

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (10/18)

BUTTER: Grade AA closed at \$2.1150. The weekly average for Grade AA is \$2.1265 (+.0385).

CHEESE: Barrels closed at \$2.0000 and 40# blocks at \$1.9675. The weekly average for barrels is \$2.0140 (+.0910) and blocks, \$2.0275 (-.0335).

NONFAT DRY MILK: Grade A closed at \$1.1700. The weekly average for Grade A is \$1.1685 (+.0105).

DRY WHEY: Extra grade dry whey closed at \$.2850. The weekly average for dry whey is \$.2975 (-.0120).

CHEESE HIGHLIGHTS: Cheese production continues at steady to active rates in the United States. Milk bound for cheese vats is limited in the Midwest, as more milk loads head southeast into bottling and processing plants. Hence, the \$.75 to \$1.50 premiums on spot milk loads in the Central region. Market prices are hindering cheese demand. A growing number of Class III producers report \$2+ market prices have buyers opting to purchase for short-term requirements exclusively. Still, even with some ups and downs on CME market prices, both cheese blocks and barrels made their way above \$2 this week. Also, block and barrel prices have nearly converged, which is generally viewed as an indicator of market stability.

BUTTER HIGHLIGHTS: As the Q4 holidays approaches, butter sales remain very active throughout the country. Consequently, cold storage butter stocks continue to decline in most manufacturing plants. Cream volumes are reported as readily available for churning, but also enough in order to cover other processing needs such as sour cream, cream cheese, and ice cream. In the U.S., this week, bulk butter pricing varies by regions: East, **5.0** cents to **8.0** cents over the market; Central, flat market to **3.0** cents above the market; West, **5.5** cents under to **7.5** cents over the market, with various periods and averages used.

FLUID MILK: Milk output is mixed in the country this week. In the East, milk volumes off the farms vary throughout the region. Midwest milk production is slightly coming up. Market participants report seeing component levels are increasing as well. Milk output has grown in many parts of the West region. However, milk in the Pacific Northwest is fairly level. Class I demand is stable, as bottlers are ordering a set amount of milk loads for education institutions throughout the U.S. Several Class II plants have reduced ice cream processing. Condensed skim spot loads are readily available in the West, but loads are limited in the East. Cream continues to be available, and some market participants relay seeing more offers on the spot market. F.O.B. cream multiples are **1.27-1.33** in the East, **1.22-1.32** in the Midwest, and **1.05-1.24** in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk (NDM) spot prices have heightened. The demand from Class III and the bakery sector is improving. Market tone continues to strengthen. High heat NDM prices are higher. Spot trading activities have picked up. Dry buttermilk prices are mixed this week. The demand from bakery buyers has put some upward pressure on prices. Dry whole milk prices are unchanged on the price range. The demand is stable and improving ahead of the upcoming year-end holidays. Whey powder prices are mixed throughout the regions. Some buyers were actively purchasing on the spot market. Market conditions remain unsettled. Whey protein concentrate 34% prices are mostly steady. Interest continues to be mixed based upon end user requirements. Lactose prices are unchanged this week. Impacts from the African swine fever continue to put pressure on prices and market demand. Acid and rennet casein prices are steady to higher. Casein market conditions are steady to firming.

ORGANIC DAIRY MARKET NEWS: The Agricultural Marketing Service (AMS) reports estimated US sales of total organic milk products decreased from a year earlier. August 2019 sales were 208 million pounds, down 6.6 percent from August 2018 and down 3.8 percent compared to January-August 2018. This week's retail survey noted that just three advertised organic dairy products represent total of organic ads by commodity. Results show organic milk accounted for 51 percent of ads, cheese ads claimed 26 percent, and organic yogurt comprised the remaining 23 percent. Of those commodities, organic cheese posted the largest jump, 26 percent from the previous period, while organic yogurt grew 2 percent. Organic milk moved in the other direction, down 20 percent.

NATIONAL RETAIL REPORT (DMN): After being the most advertised dairy item in the United States in the five consecutive weeks prior to this week, conventional ice cream in 48 to 64 oz containers took the third place this week, selling at \$3.10. The national weighted average advertised price for conventional milk half gallons is \$2.72, compared to \$3.88 for organic milk half gallons, an organic price premium of \$1.16. Conventional cheese ad numbers decreased 6 percent. The weighted average price for conventional 8 oz. shred cheese is \$2.33, down 7 cents from last week. The weighted average advertised price for conventional yogurt in 4 to 6 oz. containers is \$0.48, down 1 cent from last week.

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DAIRY MARKET NEWS PRICE SUMMARY FOR OCTOBER 14 - 18, 2019 PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Mostly		Commodity	Range		Mostly		Commodity	Range		Mostly	
NDM					BUTTERMILK					LACTOSE				
Central Low/Med. Heat	1.0875	1.1800	1.1400	1.1600	Central/East	1.0500	1.1275			Central/West	0.1800	0.3900	0.2300	0.3300
Change	0.0325	0.0100	0.0400	0.0200	Change	-0.0100	0.0100			Change	N.C.	N.C.	N.C.	N.C.
Central High Heat	1.2200	1.2700			West	1.0300	1.1000	1.0400	1.0600	WPC 34%				
Change	0.0400	0.0200			Change	0.0300	0.0100	N.C.	N.C.	Central/West	0.7500	1.1100	0.8800	1.0300
West Low/Med. Heat	1.0950	1.1900	1.1400	1.1800	WHEY					Change	N.C.	N.C.	N.C.	0.0100
Change	0.0400	0.0200	0.0400	0.0300	Central	0.2500	0.3600	0.3200	0.3400	CASEIN				
West High Heat	1.2200	1.3000			Change	-0.0200	-0.0050	N.C.	-0.0050	Rennet	3.1200	3.1825		
Change	0.0200	0.0300			West	0.2550	0.4100	0.3100	0.3800	Change	0.1375	0.0125		
DRY WHOLE MILK					Change	-0.0100	-0.0200	N.C.	-0.0100	Acid	3.1250	3.3975		
National	1.7500	1.8000			Northeast	0.3200	0.3900			Change	N.C.	0.1125		
Change	N.C.	N.C.			Change	0.0100	N.C.			ANIMAL FEED WHEY				
										Central	0.2400	0.2600		
										Change	N.C.	N.C.		

COMMODITY	MONDAY OCT 14	TUESDAY OCT 15	WEDNESDAY OCT 16	THURSDAY OCT 17	FRIDAY OCT 18	:: WEEKLY CHANGE	:: WEEKLY AVERAGE
CHEESE							
BARRELS	\$2.0250 (+0.0025)	\$2.0250 (N.C.)	\$2.0200 (-0.0050)	\$2.0000 (-0.0200)	\$2.0000 (N.C.)	:: (-0.0225)	:: \$2.0140 (+0.0910)
40 POUND BLOCKS	\$2.0725 (-0.0275)	\$2.0550 (-0.0175)	\$2.0400 (-0.0150)	\$2.0025 (-0.0375)	\$1.9675 (-0.0350)	:: (-0.1325)	:: \$2.0275 (-0.0335)
NONFAT DRY MILK							
GRADE A	\$1.1675 (+0.0025)	\$1.1675 (N.C.)	\$1.1675 (N.C.)	\$1.1700 (+0.0025)	\$1.1700 (N.C.)	:: (+0.0050)	:: \$1.1685 (+0.0105)
BUTTER							
GRADE AA	\$2.1100 (+0.0150)	\$2.1200 (+0.0100)	\$2.1425 (+0.0225)	\$2.1450 (+0.0025)	\$2.1150 (-0.0300)	:: (+0.0200)	:: \$2.1265 (+0.0385)
DRY WHEY							
EXTRA GRADE	\$0.2975 (-0.0050)	\$0.3075 (+0.0100)	\$0.3050 (-0.0025)	\$0.2925 (-0.0125)	\$0.2850 (-0.0075)	:: (-0.0175)	:: \$0.2975 (-0.0120)

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: Five days of trading information can be found at www.cmegroup.com/trading/agricultural/spot-call-data.html

BUTTER MARKETS

NORTHEAST

With milk output increases and reductions in butterfat used for ice cream, a cream supply spurt in the East is set to prompt an upward shift in churning rates for most butter plants in the region. Cream multiples in the East region range 1.27-1.33. Notably, as production picks up, butter manufacturers prefer to supply orders from existing inventory rather than be stuck with uncommitted stocks. Production runs center on 80 percent butter, with a few scheduled 82 percent and kosher butter runs. Spot market buyers/sellers noted multiple transactions last week, which occurred on a low butter price. However, trades are slower this week, with stronger prices beginning the week. The bulk butter price for domestic sales is 5-8 cents over the market of the CME Group, with various time frames and averages used. Print orders are seasonally strong from club stores and retail buyers. Meanwhile, 1 pound butter in both the Northeast and Southeast retail markets edged lower in the pricing ranges.

