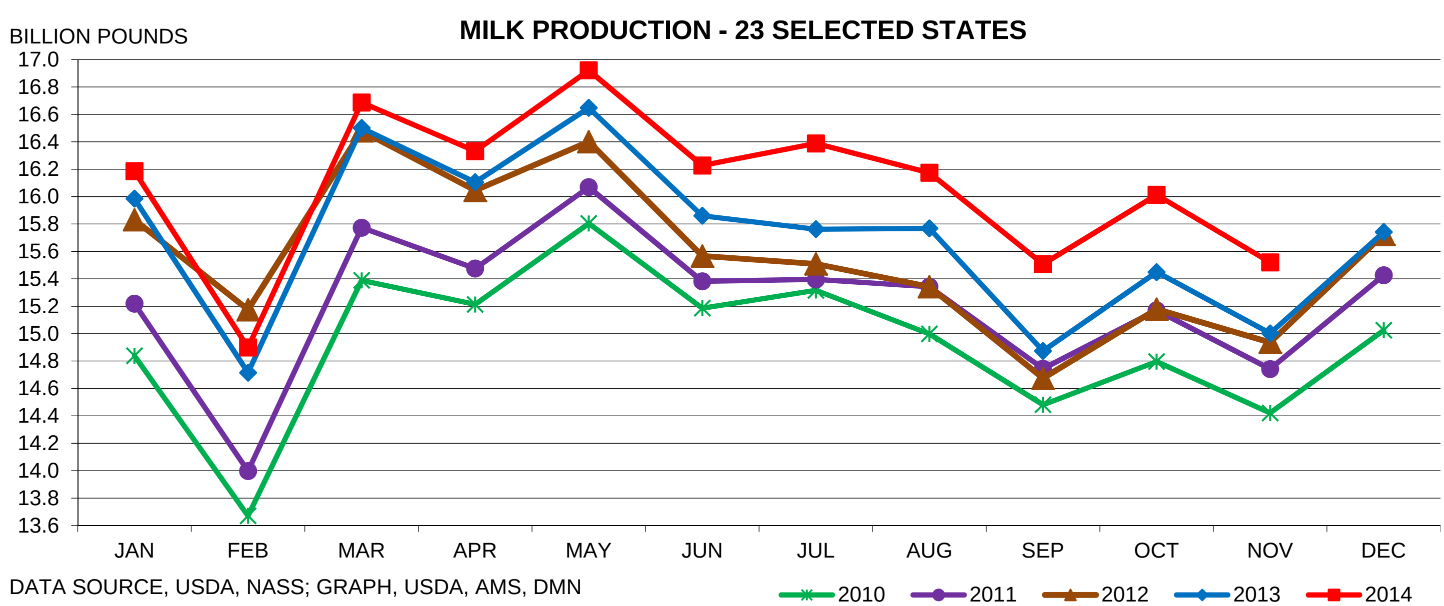
As used in this report, regions include the following states:

