

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (10/12)

BUTTER: Grade AA closed at \$2.2500. The weekly average for Grade AA is \$2.2510 (-.0580).

CHEESE: Barrels closed at \$1.3600 and 40# blocks at \$1.6100. The weekly average for barrels is \$1.3660 (-.0225) and blocks, \$1.6510 (-.0395).

NONFAT DRY MILK: Grade A closed at \$0.8675. The weekly average for Grade A is \$0.8625 (-.0105).

DRY WHEY: Extra grade dry whey closed at \$0.5625. The weekly average for dry whey is \$0.5605 (+.0015).

BUTTER HIGHLIGHTS: Butter output is active in the West region as cream supplies are readily available for churning. However, in the East and Midwest, butter churning is steady to light as cream supplies remain tight, thus microfixing is active in these regions. Nationally, the interest for bulk/print butter is steadily improving as the upcoming year-end holidays are approaching. Based on the CME Group, with various periods and averages used, this week, bulk butter pricing varies among regions: East, 5.0 cents to 8.0 cents above the market; Central, 2.0 cents to 7.0 cents above the market; West, 0.0 cents to 7.0 cents above the market. The CME Group cash price for Grade AA butter is \$2.2500, down \$0.0400, compared to last Friday's price, \$2.2900.

CHEESE HIGHLIGHTS: Last week's historically large CME block over barrel price rift has not settled much. As barrel prices are mainly steady, blocks' have come down a bit. Even still, the gap has remained sizeable through the week. Although current demand reports are steady to positive nationwide, cheesemakers expect purchaser reluctance to trend up, as buyers await potential price nadirs. Western cheesemakers are reporting longer cheese stores but hope holiday sales will cut into the supplies. Northeastern inventories are mixed, as mozzarella and cheddar orders are steady to strong. Barrel inventories remain long in the Midwest, but not overly burdensome. Milk is still regionally variant, but mostly tight. Midwest spot milk prices ranged from Class III to \$2 over. A number of cheesemakers are bypassing

the spot milk market if possible because a majority of the few offers still available are at a premium. On Friday, the CME Group closing price for barrels is \$1.3600, compared to last Friday's closing price of \$1.3675. The closing price for blocks is \$1.6100, compared to last Friday's closing price of \$1.6500.

FLUID MILK: Nationwide, farm milk production is stable except in Florida and the Southeast region, where milk outputs are expected to be hampered due to Hurricane Michael. Before the impact of the hurricane, bottled sales inched up in many retail outlets throughout the Southeast and Florida. In the rest of the country, Class I and II processors are mixed. Nationwide, condensed skim continues moving into dryers, while the demands from some Class II processors such as for sour cream and yogurt, are improving. Meanwhile, cream supplies remain tight in the East and Midwest, but are more accessible in the West. Cream multiples for all classes are **1.28-1.40** in the East, **1.25-1.32** in the Midwest, and **1.10-1.28** in the West.

DRY PRODUCTS: Nationally, low/medium heat nonfat dry milk (NDM) spot prices were mixed. Low/medium heat NDM reports vary from balanced to tight. Mexican buying interest is reportedly keeping the market balanced according to several contacts. High heat NDM prices are steady, as bakery sector demand begins to heat up. Dry buttermilk prices are edging up throughout the regions, although spot market activity is quiet. Dry whole milk prices steadied after last week's increase, as spot markets remain secondary to contractual movements. Dry whey prices were mixed in the Midwest, higher in the Northeast and steady in the West. Demand is stronger internationally, and Northeast and Midwest producers are offering fewer spot loads while contractual needs are prioritized. Whey protein concentrate (WPC) 34% prices increased on the top of the range. WPC 34% supplies are tight, as some producers report beginning a production shift to higher protein blends. Lactose prices increased on

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DAIRY MARKET NEWS PRICE SUMMARY FOR OCTOBER 8 - 12, 2018

PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range	Mostly	Commodity	Range	Mostly	Commodity	Range	Mostly
NDM			BUTTERMILK			LACTOSE		
Central Low/Med. Heat	0.8350 0.9300	0.8800 0.9200	Central/East	0.8800 0.9200		Central/West	0.3000 0.4500	0.3100 0.3850
Change	-0.0350 -0.0050	N.C. N.C.	Change	0.0100 N.C.		Change	0.0200 N.C.	N.C. N.C.
Central High Heat	1.0000 1.0500		West	0.8000 0.8850	0.8200 0.8500	WPC 34%		
Change	N.C. N.C.		Change	N.C. 0.0150	N.C. N.C.	Central/West	0.7700 1.0250	0.8000 0.9350
West Low/Med. Heat	0.8175 0.9450	0.8500 0.9000	WHEY			Change	N.C. N.C.	N.C. 0.0150
Change	-0.0175 0.0150	N.C. N.C.	Central	0.3600 0.5600	0.4250 0.4500	Change	N.C. N.C.	N.C. 0.0150
West High Heat	1.0000 1.0800		West	N.C. -0.0200	0.0050 N.C.	CASEIN		
Change	N.C. N.C.		Change	0.4000 0.5500	0.4150 0.5000	Rennet	2.4500 2.5600	
DRY WHOLE MILK			Change	N.C. N.C.	N.C. N.C.	Acid	3.1000 3.2000	
National	1.4500 1.6000		Northeast	0.4175 0.5500		Change	N.C. N.C.	
Change	N.C. N.C.		Change	0.0075 0.0500		ANIMAL FEED WHEY		
						Central	0.2650 0.4100	
						Change	N.C. N.C.	

DAIRY MARKET NEWS PRICE SUMMARY FOR OCTOBER 1 - 12, 2018

PRICES (\$/MT) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range	Commodity	Range	Commodity	Range
SMP		WHOLE MILK POWDER		BUTTER	
W. Europe	1775 1925	W. Europe	3050 3450	W. Europe	5400 6050
Change	-50 -50	Change	-175 -100	Change	-475 -600
Oceania	1950 2100	Oceania	2650 2800	Oceania	3950 4250
Change	25 -100	Change	-100 -50	Change	-325 -250
S. America	2200 2500	S. America	2700 3100	BUTTEROIL	
Change	150 150	Change	N.C. N.C.	W. Europe	6750 7000
WHEY				Change	300 375
W. Europe	950 1075			CHEDDAR CHEESE	
Change	50 N.C.			Oceania	3400 3675
				Change	N.C. -25

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

the bottom of the range. Production is steady to higher, as some customers are looking into Q1 contracts. Rennet and acid casein prices are steady. New Zealand milk production increases are bullish for buyers who hope for increased casein production.

INTERNATIONAL DAIRY MARKET NEWS: WESTERN OVERVIEW: Milk production continues the typical seasonal decline in much of Western Europe. Among some leading milk production nations, Germany early reporting for last week is that production was down about .3 percent from the previous week. That varies among the individual states. Current milk volumes are called normal. France is believed to be down a bit more. Production in Germany this year is projected to decline into November before trending up once again.

EASTERN OVERVIEW: Development of the Eastern European dairy industry continues to be a matter of high importance in the region. A large component of the Eastern European dairy industry recently met near Warsaw, Poland. A focus of the conference was EU and private investment funds and stabilization packages accessible by the Eastern European dairy industry.

OCEANIA DAIRY MARKET OVERVIEW: AUSTRALIA: Dairy producers are struggling in Australia. Dry conditions have persisted in a number of high milk producing regions. This has already led to more herd culling than had been expected. Seasonal milk production lags last season by 3.4 percent through August.

NEW ZEALAND: New Zealand continues to benefit from nearly ideal conditions for milk production. Seasonal production recently reported through August was well ahead of expectations.

SOUTH AMERICA DAIRY MARKET OVERVIEW: Farm milk production is robust in South America as the spring flush approaches. During the past two weeks, the weather has been suitable for the comfort of dairy herds and favorable for the growth of fodder. Currently, many dairy farmers are struggling with high operating costs driven by a recent sharp devaluation of currencies, especially in the countries of the Southern Cone region. Moreover, due to a higher milk supply across the continent, farm gate prices decreased, resulting in lower milk-feed ratios for several dairy farm operations.

NATIONAL RETAIL REPORT (DMN): The total number of conventional dairy ads decreased 12 percent. The number of organic dairy ads is steady. Organic half gallons of milk were the most advertised organic dairy item for the week. Conventional cheese ad numbers decreased 8 percent and organic cheese ads decreased 70 percent. The weighted average price for conventional 8 oz block cheese is \$2.34, compared to \$3.79 for organic. Total conventional yogurt ads increased 4 percent but organic yogurt ad numbers decreased 46 percent.

SEPTEMBER CONSUMER PRICE INDEX (BLS): The Consumer Price Index (CPI) for the all food category is 254.4, up 1.4 percent from 2017. Dairy products index is unchanged from a year ago at 216.6. The following are the September 2017 to September 2018 changes for selected products: fresh whole milk is -1.7 percent; cheese, +0.4 percent; and butter, -0.2 percent.

OCTOBER SUPPLY AND DEMAND ESTIMATES (WAOB): The milk production forecasts for 2018 and 2019 are raised from the previous month on a more rapid pace of growth in milk per cow. Cow numbers are raised for 2019. Fat basis imports for 2018 and 2019 are raised on continued strength in butterfat imports and slightly higher cheese imports. The 2018 all milk price forecast is unchanged at the midpoint at \$16.35 to \$16.45 per cwt, and the 2019 price is raised to \$16.85 to \$17.75 per cwt.

AUGUST MILK SALES (USDA, FMMO, and CDFS): During August 2018, 4.0 billion pounds of packaged fluid milk products are estimated to have been sold in the United States. This was 1.8 percent lower than August 2017. Estimated sales of total conventional fluid milk products decreased 2.0 percent from August 2017 and estimated sales of total organic fluid milk products increased 2.1 percent from a year earlier.

COMMODITY	MONDAY OCT 8	TUESDAY OCT 9	WEDNESDAY OCT 10	THURSDAY OCT 11	FRIDAY OCT 12	WEEKLY CHANGE	WEEKLY AVERAGE
CHEESE							
BARRELS	\$1.3750 (+0.0075)	\$1.3600 (-0.0150)	\$1.3650 (+0.0050)	\$1.3700 (+0.0050)	\$1.3600 (-0.0100)	:: (-0.0075)	:: \$1.3660 (-0.0225)
40 POUND BLOCKS	\$1.6800 (+0.0300)	\$1.6550 (-0.0250)	\$1.6600 (+0.0050)	\$1.6500 (-0.0100)	\$1.6100 (-0.0400)	:: (-0.0400)	:: \$1.6510 (-0.0395)
NONFAT DRY MILK							
GRADE A	\$0.8600 (N.C.)	\$0.8575 (-0.0025)	\$0.8575 (N.C.)	\$0.8700 (+0.0125)	\$0.8675 (-0.0025)	:: (+0.0075)	:: \$0.8625 (-0.0105)
BUTTER							
GRADE AA	\$2.2600 (-0.0300)	\$2.2500 (-0.0100)	\$2.2275 (-0.0225)	\$2.2675 (+0.0400)	\$2.2500 (-0.0175)	:: (-0.0400)	:: \$2.2510 (-0.0580)
DRY WHEY							
EXTRA GRADE	\$0.5575 (-0.0050)	\$0.5575 (N.C.)	\$0.5625 (+0.0050)	\$0.5625 (N.C.)	\$0.5625 (N.C.)	:: (N.C.)	:: \$0.5605 (+0.0015)

Prices shown are in U.S. dollars per lb. in carlot quantities. Carlot unit weights: CHEESE, 40,000-44,000 lbs.; NONFAT DRY MILK, 41,000-45,000 lbs.; BUTTER, 40,000-43,000 lbs.; DRY WHEY, 41,000-45,000 lbs. Weekly Change is the sum of Daily Price Changes. Weekly Average is the simple average of the Daily Cash Close prices for the calendar week. Weekly Average Change is the difference between current and previous Weekly Average. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY

NOTICE: As of July 30, 2018, Dairy Market News no longer publishes CME Group sale, bid, or offer trading activity. Five days of trading information can be found at www.cmegroup.com/trading/agricultural/spot-call-data.html

BUTTER MARKETS

NORTHEAST

The regions' plant managers note current production at steady levels, with 80 percent butter receiving the bulk of churn time to meet the demand of end-users who have locked in holiday butter needs. As well, micro-fixing supports output. Although the demand is generally good, contract activity and spot transactions are somewhat lighter this week, per weakening butter prices. Relative to the supply-side, some plant managers have begun to estimate yearend butter requirements, with the idea of significantly reducing inventory just prior to 2019. The bulk butter price ranges \$0.0500 to \$0.0800 over, based on the CME Group, with various time frames and averages used.

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

Secondary Sourced Information:

Tuesday's CME close saw Grade AA bulk butter prices end the day at \$2.2500, down \$0.0850 cents from last Tuesday.

CENTRAL

Cream reports are indicative of continued tightness for butter makers as churns remain somewhat quiet. Milk volumes, and notably component levels, are lower than expected for early fall. Butter sales remain healthy, a constant throughout most of 2018. Plant managers relay customers are beginning to chip away at their fall stocks, those produced in the spring and throughout the earlier part of the year. Butter analysts are mixed on the near-term market outlook. Some suggest if weakness is to occur this year, it will be towards November and December as short-term futures markets are not bearish. Others suggested that butter could see a bullish push this fall; a trend butter markets did not experience in 2017.

Prices for: Central U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter

Bulk Basis Pricing - 80% Butterfat \$/LB: +0.0200 - +0.0700

WEST

In the West, the butter market tone is mainly steady. Some contacts say that they are receiving a few inquiries from international buyers, but haven't been selling much. On the other hand, butter interest in the domestic market is steady to growing. Restaurants and grocery store demands for butter are both strong. Overall, butter production is active as more cream is available for churning activities. Manufacturers' stocks of butter seem to be declining. Many specialty food manufacturers have started to put on more requests for butter in advance of the baking season and the upcoming holidays. Prices for bulk butter range from flat market to 7 cents over the market, based on the CME with various time frames and averages used.