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:

CME GROUP

Tuesday's CME Group cash trading saw Grade AA butter close at \$2.1200, up from \$2.1025 a week ago.

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

Bulk Basis Pricing - 80% Butterfat \$/LB: 0.0000 - +0.0300

WEST

Western butter contacts describe a market currently aflutter. Normally, during this time of year, butter makers and butter buyers operate under the *idée fixe*, to make and purchase enough butter to cover Q4 holiday needs. However, industry contacts suggest many end users have their Q4 needs covered to the point of being comfortable. Buyers have seemed content to hold back on the holiday purchase fervor. There is plenty of butter and cream available. Inventories, while getting drawn down along seasonal patterns, are thought to be heavy. Some customers suggest that adequate butter availability should redound to lower butter prices, or at least, lower bulk butter overages. Bulk butter overages now cover a wide range. In contrast, as butter prices on the CME have eased back, a few end users see it as an opportunity to lay on coverage for the first half of 2020. Manufacturers say retail butter orders have been brisk and this has resulted in active butter churning. In some cases, there is a slight bottleneck in processing capacity.

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

Bulk Basis Pricing - 80% Butterfat \$/LB: -0.0550 - +0.0750

Secondary Sourced Information:

CME Closing Price

The Grade AA butter price at the CME Group on Wednesday closed at \$2.1425, compared to the weekly average price of \$2.0880 from last week.

CENTRAL

Butter demand is generally steady among regional producers. There are some ordering upticks due to the upcoming fall/winter holidays. With Thanksgiving falling in the waning days of November, butter contacts expect more time for shopping and, therefore, better retail push prior to the holiday. With the increase in fall sales, inventories are being pared down slightly, but are in balance. Cream is as available as it has been in recent weeks, both regionally and in the West. Cream suppliers report getting a few more calls from Class II and III producers. They say there could be a seasonal shortage in the next few weeks. Butter production is steady, generally. Butter market tones are starting to firm again this week, after prices slipped to \$2.0575 in the middle of week 41.

CHEESE MARKETS

NORTHEAST

In the Northeast region, cheese production has been steady to strong and inventories have increased in recent weeks. Currently, there are enough milk loads for Class III intakes. Mozzarella interest is healthy, and customers' contracts are stable for the remainder of 2019. Cheddar cheese market conditions are also showing strength, as barrel prices are fairly close to block prices. On the CME Group, both block and barrel cheddar cheese prices are in the \$2.0250 and higher price range currently. Some buyers are willing to purchase at the higher prices, yet many market participants are analyzing recent price fluctuations. In the Northeast, the wholesale cheese price for both cheddar and Muenster shifted higher \$0.0700; process cheese prices heightened by \$0.1750. The Grade A Swiss price is unchanged from last week.

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

Cheddar 40 pound Block	2.5175-2.8050
Muenster	2.5050-2.8550
Process American 5 pound Sliced	2.0800-2.5600
Swiss 10-14 pound Cuts	3.4075-3.7300

Secondary Sourced Information:

This week, a cooperative export assistance program accepted requests for export assistance on contracts to sell 846,575 pounds (384 metric tons) of cheddar. So far this year, the program has assisted member cooperatives who have contracts to sell 44.1 million pounds of American-type and Swiss cheeses in export markets.

MIDWEST

Midwestern cheese producers, for the past two weeks, have pointed to \$2-plus cheese prices as a catalyst for sliding sales. Market prices for both barrels and blocks are over \$2 and within a tight range of one another for the first time since barrels slipped down into the \$1.60s as recently as September 30th, when the price gap was hovering around \$.25. Cheese production is ongoing at steady rates. Milk flowing down into the Southeast has kept spot milk at a premium, typically around \$1 over, for the past two weeks. Cheesemakers continue to use nonfat dry milk stores to standardize/fortify during production. Regionally, cheese inventories are balanced to tighter. Midwestern wholesale prices are unchanged for Swiss cuts, up \$.1750 for process and up \$.0700 for all other types.

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

Blue 5 pounds	2.7000-3.7700
Brick 5 pounds	2.4325-2.8575
Cheddar 40 pound Block	2.1550-2.5550
Monterey Jack 10 pounds	2.4075-2.6125
Mozzarella 5-6 pounds	2.2325-3.1775
Muenster 5 pounds	2.4325-2.8575
Process American 5 pound Loaf	2.0100-2.3700
Swiss 6-9 pound Cuts	2.9225-3.0400

WEST

In the West, the cheese market is volatile. Prices have been going through some ups and downs in the past weeks and customers are a bit resistant to current price trends. Most purchasers are drawing from their inventories and buying based on short-term needs. However, that is enough to keep processors' inventories under control. Although domestic sales are good, the food sector demand is a bit down. In the West, wholesale prices are up \$.1750 for process, and up \$.0700 for cheddar block, cuts and Monterey Jack. Swiss cut

wholesale prices are unchanged from the previous week. Higher prices are also affecting international requests. On a positive note, under the recent U.S.-Japan trade deal that might take effect by January 1 of next year, the U.S. will see the elimination of Japan's tariffs on cheese, its largest dairy product exported to Japan. Western cheese production schedules are active.

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

Cheddar 10 pound Cuts	2.3925-2.5925
Cheddar 40 pound Block	2.1450-2.6350
Monterey Jack 10 pounds	2.3800-2.6550
Process American 5 pound Loaf	2.0275-2.2825
Swiss 6-9 pound Cuts	3.0050-3.4350

FOREIGN TYPE

Milk production in Germany, France and United Kingdom has increased for the past three consecutive weeks, helping in maintaining a steady to increasing cheese output in the European Union. Cheese sale volumes both in the domestic and global market have been to the satisfaction of EU processors. Meanwhile, in Germany, the cheese market conditions remain strong, with inventories being mainly used to satisfy contractual requests. Stocks are low for spot demands. In the U.S., domestic prices for blue, gorgonzola, parmesan, and Romano have augmented by \$.0700, but all other prices have remained steady. Japan and the U.S. have recently discussed an interim trade agreement that could result in the elimination of tariffs on U.S. cheese exports to Japan. Japan was one of the biggest importers of European cheese in the first half of 2019 and if the trade agreement is concluded, the dynamic of the international cheese market could be impacted.

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

VARIETY	NEW YORK	IMPORTED	DOMESTIC
Blue	2.6400-5.2300		2.5775-4.0650*
Gorgonzola	3.6900-5.7400		3.0850-3.8025*
Parmesan	-0-		3.9650-6.0550*
Romano	-0-		3.7675-5.9225*
Sardo Romano (Argentina)	2.8500-4.7800		-0-
Reggianito (Argentina)	3.2900-4.7800		-0-
Jarlsberg	2.9500-6.4500		-0-
Swiss	-0-		3.4450-3.7675
Swiss (Finland)	2.6700-2.9300		-0-

* = Price change.

COLD STORAGE

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

	BUTTER	CHEESE
10/14/2019	50738	81173
10/01/2019	42613	82484
CHANGE	8125	-1311
% CHANGE	19	-2

EAST

Milk production in the **Northeast** is level to a bit lower in some areas of the region. Class I sales are fairly steady for this time of year, as educational institutions have been ordering a set number of loads for several weeks. **Mid-Atlantic** milk production volumes are steady to increasing currently. Class I sales are stable. Balancing operations are not at capacity. **Southeast's** milk production has come up a bit. Manufacturing milk supplies are tight, as Class I demand continues to take the majority of loads. Weather conditions are still warm in **Florida**, but there are expectations cooler temperatures are on the horizon fairly soon. Milk production off some farms in the state is starting to see an uptick. Bottling sales are mostly steady. **Cream** demand is following seasonal patterns. There are reports of interest sparking up in the near future. Multiples are ranging, 1.27-1.33 F.O.B. **Condensed skim** is somewhat limited on the spot market. Buyers are currently willing to trade loads at higher prices.

