

**DAIRY MARKET NEWS AT A GLANCE**

**CME GROUP CASH MARKETS (6/15)**

**BUTTER:** Grade AA closed at \$2.3525. The weekly average for Grade AA is \$2.3640 (-.0160).

**CHEESE:** Barrels closed at \$1.4500 and 40# blocks at \$1.5950. The weekly average for barrels is \$1.5150 (-.0075) and blocks, \$1.6200 (+.0235).

**NONFAT DRY MILK:** Grade A closed at \$.7875. The weekly average for Grade A is \$.7870 (-.0240).

**DRY WHEY:** Extra grade dry whey closed at \$.4100. The weekly average for dry whey is \$.4130 (+.0075).

**BUTTER HIGHLIGHTS:** Butter churning varies across the country. In the West, production has been driven by ample amounts of affordable cream, while some processors begin to sell off some cream in the spot market. In the Central region, butter making varies by plant as some manufacturers continue microfixing, while others are taking on heavier loads of cream in large volumes. In the East, butter operators report steady output, but cream supplies are reported as becoming less accessible. Nationwide, retail and food service buying interest is mostly fair/good. Based on the CME Group with various periods and averages used, this week, bulk butter pricing is ranging in each region as follows: East, even to 8.0 cents above the market; Central, 0.0 cents to 7.0 cents above the market; West, 1.5 cents below to 7.0 cents above the market. The CME Group cash price for Grade AA butter is \$2.3525, down \$0.0375 compared to last Friday's price, \$2.3900.

**CHEESE HIGHLIGHTS:** Cheese production nationwide varies depending on the region and the type of cheese being produced. The overall cheese production is steady to decreasing, as mentioned from last week, in order to avoid overproduction. As result, some plants in the Central region report reducing production from five days to four. However, Italian and cheese curd production are steady and strong, as milk supplies are readily available. Spot milk prices ranged from \$1.50 to \$3.50 under Class. Cheese inventories are balanced to increasing. The cheese demand is mixed, oscillating from week to week. Some cheesemakers in the Central region expressed concerns about the trade dispute. Meanwhile, a few sellers in the West have started feeling the

impact of the tariff regulations. The U.S. cheese market tone is steady to decreasing, as steady cheese prices on the CME dropped later in the week. The CME Group closing price for barrels is \$1.4500, compared to last Friday's closing price of \$1.5650. The closing price for blocks is \$1.5950, compared to last Friday's closing price of \$1.6350.

**FLUID MILK:** Milk output remains robust in the East and Midwest. In parts of the Southwest and West, milk yields are beginning the summer decline. Milk output in the mountain states of Idaho, Utah and Colorado is heavy. As schools are out or in their wrap-up stages nationally, milk handlers are looking to relocate milk loads. Cheese producers in the Midwest are still receiving spot milk discounts, and offers are up from last week. Condensed skim supplies are readily available throughout the country. Ice cream manufacturers are dipping into the cream pool this week, as cream supplies are tightening. That said, both ice cream makers and butter producers in the Central U.S. relayed taking on fairly heavy and available cream supplies this week. Dairy farm employment issues are being discussed throughout the country, as some Central region contacts have suggested that dwindling employee numbers on dairy farms are expected to lead to a growing number of farmers using robotic milking systems in the near future. F.O.B. cream multiples are 1.20-1.32 in the East, 1.22-1.33 in the Midwest, and 1.05-1.28 in the West.

**DRY PRODUCTS:** Nonfat dry milk (NDM) prices slipped across all regions, following some market uncertainty and quiet export interests. Nonfat dry milk spot market activity was relatively quiet, and market tones are uncertain. Dry buttermilk prices held steady nationally, and market tones are somewhat more stable than those of NDM. As ice cream producers are taking in condensed buttermilk at healthy clips, buttermilk drying is based on contractual obligations. Therefore, many producers are reporting tight to balanced supplies for the dried variety. Dry whole milk prices edged up on the bottom of the range. Domestic dry whole milk prices are above whole milk powder values internationally, posing a potential drawback for domestic producers near term. Dry whey continues its upward shift, as most national prices increased. The lone exception was on the bottom of the

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**CME GROUP CASH TRADING**

COMMODITY	MONDAY JUN 11	TUESDAY JUN 12	WEDNESDAY JUN 13	THURSDAY JUN 14	FRIDAY JUN 15	WEEKLY CHANGE*	WEEKLY AVERAGE#
<b>CHEESE</b>							
BARRELS	\$1.5650 (N.C.)	\$1.5400 (-.0250)	\$1.5400 (N.C.)	\$1.4800 (-.0600)	\$1.4500 (-.0300)	:: (-.1150)	:: \$1.5150 (-.0075)
40# BLOCKS	\$1.6350 (N.C.)	\$1.6400 (+.0050)	\$1.6400 (N.C.)	\$1.5900 (-.0500)	\$1.5950 (+.0050)	:: (-.0400)	:: \$1.6200 (+.0235)
<b>NONFAT DRY MILK</b>							
GRADE A	\$.7925 (-.0125)	\$.7875 (-.0050)	\$.7800 (-.0075)	\$.7875 (+.0075)	\$.7875 (N.C.)	:: (-.0175)	:: \$.7870 (-.0240)
<b>BUTTER</b>							
GRADE AA	\$2.3900 (N.C.)	\$2.3700 (-.0200)	\$2.3575 (-.0125)	\$2.3500 (-.0075)	\$2.3525 (+.0025)	:: (-.0375)	:: \$2.3640 (-.0160)
<b>DRY WHEY</b>							
EXTRA GRADE	\$.4175 (+.0050)	\$.4175 (N.C.)	\$.4100 (-.0075)	\$.4100 (N.C.)	\$.4100 (N.C.)	:: (-.0025)	:: \$.4130 (+.0075)

CHEESE: carlot = 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 international purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY

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

price range in the Central region, possibly due to food grade whey being packaged in totes, making it difficult to use. The mostly price series in both the West and Central regions shifted up and market tones are generally positive. Northeastern contacts suggest whey markets are near their peak. Whey protein concentrate (WPC) 34% prices shifted up. WPC34% demand is mixed depending on brand and/or specificity. Some producers have suggested shifting production from higher protein blends to WPC34% this summer, which may balance or grow currently low inventories. Lactose prices shifted upward, as spot prices are generally higher than earlier in the year. Some lactose end users report planning to wait for potential price decreases, as their supplies are adequate near term. Acid and rennet casein prices are steady. Buyers' interest for both have ebbed, and spot market activity was subdued.

**ORGANIC DAIRY MARKET NEWS (DMN):** AMS reports total organic milk products sales for April were 211 million pounds, up 4.9 percent from April 2017, but down 0.1 percent January-April 2018, compared with the same period of 2017. Organic whole milk sales for April 2018, 86 million pounds, were up 11.6 percent compared with April of the previous year and up 7.1 percent year-to-date 2018 compared with 2017.

Across the nation, organic advertising totaled 6 percent above the previous week. In the major organic dairy commodity categories, which includes milk, cheese and yogurt, ads numbers were +9 percent, +34 percent, and -70 percent respectively. Regions that typically set the pace for organic retail ad numbers, the Northeast and Midwest, noted declines of 67 percent and 26 percent, respectively. The organic retail milk price premium, the price difference between half gallon organic and conventional milk, is \$2.01, an increase of 50 cents over the previous week's organic premium. Organic ice cream, an addition to the percentage of total ads by commodity this week, seized 17 percent of the pie.

**NATIONAL RETAIL REPORT (DMN):** The total number of conventional ads increased by 2 percent week over week. On the organic side, however, ads increased by 6 percent. The national weighted average advertised conventional milk price for half gallons is \$2.01, down 9 cents from a week ago, while milk in one gallon bottles averaged \$2.82, down 13 cents. Total conventional advertisements decreased 3 percent, but organic cheese ads increased 34 percent.

**APRIL MILK SALES:** During April 2018, 3.9 billion pounds of packaged fluid milk products are estimated to have been sold in the United States. This was 0.4 percent higher than April 2017. Estimated sales of total conventional fluid milk products increased 0.2 percent from April 2017 and estimated sales of total organic fluid milk products increased 4.9 percent from a year earlier.

**JUNE MILK SUPPLY AND DEMAND ESTIMATES (WAOB):** The milk production forecast for 2018 is reduced from last month on slightly lower cow numbers and slower expected growth in milk per cow. No change is made to the annual cow herd for 2019, but the milk production forecast for 2019 is lowered from last month on continued slow growth in milk per cow. For 2018, fat basis exports are raised from the previous month as second-quarter exports are strong and continued strength in sales of a number of fat-containing products will largely mitigate the impacts of Mexico's tariffs on U.S. cheese. For 2019, the fat basis export forecast is lowered. Skim-solids basis export forecasts for 2018 and 2019 are raised from the previous month on robust demand for nonfat dry milk and lactose thus far in 2018, and this strength is expected to carry into 2019. Fat basis imports for 2018 and 2019 are raised on higher imports of butterfat products, while skim-solids basis import forecasts for 2018 and 2019 are reduced on lower imports of milk proteins and a number of other dairy products. The 2018 cheese price is unchanged at the midpoint of the range, but is raised for 2019. The 2018 butter price forecast is raised, but is reduced slightly for 2019. Nonfat dry milk (NDM) and whey price forecasts are raised for both 2018 and 2019 on strong demand and a reduced

production forecast. For 2018, the Class III price is raised on the stronger whey price. The Class IV price forecasts reflect higher butter and NDM prices. For 2019, both Class III and Class IV prices are raised. The all milk price is forecast higher at \$16.60 to \$17.00 per cwt for 2018 and is increased to \$16.70 to \$17.70 per cwt for 2019.

**MAY CONSUMER PRICE INDEX (BLS):** The May CPI for all food is 253.1, up 1.2 percent from 2017. The dairy products index is 215.7, down 0.6 percent from a year ago. The following are the May to May changes for selected products: fresh whole milk is -3.7 percent; cheese, +1.1 percent; and butter, +2.1 percent.

MONDAY, JUNE 11, 2018

CHEESE - SALES: NONE; UNFILLED BIDS: 1 CAR BARRELS @ \$1.5450; 1 CAR 40 POUND BLOCKS @ \$1.6000; UNFILLED OFFERS: 2 CARS BARRELS @ \$1.5650  
 NONFAT DRY MILK - SALES: 4 CARS GRADE A: 1 @ \$0.7925, 1 @ \$0.7950, 2 @ \$0.8000; UNFILLED BIDS: 4 CARS GRADE A: 1 @ \$0.7800, 2 @ \$0.7900, 1 @ \$0.7925; UNFILLED OFFERS: 6 CARS GRADE A: 1 @ \$0.7975, 1 @ \$0.8025, 1 @ \$0.8050, 1 @ \$0.8200, 1 @ \$0.8275, 1 @ \$0.8350  
 BUTTER - SALES: NONE; UNFILLED BIDS: NONE; UNFILLED OFFERS: 1 CAR GRADE AA @ \$2.4500  
 DRY WHEY - SALES: 1 CAR EXTRA GRADE @ \$0.4175; UNFILLED BIDS: 2 CARS EXTRA GRADE: 1 @ \$0.4000, 1 @ \$0.4175; UNFILLED OFFERS: 1 CAR EXTRA GRADE @ \$0.4200

TUESDAY, JUNE 12, 2018

CHEESE - SALES: 15 CARS BARRELS: 11 @ \$1.5400, 1 @ \$1.5425, 3 @ \$1.5450; 2 CARS 40 POUND BLOCKS: 1 @ \$1.6375, 1 @ \$1.6400; UNFILLED BIDS: 1 CAR BARRELS @ \$1.5300; UNFILLED OFFERS: 4 CARS BARRELS: 1 @ \$1.5400, 1 @ \$1.5450, 1 @ \$1.5525, 1 @ \$1.5625  
 NONFAT DRY MILK - SALES: 4 CARS GRADE A: 1 @ \$0.7875, 2 @ \$0.7900, 1 @ \$0.7925; UNFILLED BIDS: 4 CARS GRADE A: 1 @ \$0.7600, 1 @ \$0.7800, 1 @ \$0.7850, 1 @ \$0.7875; UNFILLED OFFERS: 4 CARS GRADE A: 1 @ \$0.7900, 1 @ \$0.8000, 1 @ \$0.8225, 1 @ \$0.8275  
 BUTTER - SALES: 4 CARS GRADE AA: 1 @ \$2.3700, 1 @ \$2.3725, 2 @ \$2.3750; UNFILLED BIDS: 1 CAR GRADE AA @ \$2.3600; UNFILLED OFFERS: 3 CARS GRADE AA: 1 @ \$2.3750, 2 @ \$2.3850  
 DRY WHEY - SALES: 2 CARS EXTRA GRADE: 1 @ \$0.4150, 1 @ \$0.4175; UNFILLED BIDS: NONE; UNFILLED OFFERS: 2 CARS EXTRA GRADE: 1 @ \$0.4200, 1 @ \$0.4700