Prices for: Western 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:

The Grade AA butter price at the CME Group on Wednesday closed at \$2.2275, compared to the weekly average price of \$2.3090 last week.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
October 6, 2018	2,2759 6,885,839	1,6656 11,305,105	1,4604 12,585,016	0,4410 5,002,419	0,8685 13,686,120

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
August	9.3	+ 50
TOTAL, JAN - AUG	64.5	+ 63
1 Canada	22.1	+ 23
2 Mexico	18.8	+ 264
3 Saudi Arabia	3.5	+ 50
4 Denmark	3.2	+ 324
5 Honduras	2.7	+ 8347

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

	2018 Imports (Million Lb.)	% Change From 1 Year Ago
August Imports		
Total Butter, Fats, Milk (H.S. Code 0405) 12.1		+ 48
Butter		
Quota (H.S. Code 405101000)	1.1	- 56
Over Quota (H.S. Code 405102000)	7.3	+ 114
AMF		
Quota (H.S. Code 405901020)	0.4	- 24
Over Quota (H.S. Code 405902020)	1.4	+ 19
Other Milk Fat	1.9	+ 2252
	2018 Imports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN - AUG	70.8	+ 32
1 Ireland	36.3	+ 28
2 Mexico	14.4	+ 53
3 India	8.1	+ 902
4 New Zealand	3.9	- 27
5 France	3.3	+ 21

Dairy Products Report – Butter Summary

Released October 4, 2018, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agri-

Butter Production – States and United States: August 2017 and August 2018

Region	Monthly Production (1000 pounds)			Percent Change from	
	August 2017	July 2018	August 2018	August 2017	July 2018
United States	131,152	134,561	133,870	2.1	-0.5
Atlantic	10,109	12,158	11,736	16.1	-3.5
Pennsylvania	4,296	6,902	5,528	28.7	-19.9
Central	54,859	51,908	54,168	-1.3	4.4
West	66,184	70,495	67,966	2.7	-3.6
California	38,671	42,726	41,451	7.2	-3.0

Butter Production – Cumulative Production January - August

Report Month	Cumulative Production (1000 pounds)		Percent Change from
	2017	2018	2017
August	1,247,424	1,288,627	3.3

National Retail Report Dairy – Butter Summary

Advertised Prices at Major Retail Supermarket Outlets ending during the period of 10/05/2018 to 10/11/2018

Butter 1#	Weighted Average Price		
	This Period	Last Week	Last Year
National			
Organic	\$5.07	\$6.37	\$4.78
Conventional	\$3.31	\$3.16	\$3.46

Prices This Period

Regional (Conventional)	Wtd. Ave.	Low	High
Alaska	\$4.65	\$3.79	\$5.49
Hawaii	\$3.99	n.a.	\$3.99
Midwest	n.a.	n.a.	n.a.
Northeast	\$3.19	\$2.50	\$3.99
Northwest	\$3.68	\$3.50	\$3.99
South Central	\$3.67	\$2.99	\$3.99
Southeast	\$3.31	\$2.89	\$3.99
Southwest	\$2.49	\$1.99	\$2.99

CHEESE MARKETS

NORTHEAST

Milk production in the Northeast is fairly level, and many market participants haven't really seen an increase in milk output off the farms quite yet. Milk clearing into Class III is steady to a bit increased. Mozzarella and provolone cheese production schedules are steady to increased. The demand for mozzarella cheese is stable and restaurant, and food service orders are healthy as education institutions' demands for cheese are strong. Cheddar cheese production is fairly unchanged this week. The demand for cheddar cheese is steady to increasing as grocery stores are promoting more cheese advertisements. Cheese inventories in the East are stable to somewhat mixed, as some fresher cheese supplies are a bit lower. Spot market activity this week is steady to lower. Cheddar cheese spot prices are decreased this week based on various pricing indices. The demand is lower to somewhat steady as some market participants are purchasing off the spot market. In the Northeast, wholesale cheese prices for cheddar and Muenster shifted up by \$0.0350, and process cheese prices moved higher by \$0.0075. The Grade A Swiss price declined \$0.1225 following the release of the September 2018 Announcement of Class and Component Prices. However, the Class III skim milk price for September 2018 saw a \$1.39 incline.

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

Cheddar 40 pound Block	2.1450-2.4300
Muenster	2.1300-2.4800
Process American 5 pound Sliced	1.5250-2.0050
Swiss 10-14 pound Cuts	3.0150-3.3375

Secondary Sourced Information:

This week, a cooperative export assistance program accepted requests for export assistance to sell 709,889 pounds (322 metric tons) of cheese.

MIDWEST

There are a growing number of cheesemakers who are avoiding taking on spot milk if possible; they are using contracted or self-sourced milk. That said, cheesemakers who did take on milk reported prices ranging from Class to \$2 over. Specialty cheesemaking is nearing its peak ahead of the fall and winter holiday season. Pizza cheese sales are steady to higher, after some pizza cheese plant managers reported a slight demand lull in late September/early October. Inventories are generally balanced on the block side, whereas barrels are longer but moving well enough to quell too much concern. Cheese markets, on the other hand, are stirring up more concern lately. Last week's exorbitant block to barrel price gap has cheese contacts questioning how things will fall in order for prices to find their more typical alignment. Midwestern wholesale prices are down \$.1225 for Swiss Cuts, but up \$.0075 for process and up \$.0350 for all other types.

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

Blue 5 pounds	2.3200-3.3075
Brick 5 pounds	2.0525-2.4775
Cheddar 40 pound Block	1.7800-2.1750
Monterey Jack 10 pounds	2.0275-2.2325
Mozzarella 5-6 pounds	1.8525-2.7925
Muenster 5 pounds	2.0525-2.4775
Process American 5 pound Loaf	1.4800-1.8400
Swiss 6-9 pound Cuts	2.5300-2.6475

WEST

Western cheese makers are busy producing cheese with available milk. While bottling and other processed dairy goods are pulling milk away from the vat, many cheese manufacturing facilities are still running at or near full schedules. Inventories are heavy, but not necessarily burdensome. Retail and food service demand is solid. Cheese marketers are hoping the seasonal buildup of sales activity to the Q4 holidays will begin in earnest. They know the scintillating lift of holiday sales can help ease inventories and generate much needed revenue for the business. However, some industry contacts feel buyers are still waiting to see clearer market signals before placing orders. In the West, wholesale prices were up \$.0075 for process and up \$.0350 for cheddar block, cuts and Monterey Jack. Swiss cut wholesale prices are down \$.1225.

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

Cheddar 10 pound Cuts	1.9925-2.2125
Cheddar 40 pound Block	1.8125-2.2550
Monterey Jack 10 pounds	2.0025-2.1625
Process American 5 pound Loaf	1.4675-1.7250
Swiss 6-9 pound Cuts	2.6125-3.0425

FOREIGN TYPE

The German cheese market tone is steady. Global market orders as well as domestic orders are both stable and in line with usual requests for this season of the year. Cheese stocks, although enough to meet the needs of current buyers, are declining. In some instances, spot orders had to be postponed due to the young age structure of the inventories. As milk production decreases at levels lower than what was expected, cheese production remains steady to declining. The possibility of increasing cheese production is uncertain. Retail sale prices have increased noticeably. Nevertheless, prices for semi-hard cheese are generally firm. In the United States, wholesale blue, gorgonzola, parmesan, and Romano prices moved up \$.0350 while Swiss cheese prices decreased \$.1225. The prices for all the other cheese types haven't changed from a week ago.

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

VARIETY	NEW YORK : IMPORTED	: DOMESTIC
Blue	: 2.6400-5.2300	: 2.1975-3.6850*
Gorgonzola	: 3.6900-5.7400	: 2.7050-3.4225*
Parmesan	: -0-	: 3.5875-5.6775*
Romano	: -0-	: 3.3875-5.5375*
Sardo Romano (Argentina)	: 2.8500-4.7800	: -0-
Reggianito (Argentina)	: 3.2900-4.7800	: -0-
Jarlsberg	: 2.9500-6.4500	: -0-
Swiss	: -0-	: 3.0525-3.3750*
Swiss (Finland)	: 2.6700-2.9300	: -0-

* = Price change.

CHEESE MARKETS

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National Retail Report Dairy – Cheese Summary

Advertised Prices at Major Retail Supermarket Outlets ending during the period of 10/05/2018 to 10/11/2018

Cheese 8 oz. Blocks	Weighted Average Price		
	This Period	Last Week	Last Year
National			
Organic	\$4.39	\$5.07	\$3.50
Conventional	\$2.15	\$2.39	\$2.52

Regional (Conventional)	Wtd. Ave.	Low	High
Alaska	\$1.67	\$1.67	\$1.67
Hawaii	\$2.54	\$2.49	\$3.00
Midwest	\$2.00	\$1.67	\$2.50
Northeast	\$2.29	\$2.00	\$2.99
Northwest	\$1.99	\$1.99	\$2.00
South Central	\$2.17	\$1.39	\$3.00
Southeast	\$2.17	\$1.50	\$2.50
Southwest	\$2.05	\$1.49	\$3.00

Cheese 8 oz. Shred	Weighted Average Price		
	This Period	Last Week	Last Year
National			
Organic	n.a.	\$3.42	\$3.49
Conventional	\$2.19	\$2.35	\$2.47

Regional (Conventional)	Wtd. Ave.	Low	High
Alaska	\$2.43	\$1.67	\$3.00
Hawaii	\$2.54	\$2.49	\$3.00
Midwest	\$1.98	\$1.25	\$2.50
Northeast	\$2.52	\$1.88	\$3.29
Northwest	\$1.99	\$1.99	\$2.00
South Central	\$2.24	\$1.39	\$3.99
Southeast	\$2.17	\$1.50	\$2.50
Southwest	\$2.01	\$1.49	\$3.00

Dairy Products Report – Cheese Summary

Released October 4, 2018, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Cheese Production – United States: August 2017 and August 2018

Total Cheese ¹	Monthly Production (1000 pounds)			Percent Change from	
	August 2017	July 2018	August 2018	August 2017	July 2018
United States	1,046,041	1,082,772	1,075,523	2.8	-0.7
Atlantic	137,590	128,723	136,428	-0.8	6.0
Central	486,472	494,639	493,265	1.4	-0.3
West	421,979	459,410	445,830	5.7	-3.0

American Cheese ²	Monthly Production (1000 pounds)			Percent Change from	
	August 2017	July 2018	August 2018	August 2017	July 2018
United States	414,280	440,653	425,419	2.7	-3.5
Atlantic	26,577	26,519	27,517	3.5	3.8
Central	209,667	220,952	209,159	-0.2	-5.3
West	178,036	193,182	188,743	6.0	-2.3

Italian Cheese	Monthly Production (1000 pounds)			Percent Change from	
	August 2017	July 2018	August 2018	August 2017	July 2018
United States	437,003	463,547	453,979	3.9	-2.1
Atlantic	55,590	58,175	59,231	6.5	1.8
Central	184,591	185,944	185,335	0.4	-0.3
West	196,822	219,428	209,413	6.4	-4.6

Cheese Production – Cumulative Production January - August

Cheese Type	Cumulative Production (1000 pounds)		Percent Change from
	2017	2018	2017
Total cheese ¹	8,371,311	8,569,742	2.4
American Cheese ²	3,380,274	3,457,252	2.3
Italian Cheese	3,570,028	3,661,858	2.6

1/ Excludes cottage cheese.

2/ Includes cheddar, colby, washed curd, stirred curd, Monterey and jack.

CHEESE MARKETS

CONTINUED FROM PAGE 3A

**2018 U.S. Cheese and Curd Imports (USDA-FAS)
(Imports for Consumption)**

	2018 Imports (Million Lb.)	% Change From 1 Year Ago
August Imports		
TOTAL Cheese and Curd (H.S. Code 0406)	32.5	- 3
Cheese, Except Fresh (H.S. Code 040690)	28.2	- 3
Fresh Cheese (H.S. Code 040610)	1.8	- 36
Cheese, Processed (H.S. Code 040630)	1.4	+ 84
Cheese, Blue-Veined (H.S. Code 040640)	0.8	+ 11

	2018 Imports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN - AUG	242.8	- 6
1 Italy	45.1	- 11
2 France	30.5	+ 6
3 Netherlands	18.3	- 6
4 Spain	16.9	- 3
5 Denmark	13.0	+ 41

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

	2018 Exports (Million Lb.)	% Change From 1 Year Ago
August	62.1	- 7
TOTAL, JAN - AUG	532.9	+ 5
1 Mexico	149.0	- 1
2 South Korea	89.7	+ 9
3 Japan	54.8	+ 8
4 Australia	38.0	- 7
5 China	20.9	+ 11

FLUID MILK AND CREAM

EAST

Milk output off the farms in the **Northeast** is fairly level. Some market participants report not seeing increased milk output yet, as summertime temperatures are still around. Class I demand is up this week. Milk clearing into Class II is steady to lower as some manufacturers have scheduled maintenance. Class III sales are steady to a bit higher, but overall milk availability is tight. **Mid-Atlantic** milk production is slightly down. The increasing wetness has negatively impacted pasture and forage conditions. Market participants report milk availability in the area is steady to limited as milk volumes are being transported to other areas in the East. **Southeast** milk production is level and has not moved upwards, as the humid weather continues to linger in the region. Some market participants report temperatures will be changing in the near future. Market participants report farmers are preparing for Hurricane Michael and are expecting delays in milk transportation. Some Southeastern fluid plants have added more milk loads onto their regular production schedules. Class I demand is stable and market participants report there is little to no milk clearing into other manufacturing facilities. **Florida** milk production is steady to mixed as Hurricane Michael may hinder some farmers' production schedules. Some market participants expect delays in hauling milk off the farms to the plants. Milk from other areas is being cleared to the Southeast for immediate needs. Class I sales are up this week. **Cream** multiples range 1.28-1.40 in the East. Many market participants report cream is tight, as the demand from various contracted Class II and IV manufacturers are keeping loads limited for the spot market. Some buyers are sourcing in other regions to fill immediate needs. Trucking availability to transport cream continues to be tight. **Condensed skim** market conditions are fairly unchanged this week. Milk availability and customers' demands are keeping condensed skim loads low. Market participants are willing to purchase at increased prices, and there have been no reports of condensed skim loads at a discount.

Northeastern U.S., F.O.B. Condensed Skim
 Price Range - Class II; \$/LB Solids: 0.91 - 0.96
 Price Range - Class III; \$/LB Solids: 0.98 - 1.03

Northeastern U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.2800 - 1.4000
 Price Range - Class II; \$/LB Butterfat: 2.9555 - 3.2326

Secondary Sourced Information:

DAIRY PRODUCTS: According to NASS, August 2018 U.S. hard ice cream production totaled 71.5 million gallons, 1.5 percent more than last month, but 2.8 percent less than a year ago. Cumulative 2018 U.S. production through August translated to 518.4 million gallons, 5.6 percent less than the previous year total through August. Meanwhile, the Atlantic region's hard ice cream production totaled 16.6 million gallons, 1.9 percent above a year ago and 5.2 percent higher than the last month. U.S. yogurt production (plain and flavored) for August 2018 totaled 395.2 million pounds, down 0.3 percent from last year, but up 10.3 percent from the previous month.