Northeastern U.S., F.O.B. Condensed Skim	
Price Range - Class II; \$/LB Solids:	0.95 - 1.07
Price Range - Class III; \$/LB Solids:	0.90 - 1.05

Northeastern U.S., F.O.B. Cream	
Multiples Range - All Classes:	1.2700 - 1.3300
Price Range - Class II; \$/LB Butterfat:	2.6518 - 2.7770

MIDWEST

Midwestern milk output is slightly higher. Contacts point to pleasant, cow-comfortable weather as a catalyst for a slight uptick. Contacts have also pointed out, in recent weeks, that component levels have been on the rise. Class I sales and processing remain steady in the region. That said, Southeastern regional bottling/processing has changed the dynamic for milk usage in the Midwest/Central area of the country. Contacts say since Class I upticks began with the onset of schools reopening in the Southeast, milk loads have been diverted in that direction from the Midwest and Mideast. Cheese producers say milk is still generally around the \$1 over Class range, up a little from last week. Cheesemakers report using more nonfat dry milk to standardize during production. **Cream** is currently available for all uses. Some cream handlers suggest they are getting interest from processors who have been quiet in recent months, so there are expectations that cream supplies may tighten up near term. Although harvesting of corn in the Midwest is behind and/or spotty due to the late/wet planting season, winter wheat planting in parts of the Midwest and large areas in the South Central is ahead of schedule, and weather has been helpful in most of those areas this fall.

Price Range - Class III Milk; \$/CWT; Spot Basis:	+ .75 - + 1.50
Trade Activity:	Moderate

Midwestern U.S., F.O.B. Cream	
Multiples Range - All Classes:	1.2200 - 1.3200
Price Range - Class II; \$/LB Butterfat:	2.6518 - 2.7562
Multiples Range - Class II:	1.2700 - 1.3200

WEST

In **California**, milk production is seasonally higher. Temperatures and humidity are declining steadily, helping with milking cows' yield. Class I demands by retailers and educational institutions are mostly stable. Milk supplies are in good balance with the needs of users. In **Arizona**, temperatures are lower in the morning, keeping cows

recharged and their milk production active. Compared to last month, milk output is higher. Handlers' milk pools have been stable. Due to the fall break, Class I demand was down last week, but it is back to normal this week. Component levels have started to improve bit by bit. Class II demand is steady to down as several plant managers have reduced ice cream processing. All fluid milk produced continues to be used within the state. Throughout **New Mexico** state, favorable weather conditions are contributing to improved milk output. Despite some scheduled/unplanned maintenance projects, milk is being used efficiently. Bottled milk sales to grocery stores' accounts are unchanged from a week ago. Schools' intakes have recovered from last week's drops. Milk production in the **Pacific Northwest** is steady, and some industry contacts say components have eased back a little lately. Class I demand is in mid-season form, with school milk bottling stable. Manufacturers have plenty of milk to fill their processing needs. Milk production in the mountain states of **Idaho, Utah** and **Colorado** remains strong. Cool nights and warm, genial days have maintained cow comfort and kept the milk flowing. Industry contacts say there is an abundance of milk, especially in Idaho, where some excess milk is getting pushed out into surrounding states or discounted to \$4.75 below Class IV. Not a lot is going on in the **condensed skim** market this week. Sales and prices are stable. Inventories are readily accessible for drying purposes. In the West, there are more offers of **cream**. However, there were no price breaks reported. Some processors are working on 2020 Quarter 1 contracts. Cream sales are generally stable and below expectations. Multiples for all Classes are a bit up at the top of the range.

Western U.S., F.O.B. Cream	
Multiples Range - All Classes:	1.0500 - 1.2400

Secondary Sourced Information:

Milk pooled on the Pacific Northwest Order 124 totaled 623 million pounds in September 2019. Class I utilization accounted for 22.8 percent of producer milk. The uniform price was down \$0.17 from last month, but \$1.99 above the same month a year ago.

Milk pooled on the Arizona Order 131 totaled 335.3 million pounds in September 2019. Class I utilization accounted for about 30.4 percent of producer milk. The uniform price was down \$0.03 from last month, but \$2.23 above the same month a year ago.

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 continued their march higher this week. In the region, spot milk prices continue to remain at overages week in, week out. Therefore, more cheesemakers are using NDM for fortification and standardization. Mexican demand is also contributing to the recent push. NDM drying is somewhat limited due to the lack of milk and condensed skim available regionally. Additionally, buttermilk drying is reportedly more active in recent weeks. High heat NDM prices increased on both sides of the range, as well, on busier trading. Producers are trying to add as much high heat NDM drying to the list as possible, amid the current demand surge. Overall, the NDM market tone is resolutely bullish.

EAST: Low/medium heat nonfat dry milk (NDM) prices are higher on all sides of the range and mostly series as the market continues to strengthen. Some market participants relay current spot prices are adequate for this time of year. A few NDM manufacturing plants are not operating at capacity, due to drying time running around milk availability. Eastern supplies are fairly able to cover most buyers' needs at this time. High heat NDM prices are higher on both the bottom and top of the price range. The demand for spot loads is improving.

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: 1.0875 - 1.1800
Mostly Range - Low & Medium Heat; \$/LB: 1.1400 - 1.1600

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: 1.2200 - 1.2700

NONFAT DRY MILK - WEST

In the west, free on board (f.o.b.) spot prices for low/medium heat nonfat dry milk (NDM) shifted higher along with some variable NDM contract indices. The regional NDM market status continues to strengthen as the immediate needs for milk protein are steadily improving within the food manufacturing industry, particularly from Class III and the bakery sector. As reported by some market stakeholders, the accessibility of NDM inventories is limited in the cash market, as they are highly committed through Q4/Q1 contracts. Several NDM customers want to settle Q1 2020 contracts as soon as possible in anticipation of prices going higher during the first quarter of 2020. In contrast, a few buyers are adopting a wait and see approach, expecting a drop in NDM prices during the fourth quarter. At this point, low/medium heat NDM production is active in most processing plants as large volumes of condensed skim continue clearing into dryers. Prices for high heat NDM are up this week. Drying schedules are sporadic, mostly driven by contractual requirements. Inventories are reported as short throughout the region.

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: 1.0950 - 1.1900
Mostly Range - Low & Medium Heat; \$/LB: 1.1400 - 1.1800

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: 1.2200 - 1.3000

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: The price range of dry buttermilk expanded in the region. There are some reports that production has been more active, which led to slightly lower prices on the bottom of the range. On the top end, however, fall baking demand put some upward pressure on prices. As nonfat dry milk markets surge, production is shifting whenever possible to condensed skim drying. That said, condensed skim availability is scant, and therefore dryer time is being utilized in drying condensed buttermilk. All said, buttermilk market tones are in the midst of seasonal hardihood.

EAST: Dry buttermilk spot prices are mixed this week. In the East, many sales are trading around the \$1.06-\$1.10 price range. Some buyers are still holding off from purchasing spot loads at this time. Drying schedules continue to be intermittent at some manufacturing facilities. Inventories are limited in the region, yet a few operations are supplying loads to their customers' needs. Market conditions are somewhat unsettled.

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk
Price Range ; \$/LB: 1.0500 - 1.1275

DRY BUTTERMILK - WEST

In the west region, free on board (f.o.b.) spot prices for dry buttermilk adjusted higher on the range, but held steady on the mostly series. Market conditions are stable, with no major changes from the past couple of weeks. With most balancing plant managers prioritizing drying schedules for condensed skim milk over condensed buttermilk, dry buttermilk manufacturing has been irregular. In general, the production of dry buttermilk has been strictly driven by Q4 contractual needs. Consequently, dry buttermilk inventories are steady to slightly tight in the spot market.

Prices for: Western U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk
Price Range ; \$/LB: 1.0300 - 1.1000
Mostly Range - ; \$/LB: 1.0400 - 1.0600

DRY WHOLE MILK - U.S.