WEDNESDAY, JUNE 13, 2018

CHEESE - SALES: NONE; UNFILLED BIDS: 4 CARS BARRELS @ \$1.4900; UNFILLED OFFERS: 2 CARS BARRELS: 1 @ \$1.5450, 1 @ \$1.5500; 2 CARS 40 POUND BLOCKS: 1 @ \$1.6550, 1 @ \$1.6600  
 NONFAT DRY MILK - SALES: NONE; UNFILLED BIDS: 2 CARS GRADE A: 1 @ \$0.7700, 1 @ \$0.7775; UNFILLED OFFERS: 7 CARS GRADE A: 1 @ \$0.7800, 1 @ \$0.7975, 1 @ \$0.8050, 1 @ \$0.8075, 1 @ \$0.8125, 1 @ \$0.8175, 1 @ \$0.8275  
 BUTTER - SALES: NONE; UNFILLED BIDS: 6 CARS GRADE AA: 2 @ \$2.3000, 1 @ \$2.3200, 1 @ \$2.3350, 1 @ \$2.3400, 1 @ \$2.3425; UNFILLED OFFERS: 5 CARS GRADE AA: 1 @ \$2.3575, 1 @ \$2.3600, 2 @ \$2.3675, 1 @ \$2.3800  
 DRY WHEY - SALES: 1 CAR EXTRA GRADE @ \$0.4100; UNFILLED BIDS: 1 CAR EXTRA GRADE @ \$0.4000; UNFILLED OFFERS: 1 CAR EXTRA GRADE @ \$0.4200

THURSDAY, JUNE 14, 2018

CHEESE - SALES: 1 CAR BARRELS @ \$1.4800; 2 CARS 40 POUND BLOCKS @ \$1.5900; UNFILLED BIDS: 1 CAR BARRELS @ \$1.4500; UNFILLED OFFERS: 3 CARS BARRELS: 1 @ \$1.5300, 2 @ \$1.5500  
 NONFAT DRY MILK - SALES: 1 CAR GRADE A @ \$0.7850; UNFILLED BIDS: 3 CARS GRADE A: 1 @ \$0.7600, 1 @ \$0.7850, 1 @ \$0.7875; UNFILLED OFFERS: 5 CARS GRADE A: 1 @ \$0.8000, 1 @ \$0.8100, 1 @ \$0.8175, 1 @ \$0.8200, 1 @ \$0.8275  
 BUTTER - SALES: 2 CARS GRADE AA: 1 @ \$2.3450, 1 @ \$2.3500; UNFILLED BIDS: 1 CAR GRADE AA @ \$2.3500; UNFILLED OFFERS: 2 CARS GRADE AA @ \$2.3550  
 DRY WHEY - SALES: NONE; UNFILLED BIDS: 3 CARS EXTRA GRADE: 1 @ \$0.3800, 2 @ \$0.4100; UNFILLED OFFERS: NONE

FRIDAY, JUNE 15, 2018

CHEESE - SALES: 8 CARS BARRELS: 1 @ \$1.4500, 2 @ \$1.4550, 1 @ \$1.4575, 1 @ \$1.4625, 1 @ \$1.4650, 1 @ \$1.4675, 1 @ \$1.4775; 8 CARS 40 POUND BLOCKS: 7 @ \$1.5800, 1 @ \$1.5950; UNFILLED BIDS: 2 CARS BARRELS @ \$1.4300; 3 CARS 40 POUND BLOCKS: 2 @ \$1.5750, 1 @ \$1.5850; UNFILLED OFFERS: 3 CARS BARRELS: 1 @ \$1.4500, 1 @ \$1.4625, 1 @ \$1.4900  
 NONFAT DRY MILK - SALES: NONE; UNFILLED BIDS: 5 CARS GRADE A @ \$0.7800; UNFILLED OFFERS: 3 CARS GRADE A: 1 @ \$0.8200, 1 @ \$0.8225, 1 @ \$0.8275  
 BUTTER - SALES: 7 CARS GRADE AA: 2 @ \$2.3400, 1 @ \$2.3425, 1 @ \$2.3450, 2 @ \$2.3500, 1 @ \$2.3525; UNFILLED BIDS: 4 CARS GRADE AA: 1 @ \$2.3325, 1 @ \$2.3450, 1 @ \$2.3475, 1 @ \$2.3500; UNFILLED OFFERS: 4 CARS GRADE AA: 3 @ \$2.3600, 1 @ \$2.3650  
 DRY WHEY - SALES: NONE; UNFILLED BIDS: NONE; UNFILLED OFFERS: NONE

**BUTTER MARKETS**

**NORTHEAST**

In the East, some butter operations report steady output, but churning edged lower at a few balancing plants in the region as cream supplies are proving to be less available. Butter stocks are balanced for the current demand. International demand remains active, but the market is apprehensive as trade discussions linger. Domestic buying interest is seasonally moderate as orders are placed around the short term and immediate butter requirements. Some handlers are exploring markets in other areas of the country for their future butter needs. Retail buying interest is mostly fair. Food service orders are beginning to improve, particularly in resort areas, where restaurant business is picking up. The bulk price for domestic butter sales is reported 5-8 cents over the market of the CME Group, with various time frames and averages used. On this Tuesday, at the CME Group, butter closed at \$2.3700. Prices adjusted \$0.0075 higher from the previous Tuesday's close.

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

**National Retail Report Dairy - Butter Summary**

Advertised Prices for Butter at Major Retail Supermarket Outlets during the period of 06/08/2018 to 06/14/2018

National Butter 1#	Weighted Average Price			
	This Period	Last Week	Last Year	
Conventional	3.59	3.33	3.46	
Organic	5.03	4.99	n.a.	
	Conventional		Organic	
	Wtd. Ave.	Range	Wtd. Ave.	Range
Regional Northeast	3.83	2.50-4.69	4.68	4.49
Southeast	3.38	2.99-3.99	5.49	5.49

The Foreign Agricultural Service (FAS), reports that April 2018 U.S. butter and milkfat exports totaled 11.0 million pounds, a 162 percent increase from a year ago.

**Secondary Sourced Information:**

The Foreign Agricultural Service (FAS), reports that April 2018 U.S. butter and milkfat exports totaled 11.0 million pounds, a 162 percent increase from 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
June 9, 2018	2,3784 6,236,725	1,6525 11,895,037	1,5983 11,978,349	0,2981 5,807,775	0,8277 13,615,933

Further data and revisions may be found on the internet at: <http://www.ams.usda.gov/rules-regulations/mmr/dmr>

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## 2018 U.S. Butter and Milkfat Exports (USDA-FAS)

	2018 Exports (Million Lb.)	% Change From 1 Year Ago
April	11.0	+ 162
TOTAL, JAN - APR	29.3	+ 86
1 Canada	9.3	+ 33
2 Mexico	9.0	+ 277
3 Honduras	1.8	+ 13993
4 Saudi Arabia	1.6	+ 32
5 South Korea	0.8	- 39

## CENTRAL

For some upper Midwestern butter makers, cream remains fairly tight locally. Butter producers suggest they are at the top end of the cream buying cusp; if cream prices shift any higher they will focus on microfixing until the market loosens. Timing may be apt for production shifts, as bulk butter is very available, particularly from the Western region. Production is picking up a bit, as fall storage preparations are underway. Some regional butter analysts have relayed that U.S. butter markets may have hit their 2018 apex. They suggest inventory increases in the U.S., and in some import destinations, are going to impact the markets during what is typically the butter boom season, the fall. That said, butter markets have been especially resilient in the face of bearish holdings reports month after month. The general market tone is mixed. The DMN *National Retail Report-Dairy* for June 1-7 noted the national weighted average advertised price for a 1 pound package of butter is \$3.33, 17 cents above one week ago and 2 cents above one year ago. The weighted average regional price in the South Central was \$2.91.

Prices for: Central U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter  
Bulk Basis Pricing - 80% Butterfat \$/LB: 0.0000 - +0.0700

## Secondary Sourced Information:

Wednesday's CME Group price for Grade AA butter is \$2.3625, compared to \$2.4250 last Wednesday. The NASS *Dairy Products* report noted U.S. butter production during April 2018 in the Central region totaled 73.7 million pounds, 8.6 percent higher than one year ago. Total U.S. butter production during April 2018 was 175.3 million pounds, 8.3 percent higher than last year. January through April 2018 U.S. butter production totaled 709.6 million pounds, 4.7 percent higher than the same period in 2017. The CME Group monthly average price for Grade AA butter during May was \$2.3751, up from April's \$2.3145 and up from \$2.2684 a year ago.

## WEST

Western butter inventories, some dairy contacts say, are a little higher than typical for this time of year. Production has been driven by ample amounts of affordable cream. However, a few butter makers would like to slow the pace of butter production and begin to sell off some cream. Manufacturers want to use experience and other mantic tools at their disposal to discern how much butter they need to put up to meet butter needs later in the year. Processors report demand that had been strong throughout the spring is easing slightly. The butter makers say that while production has been in generally good balance with sales, to churn at previous rates may likely overwhelm that current demand and cause stocks to balloon.

## National Retail Report Dairy – Butter Summary

Advertised Prices for Butter at Major Retail Supermarket Outlets ending during the period of 06/08/2018 to 06/14/2018

National Butter 1#	Weighted Average Price		
	This Period	Last Week	Last Year
Conventional	3.59	3.33	3.46
Organic	5.03	4.99	na
	Conventional		
	Wtd. Ave.	Range	
Regional			
Northeast	3.83	2.50-4.69	
Southeast	3.38	2.99-3.99	
Midwest	3.32	2.99-3.50	
South Central	3.04	2.99-3.29	
Southwest	3.72	2.99-3.99	
Northwest	3.44	1.99-3.79	
Alaska	4.65	3.79-4.99	
Hawaii	4.66	4.39-4.99	

Prices for: Western U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter  
Bulk Basis Pricing - 80% Butterfat \$/LB: -0.0150 - +0.0700

## Secondary Sourced Information:

The Grade AA butter price at the CME Group on Wednesday closed at \$2.3575, down \$.0225 from a week ago.

## 2018 U.S. Butter and Milkfat Exports (USDA-FAS)

	2018 Exports (Million Lb.)	% Change From 1 Year Ago
April	11.0	+ 162
TOTAL, JAN - APR	29.3	+ 86
1 Canada	9.3	+ 33
2 Mexico	9.0	+ 277
3 Honduras	1.8	+13993
4 Saudi Arabia	1.6	+ 32
5 South Korea	0.8	- 39

2018 U.S. Butter and Milkfat Imports (USDA-FAS)  
(Imports for Consumption)

	2018 Imports (Million Lb.)	%Change From 1 Year Ago
April Imports		
Total Butter, Fats, Milk (H.S. Code 0405)	9.0	+ 30
Butter		
Quota (H.S. Code 405101000)	1.4	+ 134
Over Quota (H.S. Code 405102000)	3.8	- 13
AMF		
Quota (H.S. Code 405901020)	0.1	- 66
Over Quota (H.S. Code 405902020)	1.8	+ 28
Other Milk Fat	1.9	+ 1442

	2018 Imports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN-APR	27.8	+ 13
1 Ireland	14.3	+ 20
2 Mexico	4.7	+ 19
3 India	3.3	+1136
4 New Zealand	1.7	- 54
5 France	1.7	+ 47



**CHEESE MARKETS**

**NORTHEAST**

Milk volumes in the Northeast are heavy and putting some pressure on cheese plants. Some operations' production schedules are shortened for maintenance and their operations are not able to take in as much milk this week. Overall, cheese facilities are at lower to full capacity. Cheddar cheese processing is stable to a tad lower as production needs are decreased. Provolone and mozzarella production are steady and strong as milk is readily available. General cheese supplies are steady to growing. The demand for cheddar and mozzarella is steady to somewhat slowed down, however sliced provolone demand is currently stable. Spot market activity is steady to slightly increased as cheese barrels had some uptick in interest. With some international markets changing trading regulations, many market participants anticipate a change in general market cheese prices. The process cheese price decreased \$0.0225. Moreover, the wholesale price for cheddar and Muenster declined \$0.0125. The Grade A Swiss price is unchanged.