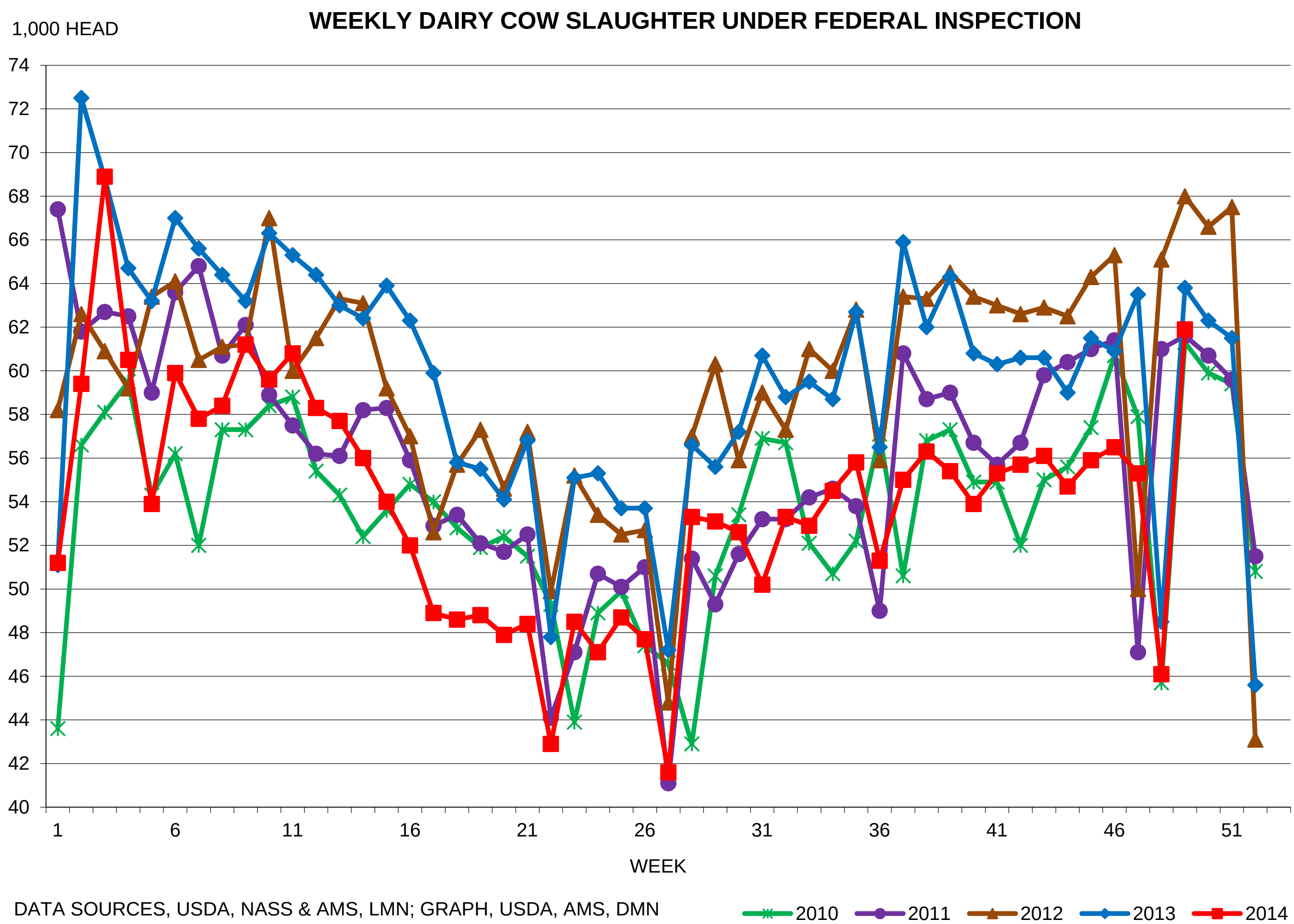
NORTHEAST U.S.	Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New jersey, New York, Pennsylvania, Rhode Island and Vermont
SOUTHEAST U.S.	Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia
MIDWEST U.S.	Iowa, Illinois, Indiana, 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