Nationwide, free on board spot prices for dry whole milk are steady on a stable domestic market. The spot trading activity has been light throughout the week as most sales are driven by current contractual needs. Demands from bakers and dry mix manufacturers are active as the year-end holiday season is approaching. Drying schedules for condensed whole milk are expected to improve as more milk is becoming available for drying. At this point, dry whole milk inventories are in balance with most spot/contractual needs.

Prices for: U.S., All First Sales, F.O.B., Conventional, and Edible Dry Whole Milk
Price Range - 26% Butterfat; \$/LB: 1.7500 - 1.8000

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY- CENTRAL

Dry whey prices decreased on the price range and the top of the mostly slid in the Central region. Dry whey trading markets were steady. Buyers are a little more active as prices are, in their viewpoint, more favorable. Some Midwestern contacts are expecting a turn-around to come. They say cheese production has slowed with less milk in the region. That said, current market tones remain hamstrung by factors including trade hurdles, weaker high-protein markets, and the Asian swine flu epidemic. Animal feed trading was quiet in the region, as those prices remain in the lower/mid \$20s. Generally, although there are some potentially beneficial market factors relating to inventories, market tones remain in a bearish rain cloud.

Prices for: Central U.S., All First Sales, F.O.B., Conventional, and Non-Edible Dry Whey

Price Range - Animal Feed; \$/LB: .2400 - .2600

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: .2500 - .3600

Mostly Range - Non-Hygroscopic; \$/LB: .3200 - .3400

DRY WHEY- NORTHEAST

Dry whey prices shifted a bit higher on the bottom of the price range. Few price fluctuations have been taking place these last several weeks, however many spot sales have traded around \$0.32 and above price points. Trading activities have picked up this week, yet the majority of transactions are through contracted agreements. Dry whey production is ongoing in the Eastern region, and supplies continue to be available on the spot market. Market participants are seeing plentiful offers from manufacturers. Market conditions are steady to uncertain as many buyers wait to see where dry whey spot prices lead.

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: .3200 - .3900

DRY WHEY- WEST

In the West, dry whey prices are lower on the range and on the top of the mostly series. Market conditions are unsettled. However, one advantage of the present lower prices is that it is compelling some buyers to increase their intakes, while others are waiting to see how low of a price they can get. No major changes have occurred in international buyers' demands. Nonetheless, a recent positive trade talk with China has given hope of the possibility of a better dry whey market in future months. The trade deal with Japan will also open some global sale opportunities for U.S. dry whey manufacturers. Meanwhile, they are in the quest for additional market shares in Asia and Mexico. Dry whey supplies are plentiful, and production is ongoing.

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: .2550 - .4100

Mostly Range - Non-Hygroscopic; \$/LB: .3100 - .3800

WHEY PROTEIN CONCENTRATE

Whey protein concentrate 34% prices are generally steady, but moved higher at the top of the mostly price series. WPC34% production is stable, but demand and inventories are mixed. The different market tiers are like a pushmi-pullyu heading in opposite

directions. Preferred brands and infant formula WPC34% have tight inventories and solid demand. Some buyers are aggressively looking to assure coverage for their WPC34% needs. In addition, the recent strengthening trend within the nonfat dry milk market may be pushing prices for these types of WPC34% higher. However, weakness in the higher whey protein concentrate markets and generally slow demand for WPC34% that is more interchangeable with other protein sources are pulling at prices. Neither tier has completely defined the WPC34% market, and, as a result, the market is stuck between the two forces.

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: .7500 - 1.1100

Mostly Range - 34% Protein; \$/LB: .8800 - 1.0300

LACTOSE

Prices for lactose are unchanged. Lactose continues to move well through contracts, but spot sale activity is slow. Some manufacturers say their inventories are mostly committed through the end of the year, while others suggest stocks are building. Although well behind 2018 sales because of trade issues, a few processors report they are ahead of their Q4 sales forecast to China. Buyers appear eager to get purchases made before the end of the year, especially for food and infant formula lactose. In addition, manufacturers are generally pleased with the steady standardization demand. However, African swine fever continues to put pricing pressures on lactose throughout the market tiers. Domestic lactose production is steady.

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: .1800 - .3900

Mostly Range - Non Pharmaceutical; \$/LB: .2300 - .3300

CASEIN

Rennet casein prices firmed. Acid casein prices are steady at the low end of the price range, but stronger at the top. The casein market tone overall is steady to firmer. U.S. casein users seem generally supplied for projected needs. In Europe, casein production is moving toward seasonally lower levels. In New Zealand, milk production is near the seasonal peak, which helps casein manufacturers' sourcing efforts.

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: 3.1250-3.3975

Rennet; Price Range - \$/LB: 3.1200-3.1825

Secondary Sourced Information:

January – August 2019 caseinate exports from the EU, 59,149 MT, are 12.6 percent higher than during January – August 2018, according to Eucolait. Main destinations are shown in the following table.

Country	Quantity MT	% Total
United States	18,758	31.7
Mexico	7,913	13.4
Russia	4,061	6.9

At GDT Event 246 on October 15, 2019, the rennet casein all contracts price, \$3.1371, increased 3.6 percent.

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

WEEK ENDING	2019 WEEKLY DAIRY COWS	2019 CUMULATIVE DAIRY COWS	2018 WEEKLY DAIRY COWS	2018 CUMULATIVE DAIRY COWS
09/28/2019	60.4	2,413.1	60.6	2,336.2

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

FEDERAL MILK ORDER CLASS III MILK PRICES (3.5% Butterfat)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2018	14.00	13.40	14.22	14.47	15.18	15.21	14.10	14.95	16.09	15.53	14.44	13.78

FEDERAL MILK ORDER CLASS IV MILK PRICES (3.5% Butterfat)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2018	13.13	12.87	13.04	13.48	14.57	14.91	14.14	14.63	14.81	15.01	15.06	15.09

FEDERAL MILK ORDER CLASS PRICES FOR 2019 (3.5% Butterfat)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I (BASE)	15.12	15.30	15.98	15.76	16.42	17.07	17.18	17.89	17.85	17.84		
II	15.74	16.13	16.61	16.38	16.48	17.30	17.61	17.60	16.93			
III	13.96	13.89	15.04	15.96	16.38	16.27	17.55	17.60	18.31			
IV	15.48	15.86	15.71	15.72	16.29	16.83	16.90	16.74	16.35			

Further information may be found at: <https://www.ams.usda.gov/rules-regulations/mmr/dmr>**NATIONAL DAIRY PRODUCTS SALES REPORT
U.S. AVERAGES AND TOTAL POUNDS**

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
10/12/2019	2,1588 2,300,511	2,0327 12,270,353	1,7486 10,158,193	.3553 7,466,399	1.0953 16,128,381

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

Selected settling prices

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

DATE	10/11	10/14	10/15	10/16	10/17
OCT	18.64	18.59	18.60	18.62	18.60
NOV	18.71	18.62	18.68	18.68	18.56
DEC	17.88	17.95	18.04	18.06	18.02

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

DATE	10/11	10/14	10/15	10/16	10/17
OCT	109.13	109.50	109.50	109.50	109.45
NOV	113.63	114.58	115.03	114.80	115.53
DEC	115.00	115.80	116.50	116.03	117.00

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

DATE	10/11	10/14	10/15	10/16	10/17
OCT	16.37	16.37	16.37	16.45	16.45
NOV	16.54	16.73	16.82	16.78	16.81
DEC	16.56	16.67	16.80	16.79	16.81

WHEY (Electronic-Traded) (¢/lb)

DATE	10/11	10/14	10/15	10/16	10/17
OCT	33.70	33.60	33.63	33.75	33.75
NOV	32.95	32.45	33.03	33.75	33.68
DEC	33.05	33.00	34.25	34.50	34.50

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

DATE	10/11	10/14	10/15	10/16	10/17
OCT	214.98	215.00	215.55	215.95	216.98
NOV	212.75	212.90	213.80	213.80	214.28
DEC	210.00	209.50	210.80	211.55	211.03

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

DATE	10/11	10/14	10/15	10/16	10/17
OCT	1.97	1.96	1.96	1.96	1.96
NOV	1.98	1.97	1.97	1.97	1.96
DEC	1.89	1.90	1.90	1.90	1.90

Further information may be found at: <http://www.cmegroup.com/market-data/daily-bulletin.html>

ORGANIC DAIRY MARKET NEWS

Information gathered October 7 - 18, 2019

ORGANIC DAIRY FLUID OVERVIEW

Organic Milk Product Sales. The Agricultural Marketing Service (AMS) reports estimated US sales of total organic milk products decreased from a year earlier. August 2019 sales were 208 million pounds, down 6.6 percent from August 2018 and down 3.8 percent compared to January-August 2018.