National Retail Report Dairy – Cheese Summary

Advertised Prices for Cheese at Major Retail Supermarket Outlets ending during the period of 06/08/2018 to 06/14/2018

	Weighted Average Price		
	This Period	Last Week	Last Year
Cheese 8 oz. Blocks			
Conventional	2.13	2.39	2.41
	Conventional		
	Wtd. Ave. Range		
Regional			
Northeast	2.06	1.67-3.00	
Southeast	2.18	2.00-2.50	
	Weighted Average Price		
	This Period	Last Week	Last Year
Cheese 8 oz. Shred			
Conventional	2.33	2.34	2.37
	Conventional		
	Wtd. Ave. Range		
Regional			
Northeast	2.27	1.66-3.00	
Southeast	2.37	1.66-3.00	

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

Cheddar 40 pound Block	2.0525-2.3375
Muenster	2.0375-2.3875
Process American 5 pound Sliced	1.6575-2.1375
Swiss 10-14 pound Cuts	3.0275-3.3500

Secondary Sourced Information:

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

	2018 Exports (Million Lb.)	% Change From 1 Year Ago
April	72.5	+ 22
TOTAL, JAN - APR	268.5	+ 14
1 Mexico	72.7	+ 6
2 South Korea	42.9	+ 13
3 Japan	28.2	+ 34
4 Australia	19.4	- 5
5 China	13.2	+ 65

**CENTRAL**

Midwestern process cheesemakers relay demand is up one week, down the next. Grilling season has done little to quell irregular buying. Italian cheesemakers report a bit more steadiness regarding orders. Cheese curd sales are positive, and cheesemakers have shifted production schedules to produce curds over slower selling varieties. Milk discounts remain for those cheesemakers who are open to the spot market. Offers increased this week, and some plant managers relayed that options were coming in from a larger group of milk handlers. Spot milk prices ranged from \$1.50 to \$3.50 under Class. Cheese production varies from plant to plant. Some producers have been running all week, while others have reduced production down to four days from five. With upcoming trade and tariff concerns, Midwestern cheesemakers are aware, but not anxious, about the health of the overall cheese market. The *DMN National Retail Report-Dairy* shows that June 8-14 Midwest ads for 8 ounce shred cheese have a weighted average advertised price of \$2.31, 2 cents below the national average. Midwest prices range from \$1.79-\$3.00. One year ago, the national price was \$2.37. For 8 ounce blocks, the Midwest average price is \$2.25, 12 cents above the national average price. Midwest ads are priced from \$1.29-\$3.00. Last year, the national price was \$2.41. Midwestern wholesale prices are unchanged for Swiss Cuts, down \$.0225 for process and down \$.0125 for other types.

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

Blue 5 pounds	2.2275-3.2150
Cheddar 40 pound Block	1.6875-2.0825
Monterey Jack 10 pounds	1.9350-2.1400
Mozzarella 5-6 pounds	1.7600-2.7000
Muenster 5 pounds	1.9600-2.3850
Process American 5 pound Loaf	1.6125-1.9725
Swiss 6-9 pound Cuts	2.5450-2.6625

**WESTERN**

In the West region, cheese production is steady. Nonetheless, some manufacturers are planning to slow down their output levels in the forthcoming weeks. Cheese inventories are in balance with current needs. However, according to some contacts, barrel stocks are a bit heavy. A few sellers report starting to feel the impact of the new tariff regulation on sales. Others say that most Mexican buyers have already purchased/contracted the amount of cheese they need for the remainder of this year; as the result, export sales to Mexico are unlikely to change much in the short term. Nevertheless, uncertainty about some other trade issues lingers in the cheese market. Cheddar cheese inquiries from the Middle East are rising. In the West, wholesale prices were down \$.0225 for process and down \$.0125 for cheddar block, cuts and Monterey Jack. Swiss cut wholesale prices remained the same.

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

Cheddar 10 pound Cuts	1.9000-2.1200
Cheddar 40 pound Block	1.7200-2.1650
Monterey Jack 10 pounds	1.9100-2.0700
Process American 5 pound Loaf	1.6000-1.8575
Swiss 6-9 pound Cuts	2.6250-3.0550

**CHEESE MARKETS**

**CONTINUED FROM PAGE 3**

Advertised Prices for Cheese at Major Retail Supermarket Outlets ending during the period of 06/08/2018 to 06/14/2018

	Weighted Average Price		
	This Period	Last Week	Last Year
Cheese 8 oz. Blocks			
Conventional	2.13	2.39	2.41
Organic	3.79	4.82	4.99
	Conventional		
	Wtd. Ave.	Range	
Regional			
Southwest	1.73	1.66-1.99	
Northwest	1.99	1.99	

	Weighted Average Price		
	This Period	Last Week	Last Year
Cheese 8 oz. Shred			
Conventional	2.33	2.34	2.37
Organic	na	3.99	3.25
	Conventional		
	Wtd. Ave.	Range	
Regional			
Southwest	2.13	1.66-2.50	
Northwest	2.48	1.77-3.99	

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

Cheddar 10 pound Cuts	1.9000-2.1200
Cheddar 40 pound Block	1.7200-2.1650
Monterey Jack 10 pounds	1.9100-2.0700
Process American 5 pound Loaf	1.6000-1.8575
Swiss 6-9 pound Cuts	2.6250-3.0550

Secondary Sourced Information:

In CME Group trading Wednesday, barrels closed at \$1.5400, up \$.0350 from a week ago and blocks closed at \$1.6400, up \$.0600.

**COLD STORAGE**

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

	<u>BUTTER : CHEESE</u>
06/11/2018	49239 : 86314
06/01/2018	48263 : 85506
CHANGE	976 : 808
% CHANGE	2 : 1

Volumes for Butter and Cheese: U.S., Edible, and Pounds

**FOREIGN**

In Germany, prices for sliced cheese remained firm. Demand is good as orders from food retailers and the processing industry are still high. Overall, export sales to southern European holiday countries are good. Exports to other countries are mostly steady. Sliced cheese stocks are just enough to meet current demand. They continue to be below the usual seasonal level. Cheese production is unchanged from last week. However, for the forthcoming months, the expected seasonal decline in milk volume is more likely to cause lower cheese output as milk powder and butter utilization increase. In the U.S., the prices for wholesale blue, gorgonzola, parmesan Italy, and Romano decreased \$.0125. All other prices are unchanged compared to last week.

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

VARIETY	NEW YORK	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2300	:	: 2.1050-3.5925*
Gorgonzola	: 3.6900-5.7400	:	: 2.6125-3.3300*
Parmesan (Italy)	: -0-	:	: 3.4950-5.5850*
Romano (Cows Milk)	: -0-	:	: 3.2950-5.4450*
Sardo Romano (Argentine)	: 2.8500-4.7800	:	: -0-
Reggianito (Argentine)	: 3.2900-4.7800	:	: -0-
Jarlsberg-(Brand)	: 2.9500-6.4500	:	: -0-
Swiss Cuts Switzerland	: -0-	:	: 3.0650-3.3875
Swiss Cuts Finnish	: 2.6700-2.9300	:	: -0-

\* = Price change.

FLUID MILK AND CREAM

EAST

**Northeast** milk production continues to increase. Balancing operations are actively processing as milk volumes are heavy. Class I and III sales are lower, however Class II sales are increased this week. Milk output off the farms is steady to decreased in some areas of the **Mid-Atlantic**. Balancing operations are clearing heavy milk loads for Class II and IV production. **Southeast** milk production is decreased as the hot weather lingers in the area. Class I sales are flat compared to last week, however sales are overall lower than past months, as educational institutions are done for the school year. Bottling orders are steady to lower, yet facilities are clearing steady milk loads for production needs. **Cream** multiples range 1.20-1.32 as the demand from Class II and IV is firm. Many market participants are currently purchasing regular spot loads around the low 1.30s. Some manufacturers are offering their cream on the spot market instead of churning as their butter inventories are in good shape and cream prices are firm. The overall market is fairly stable, however some dairy contacts report cream is following seasonal demand patterns. **Condensed skim** market conditions are fairly steady. Inventories are plentiful in the area and spot sales are trading at a discount. Many loads are being delivered to other regions for production needs.

Northeastern U.S., F.O.B. Condensed Skim  
 Price Range - Class II; \$/LB Solids: 0.45 - 0.85  
 Price Range - Class III; \$/LB Solids: 0.49 - 0.85

Northeastern U.S., F.O.B. Cream  
 Multiples Range - All Classes: 1.2000 - 1.3200  
 Price Range - Class II; \$/LB Butterfat: 2.8560 - 3.1416

MIDWEST

Hardships continue to be relayed from Midwest and south-Central fluid milk and cream contacts. Week after week, hauling and freight issues are plaguing fluid milk handlers. Another difficulty facing many producers is employment. Maintaining fully staffed dairy farms is becoming increasingly difficult. Some contacts foresee more robotic milking systems being implemented near term. Milk output reports continue to point to plentiful supplies. Even after a number of farmers in the Midwest sold their herds this spring, handlers say overall monthly volumes are still higher than in previous years. Cheesemakers' intakes varied this week. Offers from milk suppliers were generally higher, but numerous cheese plant managers report either foregoing the spot market altogether or only opting in if the discounts remained substantial. **Cream** prices, in some cases, saw a large bounce this week. Ice cream manufacturers are affecting cream supplies, while some large volume Class IV cream purchases were also reported. Corn and bean reports in the upper Midwest are generally positive. South Central crop reports vary county to county.

Midwestern U.S., F.O.B. Cream  
 Multiples Range - All Classes: 1.2200 - 1.3300  
 Multiples Range - Class II: 1.2400 - 1.3300  
 Price Range - Class II; \$/LB Butterfat: 2.9512 - 3.1654

WEST

Farm milk production in **California** held steady this week. Milk production is expected to decrease as the hotter days of the summer approach. Fluid milk demand by retailers and grocery stores is flat. Class II intakes are active. Overall, the fluid milk market tone is steady in California with very minor issues reported. **Arizona** farm milk output is declining steadily according to dairy producers. Daytime temperatures are surpassing 100 degrees in some localities. Therefore, signs of discomfort are starting to show in some cows

across the state. Current milk volumes are balanced with processing needs. Class I milk sales are unchanged from a week ago. In Arizona, both topsoil and subsoil moistures are eighty-six percent adequate to surplus. Seventy-four percent of the alfalfa hay is rated good to excellent. In **New Mexico**, milk production has decreased throughout the week. Class I demand is steady. Class II intakes are higher as ice cream and frozen dessert manufacturers increase their output levels to satisfy summer orders. Class III sales declined as some cheese producers decide to cut back on production in response to a decline in weekly sale volumes. The first cutting of alfalfa hay is 84 percent complete while the second cutting is 32 percent complete. According to the United States Drought Monitor, 99.9 percent of New Mexico is rated abnormally dry. Milk production in the **Pacific Northwest** is holding relatively steady. Industry contacts report that spring flush seems to be under control and the peak has passed. Milk loads are finding homes with manufacturers without any major issues. Processors have plenty of milk for most needs. Milk production in the mountain states of **Idaho, Utah** and **Colorado** is strong and continues to build in parts of the region. Areas within the mountain states do not typically reach peak production until the end of June or early July. Favorable weather and high quality forages are supporting milk output. Milk handlers are placing loads in the immediate region, but also pushing the excess into surrounding states. Western **condensed skim** continues to be available to meet all buyers' needs although milk production has declined in some areas. Western **cream** sales to ice cream processors are active. Butter production remains active. As a result, cream is slowly tightening up. Cream multiples for all usages increased to 1.05-1.28. With current higher temperatures, cream is being handled more cautiously to avoid any deterioration of its quality.

Western U.S., F.O.B. Cream  
 Multiples Range - All Classes: 1.0500 - 1.2800

Secondary Sourced Information:

According to California Department of Food and Agriculture, July 2018 Class 1 prices in California are \$16.86 in the North and \$17.13 in the South. The statewide average Class 1 price based on production is \$16.88. This price is down \$0.33 from the previous month, and \$1.59 lower than a year ago.