MIDWEST

Regional contacts are reporting that the competition is on among processing facilities in the Midwest in vying for milk. As component levels continue to be reported at low levels, and milk has been diverted from the Upper Midwest and Northeast to Southern and Southeastern regions, a peripeteia of sorts has happened for cooperatives and milk suppliers. Instead of making calls to find prospective buyers, they are being called, and in some cases simply do not have the available milk supplies which were present as

recently as a month ago. Milk bottling, in and out of the region, is a large cause for the shortening supplies. All that said, some producers relay that the bottling pipelines are settling in and more milk loads are expected near-term. Some Midwestern cheese producers suggest that cheese markets are not stable enough for them to take on extra milk, and at any rate, spot offers are scarce. Spot milk headed into cheese vats reached a \$2 premium over Class this week. With lower milk fat levels reported, **cream** prices lifted on the bottom of their respective ranges. Butter makers are running the churns on a necessity basis, but some have suggested fall inventories are beginning to be chipped away at by consistent, and increasing, demand. Wet weather from the Upper Midwest to the Southern Central area has set some farmers back somewhat. Delayed soybean harvesting, and moisture related mold have been reported in the Midwest; whereas areas in the South-Central region have been hammered by heavy rains just after/during planned wheat planting.

Midwestern U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.2500 - 1.3200
 Price Range - Class II; \$/LB Butterfat: 2.9786 - 3.0479
 Multiples Range - Class II: 1.2900 - 1.3200

WEST

California dairy herds are maintaining a steady milk production. Component levels are slowly recovering as butterfat and protein levels are improving. Bottled milk demand is unchanged from a week ago. Milk volumes received at processing facilities are in good balance with current needs. Milk handlers indicate that hauling issues are persisting, and transportation costs are rising. Farm milk output is steady across the state of **Arizona**. Class I milk demand remained at the same level as last week. Weather conditions are improving, and dairy farmers expect milk production to increase in the coming weeks. The conditions of alfalfa are generally rated 81 percent good to excellent, and two-third of the alfalfa acreage is currently being harvested. Topsoil and subsoil moistures increased respectively to 96 percent and 95 percent compared to last week. In **New Mexico**, farm milk is enough to meet the needs of all users. The volume of milk going into bottling has remained the same compared to a week ago. A few extra loads of milk are available and are being shipped to the East to help meet processing obligations. Trucks and drivers continue to be limited for milk transportation. Nevertheless, handlers are finding ways to have the milk delivered on time. The fifth and sixth cuttings of alfalfa hay are taking place in New Mexico. Drought conditions are unchanged from last week, with 99.6 percent of the state abnormally dry or worse. **Pacific Northwest** milk production is steady to higher. Industry contacts say intakes are a bit more than expected, but well balanced with processing needs. Pleasant fall weather is providing good cow comfort. Bottling demand is steady. Milk production in the mountain states of **Idaho, Utah** and **Colorado** is following typical seasonal patterns. Manufacturers have plenty of milk available and are running at or near full schedules. By and large, milk loads are finding homes within the immediate region. However, a few loads are getting shipped into neighboring states as a result of variable buyer needs and some maintenance schedules. In the West, **condensed skim** is available to all users and it is expected to stay accessible for the remaining of the year. **Cream** inventories are unchanged compared to a week ago. Ice cream makers are taking less cream as they slow down production due to cooler temperatures. As a result, more cream is available for butter churning. Western cream multiples covered a range of 1.10 to 1.28, depending on Class usages and basing points.

Western U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.1000 - 1.2800

FLUID MILK AND CREAM

-CONTINUED FROM PAGE 4-

Secondary Sourced Information:

According to the NASS *Dairy Products* report, hard ice cream production in the West region for August 2018 is 13.3 million gallons, 3.5 percent lower than a month ago, and 18.4 percent below the previous year.

According to California Department of Food and Agriculture, August 2018 Class 1 sales in California totaled 51.0 million gallons, up 8.7 percent from last month, but down 3.0 percent from the previous year. From January through August 2018, Class 1 sales totaled 398.6 million gallons, down 3.0 percent from the comparable period in 2017.

National Retail Report Dairy – Fluid Milk Summary

Advertised Prices at Major Retail Supermarket Outlets ending during the period of 10/5/2018 to 10/11/2018

Half Gallon, All Fat Tests	Weighted Average Price		
	This Period	Last Week	Last Year
National			
Organic	\$3.67	\$4.00	\$3.78
Conventional	\$2.13	\$1.63	n.a.

Regional (Conventional)	Wtd. Ave.	Low	High
Alaska	n.a.	n.a.	n.a.
Hawaii	\$3.99	\$3.99	\$3.99
Midwest	n.a.	n.a.	n.a.
Northeast	n.a.	n.a.	n.a.
Northwest	\$1.99	\$1.99	\$1.99
South Central	\$1.89	\$1.88	\$1.89
Southeast	\$2.50	\$2.50	\$2.50
Southwest	\$1.99	\$1.99	\$1.99

Regional (Organic)	Wtd. Ave.	Low	High
Alaska	n.a.	n.a.	n.a.
Hawaii	n.a.	n.a.	n.a.
Midwest	\$3.80	\$2.50	\$4.39
Northeast	\$3.99	\$3.99	\$3.99
Northwest	\$3.58	\$2.99	\$4.35
South Central	\$3.50	\$3.50	\$3.50
Southeast	\$3.58	\$3.50	\$3.59
Southwest	\$3.78	\$2.99	\$4.99

Gallon, All Fat Tests	Weighted Average Price		
	This Period	Last Week	Last Year
National			
Organic	\$6.99	\$6.17	\$5.94
Conventional	\$3.27	\$2.35	\$2.97

Regional (Conventional)	Wtd. Ave.	Low	High
Alaska	\$2.57	\$1.88	\$3.89
Hawaii	\$4.89	\$4.89	\$4.89
Midwest	\$1.83	\$1.49	\$2.50
Northeast	n.a.	n.a.	n.a.
Northwest	n.a.	n.a.	n.a.
South Central	n.a.	n.a.	n.a.
Southeast	\$3.99	\$3.99	\$3.99
Southwest	n.a.	n.a.	n.a.

Regional (Organic)	Wtd. Ave.	Low	High
Alaska	n.a.	n.a.	n.a.
Hawaii	n.a.	n.a.	n.a.
Midwest	n.a.	n.a.	n.a.
Northeast	\$6.99	\$6.99	\$6.99
Northwest	n.a.	n.a.	n.a.
South Central	n.a.	n.a.	n.a.
Southeast	n.a.	n.a.	n.a.
Southwest	\$6.99	\$6.99	\$6.99

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Low/medium heat nonfat dry milk (NDM) prices slid on the range, while remaining steady on the mostly price series. Offers picked up this week, but overall spot trading activity was steady to slower. Midwestern prices continue to fall in a very tight high \$.80s to low \$.90s window. Some producers report that inventories are available on the spot market if the bid is suitable, but there is not a sense of urgency to move product immediately. Other regional producers have suggested their inventories are very tight, and production is solely contract-based. Contacts relay that Mexican demand is keeping upward pressure on the markets, but view the overall markets as sideways.

EAST: Trading in Eastern nonfat dry milk markets were uninspiring this week, as few f.o.b. low/medium heat nonfat dry milk exchanges took place. Low/medium prices edged lower through the range while remaining steady in the mostly series. On the supply-side, production in the region is steady to lower as shorter milk supply into some plants lessens the output. As such, there is a faint buzz of tightness of stocks for some NDM manufacturers who noted being sold out while pressed to fill open orders. The NDM market undertone is quiet. High heat prices are slightly higher on the bottom of the range as bakeries stock up for the holiday season. While intermittent high heat NDM production runs occur, supplies remain tight. Wednesday at the CME Group Grade A NDM closed at \$0.8575, down \$0.0175 from last Wednesday.

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: .8350 - .9300
Mostly Range - Low & Medium Heat; \$/LB: .8800 - .9200

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: 1.0000 - 1.0500

Secondary Sourced Information:

The NASS *Dairy Products* report noted U.S. human NDM production during August 2018 in the Central region totaled 27.2 million pounds, 4.9 percent higher than one year ago. Atlantic production in August was 26.4 million pounds, 2.1 percent lower than last year. Total U.S. human NDM production during August 2018 was 122.9 million pounds, 10.1 percent lower than last year. During January-August 2018, U.S. human NDM production totaled 1.235 billion pounds, 1.2 percent lower than the same time span in 2017. Total U.S. NDM, human, month ending stocks for August were 275.4 million pounds, 12 percent below a year ago.

NONFAT DRY MILK - WEST

In the West, the price range for low/medium heat nonfat dry milk (NDM) has widened, with the top of the range gaining 1.5 cents while the bottom of the range dropping by 1.75 cents. The mostly price series has remained steady throughout the week. The market trend is mostly stable. Spot trading activities are ongoing, but seem lower compared to last week. Nevertheless, a few manufacturers indicate a slight uptick in low/medium heat NDM interest from Mexican customers. Bakers and confectionary sector buyers have started to look for a few extra loads of low/medium heat NDM as they commence the processing of year-end holiday dairy foods. In general, low/medium heat NDM output is active as milk volumes off the farms are improving. Low/medium heat NDM supplies are enough to fulfill buyers' demand. Nonetheless, a few manufacturers are saying that fresh product inventories are somewhat tight. High heat nonfat dry milk pricing levels are the same as last week. Sales are slower in the spot market, but remained steady for contractual needs. With the upcoming baking season, high heat NDM demand is active in the bakery sector. Overall, the market tone is even.

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: .8175 - .9450
Mostly Range - Low & Medium Heat; \$/LB: .8500 - .9000

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: 1.0000 - 1.0800

Secondary Sourced Information:

The NASS *Dairy Products* report noted U.S. human NDM production during August 2018 in the West region totaled 69.3 million pounds, 17.4 percent lower than one year ago, and 14.0 percent lower from the previous month. Total U.S. human NDM production during August 2018 was 122.9 million pounds, down 10.1 percent from last year. Cumulative human NDM production from January to August was 1.2 billion pounds, 1.2 percent below the previous year. Total U.S. NDM, human, month ending stocks for August were 275.4 million pounds, 12 percent below year ago.

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES
October 5, 2018	\$0.8492	9,154,239
September 28, 2018	\$0.8400	10,192,422

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 040210000(FAS)

	2018 Exports (Million Lb.)	% Change From 1 Year Ago
AUGUST Total	137.4	+ 26
TOTAL, JAN - AUG	1,105.8	+ 26
1 Mexico	504.8	+ 24
2 Philippines	131.4	+ 16
3 Indonesia	89.2	+ 87
4 Vietnam	61.7	+ 171
5 Malaysia	49.2	+ 18

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices increased on the bottom of the price range for the second consecutive week. Buttermilk powder trading had the brakes applied this week, as trading was slower week over week. Some producers report having little or nothing to offer on the spot market. They suggest bids are coming in from brokers/traders regularly. Other Central producers have begun to put some spot loads out for offer but are expecting prices nearer to the top of the current range. Buttermilk powder markets are steady with bullish potential.

EAST: The dry buttermilk f.o.b. market price inched higher at the low end of the range. As ice cream production slows seasonally, surplus dry buttermilk remains fairly remote for buyers seeking to purchase in the cash market. Dry buttermilk production schedules are non-existent at some drying plants and a few manufacturers are late on dry buttermilk obligations. However, elapsing contracts are likely to improve availability in the near term. The dry buttermilk market undertone is steady.

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

Price Range; \$/LB: .8800 - .9200

Secondary Sourced Information:

According to NASS, U.S. production of dry buttermilk during August 2018 totaled 7.6 million pounds, 0.7 percent above a year ago, but 3.1 percent below the previous month. Month ending stocks were 12.1 million pounds, down 13.6 percent from last year and down 12.1 percent from the previous month.

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.

-CONTINUED FROM PAGE 5-

DRY BUTTERMILK - WEST

In the West, f.o.b. prices for dry buttermilk are trending higher at the top of the range, but stayed steady on the mostly price series. Some contacts mentioned that dry buttermilk is selling at a premium. Dry buttermilk spot activities seem to be a little quiet, but contractual loads are moving smoothly. Several active buyers said that they have made little to no purchase this week. However, most of the ones that have bought any dry buttermilk, bought it at prices close to the top of the range. Dry buttermilk manufacturing is active. Supplies are in line with the needs of the market. Overall, the tone of the market is stable.

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

Price Range ; \$/LB: .8000 - .8850

Mostly Range - ; \$/LB: .8200 - .8500

Secondary Sourced Information:

The NASS *Dairy Products* report noted U.S. dry buttermilk production during August 2018 totaled 7.6 million pounds, 0.7 percent higher than a year ago, but 3.1 percent lower than the previous month. Total U.S. dry buttermilk month ending stocks for August were 12.1 million pounds, 13.6 percent below last year.

DRY WHOLE MILK - NATIONAL

National f.o.b. spot prices for dry whole milk are unchanged from last week. Sales are mostly based on contracts as supplies in the spot market are reported as tight. The market tone looks to be stable in all regions of the country. Demands from the bakery and confectionery sectors are slightly inching up, as the Q4 holiday season is close. The production of dry whole milk is strictly committed to fulfill Q4 contracts throughout the country.

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

Price Range - 26% Butterfat; \$/LB: 1.4500 - 1.6000

Secondary Sourced Information:

The NASS *Dairy Products* report noted U.S. dry whole milk production during August 2018 totaled 6.9 million pounds, 22.8 percent lower from one year ago and 17.9 percent lower than the previous month. Total U.S. dry whole milk month ending stocks for August were 42.6 million pounds, 166.9 percent above last year.

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY- CENTRAL

Central whey prices shifted down on the top of the price range, while inching up on the bottom of the mostly. Offers remain abundant, but trading activity remains somewhat quiet in the region. The push-pull market remains intact, as buyers hesitate to take on spots at current asking prices. Sellers, however, suggest tight inventories and whey dryer closures, temporarily for updating and/or indefinitely, are playing a part in keeping the inventories tighter and the market stronger. Central region whey producers suggest most to all loads are contractually obligated. Whey production is mixed with higher milk costs, but some Class III producers who use self-sourced milk are adding to production schedules. The dry whey market tone is uncertain.

Prices for: Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey
Price Range - Animal Feed; \$/LB: .2650 - .4100

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: .3600 - .5600
Mostly Range - Non-Hygroscopic; \$/LB: .4250 - .4500

DRY WHEY- NORTHEAST

Whey powder spot prices increased in the Northeast, pushing up both ends of the price range this week. Some buyers are purchasing spot loads at increased prices to fill immediate needs. Also, many market participants are working through weekly contracts. Dry whey production is stable, but manufacturers' inventories are balanced to lower in the East. The majority of supplies are filling contracts, and a few available loads are being offered on the spot market. A few traders report having enough loads in inventory, due to some customers' lower demand. In addition, ice cream production is slowing down at this time of year. The market undertone is currently steady to somewhat unsettled.