Organic whole milk sales for August 2019, 90 million pounds, were up 0.1 percent compared to a year earlier and up 2.1 percent compared with the year-to-date in 2018. Reduced fat milk (2%) sales were steady with the previous year, but declined 3.8 percent year-to-date.

ESTIMATED TOTAL U.S. SALES OF ORGANIC FLUID MILK PRODUCTS, August 2019, with comparisons^{1/}

Product Name	Sales ^{2/}		Change	
	August	Y-T-D	Prev Yr. ^{4/}	Y-T-D ^{4/}
	(million pounds)			(percent)

ORGANIC PRODUCTION PRACTICE

Whole Milk	90	711	0.1	2.1
Reduced Fat Milk (2%)	70	543	---	-0.9
Low Fat Milk (1%)	25	219	-25.1	-13.8
Fat-Free Milk (Skim)	16	124	-12.8	-19.6
Flavored Fat-Reduced Milk	7	59	-36.4	-13.1
Other Fluid Milk Products	0	0	-14.7	28.2
Total Fat-Reduced Milk ^{3/}	118	946	-11.1	-7.7
Tot. Organic Milk Products	208	1,657	-6.6	-3.8

¹ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas, 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 data. Reported volumes do not include added non-dairy ingredients such as sweeteners or flavorings. ² Data may not add due to rounding. ³ Both conventional and organic fat-reduced milk categories are the total of reduced fat, low-fat, skim and flavored fat-reduced milk. ⁴ Year to Date Sales, Change from Previous Year, and Change in Year to Date figures include the addition of the California Federal Milk Order, which also includes several changes in product classification. The California Federal Milk Marketing Order became effective on November 1, 2018.

Will China Surpass US Organic Dairy. A recent survey by a top research group suggests that within 5 years China's organic food market will surpass the US multi-billion dollar organic food market. Central to this thought is that organic dairy is projected to be one of the most significant segments that will dominate the organic market landscape.

August 2019 Average Organic Milk Farm Prices in Europe

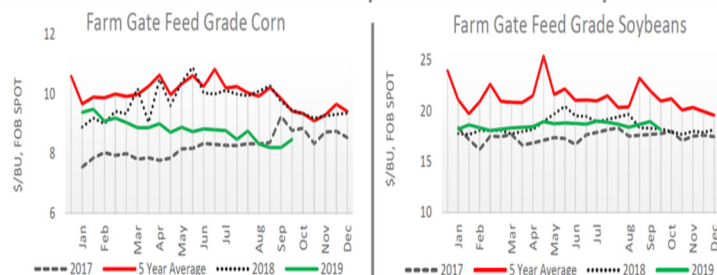
	euros/100lt	(\$USD)	% Change July 2019	% Change August 2018
Germany	46.57	51.89	- 0.15	- 1.29
Bavaria	46.65	51.98	- 0.19	- 1.87
France	47.64	53.08	+1.00	+ 2.24

ORGANIC GRAIN FEEDSTUFF OVERVIEW

Organic Grain and Feed Market. Trade activity and demand is reported as moderate for organic feed corn, soybeans and wheat. Forward contracting for organic feed corn picked up for Q1 and Q3 2020. Organic feed corn traded 27 cents higher, while organic feed soybeans traded 82 cents lower. Cash bids for feed hard red winter wheat ranged from 6.75 to 7.00 delivered elevator, due to storage constraints. Feed soft red winter wheat dropped from 9.00 to 8.00 delivered elevator. Trade activity is light on moderate demand for organic hay. Imported soybean meal volumes and price levels have reduced domestic crushing, leading to soybean oil shortages across the country.

Grower FOB Farm Gate Organic Grain

Spot Transactions						Forward Contracts		Cash Bids
Feed Grade	Unit	Price Range	Avg.	Change	Prior Year	Price Range	Delivery Period	Price Range
Yellow Corn	\$/bu	7.00 - 11.45	8.47	0.27	9.45	8.40 - 8.40	Dec-19 - Mar-20	9.00 - 9.00
Soybeans	\$/bu	17.50 - 19.00	18.13	-0.82	18.22	N/A - N/A	N/A - N/A	19.00 - 19.00
Wheat	\$/bu	N/A - N/A	N/A	N/A	N/A	N/A - N/A	N/A - N/A	N/A - N/A
Oats	\$/bu	N/A - N/A	N/A	N/A	N/A	N/A - N/A	N/A - N/A	N/A - N/A



For more additional information, access the link: <https://www.ams.usda.gov/mnreports/lsbnof.pdf>

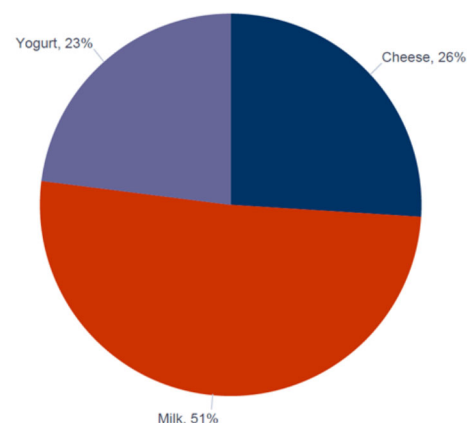
ORGANIC DAIRY RETAIL OVERVIEW

This week's retail survey noted that just three advertised organic dairy products represent total of organic ads by commodity. Results show organic milk accounted for 51 percent of ads, cheese ads claimed 26 percent, and organic yogurt comprised the remaining 23 percent. Of those commodities, organic cheese posted the largest jump, 26% from the previous period, while organic yogurt grew 2 percent. Organic milk moved in the other direction, down 20 percent.

In view of packaging, gallon size organic milk ads slumped 96 percent in retail stores across the country. The weighted average price, \$6.99, increased significantly, \$1.73, from the previous survey period. In general, the market noted most organic dairy commodities show cuts in prices, ranging from 19 to 85 cents.

The price spread between the organic and conventional half gallon milk weakened this week. The organic price, \$3.88, and conventional price, \$2.02, prompted an organic premium of \$1.86, compared to \$2.09 the previous organic report week. Last year at this time, the organic price premium was \$1.74.

Percentage of Total Organic Ads by Commodity



Data source: USDA Dairy Market News

-CONTINUED ON PAGE 8A-

ORGANIC DAIRY MARKET NEWS

Information gathered October 7 - 18, 2019

-CONTINUED FROM PAGE 8-

Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from October 18-24, 2019. Retail survey ads reflect “advertised specials” and not the range of non-advertised supermarket cooler prices.

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

**NATIONAL RETAIL ORGANIC DAIRY
WEIGHTED AVERAGE ADVERTISED PRICE**

Commodity	This <u>Week</u>	Last <u>Week</u>	Last <u>Year</u>
Butter	n.a.	\$5.49	\$4.99
Milk			
Half Gal.	\$3.88	\$4.08	\$4.11
Gallon	\$6.99	\$5.26	\$5.39
8 oz.UHT	\$1.00	n.a.	n.a.
Yogurt			
4-6 oz. Greek	n.a.	n.a.	n.a.
32 oz. Greek	\$3.50	\$3.65	n.a.
4-6 oz. Yogurt	\$0.80	\$1.00	\$1.49
32 oz. Yogurt	\$3.08	\$3.93	\$3.99

Complete results of the “National Retail Report-Dairy” and “Bi-Weekly Organic Report” are accessible using the following links:

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

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

DIRECT TO CONSUMER ORGANIC DAIRY PRODUCTS PRICES

The following tables identify U.S. price range results from a Dairy Market News national survey of publicly available prices of organic dairy products, available from farmstead outlets and online. There may be prices offered outside of the price range which were not identified by the survey. These are cows' milk products.