National Retail Report Dairy – Bottled Milk Summary

Advertised Prices for Bottled Milk at Major Retail Supermarket Outlets ending during the period of 06/08/2018 to 06/14/2018

National Milk, Gallons, All Fat Test	Weighted Average Price		
	This Period	Last Week	Last Year
Conventional	2.95	3.01	2.52
	Conventional		
	Wtd. Ave.	Range	
Regional			
Northeast	5.22	2.99-6.29	
Southeast	3.99	3.99	
Midwest	2.19	1.99-2.99	
South Central	2.18	1.88-2.99	
Southwest	2.36	1.99-2.49	
Northwest	1.99	1.99	
Alaska	2.99	2.99	
Hawaii	na	na	

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

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

**NONFAT DRY MILK - CENTRAL AND EAST**

**CENTRAL:** Low and medium heat nonfat dry milk (NDM) prices slipped on both the range and mostly price series. Weeks 23 and 24 have been generally light on overall spot transactions. Producers continue to report selling contract loads at a slight premium over market, with significant continuity. Lots of condensed skim, throughout the country, continues to keep nonfat dryers active. High heat NDM prices were unchanged on a slow trading week. High heat NDM producers suggest interest is up in recent weeks. The overall NDM market tone is tepid. NDM futures have slipped, and some contacts are suggesting NDM has lost its recent shine. Export interest has waned, which has unleashed some market bears.

**EAST** Prices for low/medium heat nonfat dry milk are a tad weaker in the range and mostly price series. Interest, at the moment, pales with declines in low/medium NDM prices. Particularly, it doesn't appear the market is yet ready to marry up NDM prices, as manufacturers' offerings generally hold in the low 80s, while market buyers' counter proposals rest south of the 80s. Wednesday trading at the CME Group saw Grade A NDM close at \$0.7800, down \$0.0325 from a week ago. Production is mixed at moderate to active levels. Supplies are normally adequate for near term customer commitments, and building. The NDM market displays an unsettled undertone. Prices for high heat nonfat dry milk are steady. Production runs of high heat NDM typically fulfill made-to-order customer obligations. The market undertone is steady.

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk  
Price Range - Low & Medium Heat; \$/LB: .7800 - .8600  
Mostly Range - Low & Medium Heat; \$/LB: .8100 - .8500

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk  
Price Range - High Heat; \$/LB: .9350 - 1.0800

**Secondary Sourced Information:**

The Foreign Agricultural Service (FAS), reports that April 2018 U.S. nonfat dry milk exports totaled 166.8 million pounds, a 36 percent increase from a year ago.

**NONFAT DRY MILK - CENTRAL AND EAST**

In the West region, free on board (f.o.b.) spot prices for low/medium heat nonfat dry milk (NDM) adjusted slightly down on both the range and mostly series, in contrast with SMP upward pricing trends in some offshore auctions. The bottom price of both ranges reflects NDM export mainly to Mexico, while the top is mirroring several transactions in the domestic market. This week, cash trading has been moderate. Thoughts about what is currently happening in the NDM market continue to be mixed within the regional dairy industry. For example, some buyers/end users think that the NDM values are falling due to an excess of supply, compared to their steady demands. However, some manufacturers say that the NDM market is mainly in balance and prices will rise again very soon, supported by higher future values for Q3/Q4. Meanwhile, some NDM processors had to adjust prices to be more competitive in the international market, especially with Mexico, which is also buying SMP from Europe. At this point, the NDM market tone is uncertain. Having said that, several NDM buyers are taking a wait-and-see approach as they are anticipating a drop in the values of several NDM variable indices at the beginning of Q3. Low/medium heat NDM production is less active as regional farm milk intakes are seasonally steady to decreasing. In general, NDM inventory levels vary throughout the region. Prices for high heat nonfat dry milk are lower, following low/medium heat NDM pricing trends. Sales activity outside contracts is

light. Production is intermittent based on filling near-term contractual obligations. Inventories are balanced to cover contractual needs, but are slightly tight in the cash market.

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk  
Price Range - Low & Medium Heat; \$/LB: .7500 - .8700  
Mostly Range - Low & Medium Heat; \$/LB: .7800 - .8600

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk  
Price Range - High Heat; \$/LB: .9300 - 1.0700

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	TOTAL SALES
June 8	\$.7698	6,465,059
June 1	\$.7791	10,238,225

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. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

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

	2018 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	166.8	+ 36
TOTAL, JAN - APR	568.6	+ 27
1 Mexico	240.7	+ 20
2 Indonesia	52.7	+ 115
3 Philippines	52.6	+ 7
4 Vietnam	42.1	+ 135
5 Malaysia	23.6	- 2

**DRY BUTTERMILK - CENTRAL AND EAST**

**CENTRAL:** Dry buttermilk prices were steady on a slow trading week, in what has been a slow trading month. Most spot sale prices are trending toward the north end of the range, but large volume trades may be anchoring prices somewhat. As ice cream manufacturers are in the market for condensed buttermilk, and condensed skim has priority in the dryer, spot sales and market movements have been somewhat limited. Inventories are reportedly tight. Some contacts suggest balanced inventories are helping to maintain a bullish market. While nonfat dry milk markets are shaky, dry buttermilk tones are maintaining some buoyancy.

**EAST:** Dry buttermilk prices and market tone are unchanged with limited trading occurring this week. There are heavier volumes of cream moving to ice cream production, creating less churning and less dry buttermilk availability. Producers' stocks are tight to closely balanced for the steady, mostly contractual demand. Less-than-truckload transactions were noted at higher prices. There is some noteworthy buyer hesitancy to take on full loads, as inventories could strengthen when ice cream production becomes less of a factor in the cream markets.

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk  
Price Range ; \$/LB: .7100 - .8200

-CONTINUED ON PAGE 5A-



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

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

**-CONTINUED FROM PAGE 5-****DRY BUTTERMILK - WEST**

In the West region, dry buttermilk free on board spot prices are unchanged from last week. With less milk/cream availability and strong demand for butterfat, some industry participants feel that dry buttermilk prices are likely to remain steady or increase during the summer season. As reported by several industry contacts, at this point, the market is in equilibrium as supply is even with demand. Dry buttermilk requests from ice cream makers are seasonally robust. However, dry buttermilk inventories are in balance with spot and contractual needs. Currently, drying schedules for condensed buttermilk are sporadic as several balancing plant managers are prioritizing the production of NDM/SMP.

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

Price Range ; \$/LB: .7000 - .8200

Mostly Range - ; \$/LB: .7300 - .7800

**DRY WHOLE MILK - NATIONAL**

F.O.B. spot prices for national dry whole milk are mixed as some spot sales pushed up the bottom of the pricing range. The market undertone is firm. National dry whole milk prices continue above international WMP values, which could represent a competitive disadvantage for domestic manufacturers/brokers when exporting. Domestically, the spot trading activity for dry whole milk has been very light during the current week as supplies are less available compared with a few weeks ago. Dry whole milk production is limited as the requests for butterfat from other cream-based product processors, such as ice cream, are increasing. Therefore, there is less condensed whole milk moving into dryers across the country.

Prices for: U.S., All First Sales, F.O.B., Conventional, and Edible Dry Whole Milk

Price Range - 26% Butterfat; \$/LB: 1.5300 - 1.6500

**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**

Dry whey demand remains healthy. Contacts report that supplies are limited due to large volumes of domestically produced whey having been offloaded into the global market. Dry whey prices moved outward on both ends of the price range, while shifting firmer on the mostly series. The lower prices on the range are a result of food grade whey being packed into totes, which many buyers lack the capability to efficiently use. Whey production remains steady, but milk offers were reportedly up this week as discounted spot milk loads into Class III production have been the norm in recent months. Spot load interests are difficult to fulfill, as manufacturer inventories are limited to contractual needs and there are reports that even those orders are falling behind. Animal feed whey prices remained steady this week. The dry whey market tone is lively.

Prices for: Central U.S., All First Sales, F.O.B., Conventional, and Edible Dry Whey  
 Price Range - Animal Feed; \$/LB: .2000 - .2800

Prices for: Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey  
 Price Range - Non-Hygroscopic; \$/LB: .2250 - .4200  
 Mostly Range - Non-Hygroscopic; \$/LB: .2850 - .3600

**DRY WHEY — NORTHEAST**

Dry whey spot sales are currently difficult to source as manufacturers' supplies are limited. The Northeast price series increased on both sides of the range. When available, buyers are purchasing spot loads at higher prices. Dry whey production is fairly steady as milk volumes are plentiful in the Northeast for active cheese processing. Inventories are tight in warehouses and some manufacturers do not have available supplies for contracts. However, a few are able to obtain extra loads from other regional inventories to supply contract needs. The demand continues to be strong and many market participants are willing to purchase dry whey for higher prices on the spot market. The market tone is unchanged, yet some reports mention the market may appear to be approaching its climax.

Prices for: Eastern U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey  
 Price Range - Non-Hygroscopic; \$/LB: .2800 - .3725

Secondary Sourced Information:

The CME Group price for dry whey on Wednesday closed at \$0.4100, up \$0.0050 compared to the previous Wednesday.

**DRY WHEY — WEST**

In the West, f.o.b. prices for dry whey are higher on both ends of the range and at the top of the mostly price series. Some reports suggest that on a protein adjusted basis, dry whey prices are starting to eclipse nonfat dry milk. Demand for good quality whey is very strong. Sales in the domestic market are good. Strong export interest for dry whey powder into Mexico, China, and Southeast Asia is also noticeable. Inventories are tighter and for the most part just enough to fulfill contractual needs. Spot trade activities are generally limited as many sellers report being sold out on dry whey or not having enough supplies. Production is steady, but unlikely to increase because some cheese makers are planning to cut back on their production schedules.

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey  
 Price Range - Non-Hygroscopic; \$/LB: .2800 - .4100  
 Mostly Range - Non-Hygroscopic; \$/LB: .3000 - .3500

Secondary Sourced Information:

The Extra Grade Dry Whey price at the CME Group on Wednesday closed at \$.4100, up \$.0050 from a week ago.

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

	2018 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	40.2	+ 8
TOTAL, JAN - APR	174.8	+ 23
1 China	66.8	+ 4
2 Philippines	13.6	+40
3 Mexico	12.2	+ 2
4 Japan	11.9	+ 77
5 Canada	9.5	- 41

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey protein concentrate prices are steady to higher. While the bottom of the price range and mostly price series are unchanged, the top of each series stepped up. Demand for some WPC34% has eased along the same lines as other proteins. Some end users are taking a wait and see approach to market signals. However, a few other processors suggest demand is solid, especially for favored brands and for WPC34% that meets infant formula requirements. Manufacturers say they have regular inquiries from buyers looking for more loads. They are quick to point out that not all proteins can substitute well for WPC34% or vice versa. Production is steady, but a few processors suggest they may shift some production focus away from higher whey protein concentrations to WPC34% for the next few months. Inventories remain low, especially for the brands that are highly sought out by end users.

Prices for: Central and Western U.S., All First Sales, F.O.B., Extra Grade, Conventional, and Edible Whey Protein Concentrate  
 Price Range - 34% Protein; \$/LB: .7300 - .9550  
 Mostly Range - 34% Protein; \$/LB: .7500 - .8400

Secondary Sourced Information:

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

	2018 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	43.6	+ 87
TOTAL, JAN - APR	40.8	+36
1 China	68.8	+ 33
2 Mexico	21.3	+ 52
3 Canada	10.5	- 1
4 Philippines	5.9	- 5
5 Indonesia	5.6	+ 69

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

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

**-CONTINUED FROM PAGE 6-**

**LACTOSE**

While the lactose price range is unchanged, the lactose mostly price series moved higher. Current spot prices are trending higher. In addition, industry contacts report Q3 contracts are getting settled, often at prices above those for Q2. Buyer response to the offers has been mixed. While some buyers are not balking at the new price levels, others are hesitant. In some cases, end users have adequate supplies and want to wait it out, watching market signals to see if the current roseate view of the lactose market will sustain itself or fade over time. However, some manufacturers argue that the price increases are well-justified. Inventories are tight, and processors say they have had to slide some Q2 shipments into July. Processors feel it may be some time before they are able to catch up on shipping schedules. Production has been mostly steady, but unable to keep up with demand. A few manufacturers report working through maintenance and repair issues. Other processors say that restructuring production focus may limit the amount of lactose they have available for the next few months.

Prices for: Central and Western U.S., Spot Sales And Up 3 Month Contracts, F.O.B., Conventional, and Edible Lactose  
 Price Range - Non Pharmaceutical; \$/LB: .1800 - .3900  
 Mostly Range - Non Pharmaceutical; \$/LB: .2400 - .3200

Secondary Sourced Information:

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

	2018 Exports (Million Lb.)	% Change From 1 Year Ago
April Total	66.0	+ 31
TOTAL, JAN - APR	235.8	+ 24
1 China	53.6	+ 74
2 New Zealand	35.2	+ 36
3 Mexico	32.4	+ 3
4 Japan	23.4	+ 44
5 Indonesia	12.1	- 13

**CASEIN**

Prices for both acid and rennet casein are steady this week. Buyer inquiries have eased. In the EU, quieter markets this week are consistent with markets for most dry dairy products. Manufacturers in the EU and New Zealand are focused on working to deliver contract commitments. There is little spot market activity.