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: .4175 - .5500

DRY WHEY- WEST

Western dry whey prices are unchanged for the week. Manufacturers are actively making dry whey, in line with the seasonally strong cheese production. Inventories remain tight, but shoppers are finding availability is starting to improve. Demand has been strong in domestic and international markets. However, some industry contacts say they have seen a drop off in demand as buyers start to push back against higher prices. A few contacts wonder if this may signal a peripeteia in the whey market, or if it is simply the market taking a break.

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: .4000 - .5500
Mostly Range - Non-Hygroscopic; \$/LB: .4150 - .5000

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

	2018 Exports (Million Lb.)	% Change From 1 Year Ago
AUGUST Total	45.0	+ 13
TOTAL, JAN – AUG	345.9	+ 16
1 China	129.0	- 8
2 Philippines	27.4	+ 21
3 Mexico	23.5	+ 13
4 Japan	22.6	+ 36
5 Vietnam	21.7	+ 289

Dairy Products Report – Whey Summary

Released October 4, 2018, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Dry Whey (Human) Production – States and United States

State	Monthly Production (1000 pounds)		Percent Change from	
	August 2017	July 2018	August 2018	August 2017
United States	93,138	90,309	78,235	-16.0
Atlantic	21,244	22,253	21,829	2.8
Central	41,833	38,347	35,771	-14.5
Wisconsin	30,190	27,221	26,016	-13.8
West	30,061	29,709	20,635	-31.4

Dry Whey – Cumulative Production January - August

Dry Whey	Cumulative Production (1000 pounds)		Percent Change from
	2017	2018	2017
Total ¹	697,171	701,380	0.6
Human ²	684,233	688,256	0.6

1. Excludes all modified dry whey products.

2. Values are calculated from Dairy

Products report data.

Manufacturers' stocks end of month³

Dry Whey	End of month stocks (1000 pounds)		Percent Change from	
	August 2017	July 2018	August 2018	August 2017
Human	98,055	75,064	70,697	-27.9
Animal	1,456	2,385	2,278	56.5
Total	99,511	77,449	72,975	-26.7

3. Stocks held by manufacturers at all points and in transit.

WHEY PROTEIN CONCENTRATE

Whey protein concentrate 34% prices are generally unchanged, but moved higher at the top of the mostly price series. Demand is steady. Manufacturers that make favored brands or WPC 34% that meet infant formula requirements say they get regular inquiries from current customers, looking for a few more loads, and new customers,

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.

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looking for available supplies. Inventories remain tight. Although production increased in August according to the Dairy Products report, some industry contacts say a few processors are switching their production focus back to higher protein concentrations.

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: .7700 - 1.0250
 Mostly Range - 34% Protein; \$/LB: .8000 - .9350

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

	2018 Exports (Million Lb.)	% Change From 1 Year Ago
AUGUST Total	59.7	+ 26
TOTAL, JAN – AUG	474.0	+ 22
1 China	108.2	+ 69
2 New Zealand	66.8	+ 34
3 Mexico	65.2	+ 16
4 Japan	49.3	+ 49
5 Singapore	22.9	+ 10

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

	2018 Exports (Million Lb.)	% Change From 1 Year Ago
AUGUST Total	28.8	- 9
TOTAL, JAN – AUG	248.7	+ 20
1 China	106.0	+ 21
2 Mexico	44.5	+ 15
3 Canada	21.8	- 7
4 Philippines	11.5	+ 1
5 Hong Kong	10.2	+ 4,278

CASEIN

Prices for acid and rennet casein are steady this week. Early season evidence of New Zealand milk production exceeding previous projections is encouraging to buyers who hope this will lead to increased casein production soon. However, it remains to be determined how the additional milk will be channeled to various dairy product options. Conversely, the recent downward revision in EU milk production projections by the EU is a matter of concern.

Prices for: Spot Sales And Up to 3 Month Contracts, Free on Board - Warehouse, Non-Restricted, All Mesh Sizes, Conventional, and Edible Casein
 Acid; Price Range - \$/LB: 3.1000-3.2000
 Rennet; Price Range - \$/LB: 2.4500-2.5600

LACTOSE

Lactose prices moved up at the bottom of the range, but are otherwise unchanged. Inventories are tight, or at least comfortably snug. As a result, market participants are somewhat perplexed by the jump in manufacturers' stock numbers reported in the recent Dairy Products report. Some suggest the monthly number may be an anomaly within a tight market, perhaps brought about by disruptions to shipping caused by the large number of late summer storms on the Pacific Ocean or tight supplies of trucks, drivers, and containers. Production is steady to higher as a few processors plan to make a bit more lactose in the upcoming weeks. Manufacturers report lactose is moving well through current contracts and buyer inquiries are prevalent. Processors report a few customers are seeking out Q1 contracts for lactose earlier than anticipated. Industry contacts have somewhat ambivalent views of the current market conditions. While most think the lactose market exudes strength and stability, there is lingering uncertainty and doubt caused by the ongoing trade issues between the U.S. and China.

Prices for: Central and Western U.S., Spot Sales And Up to 3 Month Contracts, F.O.B., Conventional, and Edible Lactose
 Price Range - Non Pharmaceutical; \$/LB: .3000 - .4500
 Mostly Range - Non Pharmaceutical; \$/LB: .3100 - .3850

Secondary Sourced Information:

Casein exports from New Zealand January-August this year are -5.8 percent lower than the same period of 2017, according to CLAL. Changes in casein exports to the top destinations January-August 2017 are:

Country	Percentage Change
United States	- 27.9
Mexico	+ 7.3
China	+10.4
Japan	+23.5

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
09/22/2018	60.7	2,275.3	60.2	2,177.4

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% 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

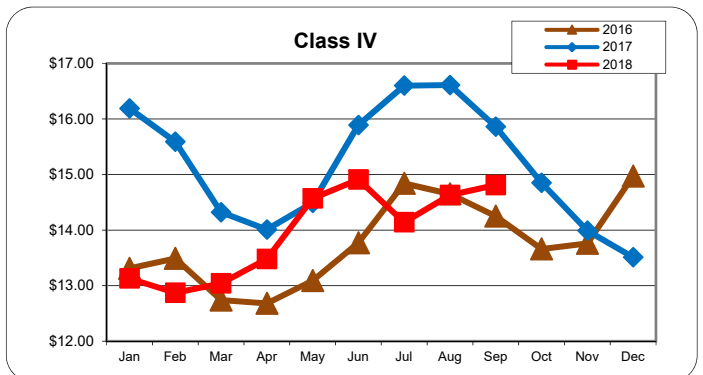
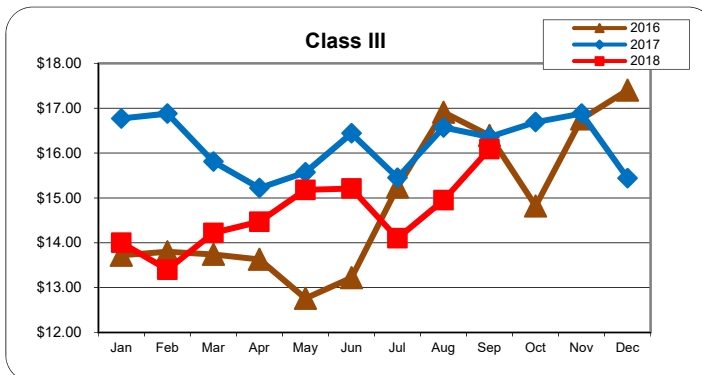
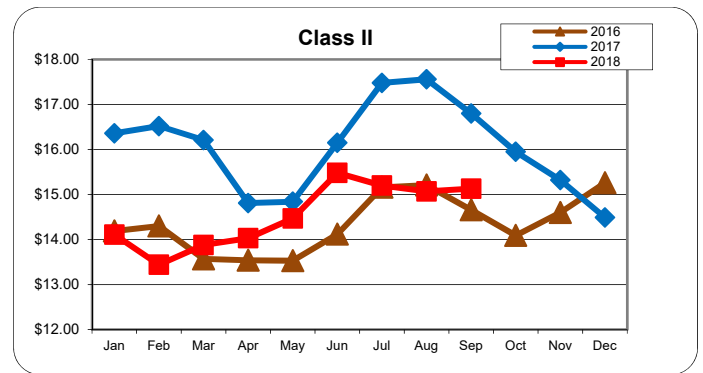
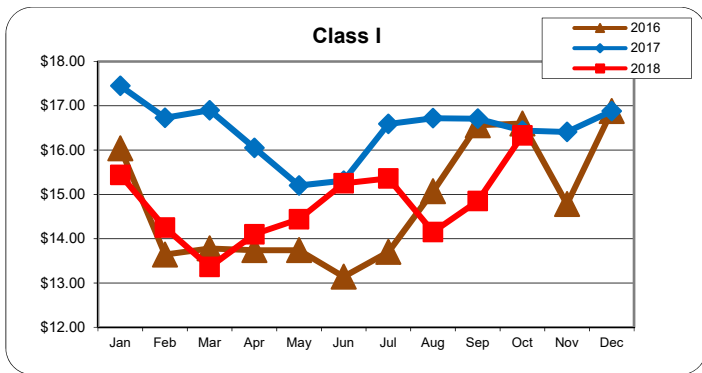
CLASS IV MILK PRICES (3.5% Butterfat)

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	15.36	14.15	14.85	16.33		
II	14.11	13.44	13.88	14.03	14.47	15.48	15.20	15.07	15.13			
III	14.00	13.40	14.22	14.47	15.18	15.21	14.10	14.95	16.09			
IV	13.13	12.87	13.04	13.48	14.57	14.91	14.14	14.63	14.81			

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."



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered October 1 - 12, 2018

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN OVERVIEW: Milk production for 2018 in the EU is still expected to be higher than 2017, but not by as much as previously projected. The drought earlier this year, and the resulting lower availability of forage, are the reasons cited for the downward adjustment. The European Commission revised projection for 2018 milk production is +0.8 percent. The revised forecast for 2019 is +0.9 percent. Milk production continues the typical seasonal decline in much of Western Europe. Among some leading milk production nations, Germany early reporting for last week is that production was down about .3 percent from the previous week. That varies among the individual states. Current milk volumes are called normal. France is believed to be down a bit more. Production in Germany this year is projected to decline into November before trending up once again. Cheese demand within Germany and France is considered by manufacturers to be good. Ordering is brisk. Demand is expected to increase moving toward December holidays. Prices are noted to be firming for Q4 orders. Buyers want to be assured of supplies and some sellers are able to nudge prices up because there is enough uncertainty among buyers as to milk supplies and hence, availability. The slightly firming pricing is acceptable for many buyers when considering being left to spot markets during December if milk production does not develop as anticipated. Some attention has been paid to the recent announcement of a trade deal between the United States, Mexico, and Canada. Current Mexican tariffs for imported U.S. cheese are a topic closely monitored within the European cheese industry. By this week, many observers concluded that it was unlikely that the Mexican tariffs would be lifted in the immediate future. It has come to be understood in the EU that the proposed trade deal does not seem likely to be considered by Congress until 2019, or possibly later. Then it also became clearer that other dairy provisions will be phased in over up to six years if and when the deal is ratified by Congress. Thus, no plans seem to have been changed within the EU dairy industry. Meanwhile, the sixth round of talks between the EU and Indonesia concerning a free trade agreement began this week. Dairy officials in the EU understand that Indonesian officials are hopeful that terms can be agreed to by spring 2019, when elections will occur. Spain has joined the list of countries adopting mandatory origin labeling for milk and other dairy products. Old labels may be used until the end of January 2019, after which labels must identify the country of origin.

BUTTER/BUTTEROIL: Butter prices in Europe are softer, but still higher than prices in Oceania. Prices during the two-week reporting period have tended to be lower during the second week. Within Europe, Germany posts the highest prices, with Italy, Netherlands and France following. Butter prices in the Slovak Republic are higher than Germany, but volumes are so low as to not realistically be reflective of a meaningful range endpoint. Butteroil was tighter and prices firmed. Butter demand within Germany is considered normal for this time of year. While lower volumes were ordered last week, ordering moved to a more normal level this week. Butter demand and sales are expected to increase as the end of the year moves closer. Manufacturers are confident in being able to meet demand. Stocks on hand are scheduled to be supplemented by continuing butter production. It has been noted that within pricing ranges there are also differences for older versus newer butter stocks. Some older stocks are slightly discounted. Lower butter prices are motivating invigorated contracting inquiries from buyers within the EU, and some contracts are being finalized. Inquiries for exports also picked up this week, but few reached final commitments.

Western Europe, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 5,400 - 6,050

Western Europe, 99% Butterfat, Free on Board - Port Butteroil
Price Range - \$/MT: 6,750 - 7,000

SKIM MILK POWDER: Skim milk powder prices in Europe are lower. Within Europe, prices tend to be higher in Germany, lower in France and Netherlands. Not much lower, but lower. The downward movement is within normal trading ranges in recent months. Business is steady. Most buyers are covered for the last quarter of this year. Remaining quantities of new production available for the year face a calm market with low buyer motivation. Some sellers are more motivated to move what they hold that is not committed, to lower inventories on by the end of the year. Buying interest for Q1 and Q2 of 2019 is increasing. Contracts are being signed. Results from the most recent tender of intervention stocks of SMP were announced on Thursday last week. The outcome was sale of 2,499 MT at a minimum selling price of 1,230 euros/MT. The next tender sale deadline is October 16. With sales now bi-weekly, sale volumes are expected to remain below recent sales that occurred less frequently.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 1,775 - 1,925

DRY WHEY: Sweet whey powder prices in Western Europe are up slightly at the low end of the price range, but steady at the top. The overall market tone is calm, with little impetus for significant price changes. Buyers and sellers expect this to continue for the coming weeks. Inventories are in good balance. Even with cheese manufacturing being very active, whey markets are in a good balance between what buyers want, and what sellers have to offer.