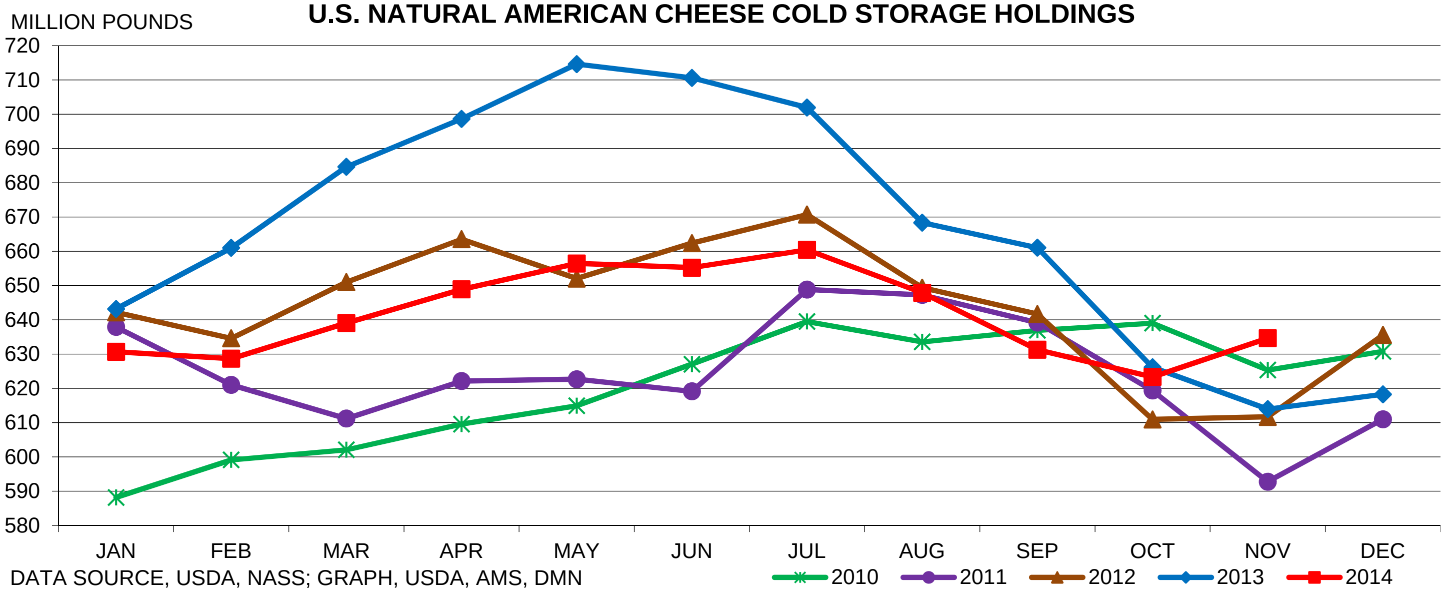

MILLION HEAD
MILK COW NUMBERS - 23 SELECTED STATES
8.60
8.55
8.50
8.45
8.40
8.35
8.30
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN
2010 2011 2012 2013 2014

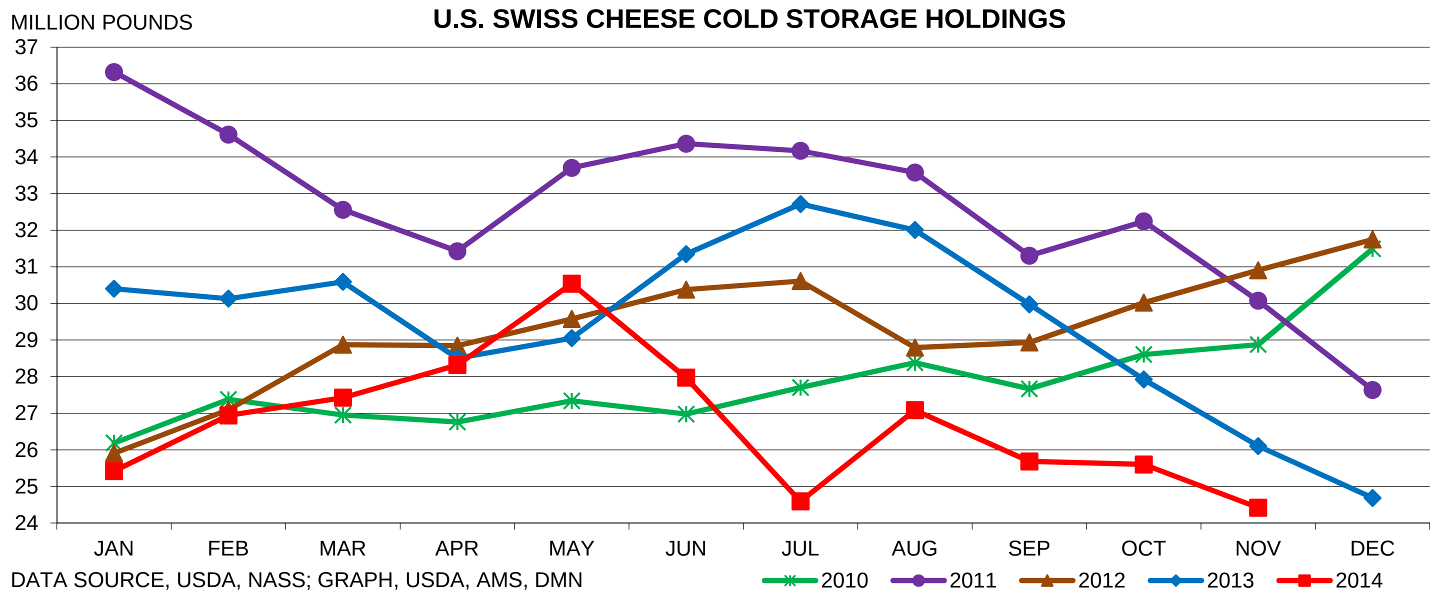

POUNDS
MONTHLY MILK PER COW - 23 SELECTED STATES
2000
1975
1950
1925
1900
1875
1850
1825
1800
1775
1750
1725
1700
1675
1650
1625
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
DATA SOURCE USDA, NASS; GRAPH USDA, AMS, DMN
2010 2011 2012 2013 2014