Prices for: Spot Sales And Up 3 Month Contracts, Free on Board - Warehouse, Non-Restricted, All Mesh Sizes, Conventional, and Edible Casein  
 Acid; Price Range - \$/LB: 2.9000-3.1600  
 Rennet; Price Range - \$/LB: 2.2500-2.5200

Secondary Sourced Information:

New Zealand export data for January-April 2018 shows casein exports up 8.8 percent compared with one year earlier, according to CLAL.

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

WEEK ENDING	2018 WEEKLY DAIRY COWS	2018 CUMULATIVE DAIRY COWS	2017 WEEKLY DAIRY COWS	2017 CUMULATIVE DAIRY COWS
05/26/2018	54.4	1,299.0	53.7	1,237.8

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

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

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

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2014	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	17.82
2015	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46	15.30	14.44
2016	13.72	13.80	13.74	13.63	12.76	13.22	15.24	16.91	16.39	14.82	16.76	17.40
2017	16.77	16.88	15.81	15.22	15.57	16.44	15.45	16.57	16.36	16.69	16.88	15.44

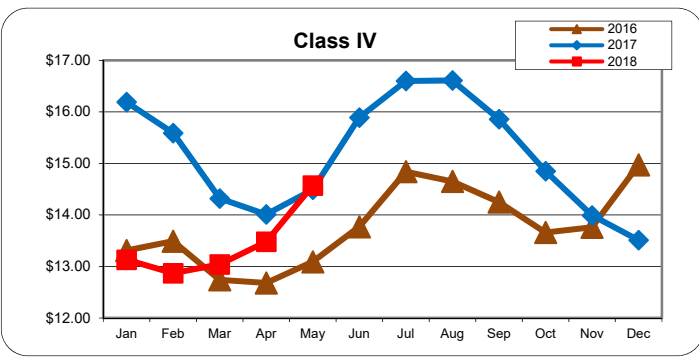
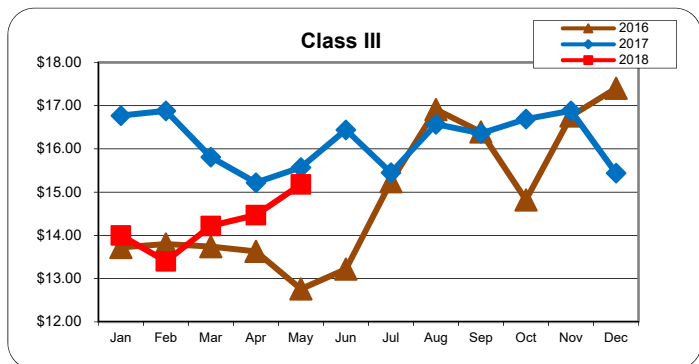
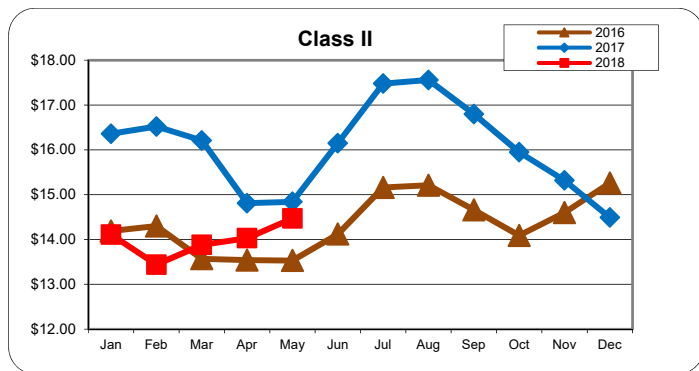
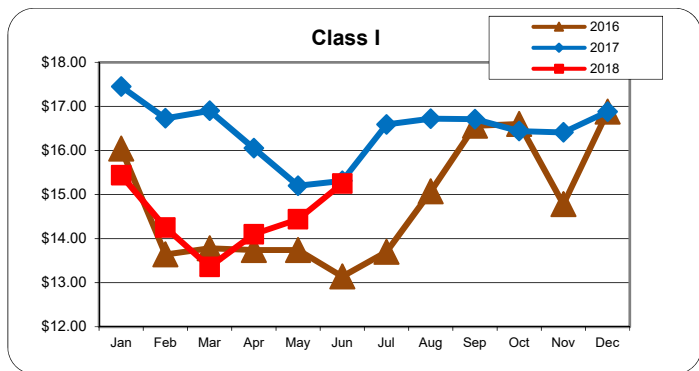
**CLASS IV MILK PRICES (3.5% Butterfat)**

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2014	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58	21.35	18.21	16.70
2015	13.23	13.82	13.80	13.51	13.91	13.90	13.15	12.90	15.08	16.43	16.89	15.52
2016	13.31	13.49	12.74	12.68	13.09	13.77	14.84	14.65	14.25	13.66	13.76	14.97
2017	16.19	15.59	14.32	14.01	14.49	15.89	16.60	16.61	15.86	14.85	13.99	13.51

**FEDERAL MILK ORDER CLASS PRICES FOR 2018 (3.5% Butterfat)**

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	15.44	14.25	13.36	14.10	14.44	15.25						
II	14.11	13.44	13.88	14.03	14.47							
III	14.00	13.40	14.22	14.47	15.18							
IV	13.13	12.87	13.04	13.48	14.57							

1/ S3p03ific order differentials to be added to this base price can be found by going to: [www.ams.usda.gov/DairyMarketingStatistics](http://www.ams.usda.gov/DairyMarketingStatistics); then select "Prices"; and then select "Principal Pricing Points."





**ORGANIC DAIRY MARKET NEWS**  
Information gathered June 4 - 15, 2018

**ORGANIC DAIRY FLUID OVERVIEW**

**Milk Product Sales.** AMS reports total organic milk products sales for April were 211 million pounds, up 4.9 percent from April 2017 and down 0.1 percent January-April 2018, compared with the same period of 2017. Organic whole milk sales for April 2018, 86 million pounds, were up 11.6 percent compared with April of the previous year and up 7.1 percent year-to-date 2018 compared with 2017.

**ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, April 2018, WITH COMPARISONS<sup>1/</sup>**

Product Name	Sales		Change2/ Prev Yr. Y-T-D	
	April Mil.	Y-T-D Lbs.	Yr.	Y-T-D Percent

**ORGANIC PRODUCTION PRACTICE**

Whole Milk	86	353	11.6	7.1
Reduced Fat Milk (2%)	67	277	7.0	1.2
Low Fat Milk (1%)	30	126	-2.4	-5.2
Fat-Free Milk (Skim)	18	81	-13.9	-14.7
Flavored Fat-Reduced Milk	9	35	3.9	-14.8
Other Fluid Milk Products	0	0	-94.2	-54.7
Total Fat-Reduced Milk3/	124	519	0.8	-4.4
Tot. Organic Milk Products	211	871	4.9	-0.1

<sup>1/</sup>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.

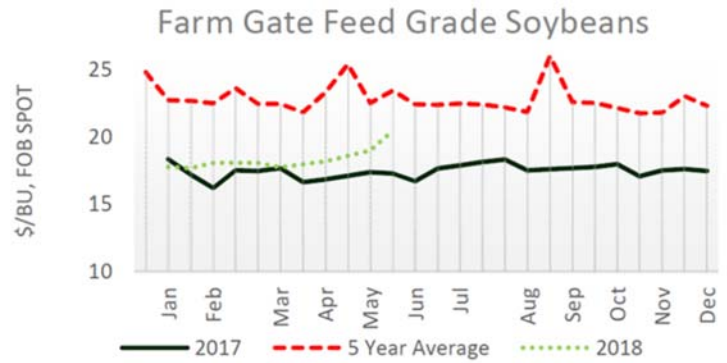
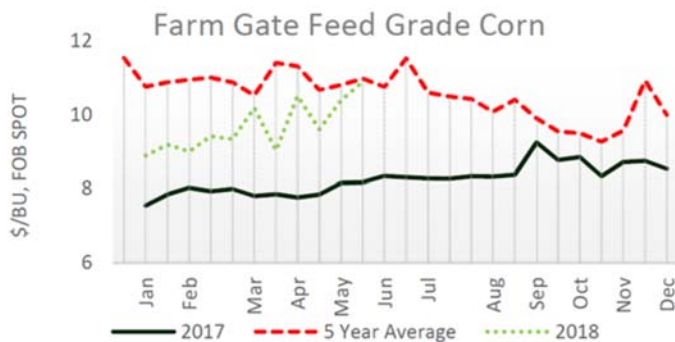
<sup>2/</sup>Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis

<sup>3/</sup>Organic fat-reduced milk categories are total of reduced fat, low-fat, skim, and flavored fat reduced milk composition.

**Organic Dairy Sector.** The 2017 yearly totals for the organic sector show 49.4 billion in sales, a new record. In saying, the second largest category of the organic sector is organic dairy and eggs. Organic dairy had a somewhat uninspiring run in 2017, growing just 0.9 percent, due mostly to inundation of markets by alternative products. However, the bright spot was that an increased number of consumers are buying more organic ice cream and organic cheese. Both organic cheese and organic ice cream posted upward sales of 9 percent and 8 percent respectively. As things settle, some sources expect overall organic dairy sale demand to pick back up.

**NATIONAL ORGANIC GRAIN AND FEEDSTUFF MARKETS**

**Organic Grain and Feedstuff Markets.** Trading activity and demand has been light to moderate for organic feed grade corn, organic soybeans and organic wheat. Organic feed grade corn traded up to 51 cents higher as premiums increased in Indiana, Michigan, and Ohio. Bidding prices for feed grade corn and soybeans reflect short supplies of old crop. Trading activity for all other organic grains is too limited for trend projection.



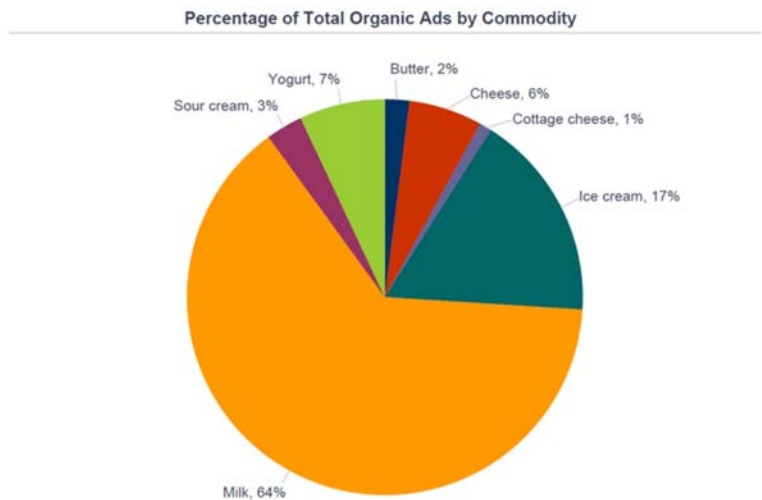
Source: Graphs by Livestock, Poultry and Grain Market News

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

**ORGANIC DAIRY RETAIL OVERVIEW**

**National Organic Retail Survey:** Across the nation, organic advertising totaled 6 percent above the previous week. In the major organic dairy commodity categories, which includes milk, cheese and yogurt, ads numbers were +9 percent, +34 percent and -70 percent, respectively. Regions that typically set the pace for organic retail ad numbers, the Northeast and Midwest, noted declines of 67 percent and 26 percent, respectively. The organic retail milk price premium, the price difference between half gallon organic and conventional milk, is \$2.01, an increase of 50 cents over the previous week's organic premium. Organic ice cream, an addition to the percentage of total ads by commodity this week, seized 17 percent of the pie.

The rest of the weekly percentages of advertised organic dairy products, collected from the DMN weekly retail survey, are presented in the following pie chart.