Prices for: Western Europe, All First Sales, Free on Board - Port, Conventional, and Edible Dry Whey
Price Range - Non-Hygroscopic; \$/MT: 950 - 1,075

WHOLE MILK POWDER: Whole milk powder prices in Western Europe are a bit lower, but still higher than prices in Oceania. The market is expected to remain generally stable in coming weeks. The most significant influence currently seems to be that most buyers are well covered for the balance of 2018. Not many export inquiries are being received. Exports from Oceania are less expensive and that is where export customers are more inclined to look for WMP than Europe. Contracting for Q1 2019 is underway. However, the most active interest is from buyers within the EU. Buyers from elsewhere remain attracted to other regions unless other factors tip the scale in favor of EU sourcing.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 3,050 - 3,450

EASTERN OVERVIEW: Development of the Eastern European dairy industry continues to be a matter of high importance in the region. A large component of the Eastern European dairy industry recently met near Warsaw, Poland. A focus of the conference was EU and private investment funds and stabilization packages accessible by the Eastern European dairy industry. Ukrainian cheese producers have been dealing with weak prices for internal cheese sales for a while. Stocks of cheese have been accumulating. Recent domestic prices are reported to be about \$1.95 to \$2.27 per pound for domestic markets.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered October 1 - 12, 2018

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

AUSTRALIA: Dairy producers are struggling in Australia. Dry conditions have persisted in a number of high milk producing regions. This has already led to more herd culling than had been expected. Seasonal milk production lags last season by 3.4 percent through August. Milkfat and protein content are also lower. More information is presented on the table below.

	Australia Milk Production, Milkfat and Protein			
	July-August 2018		July-August 2018	
	Million Liters	% Change From 1 Year Ago	Milkfat Percentage	Protein Percentage
New South Wales	187.7	-5.1	3.80	3.33
Victoria	887.9	-4.5	3.86	3.45
Queensland	69.1	-5.6	4.01	3.32
South Australia	80.2	+9.1	3.74	3.35
Western Australia	63.3	+0.7	3.72	3.35
Tasmania	67.0	+2.5	4.30	3.54
Australia (Total)	1,355.2	-3.4	3.87*	3.42**

* -2.2 percent from prior year period

** -0.6 percent from prior year period

Sources note that typical annual culling involved about 20 percent of herd sizes. This year 25 percent is believed likely. Lingering drought as well as resulting higher prices for feed are diminishing returns for dairy producers. Without widespread rain in October, more producers are believed likely to make further herd reductions to be able to move ahead and afford the higher prices for feed. Some producers are also pushing against water availability and realize they can't maintain more cows than they can properly provide water for. Even areas not directly suffering from the drought are affected by higher feed prices. Thus, more culling than had been expected is also occurring in areas with adequate water. Higher feed prices, related to drought, have spread throughout Australia. It is expected that formal milk production estimates for Australia will be revised downward in coming weeks, barring substantial October rain. At some point there is a tipping where the culling is so extensive that effects will transcend the current season. Rebuilding is not instant so when conditions finally become more optimal, there will be a lag in bringing cow numbers back and hence, a lag in milk production volumes.

NEW ZEALAND: New Zealand continues to benefit from nearly ideal conditions for milk production. Seasonal production recently reported through August was well ahead of expectations. On October 10 (U.S. time) a large New Zealand dairy cooperative revised the forecast for seasonal milk up an additional 1.3 percent to 1,550 million KGMS. The impact of adjusted expected milk output up was to reduce the projected milk pay price from 6.75 Australian dollars per kgMS, to a range of 6.25-6.50 per kgMS. Other observers caution that through August in a typical year, only about 10 percent or slightly less of New Zealand seasonal milk has been produced. By that measure the season is still in the early stage. Of course, the lower projected prices are of concern to producers. In trade terms, the overall weakness in recent GDT events has moved prices lower for some dairy products. This is especially true for WMP, which is the most important New Zealand dairy product exported in terms of dollar value. The lower prices have led to more recent interest from buyers such as China, in contracting for future deliveries. The magnitude of possible sales is still uncertain, but if enough is committed, that could lead to helping prices moving forward.

BUTTER/BUTTEROIL: Oceania butter prices are lower. As the milk season moves forward, a greater percentage of milk production is flowing to butter plants. Most milk still goes to WMP, but additional volumes are increasing butter production. The magnitude of milk production above expectations has led to butter production above expectations for this time of the year. That has taken a toll on current butter pricing. Export interest is increasing. Some buyers have heightened interest in contracting to lock in current pricing.

Oceania, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 3,950 - 4,250

Secondary Sourced Information:

Butter exports from New Zealand January-August this year were up 12.7 percent from January-August 2017, according to CLAL. The tables below show top export destination country percent change comparing January-August 2018 with 2017 (CLAL data).

New Zealand Butter Exports

Destination	% Change
	Jan.-Aug. 2018/2017
China	+47.1
Australia	+25.8
Philippines	-8.5

Butter exports from Australia January-August this year were up 0.6 percent from January-August 2017, according to CLAL. For the top three export destinations the table below shows the percentage of 2017 exports to each country (Eucolait data), and country percent change comparing January-August 2018 with 2017 (CLAL data).

Australia Butter Exports

Destination	% Change
	Jan.-Aug. 2018/2017
Thailand	+25.4
China	-23.6
Malaysia	+48.2

At GDT event 221 on October 2, the butter all contracts price, \$4,016, decreased 5.9 percent. The November contract price, \$4,240, declined 1.4 percent. The current all contracts price is 18.1 percent lower than event 216 on July 17.

SKIM MILK POWDER: Skim milk powder prices in Oceania are mixed, up slightly at the lower end of the price range, but lower at the top. More milk has begun flowing to SMP dryers in the region as a percentage of available milk for manufacturing. There is also more milk than had been expected. The market overall is generally calm as it is still early in the season and there is plenty of SMP available for interested buyers. Contracting is moving ahead but not with any real sense of urgency among buyers.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 1,950 - 2,100

CONTINUED ON PAGE -8B-

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered October 1 - 12, 2018

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CONTINUED FROM PAGE 8A

Secondary Sourced Information:

SMP exports from New Zealand January-August this year were down 10.2 percent from January-August 2017, according to CLAL. For the top three export destinations the table below shows the country percent change comparing January-August 2018 with 2017 (CLAL data).

New Zealand SMP Exports

% Change
Jan.-Aug. 2018/2017

Destination
China
Malaysia
Philippines

-16.9
- 3.6
- 4.6

SMP exports from Australia January-August this year were down 6.0 percent from January-August 2017, according to CLAL. For the top three export destinations the table below shows the country percent change comparing January-August 2018 with 2017 (CLAL data).

Australia SMP Exports

% Change
Jan.-Aug. 2018/2017

Destination
Indonesia
China
Malaysia

-10.8
- 5.8
-37.3

At GDT event 221 on October 2, the SMP all contracts price, \$1,982, decreased 0.3 percent. The November contract price, \$2,118, declined 3.6 percent. The current SMP all contracts price is 1.2 percent higher than event 216 on July 17.

CHEDDAR CHEESE: Oceania cheddar prices are steady to slightly lower at the top of the price range. Supplies are considered generally balanced. Domestic demand is at expected levels. Negotiations with Japan for contracts are underway, which has led to some manufacturers striving to be firmer in pricing they will accept from non-Japanese transactions to help to maintain as close to recent price levels as they can while negotiations with Japan continue. Production is increasing, made possible by increasing milk volumes now being available to cheese plants.

Prices for: Oceania Cheese, Cheddar, Free on Board - Port,
Price Range - \$/MT: 3,400 - 3,675

Secondary Sourced Information:

Cheese exports from New Zealand January-August this year were down 4.7 percent from January-August 2017, according to CLAL. For the top three export destinations the table below shows the percentage of 2017 exports to each country (Euclait data), and country percent change comparing January-August 2018 with 2017 (CLAL data).

New Zealand Cheese Exports

% of Total % Change

Destination	Jan.-Dec. 2017	Jan.-Aug. 2018/2017
Japan	20.2	+ 2.6
Australia	18.1	-19.0
China	13.8	-13.0

Cheese exports from Australia January-August this year were up 2.8 percent from January-August 2017, according to CLAL. For the top three export destinations the table below shows the percentage of 2017 exports to each country (Euclait data), and country percent change comparing January-August 2018 with 2017 (CLAL data).

Australia Cheese Export

% of Total % Change

Destination	Jan.-Dec. 2017	Jan.-Aug. 2018/2017
Japan	51.1	+10.8
China	11.0	-18.8
South Korea	5.5	- 9.1

At GDT event 221 on October 2, the cheddar all contracts price, \$3,468, decreased 1.2 percent. The November contract price, \$3,495, declined 5.5 percent. The current all contracts price is 3.6 percent lower than event 216 on July 17.

WHOLE MILK POWDER: Prices for whole milk powder in Oceania are lower. Not so low that manufacturers are no longer profitable, but lower and continuing a trend of weaker prices in recent periods. The trend of weakness seems more distressing to manufacturers than the absolute current price. Some price strengthening will be welcome, even if current conditions may cause that to be a heavy lift. The primary factor mentioned is the early season strength of milk production beyond expectations. Some dairy industry participants noted that exceeding expectations does not always lead to better price outcomes. WMP production has been the early season focus of dairy processing in the region. With exports remaining generally steady, some WMP plants are comfortable to slightly back off and let more milk flow to other uses, often cheese or butter plants. That might change if current interest from China becomes finalized into new contracts for more WMP than is currently covered by contracts. Weaker WMP prices are also a concern because WMP prices, among all dairy products, have the greatest impact on farmgate milk prices. This week's announcement that a large New Zealand dairy cooperative revised projected farmgate milk prices lower is an example of the tie between WMP pricing and what dairy producers receive for their milk.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 2,650 - 2,800

Secondary Sourced Information:

WMP exports from New Zealand January-August this year were up 0.4 percent from January-August 2017, according to CLAL. Country percent change comparing January-August 2018 with 2017 (CLAL data) is shown below.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered October 1 - 12, 2018

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CONTINUED FROM 8B

New Zealand WMP Exports

Destination	% Change Jan.-Aug. 2018/2017
China	-10.8
Algeria	+7.1
United Arab Emirates	+1.5

WMP exports from Australia January-August this year were up 14.2 percent from January-August 2017, according to CLAL. For the top three export destinations the table below shows country percent change comparing January-August 2018 with 2017 (CLAL data).

Australia WMP Exports

Destination	% Change Jan.-Aug. 2018/2017
China	+56.5
Singapore	-35.3
Sri Lanka	-97.8

At GDT event 221 on October 2, the WMP all contracts price, \$2,753 declined 1.2 percent. The November contract price, \$2,781, decreased 2.6 percent. The current all contracts price is 7.4 percent lower than event 216 on July 17.

**Exchange rates for selected foreign currencies:
October 8, 2018**

.0267 Argentina Peso	.0135 India Rupee
.7077 Australian Dollar	.0088 Japan yen
.2645 Brazil Real	.0528 Mexican Peso
.7716 Canadian Dollar	.6452 New Zealand Dollar
.0015 Chile Peso	.2662 Poland Zloty
1.1493 Euro	.0302 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0528) = 18.9394$ Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered October 1 - 12, 2018

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

SOUTH AMERICA OVERVIEW: Farm milk production is robust in South America as the spring flush approaches. During the past two weeks, the weather has been suitable for the comfort of dairy herds and favorable for the growth of fodder. Currently, many dairy farmers are struggling with high operating costs driven by a recent sharp devaluation of currencies, especially in the countries of the Southern Cone region. Moreover, due to a higher milk supply across the continent, farm gate prices decreased, resulting in lower milk-feed ratios for several dairy farm operations. At the manufacturing level, milk/cream supplies are more than adequate to meet most processing needs. Large milk intakes are clearing into bottled milk/UHT, cheese, yogurt, and milk caramel production, while shipments to retailers and food service are very active. Meanwhile, some countries of the continent, such as Argentina and Brazil, are capitalizing on the devaluation of their currency as an opportunity to expand their exports of dairy products to the international markets.

Secondary Sourced Information:

	2018 Brazil WMP Imports (USDA-COMEX)	
	2018 Imports (Million Ton.)	% Change From 1 Year Ago
September	5.5	+ 93
TOTAL, JAN - SEP	44.6	- 31
1 Argentina	21.5	- 45
2 Uruguay	19.9	- 13
3 Paraguay	1.7	- 36
4 Chile	1.6	+ 261

SKIM MILK POWDER: In the Southern Cone region, free on board export prices for skim milk powder (SMP) adjusted up, in contrast to recent GDT results. With most balancing plant operators focusing on converting large condensed milk intakes into WMP, SMP production has been curtailed. Therefore, SMP cash values inched up in the region as supply is limited, below buyers' needs. However, this scenario may change in the coming weeks as the regional SMP market is a very volatile niche.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,200 - 2,500

Secondary Sourced Information:

	2018 Brazil SMP Imports (USDA-COMEX)	
	2018 Imports (Million Ton.)	% Change From 1 Year Ago
September	1.3	- 30
TOTAL, JAN - SEP	14.0	- 2
1 Argentina	7.4	- 11
2 Uruguay	4.5	- 12
3 Chile	1.2	+ 81
4 United States	0.9	+ 781

WHOLE MILK POWDER: In the Southern Cone region of South America, whole milk powder (WMP) f.o.b. export prices are unchanged on a steady market. The demand from Brazil is reported as light, but relatively strong from countries outside the Mercosur bloc, such as Algeria and Russia. WMP production is very active, prompted by higher farm milk intakes within the region, while WMP inventory levels are steady to building.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 2,700 - 3,100

CME GROUP, INC FUTURES

Selected settling prices

Month	9/28	10/01	10/02	10/03	10/04	10/05	10/08	10/09	10/10	10/11
III MILK FUTURES (Pit-Traded) (\$/cwt)										
SEP 18	16.11	16.11	16.11	16.09						
OCT 18	15.80	15.90	15.94	15.81	15.82	15.81	15.84	15.80	15.75	15.66
NOV 18	16.31	16.36	16.29	16.04	16.01	16.05	16.03	15.99	15.89	15.76
DEC 18	16.13	16.19	16.13	15.98	15.98	15.97	16.00	16.02	15.94	15.80
JAN 19	15.99	16.07	16.00	15.87	15.86	15.85	15.87	15.91	15.84	15.75
FEB 19	15.87	15.94	15.87	15.75	15.76	15.77	15.76	15.82	15.80	15.73
MAR 19	15.89	15.95	15.91	15.82	15.79	15.79	15.80	15.85	15.85	15.80
APR 19	16.01	16.09	16.04	15.95	15.92	15.95	15.96	16.02	16.02	15.98
MAY 19	16.04	16.09	16.04	15.99	15.93	15.97	15.96	16.01	16.03	16.00
JUN 19	16.07	16.14	16.12	16.07	16.02	16.07	16.02	16.07	16.08	16.02

CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)

SEP 18	14.75	14.79	14.77	14.81						
OCT 18	15.34	15.38	15.36	15.31	15.25	15.25	15.20	15.12	14.98	15.07
NOV 18	15.37	15.37	15.35	15.35	15.29	15.29	15.27	15.23	15.09	15.09
DEC 18	15.25	15.25	15.23	15.23	15.14	15.13	15.11	15.07	14.93	15.00

CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)

SEP 18	227.25	227.25	227.20	227.24						
OCT 18	231.50	231.50	231.45	231.30	231.03	231.50	229.60	228.80	227.75	227.75
NOV 18	232.25	232.50	231.15	231.20	231.00	232.00	231.38	230.50	228.75	229.00
DEC 18	227.25	227.50	226.45	226.70	227.00	227.10	227.68	226.00	225.20	225.43

NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)

SEP 18	85.05	85.35	85.25	85.48						
OCT 18	88.58	89.50	89.48	88.95	88.50	87.78	88.25	87.90	87.60	88.03
NOV 18	88.75	90.28	89.90	89.08	87.78	87.80	88.03	88.00	87.50	87.93
DEC 18	89.50	91.13	90.90	90.40	88.80	88.43	88.50	88.90	88.70	88.80

WHEY (Electronic-Traded) (¢/lb)

SEP 18	40.50	40.73	40.70	40.28						
OCT 18	43.75	44.00	43.90	43.35	43.05	43.05	43.35	43.13	43.15	42.73
NOV 18	45.38	45.80	45.98	45.43	45.28	45.35	45.80	45.58	45.40	45.25
DEC 18	45.75	46.50	46.75	46.03	46.00	46.63	46.63	46.25	46.25	45.75

CHEESE CSC (Electronic-Traded) (\$/lb)

SEP 18	1.65	1.65	1.66	1.65						
OCT 18	1.56	1.61	1.61	1.60	1.61	1.60	1.60	1.60	1.60	1.60
NOV 18	1.64	1.64	1.63	1.62	1.61	1.61	1.61	1.61	1.60	1.59
DEC 18	1.63	1.63	1.62	1.61	1.61	1.60	1.60	1.61	1.60	1.59
JAN 19	1.62	1.62	1.62	1.61	1.61	1.60	1.61	1.61	1.61	1.60

Source: <http://www.cmegroup.com/market-data/daily-bulletin.html>

Consumer Price Index and Average Retail Prices for Selected Products, U.S. City Average ¹

Consumer Price Index												
Month	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³	CPI ²	Pct. Chg ³
Jul 2018	253.7	1.4	215.6	-0.4	194.6	-2.8	229.9	0.9	247.3	1.2	250.0	0.9
Aug 2018	254.1	1.4	216.4	0.0	195.6	-1.2	229.0	-0.1	245.2	-1.6	250.7	1.1
Sep 2018	254.4	1.4	216.6	0.0	195.5	-1.7	229.2	0.4	248.3	-0.2	248.9	0.5

U.S. City Average Retail Prices										
Month	Whole Milk ⁴		Butter ⁵		Process Cheese ⁶		Natural Cheese ⁷		Ice Cream ⁸	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	<i>(dollars)</i>									
Jul	2.839	3.219	N/A	N/A	3.958	4.282	5.065	4.851	4.750	4.606
Aug	2.871	3.168	N/A	N/A	3.946	4.241	5.118	4.862	4.662	4.688
Sep	2.890	3.209	N/A	N/A	4.040	4.203	5.128	5.010	4.754	4.648

N/A = Not available. ¹ "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. ² The standard reference base period for these indexes is 1982-1984 = 100. ³ Percent change over previous year. ⁴ Per gallon. ⁵ Per pound. Grade AA, salted, stick butter. ⁶ Per pound, any size and type of package. ⁷ Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc). ⁸ Per 1/2 gallon prepackaged regular.

August Milk Sales

During August 2018, 4.0 billion pounds of packaged fluid milk products are estimated to have been sold in the United States. This was 1.8 percent lower than August 2017. Estimated sales of total conventional fluid milk products decreased 2.0 percent from August 2017 and estimated sales of total organic fluid milk products increased 2.1 percent from a year earlier.

Estimated Total U.S. Sales of Fluid Milk Products, August 2018, with Comparisons ¹

Product Name	Sales ⁴		Change from: ²	
	August	Year to Date	Previous Year	Year to Date
	<i>(million pounds)</i>		<i>(percent)</i>	
Conventional Production Practice				
Whole Milk	1,282	9,895	1.4	1.8
Flavored Whole Milk	62	450	4.8	4.1
Reduced Fat Milk (2%)	1,242	9,720	-3.8	-3.0
Low Fat Milk (1%)	497	3,968	-4.1	-5.1
Fat-Free Milk (Skim)	304	2,498	-10.9	-9.7
Flavored Fat-Reduced Milk	295	2,389	3.7	-2.0
Buttermilk	41	324	-5.1	-2.7
Other Fluid Milk Products	5	29	68.6	-16.3
Total Fat-Reduced Milk ³	2,338	18,575	-4.0	-4.3
Total Conventional Milk Products	3,728	29,273	-2.0	-2.2
Organic Production Practice				
Whole Milk	90	697	4.1	5.1
Reduced Fat Milk (2%)	70	548	4.3	4.2
Low Fat Milk (1%)	33	255	2.5	-2.7
Fat-Free Milk (Skim)	18	155	-16.9	-15.6
Flavored Fat-Reduced Milk	11	68	13.1	-14.0
Other Fluid Milk Products	0	0	-94.7	-73.5
Total Fat-Reduced Milk ³	133	1,025	0.9	-2.4
Total Organic Milk Products	222	1,722	2.1	0.5
Total Fluid Milk Products	3,950	30,995	-1.8	-2.1

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 the total of reduced fat, lowfat, skim and flavored fat-reduced milk. ⁴ Data may not add due to rounding. Report contact: Daniel Manzoni, Daniel.manzoni@ams.usda.gov or 202-720-2352.

Packaged Sales of Total Fluid Milk Products in Federal Milk Orders and California, August 2018, with Comparisons ¹

Marketing Area	Order Number	Sales ³		Change from: ²	
		August	Year to Date	Previous Year	Year to Date
		<i>(million pounds)</i>		<i>(percent)</i>	
Northeast	001	644	5,218	-1.2	-2.1
Appalachian	005	273	2,131	-1.2	1.3
Florida	006	229	1,794	-0.5	-1.9
Southeast	007	376	2,855	-2.7	-2.7
Upper Midwest	030	290	2,309	-2.6	-2.5
Central	032	341	2,641	-3.0	-2.8
Mideast	033	442	3,411	-2.1	-2.6
Pacific Northwest	124	154	1,237	4.2	-2.7
Southwest	126	365	2,865	-1.7	-1.3
Arizona	131	89	688	-1.2	2.3
California	---	431	3,366	-3.3	-3.4
All Orders (Total)		3,203	25,150	-1.6	-1.9
All Areas (Total)		3,634	28,516	-1.8	-2.1

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

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

October Supply and Demand Estimates

The milk production forecasts for 2018 and 2019 are raised from the previous month on a more rapid pace of growth in milk per cow. Cow numbers are raised for 2019. Fat basis imports for 2018 and 2019 are raised on continued strength in butterfat imports and slightly higher cheese imports. The 2018 and 2019 skim-solids basis import forecasts are lowered from the previous month. Exports on a fat basis are raised for 2018 on stronger cheese exports, but no change is made to the 2019 export forecast. Skim-solids basis exports for 2018 are raised, primarily on stronger nonfat dry milk (NDM) and whey product shipments. For 2018 and 2019, butter and whey price forecasts are raised from the previous month on expected demand strength, but the cheese price forecasts are lowered on continued large supplies. The NDM price forecast is unchanged. The Class III price is lowered for 2018; but for 2019, higher whey prices are expected to more than offset the declines in cheese prices, and the Class III price forecast is raised. The Class IV price is raised for both years due to higher forecast butter prices. The 2018 all milk price forecast is unchanged at the midpoint at \$16.35 to \$16.45 per cwt, and the 2019 price is raised to \$16.85 to \$17.75 per cwt.

U.S. Milk Supply and Use					
Commodity	2017	2018 Projected		2019 Projected	
		Sep	Oct	Sep	Oct
Milk	<i>(billion pounds)</i>				
Production	215.5	217.8	218.1	221.0	221.4
Farm Use	1.0	1.0	1.0	1.0	1.0
Fat Basis Supply					
Beginning Commercial Stocks	12.7	13.4	13.4	13.5	13.5
Marketings	214.5	216.8	217.1	220.0	220.4
Imports	6.0	6.2	6.3	6.0	6.3
Total Commercial Supply	233.2	236.5	236.8	239.5	240.1
Fat Basis Use					
Commercial Exports	9.2	10.3	10.5	9.8	9.8
Ending Commercial Stocks	13.4	13.5	13.5	12.5	12.5
CCC Donations	0.0	0.0	0.0	0.3	0.3
Domestic Commercial Use	210.5	212.6	212.9	216.9	217.5
Skim-Solid Basis Supply					
Beginning Commercial Stocks	9.5	11.8	11.8	11.0	10.8
Marketings	214.5	216.8	217.1	220.0	220.4
Imports	6.1	5.7	5.6	5.6	5.5
Total Commercial Supply	230.1	234.3	234.5	236.5	236.7
Skim-Solids Basis Use					
Commercial Exports	40.7	44.7	45.1	44.1	44.1
Ending Commercial Stocks	11.8	11.0	10.8	10.8	10.8
CCC Donations	0.0	0.0	0.0	0.2	0.2
Domestic Commercial Use	177.6	178.6	178.6	181.5	181.6

NOTE: Totals may not add due to rounding.

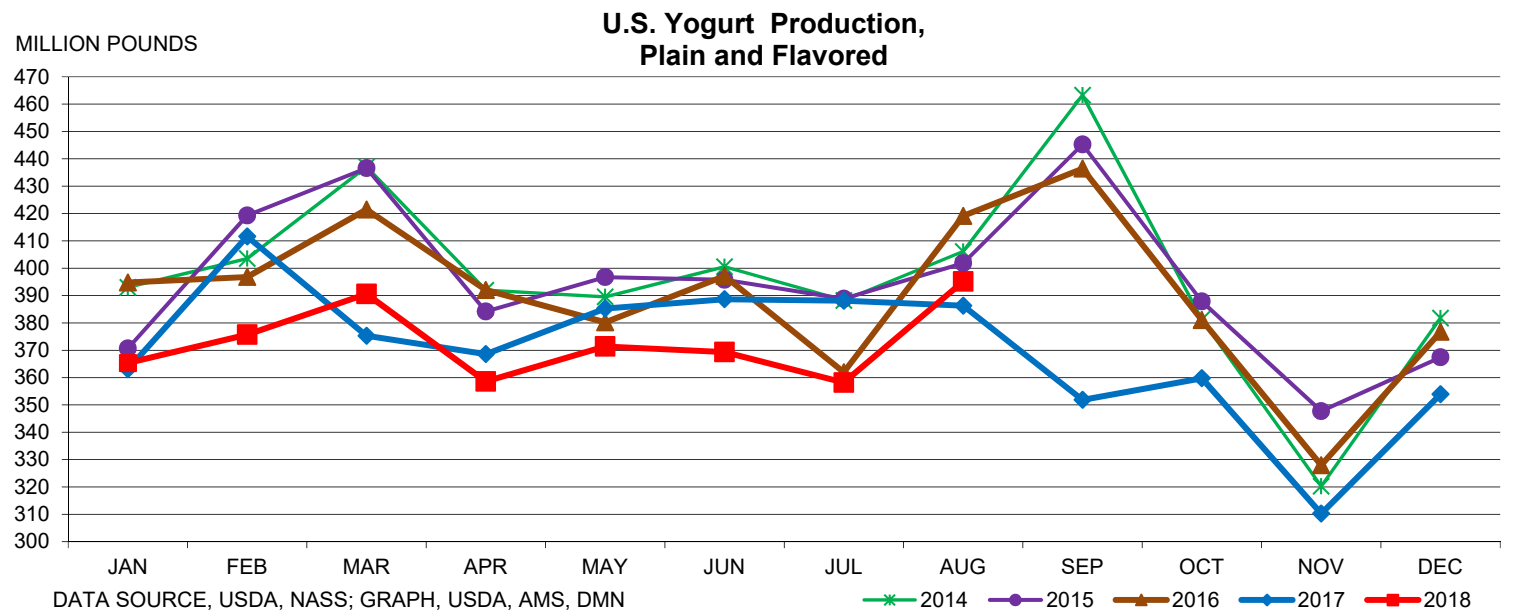
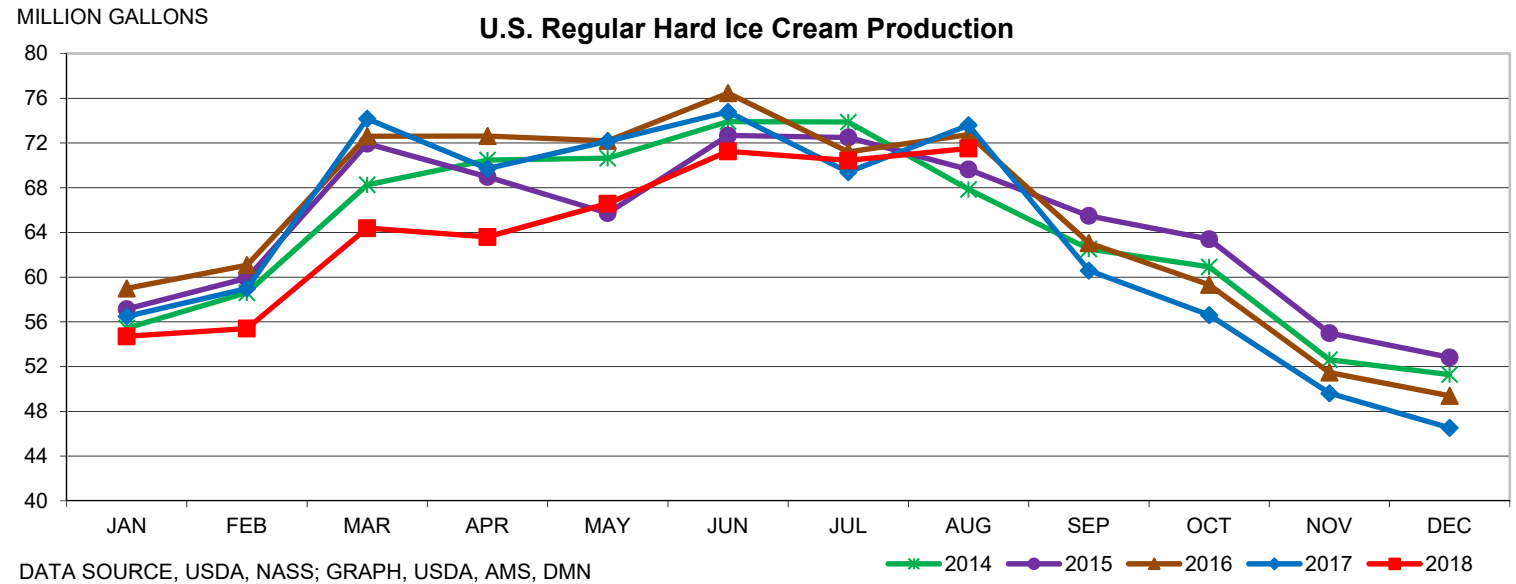
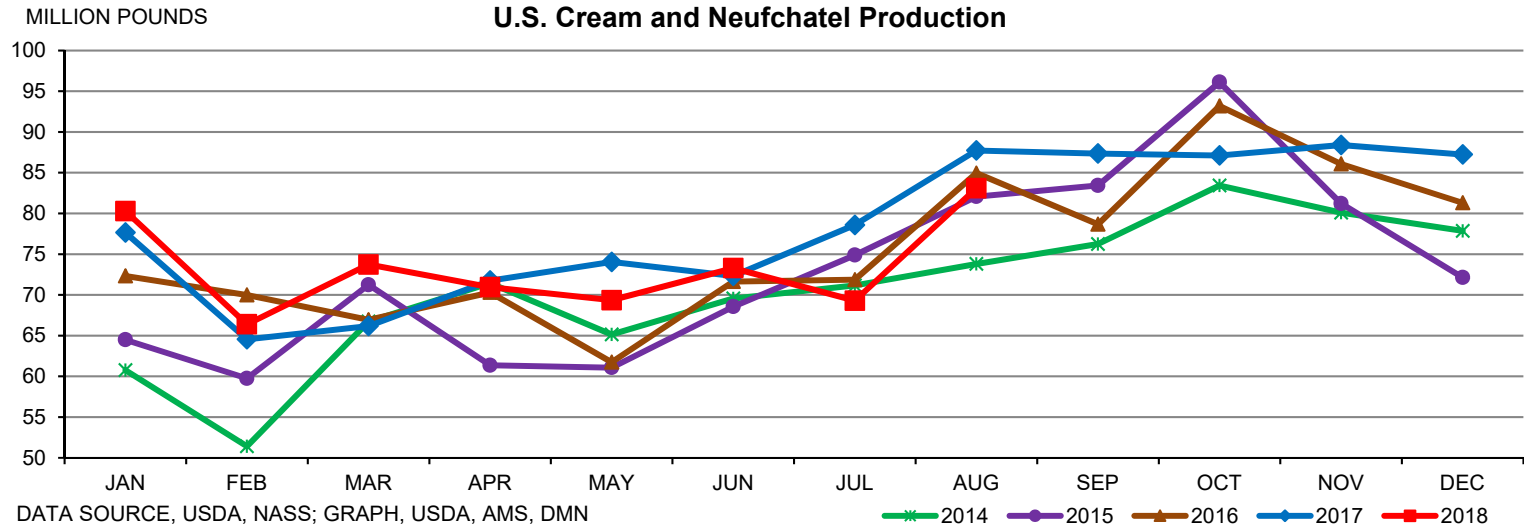
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October Supply and Demand Estimates-cont'd