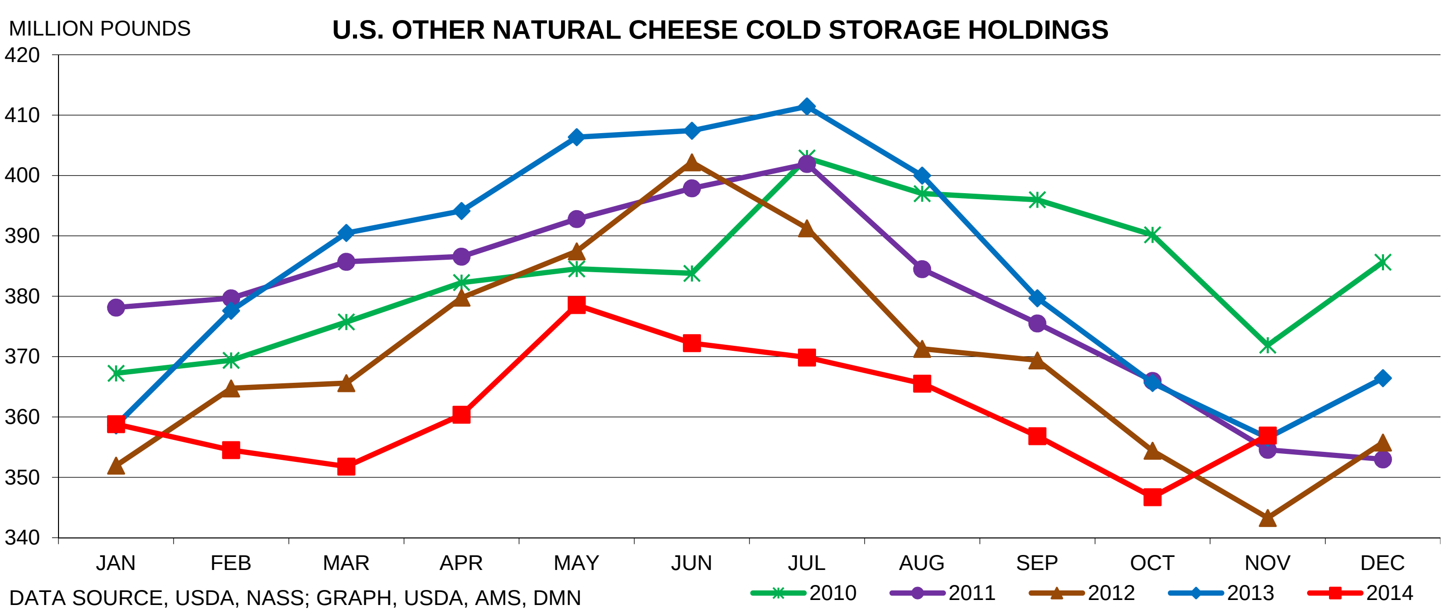

BILLION POUNDS
MILK PRODUCTION - 23 SELECTED STATES
17.0
16.8
16.6
16.4
16.2
16.0
15.8
15.6
15.4
15.2
15.0
14.8
14.6
14.4
14.2
14.0
13.8
13.6
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN
2010 2011 2012 2013 2014



WEEKLY DAIRY COW SLAUGHTER UNDER FEDERAL INSPECTION
1,000 HEAD
74
72
70
68
66
64
62
60
58
56
54
52
50
48
46
44
42
40
1
6
11
16
21
26
31
36
41
46
51
WEEK
DATA SOURCES, USDA, NASS & AMS, LMN; GRAPH, USDA, AMS, DMN
2010
2011
2012
2013
2014


MILLION POUNDS
U.S. NATURAL AMERICAN CHEESE COLD STORAGE HOLDINGS
720
710
700
690
680
670
660
650
640
630
620
610
600
590
580
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN
2010 2011 2012 2013 2014


MILLION POUNDS
U.S. SWISS CHEESE COLD STORAGE HOLDINGS
37
36
35
34
33
32
31
30
29
28
27
26
25
24
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN
2010 2011 2012 2013 2014


MILLION POUNDS
U.S. OTHER NATURAL CHEESE COLD STORAGE HOLDINGS
420
410
400
390
380
370
360
350
340
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN
2010 2011 2012 2013 2014

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