Data source: USDA Dairy Market News

**ORGANIC DAIRY MARKET NEWS**  
Information gathered June 4 - 15, 2018

-CONTINUED FROM PAGE 8-

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

**NATIONAL RETAIL ORGANIC DAIRY  
WEIGHTED AVERAGE ADVERTISED PRICE**  
(Dollars)

<b>Commodity</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>
<b>Butter</b>	3.99	5.03	6.67
<b>Milk</b>			
Half Gal.	4.02	3.61	3.84
Gal.	6.70	5.42	6.61
8 oz.	n.a.	1.25	.99
<b>Ice Cream</b>	4.00	n.a.	7.99
<b>Yogurt</b>			
4-6 oz. Greek	n.a.	n.a.	1.26
32 oz. Greek	n.a.	3.07	n.a.
4-6 oz. Yogurt	1.00	1.01	.63
32 oz. Yogurt	3.89	2.50	3.50

**Data source: USDA/AMS/Weekly National Organic Summary**

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

<https://www.ams.usda.gov/mnreports/dybretail.pdf>

<https://www.ams.usda.gov/mnreports/lswnos.pdf>

## April Milk Sales

During April 2018, 3.9 billion pounds of packaged fluid milk products are estimated to have been sold in the United States. This was 0.4 percent higher than April 2017. Estimated sales of total conventional fluid milk products increased 0.2 percent from April 2017 and estimated sales of total organic fluid milk products increased 4.9 percent from a year earlier.

### Estimated Total U.S. Sales of Fluid Milk Products, April 2018, with Comparisons <sup>1</sup>

Product Name	Sales <sup>4</sup>		Change from: <sup>2</sup>	
	April	Year to Date	Previous Year	Year to Date
	<i>(million pounds)</i>		<i>(percent)</i>	
Conventional Production Practice				
Whole Milk	1,187	4,937	2.7	3.0
Flavored Whole Milk	60	224	8.2	5.3
Reduced Fat Milk (2%)	1,170	4,926	-1.9	-1.6
Low Fat Milk (1%)	511	2,084	-0.8	-4.4
Fat-Free Milk (Skim)	311	1,290	-7.6	-9.5
Flavored Fat-Reduced Milk	363	1,400	7.1	-2.9
Buttermilk	39	162	0.4	-2.3
Other Fluid Milk Products	3	13	-35.2	-36.7
Total Fat-Reduced Milk <sup>3</sup>	2,355	9,700	-1.2	-3.5
Total Conventional Milk Products	3,645	15,036	0.2	-1.4
Organic Production Practice				
Whole Milk	86	353	11.6	7.1
Reduced Fat Milk (2%)	67	277	7.0	1.2
Low Fat Milk (1%)	30	126	-2.4	-5.2
Fat-Free Milk (Skim)	18	81	-13.9	-14.7
Flavored Fat-Reduced Milk	9	35	3.9	-14.8
Other Fluid Milk Products	0	0	-94.2	-54.7
Total Fat-Reduced Milk <sup>3</sup>	124	519	0.8	-4.4
Total Organic Milk Products	211	871	4.9	-0.1
Total Fluid Milk Products	3,856	15,907	0.4	-1.3

<sup>1</sup> 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. <sup>2</sup> Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. <sup>3</sup> Both conventional and organic fat-reduced milk categories are the total of reduced fat, lowfat, skim and flavored fat-reduced milk. <sup>4</sup> Data may not add due to rounding. Report contact: Daniel Manzoni, [Daniel.manzoni@ams.usda.gov](mailto:Daniel.manzoni@ams.usda.gov) or 202-720-2352.

### Packaged Sales of Total Fluid Milk Products in Federal Milk Orders and California, April 2018, with Comparisons <sup>1</sup>

Marketing Area	Order Number	Sales <sup>3</sup>		Change from: <sup>2</sup>	
		April	Year to Date	Previous Year	Year to Date
		<i>(million pounds)</i>		<i>(percent)</i>	
Northeast	001	639	2,670	-0.7	-1.3
Appalachian	005	261	1,087	6.8	2.5
Florida	006	223	928	-1.6	-1.5
Southeast	007	356	1,468	0.0	-1.5
Upper Midwest	030	293	1,188	2.9	-1.5
Central	032	335	1,368	0.8	-1.8
Mideast	033	424	1,750	0.3	-1.7
Pacific Northwest	124	153	629	-2.2	-3.6
Southwest	126	359	1,482	-0.5	-0.8
Arizona	131	88	357	7.5	3.5
California	---	417	1,708	-1.7	-3.1
All Orders (Total)		3,131	12,927	0.7	-1.1
All Areas (Total)		3,547	14,635	0.4	-1.3

<sup>1</sup> These figures are representative of the consumption of total fluid milk products in the respective area; see footnote <sup>3</sup> above for the products included. <sup>2</sup> Percent changes, as well as sales volumes, are shown on an unadjusted basis. <sup>3</sup> Data may not add due to rounding.

Source: U.S. Department of Agriculture; California Department of Food and Agriculture.

## June Supply and Demand Estimates

The milk production forecast for 2018 is reduced from last month on slightly lower cow numbers and slower expected growth in milk per cow. No change is made to the annual cow herd for 2019, but the milk production forecast for 2019 is lowered from last month on continued slow growth in milk per cow. For 2018, fat basis exports are raised from the previous month as second-quarter exports are strong and continued strength in sales of a number of fat-containing products will largely mitigate the impacts of Mexico's tariffs on U.S. cheese. For 2019, the fat basis export forecast is lowered. Skim-solids basis export forecasts for 2018 and 2019 are raised from the previous month on robust demand for nonfat dry milk and lactose thus far in 2018, and this strength is expected to carry into 2019. Fat basis imports for 2018 and 2019 are raised on higher imports of butterfat products, while skim-solids basis import forecasts for 2018 and 2019 are reduced on lower imports of milk proteins and a number of other dairy products. The 2018 cheese price is unchanged at the midpoint of the range, but is raised for 2019. The 2018 butter price forecast is raised, but is reduced slightly for 2019. Nonfat dry milk (NDM) and whey price forecasts are raised for both 2018 and 2019 on strong demand and a reduced production forecast. For 2018, the Class III price is raised on the stronger whey price. The Class IV price forecasts reflect higher butter and NDM prices. For 2019, both Class III and Class IV prices are raised. The all milk price is forecast higher at \$16.60 to \$17.00 per cwt for 2018 and is increased to \$16.70 to \$17.70 per cwt for 2019.

U.S. Milk Supply and Use					
Commodity	2017	2018 Projected		2019 Projected	
		May	Jun	May	Jun
<i>(billion pounds)</i>					
Milk					
Production	215.5	218.7	218.0	221.5	221.1
Farm Use	1.0	1.0	1.0	1.0	1.0
Fat Basis Supply					
Beginning Commercial Stocks	12.7	13.5	13.4	12.6	12.6
Marketings	214.5	217.7	217.1	220.5	220.1
Imports	6.0	5.5	5.8	5.5	5.6
Total Commercial Supply	233.2	236.6	236.3	238.6	238.3
Fat Basis Use					
Commercial Exports	9.2	9.9	10.2	10.2	9.8
Ending Commercial Stocks	13.4	12.6	12.6	11.8	11.8
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	210.5	214.2	213.5	216.6	216.7
Skim-Solid Basis Supply					
Beginning Commercial Stocks	9.5	11.8	11.8	11.0	10.4
Marketings	214.5	217.7	217.1	220.5	220.1
Imports	6.1	5.8	5.6	5.8	5.6
Total Commercial Supply	230.1	235.3	234.5	237.3	236.1
Skim-Solids Basis Use					
Commercial Exports	40.8	45.1	46.2	45.3	45.6
Ending Commercial Stocks	11.8	11.0	10.4	10.8	10.7
CCC Donations	0.0	0.0	0.0	0.0	0.0
Domestic Commercial Use	177.5	179.1	177.9	181.1	179.8

NOTE: Totals may not add due to rounding.

Continued on page 11



## June Supply and Demand Estimates-cont'd

U.S. Dairy Prices					
Commodity	2017	2018 Projected		2019 Projected	
		May	Jun	May	Jun
<i>(dollars per pound)</i>					
Product Prices <sup>1</sup>					
Cheese	1.6344	1.600-1.650	1.605-1.645	1.585-1.685	1.625-1.725
Butter	2.3303	2.245-2.325	2.295-2.365	2.215-2.345	2.210-2.340
Nonfat Dry Milk	0.8666	0.740-0.780	0.775-0.815	0.745-0.815	0.755-0.825
Dry Whey	0.4437	0.255-0.285	0.295-0.315	0.285-0.315	0.300-0.330
<i>(dollars per cwt)</i>					
Milk Prices <sup>2</sup>					
Class III	16.17	14.80-15.30	15.05-15.45	14.80-15.80	15.30-16.30
Class IV	15.16	13.75-14.35	14.30-14.80	13.65-14.75	13.70-14.80
All Milk <sup>3</sup>	17.63	16.20-16.70	16.60-17.00	16.25-17.25	16.70-17.70
<b>Quarterly</b>					
	2018 I	2018 II <sup>4</sup>	2018 III <sup>4</sup>	2018 IV <sup>4</sup>	2019 I <sup>4</sup>
<i>(billion pounds)</i>					
Milk Production	54.4	55.8	54.0	53.9	55.1
<i>(dollars per cwt)</i>					
All Milk Price <sup>2,3</sup>	15.67	16.10-16.30	17.00-17.50	17.70-18.50	16.85-17.85
Class III Price <sup>2</sup>	13.87	14.80-15.00	15.80-16.30	15.75-16.55	15.25-16.25
Class IV Price <sup>2</sup>	13.01	14.30-14.60	15.25-15.85	14.70-15.60	13.50-14.60

N/A = not available <sup>1</sup> Simple average of monthly prices calculated from AMS weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/rules-regulations/mmr/dmr>; scroll down to Publications, National Dairy Products Sales Reports, and select Current Release & Archives.” <sup>2</sup> 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. <sup>3</sup> Does not reflect any deductions from producers as authorized by legislation. <sup>4</sup> Projection.

**Source:** U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-578, June 12, 2018*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Carolyn Liebrand, AMS; Paul Kiendl, FAS; Jerry Cessna, ERS; and Milton Madison, FSA].

## Consumer Price Index and Average Retail Prices for Selected Products, U.S. City Average <sup>1</sup>

<b>Consumer Price Index</b>												
Month	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI <sup>2</sup>	Pct. Chg <sup>3</sup>	CPI <sup>2</sup>	Pct. Chg <sup>3</sup>	CPI <sup>2</sup>	Pct. Chg <sup>3</sup>	CPI <sup>2</sup>	Pct. Chg <sup>3</sup>	CPI <sup>2</sup>	Pct. Chg <sup>3</sup>	CPI <sup>2</sup>	Pct. Chg <sup>3</sup>
Mar 2018	252.4	1.3	216.5	-0.9	194.2	-5.1	229.7	0.8	239.1	0.6	249.5	2.1
Apr 2018	253.2	1.4	216.9	-0.4	194.9	-3.2	230.2	0.9	244.1	4.4	251.9	3.5
May 2018	253.1	1.2	215.7	-0.6	194.0	-3.7	229.6	1.1	243.6	2.1	249.4	2.3

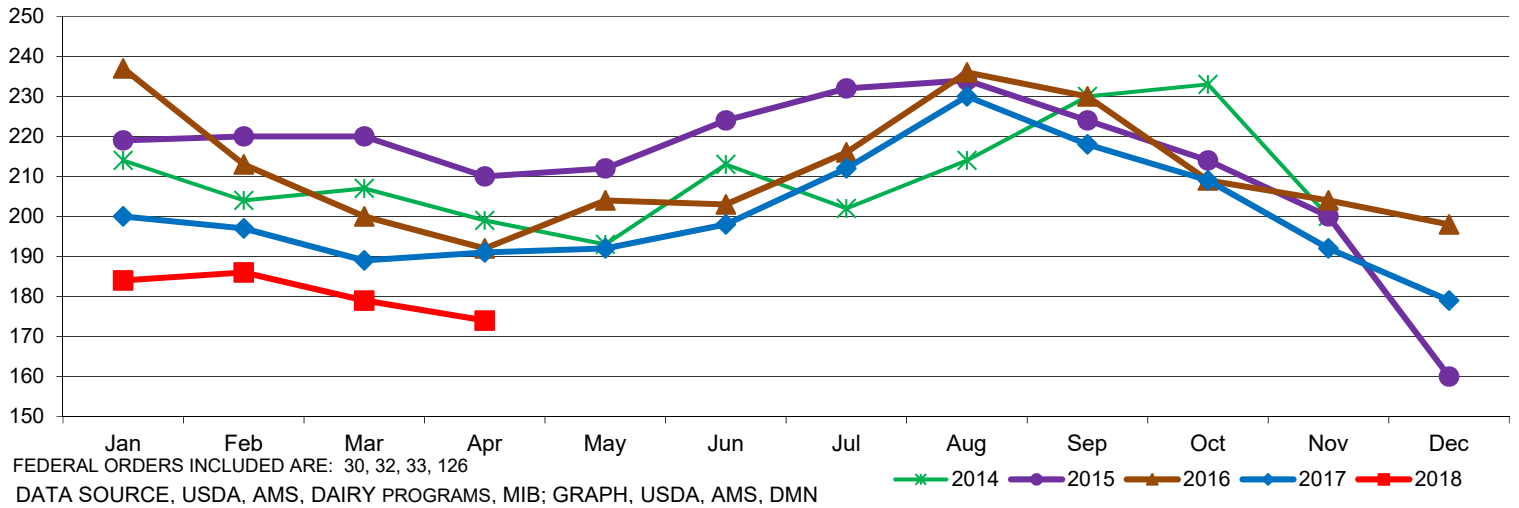
  

<b>U.S. City Average Retail Prices</b>										
Month	Whole Milk <sup>4</sup>		Butter <sup>5</sup>		Process Cheese <sup>6</sup>		Natural Cheese <sup>7</sup>		Ice Cream <sup>8</sup>	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	<i>(dollars)</i>									
Mar	2.903	3.315	N/A	N/A	4.105	4.271	5.064	4.799	4.825	4.751
Apr	2.924	3.259	N/A	N/A	4.034	4.352	5.030	4.794	4.709	4.659
May	2.919	3.242	N/A	N/A	4.025	4.393	5.131	4.748	4.588	4.631