U.S. Dairy Prices					
Commodity	2017	2018 Projected		2019 Projected	
		Sep	Oct	Sep	Oct
<i>(dollars per pound)</i>					
Product Prices ¹					
Cheese	1.6344	1.570-1.590	1.570-1.580	1.590-1.690	1.575-1.665
Butter	2.3303	2.220-2.260	2.245-2.275	2.205-2.335	2.215-2.335
Nonfat Dry Milk	0.8666	0.785-0.805	0.785-0.805	0.825-0.895	0.825-0.895
Dry Whey	0.4437	0.320-0.340	0.330-0.340	0.350-0.380	0.385-0.415
<i>(dollars per cwt)</i>					
Milk Prices ²					
Class III	16.17	14.85-15.05	14.85-14.95	15.20-16.20	15.30-16.20
Class IV	15.16	14.00-14.30	14.15-14.35	14.30-15.40	14.35-15.35
All Milk ³	17.65	16.30-16.50	16.35-16.45	16.75-17.75	16.85-17.75
Quarterly					
	2018 III	2018 IV ⁴	2019 I ⁴	2019 II ⁴	2019 III ⁴
<i>(billion pounds)</i>					
Milk Production	54.1	53.9	55.1	56.7	54.9
<i>(dollars per cwt)</i>					
All Milk Price ^{2,3}	16.00-16.10	17.60-18.00	17.20-17.90	16.50-17.50	16.65-17.65
Class III Price ²	15.00-15.10	15.60-16.00	15.30-16.00	15.15-16.15	15.40-16.40
Class IV Price ²	14.45-14.65	14.85-15.35	14.60-15.40	14.40-15.50	14.35-15.45

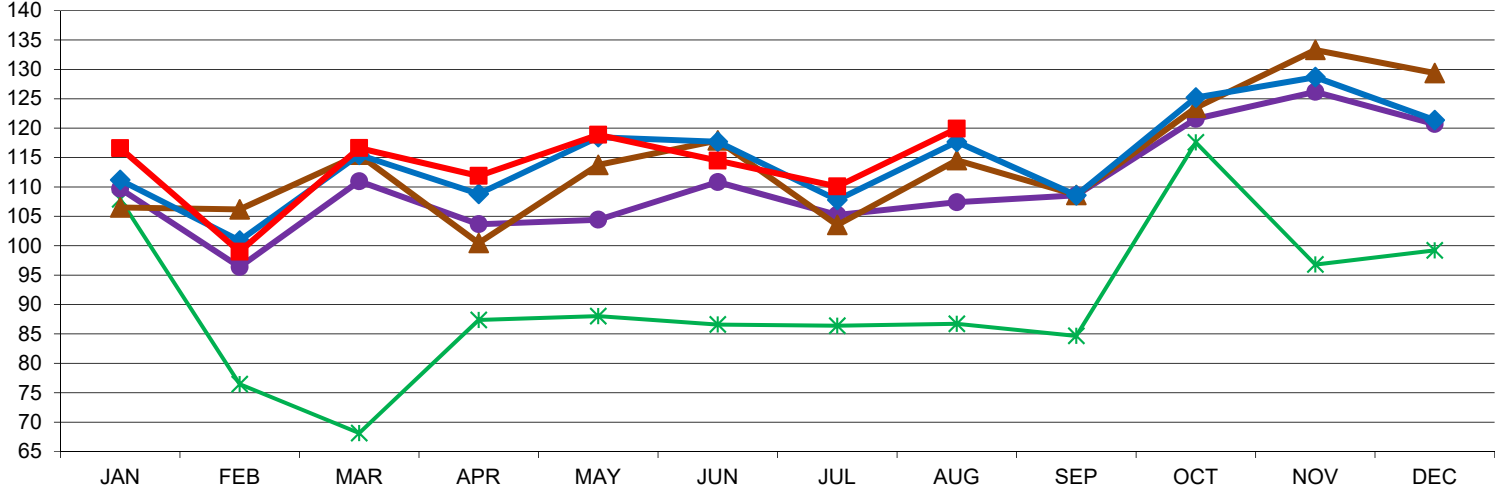
N/A = not available ¹ Simple average of monthly prices calculated from AMS weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/rules-regulations/mmr/dmr>; scroll down to Publications, National Dairy Products Sales Reports, and select Current Release & Archives.” ² Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test. ³ Does not reflect any deductions from producers as authorized by legislation. ⁴ Projection.

Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-582, October 11, 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].



MILLION POUNDS

U.S. Sour Cream Production

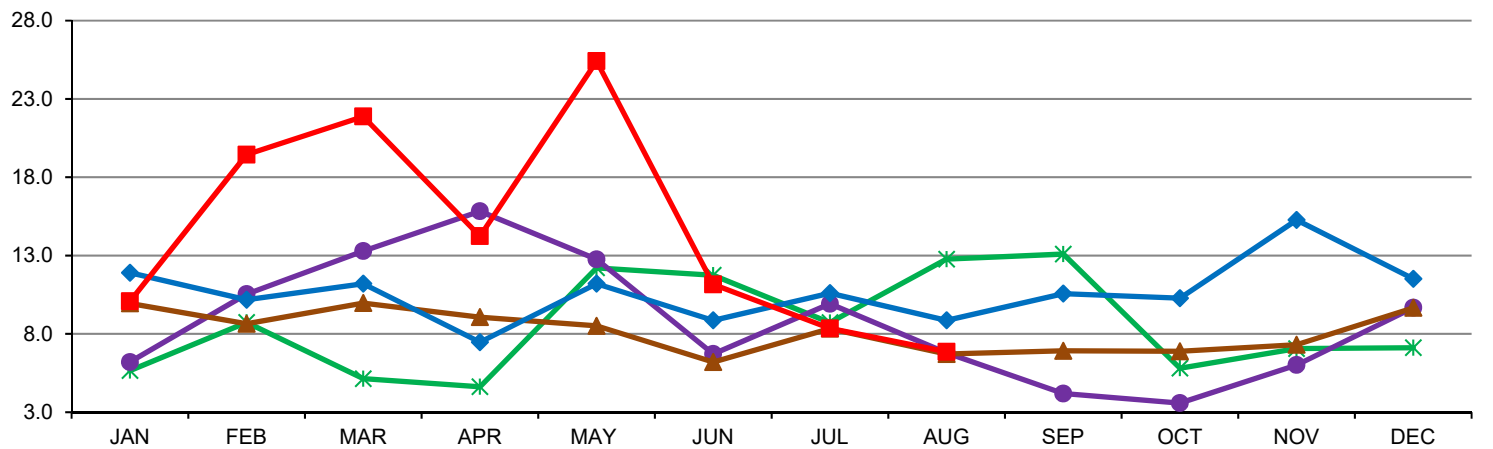


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2014 2015 2016 2017 2018

MILLION POUNDS

U.S. Dry Whole Milk Production

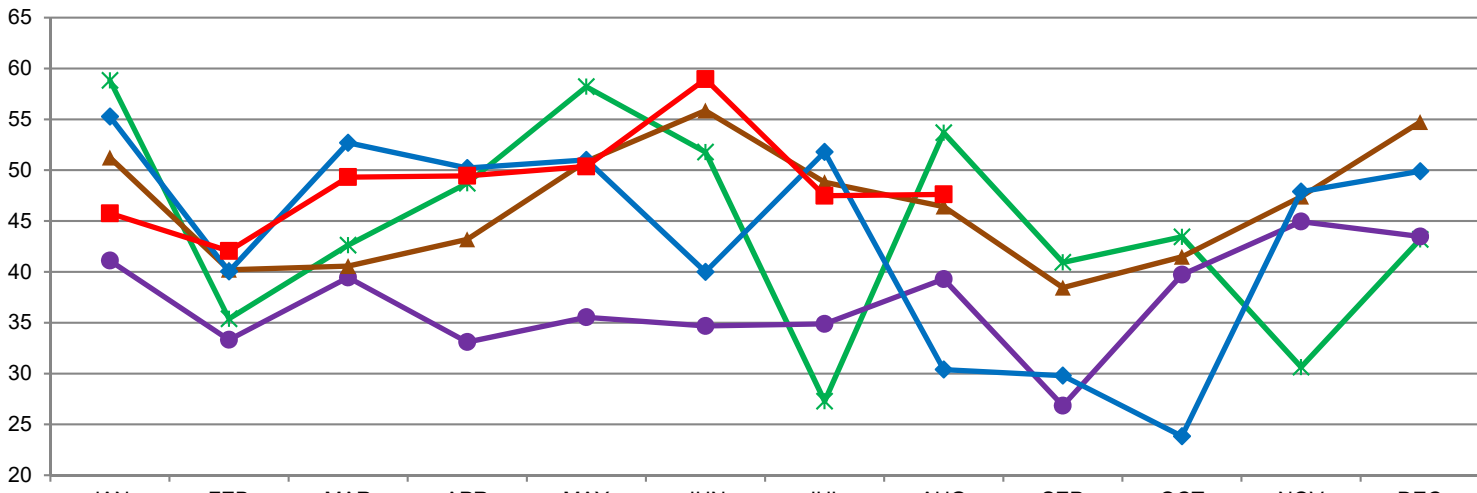


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2014 2015 2016 2017 2018

MILLION POUNDS

U.S. Skim Milk Powder Production



DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2014 2015 2016 2017 2018



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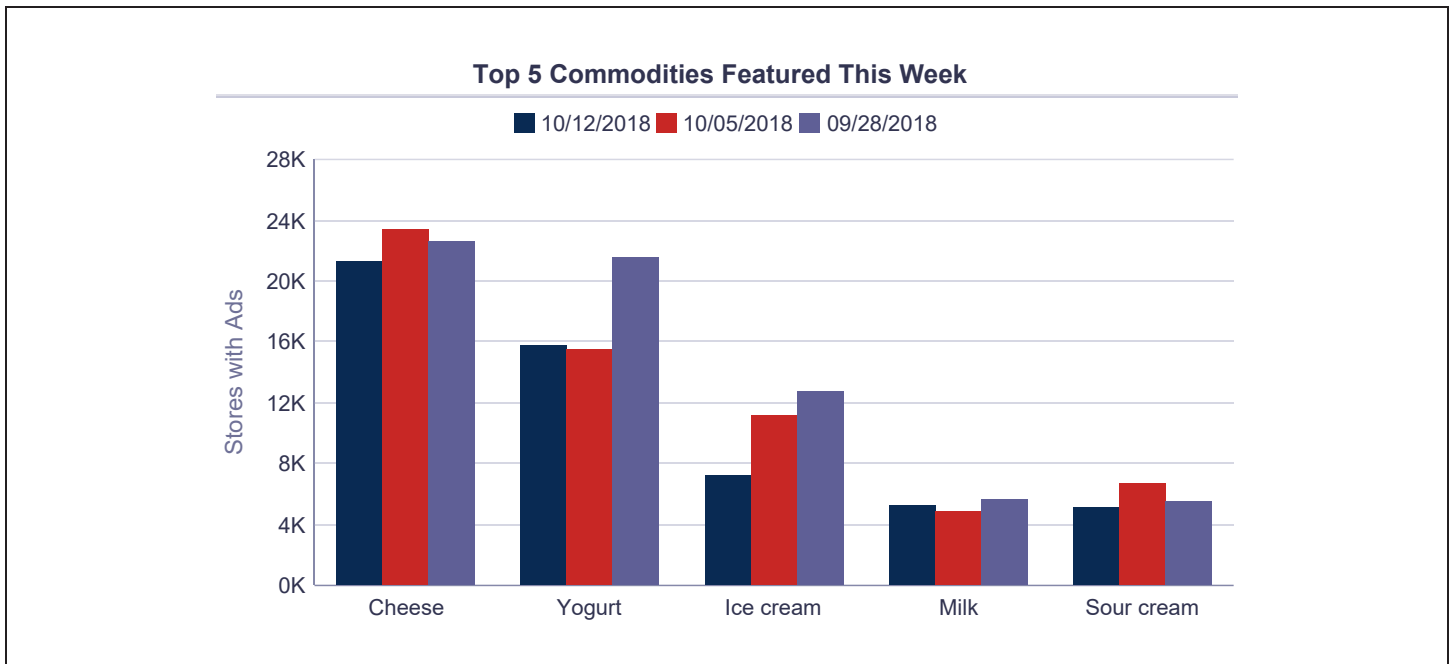
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 10/12/2018 to 10/18/2018

The total number of conventional dairy ads decreased 12 percent. The number of organic dairy ads is steady. Ads for organic 48 to 64 ounce containers of ice cream decreased 34 percent from the previous week. For much of the summer, ice cream was the most advertised dairy item. The decline leaves ice cream ad numbers this week second to 4-6 ounce Greek yogurt as the most advertised dairy category/size. The weighted average price for 1 pound conventional butter is \$3.03 while organic butter averages \$4.85. This yields a \$1.82 organic price premium. Conventional butter ad numbers declined 18 percent while organic butter ads increased 48 percent.