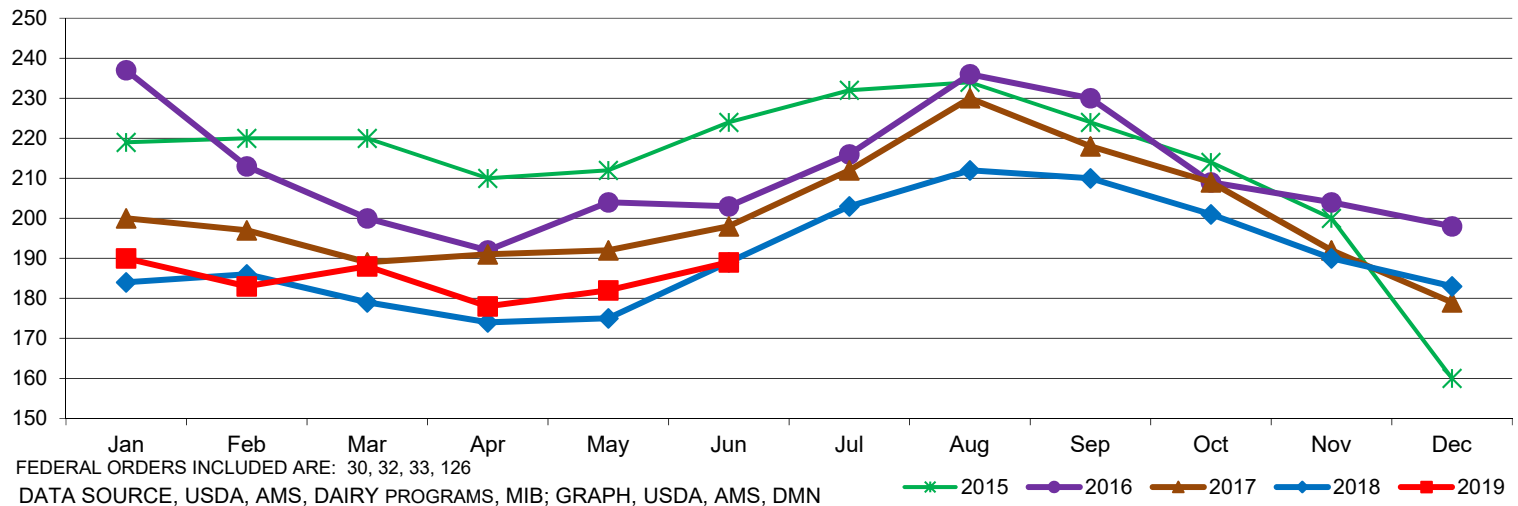
BUTTER			
Commodity	Type	Pack Size	: Organic : Price Range \$
Organic Butter		1 lb	: 13.45 -
Organic Butter		8 oz	: 4.75 - 10.00

CHEESE			
Commodity	Type	Pack Size	Organic Price Range \$
Organic Cheese	Cheddar - 10 year	8 oz	: 11.00 -
Organic Cheese	Cheddar - 11-14 year	8 oz	: 14.00 -
Organic Cheese	Cheddar - 2-4 year	8 oz	: 5.73 - 6.93
Organic Cheese	Cheddar - 5-9 year	8 oz	: 8.50 -
Organic Cheese	Cheddar - Medium	8 oz	: 4.52 - 8.00
Organic Cheese	Cheddar - Mild	8 oz	: 4.14 - 8.50
Organic Cheese	Cheddar - Sharp	8 oz	: 4.95 - 12.00
Organic Cheese	Colby	8 oz	: 5.25 - 8.00
Organic Cheese	Farmers	8 oz	: 4.00 - 6.00
Organic Cheese	Gouda	8 oz	: 12.00 -
Organic Cheese	Monterey Jack	8 oz	: 5.25 - 8.00
Organic Cheese	Mozzarella	8 oz	: 4.50 - 12.50
Organic Cheese	Muenster	8 oz	: 5.25 - 6.00
Organic Cheese	Pepper Jack	8 oz	: 12.50 -
Organic Cheese	Curds	Per Lb	: 6.80 - 12.00

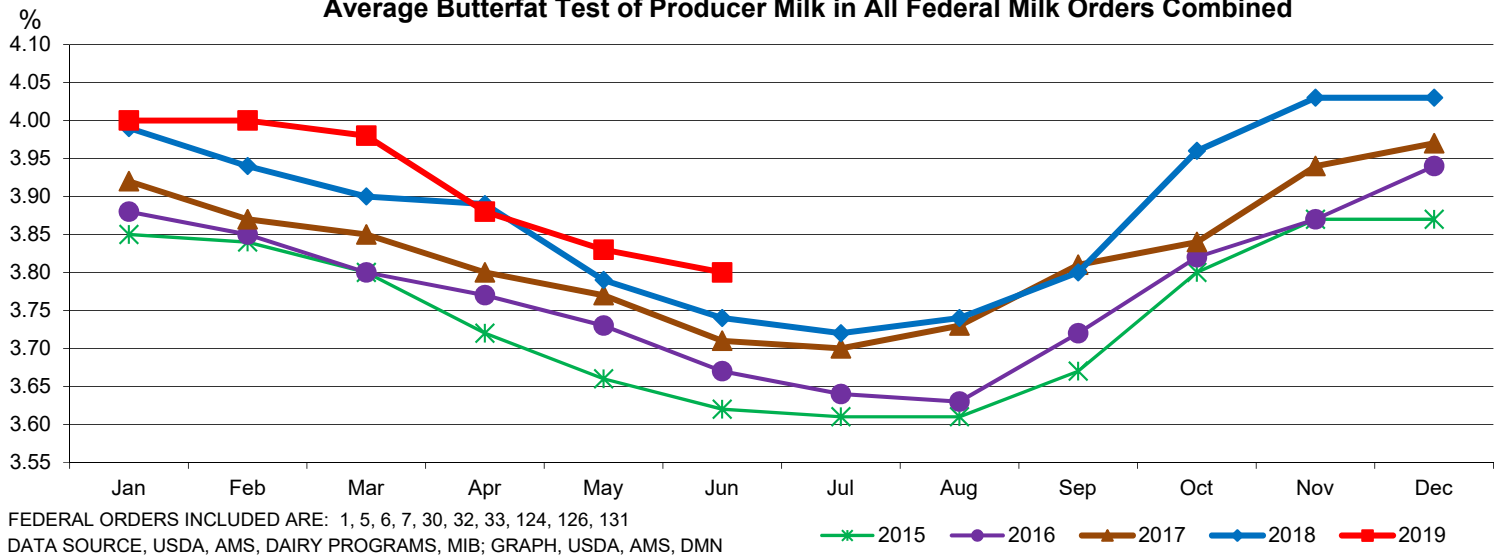
Information for the period October 7 - October 18, 2019, issued monthly.