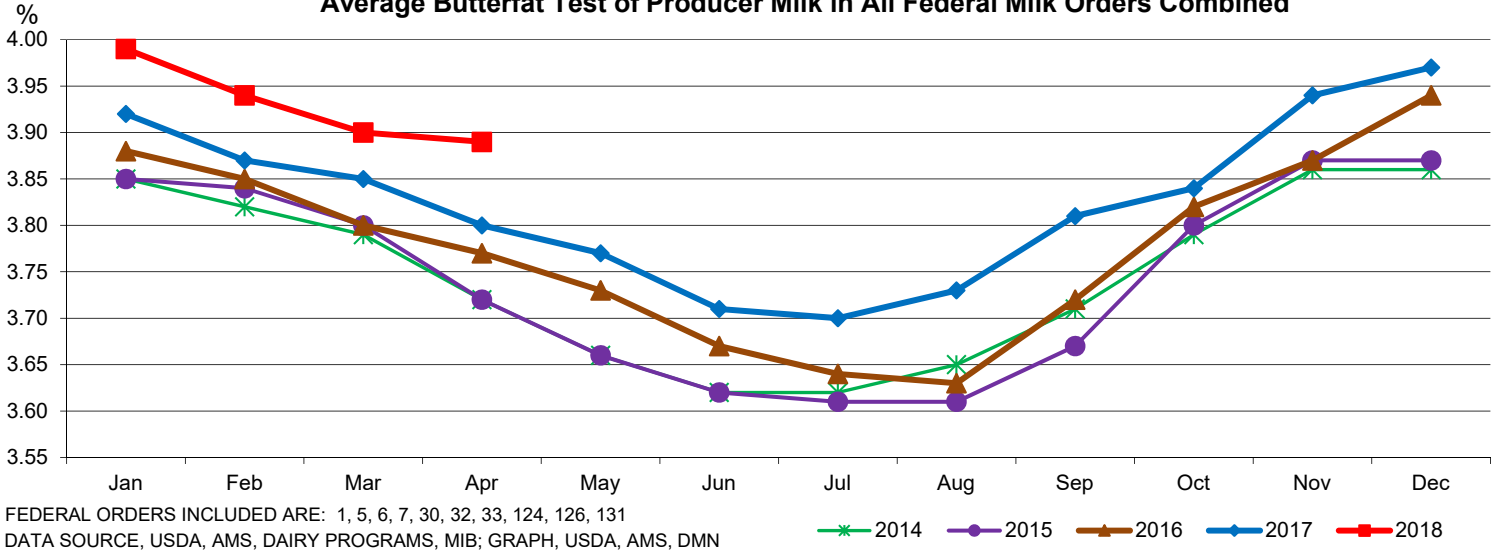
N/A = Not available. <sup>1</sup> "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. <sup>2</sup> The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

**Average Somatic Cell Count of Producer Milk in Four Federal Milk Orders Combined**

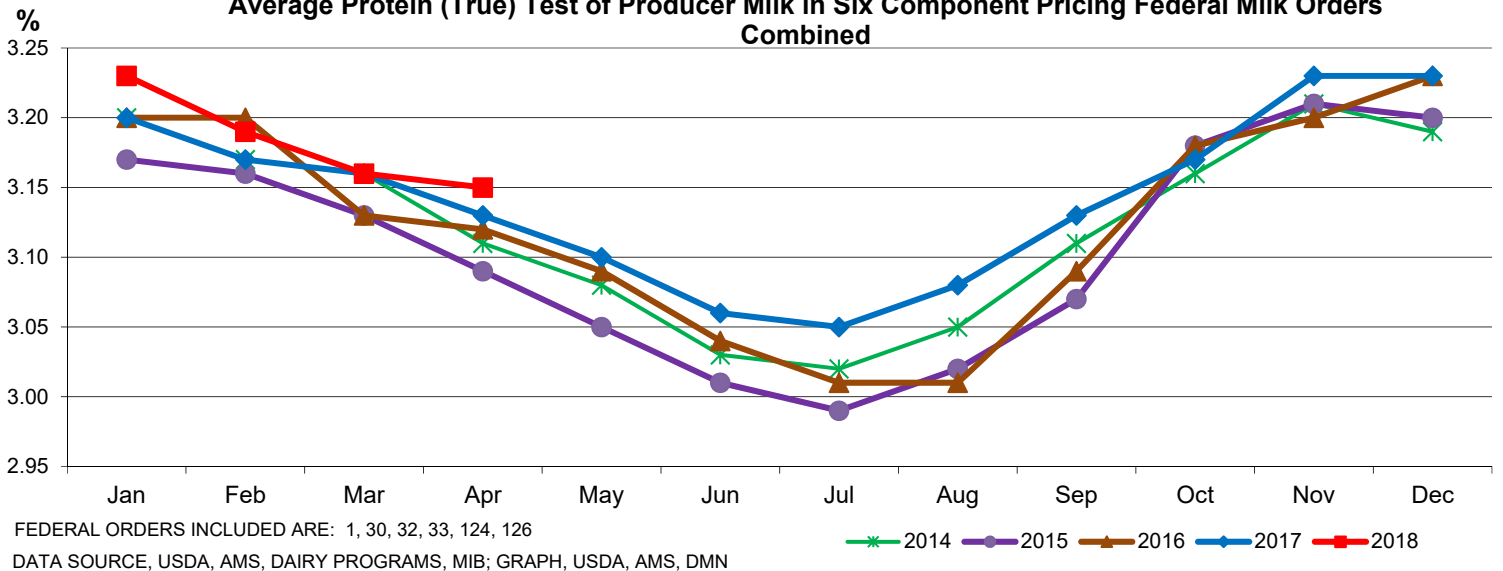
THOUSANDS



**Average Butterfat Test of Producer Milk in All Federal Milk Orders Combined**



**Average Protein (True) Test of Producer Milk in Six Component Pricing Federal Milk Orders Combined**





## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Retail Report-Dairy

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

Volume 85- Number 24

Issued Weekly

Friday, June 15, 2018

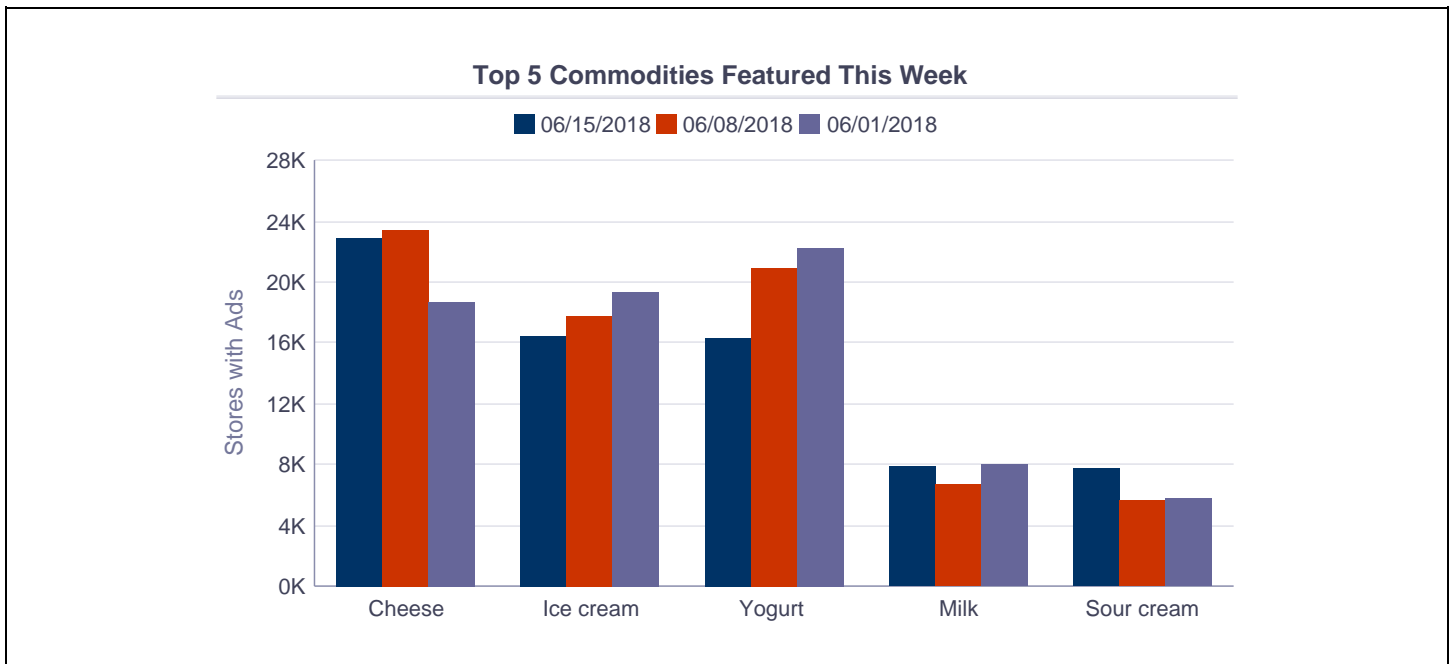
### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 06/15/2018 to 06/21/2018

The total number of conventional ads increased by 2 percent week over week. On the organic side, however, ads increased by 6 percent. Conventional ice cream in 48-64 ounce containers remains the most advertised dairy item, while half gallon flavored milk has the highest percentage increase in ad number. Half gallons of milk remain the most advertised organic item, with an average price of \$4.02, up .41 cents from the previous week.

The national weighted average advertised conventional milk price for half gallons is \$2.01, down 9 cents from a week ago, while milk in one gallon bottles averaged \$2.82, down 13 cents. The premium between the organic and conventional half gallon bottled milk is \$2.01. The U.S. average conventional one pound butter price is \$3.48, 11 cents lower from a week ago. The one pound organic butter price is \$3.99, for an organic premium of 51 cents.

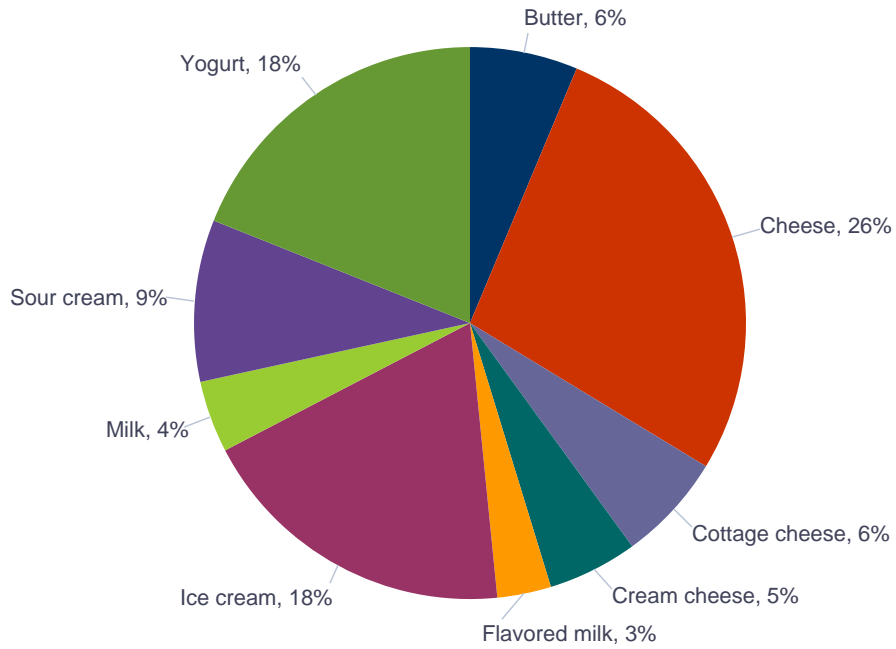
Total conventional advertisements decreased 3 percent, but organic cheese ads increased 34 percent. The weighted average price of conventional 8 ounce block cheese is \$2.23, compared to \$3.95 for 8 ounce organic cheese blocks, an organic premium of \$1.72. The weighted average price of conventional 8 ounce shred cheese is \$2.26. No ads were reported for organic 8 ounce shred cheese.