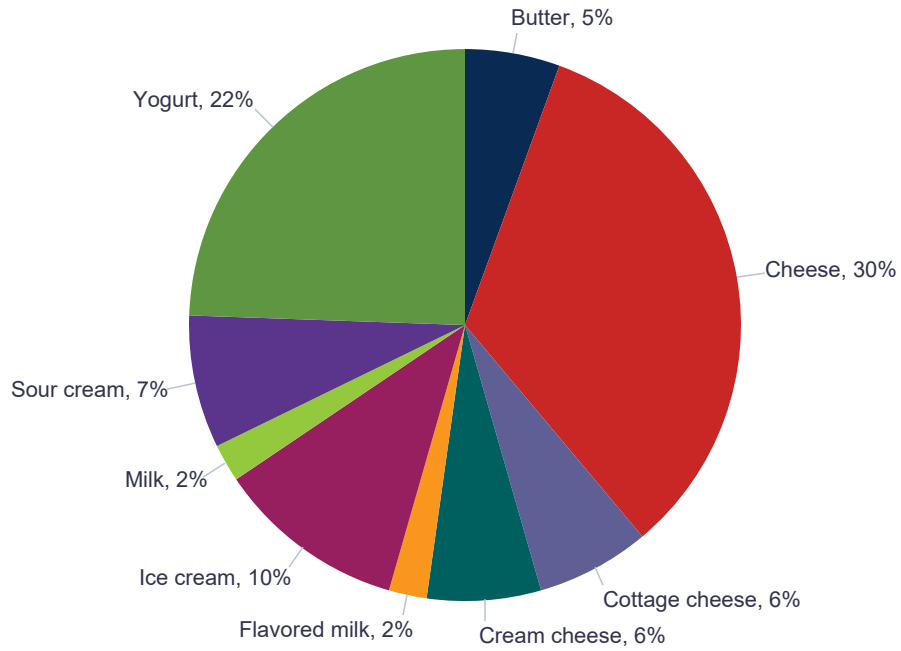
The national weighted average advertised price for conventional milk half gallons is \$2.24, compared to \$3.88 for organic milk, representing an organic premium value of \$1.64. Conventional milk ad numbers fell 5 percent, while organic increased 13 percent. Organic half gallons of milk were the most advertised organic dairy item for the week.

Conventional cheese ad numbers decreased 8 percent and organic cheese ads decreased 70 percent. The weighted average price for conventional 8 oz block cheese is \$2.34, compared to \$3.79 for organic. This is a \$1.45 organic price premium.

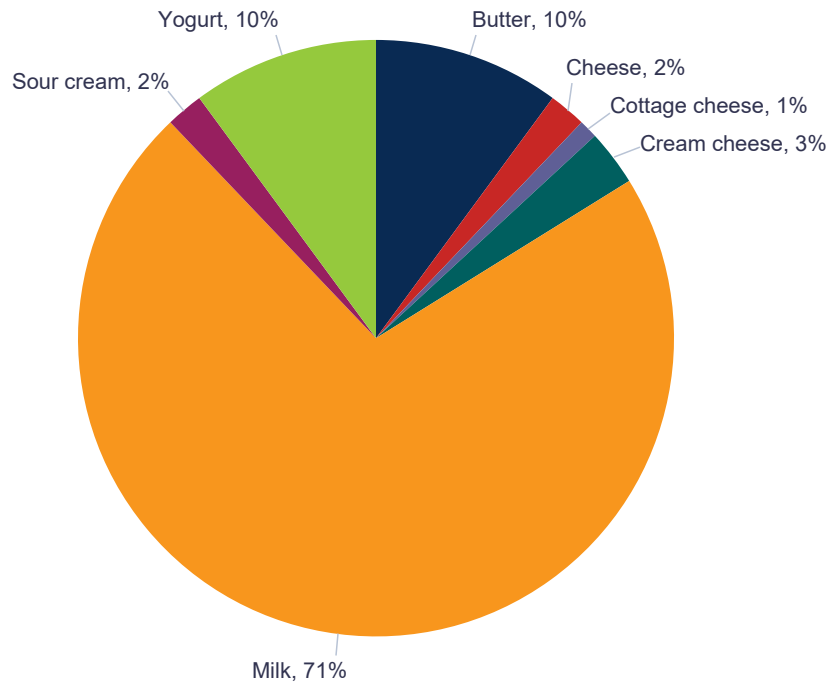
Total conventional yogurt ads increased 4 percent but organic yogurt ad numbers decreased 46 percent. The weighted average advertised price for organic plain yogurt in 4-6 ounce containers is \$1.06, while conventional 4-6 ounce yogurt averages \$0.51, representing an organic premium of \$0.55.



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 #	3260	3.03	3967	3.31	2731	3.37
Cheese	Natural Varieties	8 oz block	5641	2.34	7516	2.15	4827	2.23
Cheese	Natural Varieties	1 # block	1615	4.00	2000	3.76	2572	3.67
Cheese	Natural Varieties	2 # block	3571	5.99	2950	5.35	512	5.23
Cheese	Natural Varieties	8 oz shred	9514	2.26	9589	2.19	7339	2.14
Cheese	Natural Varieties	1 # shred	810	3.96	935	4.55	3585	4.03
Cottage cheese		16 oz	3966	1.89	4797	1.88	4572	1.96
Cream cheese		8 oz	3886	1.98	3867	1.90	4911	1.84
Egg nog		quart			246	1.99		
Flavored milk	All fat tests	half gallon	597	2.13	681	2.36	1679	2.56
Flavored milk	All fat tests	gallon	585	3.36	608	2.69	595	2.46
Ice cream		48-64oz	7262	3.08	10972	2.99	10610	3.09
Milk	All fat tests	half gallon	676	2.24	949	2.13	415	2.76
Milk	All fat tests	gallon	956	3.02	774	3.27	1878	2.96
Sour cream		16 oz	4979	1.75	6579	1.77	6919	1.69
Yogurt	Greek	4-6 oz	7824	.95	6814	1.02	10350	.95
Yogurt	Greek	32 oz	2580	3.90	1851	4.11	1872	3.79
Yogurt	Yogurt	4-6 oz	4278	.51	5492	.47	7772	.49
Yogurt	Yogurt	32 oz	525	2.56	403	3.12	2896	2.55

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 #	2.77-3.99	1011	3.02	2.89-3.68	817	3.12	2.48-2.99	1060	2.84
Cheese	Natural Varieties	8 oz block	1.88-3.99	2261	2.46	1.88-3.50	1993	2.23	1.67-2.50	389	2.08
Cheese	Natural Varieties	1 # block	2.99-5.99	993	4.05	3.99	233	3.99	3.49-4.99	274	4.03
Cheese	Natural Varieties	2 # block				4.88-5.99	1150	4.94	4.99	123	4.99
Cheese	Natural Varieties	8 oz shred	1.88-3.49	2145	2.31	1.88-2.50	2173	2.07	1.49-2.49	1704	2.06
Cheese	Natural Varieties	1 # shred	3.99	135	3.99	3.49-3.99	320	3.85	3.49-4.99	176	4.08
Cottage cheese		16 oz	1.39-2.99	998	2.27	1.25-2.50	1544	2.01	1.25-1.99	820	1.43
Cream cheese		8 oz	1.50-2.50	1141	2.04	1.50-2.50	856	2.06	1.33-2.00	524	1.59
Flavored milk	All fat tests	half gallon	1.99	84	1.99	2.95	60	2.95	2.00	180	2.00
Flavored milk	All fat tests	gallon				3.99	214	3.99	2.99-3.49	266	3.19
Ice cream		48-64oz	1.88-3.99	2353	2.82	1.88-3.99	1426	2.60	1.99-3.50	1504	2.74
Milk	All fat tests	half gallon				2.50	214	2.50	2.50	69	2.50
Milk	All fat tests	gallon	3.99	284	3.99						
Sour cream		16 oz	1.67-2.00	830	1.83	1.25-2.00	1729	1.89	1.25-1.50	902	1.35
Yogurt	Greek	4-6 oz	0.75-1.25	2531	.96	0.88-1.50	1904	.96	0.69-1.00	1161	.89

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	Greek	32 oz	3.49-3.99	816	3.77	3.49-5.00	710	3.84	3.50-3.99	793	3.92
Yogurt	Yogurt	4-6 oz	0.40-0.60	2488	.52	0.50	515	.50	0.38-0.50	529	.45
Yogurt	Yogurt	32 oz	2.49-3.50	312	3.02				1.88	213	1.88

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 #	2.89-3.29	302	3.07						
Cheese	Natural Varieties	8 oz block	1.66-3.00	728	2.41	1.99	116	1.99	1.99-3.00	130	2.46
Cheese	Natural Varieties	1 # block	2.99-3.99	115	3.47						
Cheese	Natural Varieties	2 # block	4.99-7.97	1184	7.44	4.99-6.99	552	5.66	4.99-7.99	524	5.54
Cheese	Natural Varieties	8 oz shred	1.66-3.00	2353	2.49	1.99-2.99	757	2.52	1.99-2.00	358	2.00
Cheese	Natural Varieties	1 # shred	3.99	110	3.99				3.99	69	3.99
Cottage cheese		16 oz	1.25	78	1.25	0.75-1.79	370	1.52	1.50	121	1.50
Cream cheese		8 oz	1.99-2.50	302	2.31	1.50-2.49	476	2.06	1.50-1.99	479	1.67
Flavored milk	All fat tests	half gallon				1.99	246	1.99			
Flavored milk	All fat tests	gallon							2.50	105	2.50
Ice cream		48-64oz	1.99-3.98	866	3.22	2.50-9.99	689	5.16	1.99-4.50	304	3.47
Milk	All fat tests	half gallon				1.99	366	1.99			
Milk	All fat tests	gallon	1.99-2.99	251	2.52	2.49	200	2.49	2.50-2.99	210	2.75
Sour cream		16 oz	1.50-1.99	207	1.68	0.75-1.99	794	1.73	1.50-2.50	471	1.94
Yogurt	Greek	4-6 oz	0.75-1.49	955	1.03	0.80-1.00	921	.93	0.80-1.00	304	.90
Yogurt	Greek	32 oz	3.99-4.99	192	4.58				3.99	69	3.99
Yogurt	Yogurt	4-6 oz	0.38-0.59	455	.49	0.40	167	.40	0.60	61	.60

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 #	2.99-4.99	43	3.99	5.99	27	5.99
Cheese	Natural Varieties	8 oz block				2.25	24	2.25
Cheese	Natural Varieties	2 # block	8.79	11	8.79	5.99	27	5.99
Cheese	Natural Varieties	8 oz shred				2.25	24	2.25
Cottage cheese		16 oz	1.50	11	1.50	3.00	24	3.00
Cream cheese		8 oz	1.99-4.00	50	3.29	2.50	58	2.50
Flavored milk	All fat tests	half gallon				2.99	27	2.99
Ice cream		48-64oz	2.50	21	2.50	3.50-4.99	99	4.25
Milk	All fat tests	half gallon				2.99	27	2.99
Milk	All fat tests	gallon	3.89	11	3.89			
Sour cream		16 oz	1.50-2.69	22	2.10	2.00	24	2.00
Yogurt	Greek	4-6 oz	1.25	21	1.25	1.25	27	1.25
Yogurt	Yogurt	4-6 oz	0.70-1.20	39	1.06	0.70	24	.70



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 #	501	4.85	339	5.07	905	5.10
Cheese	Natural Varieties	8 oz block	114	3.79	266	4.39		
Cheese	Natural Varieties	1 # block			117	5.99		
Cheese	Natural Varieties	8 oz shred					289	3.49
Cottage cheese		16 oz	69	2.99			488	3.33
Cream cheese		8 oz	161	2.99			180	2.50
Ice cream		48-64oz			189	5.99		
Milk	All fat tests	half gallon	2818	3.88	2803	3.67	2807	3.59
Milk	All fat tests	gallon	209	7.34	362	6.99	863	6.51
Milk	All fat tests	8 oz UHT	560	.96			459	1.11
Sour cream		16 oz	121	2.29	69	1.99		
Yogurt	Greek	4-6 oz			475	1.27	1058	1.03
Yogurt	Greek	32 oz					59	3.79
Yogurt	Yogurt	4-6 oz	419	1.06			180	1.05
Yogurt	Yogurt	32 oz	69	5.99	424	2.67	945	4.10

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	147	4.99				4.79	233	4.79
Cream cheese		8 oz	2.99	161	2.99						
Milk	All fat tests	half gallon	2.99-5.99	1273	4.20	3.29-3.99	597	3.82	2.99-3.29	370	3.10
Milk	All fat tests	gallon	7.49	147	7.49						
Milk	All fat tests	8 oz UHT	1.00-1.25	255	1.14	1.00	61	1.00			
Yogurt	Yogurt	4-6 oz	0.58-1.67	298	1.08						



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 #							4.79	121	4.79
Cheese	Natural Varieties	8 oz block	3.79	114	3.79						
Cottage cheese		16 oz							2.99	69	2.99
Milk	All fat tests	half gallon	3.99	239	3.99	3.99	174	3.99	2.50-3.99	165	3.04
Milk	All fat tests	gallon				6.99	62	6.99			
Milk	All fat tests	8 oz UHT				0.75	244	.75			
Sour cream		16 oz	2.29	121	2.29						
Yogurt	Yogurt	4-6 oz	1.00	121	1.00						
Yogurt	Yogurt	32 oz							5.99	69	5.99

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

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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