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

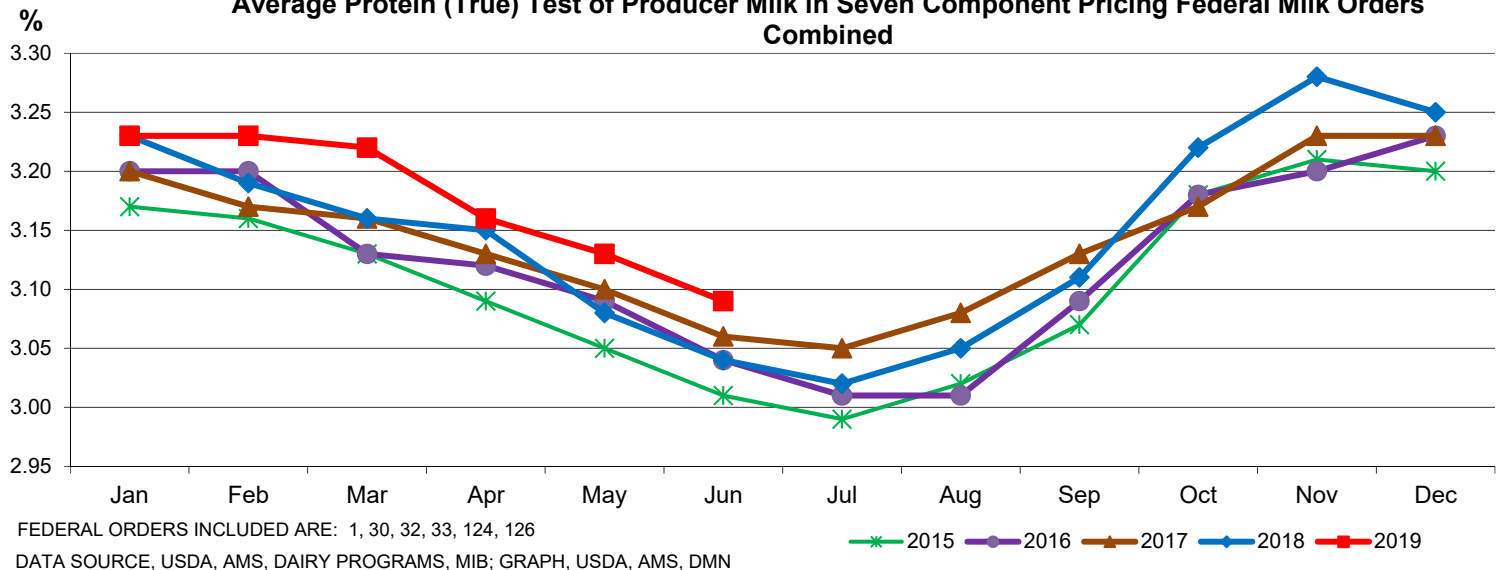
THOUSANDS



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



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





Dairy Market News Branch

Agricultural
Marketing
Service

National Retail Report-Dairy

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

Volume 86- Number 42

Issued Weekly

Friday, October 18, 2019

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 10/18/2019 to 10/24/2019

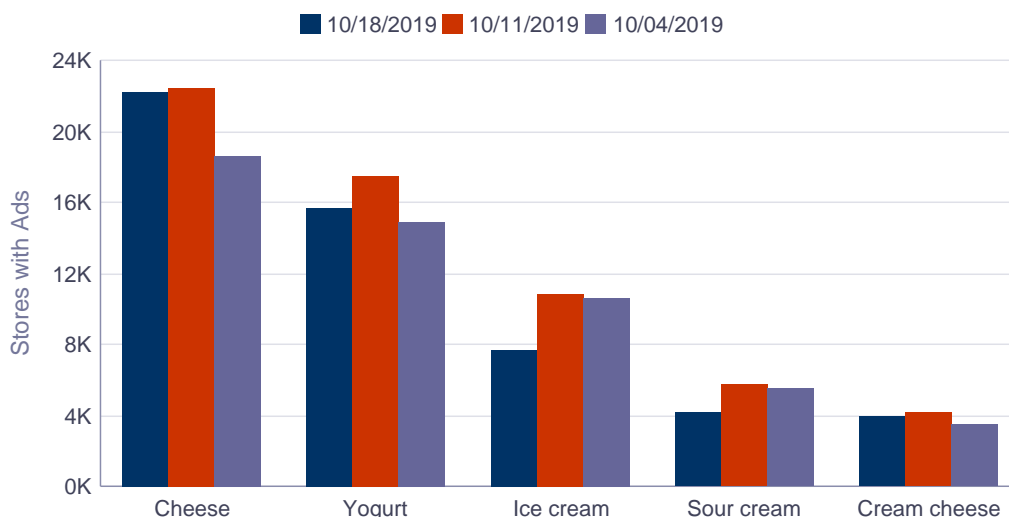
After being the most advertised dairy item in the United states in the five consecutive weeks prior to this week, conventional ice cream in 48 to 64 oz containers took the third place this week, selling at \$3.10. Conventional and organic dairy ads declined respectively by 12 percent and 50 percent compared to the previous week.

The national weighted average advertised price for conventional milk half gallons is \$2.72, compared to \$3.88 for organic milk half gallons, an organic price premium of \$1.16. Conventional half gallon milk ad numbers increased 125 percent. Organic half gallon milk ads decreased by 56 percent week over week, but remain the most advertised organic item.

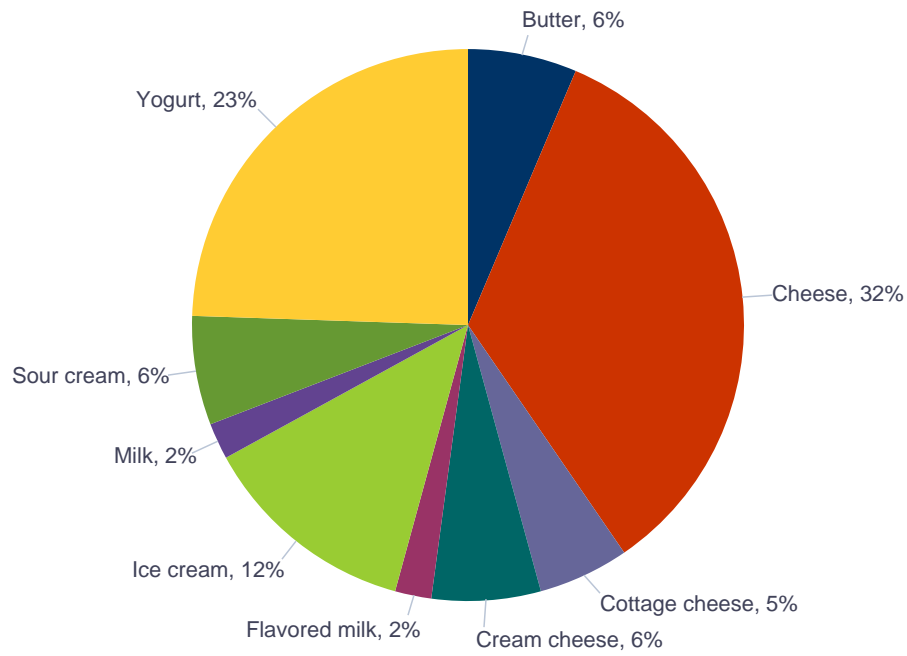
Conventional cheese ad numbers decreased 6 percent. The weighted average price for conventional 8 oz. shred cheese is \$2.33, down 7 cents from last week. Organic 8 oz shred cheese's weighted average price is \$2.96, creating an organic premium of \$0.63. Conventional 8 oz. shred cheese was the most advertised dairy product this week.

Conventional yogurt ad numbers decreased 7 percent. Organic yogurt ads decreased 45 percent. The weighted average advertised price for conventional yogurt in 4 to 6 oz. containers is \$0.48, down 1 cent from last week. The weighted average price for organic yogurt in 4 to 6 oz. containers, \$.80, resulting in a \$.32 organic price premium. Conventional yogurt in 32 oz containers had the highest percentage increase in ads numbers this week.