Total conventional and organic yogurt ads decreased by 19 and 70 percent, respectively. The weighted average advertised price for organic yogurt in 4-6 ounce containers is \$1.00, while conventional yogurt in 4-6 ounce containers averaged 52 cents, representing an organic premium of 48 cents.

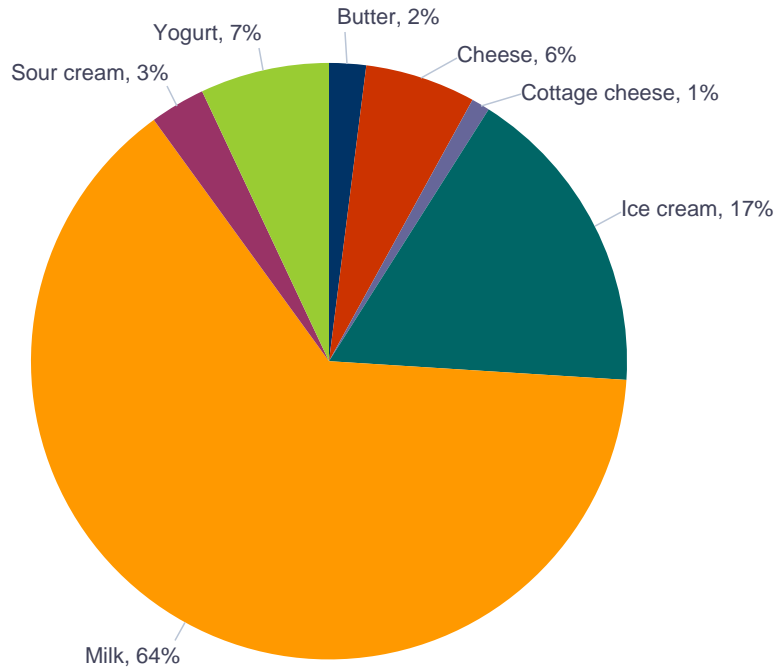




Percentage of Total Conventional Ads by Commodity



Percentage of Total Organic Ads by Commodity





## NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	5611	3.48	2809	3.59	4341	3.39
Cheese	Natural Varieties	8 oz block	8332	2.23	7027	2.13	6943	2.30
Cheese	Natural Varieties	1 # block	1420	4.52	1518	3.46	1177	3.72
Cheese	Natural Varieties	2 # block	1725	5.57	2389	6.14	845	6.61
Cheese	Natural Varieties	8 oz shred	9483	2.26	10971	2.33	9547	2.25
Cheese	Natural Varieties	1 # shred	1511	4.60	1153	3.42	1943	3.82
Cottage cheese		16 oz	5056	1.97	3550	2.05	3816	1.76
Cream cheese		8 oz	4628	1.83	5022	1.98	4297	1.58
Flavored milk	All fat tests	half gallon	1546	2.43	575	2.56	1158	2.73
Flavored milk	All fat tests	gallon	910	3.70	507	3.34	77	3.93
Ice cream		48-64oz	15259	3.06	17710	3.00	13649	3.02
Milk	All fat tests	half gallon	1878	2.01	1063	2.10	1824	2.33
Milk	All fat tests	gallon	1931	2.82	1973	2.95	1562	2.55
Sour cream		16 oz	7552	1.81	5602	1.67	5983	1.68
Yogurt	Greek	4-6 oz	8928	.92	11530	.94	9715	.99
Yogurt	Greek	32 oz	1416	4.43	1528	4.53	624	4.63
Yogurt	Yogurt	4-6 oz	4552	.52	5202	.49	9127	.53
Yogurt	Yogurt	32 oz	961	2.42	1210	2.76	1812	2.37

## REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.79-4.79	1270	3.48	2.99-3.99	1951	3.42	2.77-3.50	404	2.94
Cheese	Natural Varieties	8 oz block	1.49-3.00	1622	2.25	1.88-2.50	3320	2.24	1.37-3.49	2125	2.15
Cheese	Natural Varieties	1 # block	3.49-3.99	302	3.77	3.50-4.99	850	4.90	3.99	213	3.99
Cheese	Natural Varieties	2 # block							4.99-5.49	348	5.13
Cheese	Natural Varieties	8 oz shred	1.49-3.00	1958	2.28	1.88-2.50	2546	2.10	1.69-3.49	1746	2.24
Cheese	Natural Varieties	1 # shred	3.99	135	3.99	3.50-4.99	850	4.90	3.99	213	3.99
Cottage cheese		16 oz	0.99-2.50	2051	1.93	2.00	1861	2.00	0.99-1.66	235	1.32
Cream cheese		8 oz	1.50-2.50	877	1.86	1.50-2.50	1863	1.77	1.37-2.99	962	1.78
Flavored milk	All fat tests	half gallon	2.50	72	2.50	1.50-2.50	735	2.18	2.00	180	2.00
Flavored milk	All fat tests	gallon				3.99	278	3.99			
Ice cream		48-64oz	1.00-3.33	2889	2.55	1.88-5.50	4185	3.14	1.99-4.99	3753	3.12
Milk	All fat tests	half gallon	2.50	72	2.50	1.50-3.00	796	2.25	0.69	180	.69
Milk	All fat tests	gallon	3.99	137	3.99	3.99	214	3.99	1.99-2.99	372	2.64
Sour cream		16 oz	1.29-2.00	2117	1.71	1.50-2.00	2583	1.99	0.99-2.00	1321	1.60
Yogurt	Greek	4-6 oz	0.66-1.00	1571	.94	0.50-1.00	1892	.97	0.70-1.00	2111	.87
Yogurt	Greek	32 oz	3.99-4.99	436	4.24	3.00-3.58	282	3.40	4.99	180	4.99

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
Yogurt	Yogurt	4-6 oz	0.33-1.00	2204	.54	0.40-0.70	479	.53	0.40-0.88	808	.54
Yogurt	Yogurt	32 oz	2.69	60	2.69				1.36-2.50	302	2.11

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-3.99	444	2.94	2.99-5.49	606	4.35	1.99-3.99	857	3.47
Cheese	Natural Varieties	8 oz block	1.79-2.50	501	2.01	2.50-3.00	251	2.77	1.98-2.50	479	2.30
Cheese	Natural Varieties	1 # block	4.99	55	4.99						
Cheese	Natural Varieties	2 # block	4.99-6.99	349	5.65	4.99	422	4.99	4.99-6.99	578	5.99
Cheese	Natural Varieties	8 oz shred	1.79-3.49	1512	2.30	1.88-3.00	1020	2.50	1.98-2.50	645	2.27
Cheese	Natural Varieties	1 # shred	2.99-4.99	135	3.80	4.99	178	4.99			
Cottage cheese		16 oz	2.00	55	2.00	1.25-2.49	228	1.87	1.99-2.29	578	2.14
Cream cheese		8 oz	1.50-2.50	319	1.78	2.00	419	2.00	2.00	130	2.00
Flavored milk	All fat tests	half gallon				1.99	246	1.99	3.49	289	3.49
Flavored milk	All fat tests	gallon				3.99	422	3.99	2.50-2.99	210	2.75
Ice cream		48-64oz	2.49-5.50	2404	3.23	1.99-4.99	1267	3.30	2.88-3.50	647	3.17
Milk	All fat tests	half gallon	1.89-2.50	188	2.07	1.50-2.99	497	2.15	0.99	121	.99
Milk	All fat tests	gallon	1.79	121	1.79	1.99-3.99	588	2.97	1.79-2.99	499	2.19
Sour cream		16 oz	1.50-2.00	230	1.69	1.25-2.49	611	1.95	1.50-1.99	578	1.75
Yogurt	Greek	4-6 oz	0.79-1.00	592	.93	0.68-1.00	1652	.90	0.59-1.00	1014	.91
Yogurt	Greek	32 oz				3.99-4.99	229	4.26	5.49	289	5.49
Yogurt	Yogurt	4-6 oz	0.50	128	.50	0.39-0.40	599	.39	0.50	289	.50
Yogurt	Yogurt	32 oz	2.50	72	2.50	2.49-2.50	500	2.50			

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	28	4.99	2.99-3.69	51	3.32
Cheese	Natural Varieties	8 oz block				3.25	34	3.25
Cheese	Natural Varieties	2 # block	9.99	28	9.99			
Cheese	Natural Varieties	8 oz shred	2.99-3.79	22	3.39	3.25	34	3.25
Cottage cheese		16 oz				3.00-4.99	48	4.00
Cream cheese		8 oz				2.00-3.00	58	2.59
Flavored milk	All fat tests	half gallon				4.69	24	4.69
Ice cream		48-64oz	4.49-4.79	32	4.69	3.99-4.99	82	4.39
Milk	All fat tests	half gallon				3.99	24	3.99
Sour cream		16 oz				1.79-2.50	112	2.12
Yogurt	Greek	4-6 oz	1.25	11	1.25	1.25-1.66	85	1.48
Yogurt	Yogurt	4-6 oz	0.60	21	.60	0.80	24	.80
Yogurt	Yogurt	32 oz				3.49	27	3.49



### NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	114	3.99	597	5.03	342	6.67
Cheese	Natural Varieties	8 oz block	388	3.95	289	3.79		
Cheese	Natural Varieties	1 # shred					80	7.99
Cottage cheese		16 oz	63	3.49			866	3.29
Flavored milk	All fat tests	half gallon					167	4.49
Ice cream		48-64oz	1083	4.00			21	7.99
Milk	All fat tests	half gallon	3866	4.02	2954	3.61	2210	3.84
Milk	All fat tests	gallon	145	6.70	569	5.42	335	6.61
Milk	All fat tests	8 oz UHT			147	1.25	902	.99
Sour cream		16 oz	214	2.50			1160	3.10
Yogurt	Greek	4-6 oz					1414	1.26
Yogurt	Greek	32 oz			221	3.07		
Yogurt	Yogurt	4-6 oz	194	1.00	1056	1.01	121	.63
Yogurt	Yogurt	32 oz	222	3.89	110	2.50	147	3.50

### 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	3.99	72	3.99						
Ice cream		48-64oz				4.00	1083	4.00			
Milk	All fat tests	half gallon	3.49-3.99	679	3.84	3.99-4.99	712	4.29	3.99	523	3.99
Milk	All fat tests	gallon				6.49-6.99	145	6.70			
Sour cream		16 oz				2.50	214	2.50			
Yogurt	Yogurt	32 oz	3.79	108	3.79						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.99	114	3.99						

Wtd Avg - Simple weighted average





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							3.79	289	3.79
Cottage cheese		16 oz	3.49	63	3.49						
Milk	All fat tests	half gallon	3.49-4.29	595	4.06	3.99-4.99	672	4.19	2.50-4.19	658	3.67
Yogurt	Yogurt	4-6 oz	1.00	194	1.00						
Yogurt	Yogurt	32 oz				3.99	114	3.99			

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz block				5.49	27	5.49
Milk	All fat tests	half gallon				4.99	27	4.99

**REGIONAL DEFINITIONS**

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

- NORTHEAST U.S. Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont
- SOUTHEAST U.S. Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia
- MIDWEST U.S. Iowa, Illinois, Indiana, Kentucky, Michigan, Minnesota, North Dakota, Nebraska, Ohio, South Dakota and Wisconsin
- SOUTH CENTRAL U.S. Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas
- SOUTHWEST U.S. Arizona, California, Nevada and Utah
- NORTHWEST U.S. Idaho, Montana, Oregon, Washington, and Wyoming
- ALASKA Alaska
- HAWAII Hawaii
- NATIONAL Continental United States



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