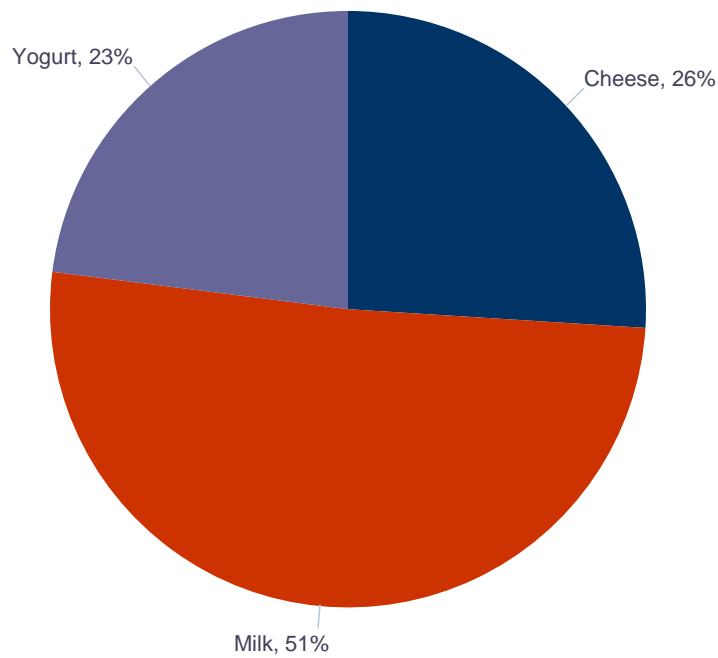
Top 5 Commodities Featured This Week



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 #	3694	3.33	4935	3.63	6261	3.78
Cheese	Natural Varieties	8 oz block	7014	2.21	8217	2.32	8589	2.25
Cheese	Natural Varieties	1 # block	1182	4.67	1763	4.29	1866	5.09
Cheese	Natural Varieties	2 # block	302	4.99	3119	5.53	75	6.40
Cheese	Natural Varieties	8 oz shred	10190	2.33	7950	2.40	9050	2.16
Cheese	Natural Varieties	1 # shred	2445	4.00	1350	4.50	2232	4.57
Cottage cheese		16 oz	3078	1.95	3042	2.10	1027	2.06
Cream cheese		8 oz	3994	1.96	4078	1.99	5655	2.04
Egg nog		quart	131	3.31			24	2.50
Flavored milk	All fat tests	half gallon	874	2.54	977	1.83	489	2.17
Flavored milk	All fat tests	gallon	499	3.72	390	3.78	319	3.33
Ice cream		48-64oz	7601	3.10	10762	3.30	8486	3.08
Milk	All fat tests	half gallon	777	2.72	346	3.06	898	2.37
Milk	All fat tests	gallon	344	2.38	1389	3.45	1058	2.49
Sour cream		16 oz	4193	1.72	5659	1.82	5812	1.74
Yogurt	Greek	4-6 oz	8552	.98	8953	.99	9616	.92
Yogurt	Greek	32 oz	1757	3.98	1588	4.43	1868	4.32
Yogurt	Yogurt	4-6 oz	2650	.48	4966	.49	5122	.52
Yogurt	Yogurt	32 oz	1843	2.50	367	2.81	1052	2.77

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-4.99	2100	3.35	2.99-3.50	309	3.36	2.99	319	2.99
Cheese	Natural Varieties	8 oz block	1.88-3.49	1736	2.41	1.50-3.00	2529	2.21	1.77-2.99	732	2.25
Cheese	Natural Varieties	1 # block	3.99	161	3.99	4.99	797	4.99	3.99	213	3.99
Cheese	Natural Varieties	2 # block							4.99	110	4.99
Cheese	Natural Varieties	8 oz shred	1.77-3.00	2351	2.23	1.50-3.00	5009	2.39	1.77-3.50	837	2.27
Cheese	Natural Varieties	1 # shred	2.99	202	2.99	4.99	797	4.99	2.99-3.99	799	3.26
Cottage cheese		16 oz	1.49-2.99	1154	2.12	1.25-2.00	1330	1.94	0.99-1.39	409	1.26
Cream cheese		8 oz	1.50-3.19	1022	2.24	1.33-2.00	1358	1.75	1.09-3.00	361	2.14
Egg nog		quart							3.49	107	3.49
Flavored milk	All fat tests	half gallon	3.99	147	3.99				2.50	213	2.50
Flavored milk	All fat tests	gallon				3.50	214	3.50	4.99	180	4.99
Ice cream		48-64oz	2.37-3.99	2733	2.89	1.88-4.99	1897	3.17	1.99-3.99	1345	3.11
Milk	All fat tests	half gallon	2.69-4.69	253	3.62						
Milk	All fat tests	gallon							1.99	106	1.99
Sour cream		16 oz	1.50-2.29	1011	1.86	1.25-2.00	1444	1.87	0.89-1.39	539	1.23



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	4-6 oz	0.70-1.25	2016	.95	1.00	3669	1.00	0.70-1.00	656	.95
Yogurt	Greek	32 oz	3.79-5.00	551	4.51	2.50-3.50	587	3.34	3.69-4.99	509	4.17
Yogurt	Yogurt	4-6 oz	0.50-0.89	683	.60	0.40-0.50	1234	.44	0.30-0.60	429	.46
Yogurt	Yogurt	32 oz	2.50-2.79	245	2.66	2.50-2.99	1216	2.59			

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 #	2.78-2.99	247	2.93	2.99-3.99	589	3.60	2.99-3.50	130	3.23
Cheese	Natural Varieties	8 oz block	1.88-2.50	1477	2.03	1.50-1.67	485	1.65			
Cheese	Natural Varieties	2 # block	4.99	78	4.99	5.00	114	5.00			
Cheese	Natural Varieties	8 oz shred	1.99-2.99	763	2.34	1.50-2.97	747	1.95	2.50-2.79	455	2.68
Cheese	Natural Varieties	1 # shred	2.99	169	2.99	4.99	178	4.99	3.99	289	3.99
Cottage cheese		16 oz				2.50	137	2.50			
Cream cheese		8 oz	1.33-2.99	459	2.21	1.67	62	1.67	1.67-2.00	708	1.73
Flavored milk	All fat tests	half gallon				1.77-2.29	490	2.03			
Flavored milk	All fat tests	gallon							1.99	105	1.99
Ice cream		48-64oz	2.99-5.99	387	3.76	2.49-3.50	683	2.89	2.49-4.00	436	3.33
Milk	All fat tests	half gallon				1.77-2.29	490	2.03			
Milk	All fat tests	gallon	2.99	133	2.99				1.99	105	1.99
Sour cream		16 oz	1.25-2.00	657	1.60	1.50-2.00	253	1.77	1.67	289	1.67
Yogurt	Greek	4-6 oz	0.80-0.88	105	.84	0.99-1.25	910	1.03	0.60-1.29	1123	.95
Yogurt	Greek	32 oz	3.50	55	3.50						
Yogurt	Yogurt	4-6 oz	0.40-0.50	109	.45	0.49	90	.49	0.40	105	.40
Yogurt	Yogurt	32 oz	2.50	74	2.50	1.99	178	1.99	1.99-2.29	130	2.13

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz block	4.99	21	4.99	4.99	34	4.99
Cheese	Natural Varieties	1 # block	4.49	11	4.49			
Cheese	Natural Varieties	8 oz shred	4.99	28	4.99			
Cheese	Natural Varieties	1 # shred	4.49	11	4.49			
Cottage cheese		16 oz				2.50-2.75	48	2.63
Cream cheese		8 oz				1.50	24	1.50
Egg nog		quart				2.50	24	2.50
Flavored milk	All fat tests	half gallon				4.49	24	4.49
Ice cream		48-64oz	7.99	28	7.99	3.50-5.49	92	4.24
Milk	All fat tests	half gallon				5.99	34	5.99
Yogurt	Greek	4-6 oz	1.00-2.00	49	1.57	1.25	24	1.25
Yogurt	Greek	32 oz	3.50	21	3.50	4.79	34	4.79



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 #			557	5.49	69	4.99
Cheese	Natural Varieties	8 oz block	289	3.50			194	3.79
Cheese	Natural Varieties	8 oz shred	555	2.96				
Cheese	Natural Varieties	1 # shred	151	2.99				
Cream cheese		8 oz			51	2.50		
Milk	All fat tests	half gallon	1698	3.88	3817	4.08	2484	4.11
Milk	All fat tests	gallon	61	6.99	1657	5.26	548	5.39
Milk	All fat tests	8 oz UHT	216	1.00				
Sour cream		16 oz			84	2.50		
Yogurt	Greek	32 oz	116	3.50	673	3.65		
Yogurt	Yogurt	4-6 oz	180	.80	554	1.00	169	1.49
Yogurt	Yogurt	32 oz	589	3.08	370	3.93	114	3.99

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz shred	2.35	255	2.35						
Milk	All fat tests	half gallon	3.19-4.99	904	3.98	3.19-4.00	678	3.65	4.49	116	4.49
Milk	All fat tests	gallon				6.99	61	6.99			
Milk	All fat tests	8 oz UHT	1.00	100	1.00				1.00	116	1.00
Yogurt	Greek	32 oz							3.50	116	3.50
Yogurt	Yogurt	4-6 oz	0.69-0.88	180	.80						
Yogurt	Yogurt	32 oz	2.50-3.99	589	3.08						

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
Cheese	Natural Varieties	8 oz block							3.50	289	3.50
Cheese	Natural Varieties	8 oz shred							3.50	289	3.50

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	1 # shred	2.99	151	2.99						

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Cheese	Natural Varieties	8 oz shred	2.99	11	2.99			

REGIONAL DEFINITIONS

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

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



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