

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (9/13)

BUTTER: Grade AA closed at \$2.2225. The weekly average for Grade AA is \$2.2120 (+.0189).

CHEESE: Barrels closed at \$1.9200 and 40# blocks at \$2.2050. The weekly average for barrels is \$1.8480 (+.1105) and blocks, \$2.0990 (+.1290).

NONFAT DRY MILK: Grade A closed at \$1.0550. The weekly average for Grade A is \$1.0460 (-.0009).

DRY WHEY: Extra grade dry whey closed at \$.3975. The weekly average for dry whey is \$.3890 (-.0035).

CHEESE HIGHLIGHTS: Although cheese market prices are reminiscent of those of 2014, market participants continue to relay positive demand notes. School and college orders have reinvigorated cheese producers on the food service side. Pizza cheesemakers are reporting seasonal increases in orders, also aided by school orders. Milk is tighter in the Midwest, but more available in the Northeast and Western regions. Spot milk prices ranged from \$.50 under to \$1.75 over Class; those are comparable to the previous two years. Cheese inventory reports are mixed, and production is generally active throughout the nation. Cheese market prices have soared. Prices are at points not seen since the most bullish year on dairy markets this decade, 2014. Contacts offer various viewpoints on the factors causing the increase, but most were not expecting such an abrupt bullish move.

BUTTER HIGHLIGHTS: Cream supplies moving into churns are becoming slightly tight in the East, but are readily accessible in the Central and West regions. In this way, butter manufacturing is somewhat mixed across the country. Currently, the demand for butter varies in each region of the nation, but in general, is expected to improve ahead of the upcoming fall/winter processing needs. This week, bulk butter pricing varies among the regions: East, 5.0 cents to 8.0 cents over the market; Central, 1.5 to 0.6 cents above the

market; West, 0.0 cents to 7.5 cents over the market, with various periods and averages used.

FLUID MILK: Throughout most parts of the U.S., milk output is steady to a bit down. There is so much milk in Idaho, Utah and Colorado that processing plants are running at full capacities. In addition, discounted Class IV loads are available at \$4.75 under. Nationwide, Class I milk demand is steady to up with schools being back in session after the Labor Day holiday. Class II milk supplies are plentiful at some western localities. Midwestern cheese makers are not getting as much milk as they were last week. In Florida, bottling plants that were closed during hurricane Dorian have now reopened. While some milk loads from the Southeast are moving to other regions of the U.S. to fill pressing needs, several loads of Midwest milk are also moving to the Southeast to help meet processing obligations in the aftermath of the hurricane. Cream supplies have tightened up in the East, but they are readily available in the Midwest and the West. Some loads are transferring from the West to the Midwest as Midwestern butter processors find favorable prices. Cream multiples have increased in the East, leading some processors to sell their cream in lieu of churning. The condensed milk market tone is steady in the East and West.

DRY PRODUCTS: The prices for low/medium heat nonfat dry milk declined in the East and Central, but are mixed in the West. While production is active in the Central and West, it is steady to down in the East. Supplies are available in all the regions, whereas sales are flat to lower in the Central, but mixed in the West. High heat nonfat dry milk prices are lower at the bottom of the range in the nation, while staying steady at the top. In the Central, inventories are a bit up, and buyers are taking advantage of lower prices. Production is generally irregular. Contractual needs are driving dry buttermilk production in the Central and East. The market tone is

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DAIRY MARKET NEWS PRICE SUMMARY FOR SEPTEMBER 9 - 13, 2019

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

Commodity	Range	Mostly	Commodity	Range	Mostly	Commodity	Range	Mostly
NDM			BUTTERMILK			LACTOSE		
Central Low/Med. Heat	1.0000 1.0700	1.0300 1.0600	Central/East	1.0200 1.1100		Central/West	0.1800 0.4500	0.2300 0.3550
Change	-0.0300 N.C.	-0.0100 N.C.	Change	-0.0100 0.0025		Change	N.C. N.C.	N.C. N.C.
Central High Heat	1.1200 1.2000		West	1.0000 1.0900	1.0200 1.0600	WPC 34%		
Change	-0.0300 N.C.		Change	N.C. N.C.	N.C. N.C.	Central/West	0.8500 1.1000	0.8800 1.0100
West Low/Med. Heat	0.9925 1.0850	1.0200 1.0600	WHEY			Change	N.C. N.C.	N.C. N.C.
Change	0.0075 N.C.	-0.0100 N.C.	Central	0.2900 0.4000	0.3200 0.3800	CASEIN		
West High Heat	1.1200 1.2250		Change	N.C. 0.0050	N.C. N.C.	Rennet	2.9400 3.1500	
Change	-0.0300 N.C.		West	0.3325 0.4200	0.3375 0.3900	Change	N.C. N.C.	
DRY WHOLE MILK			Change	N.C. N.C.	N.C. N.C.	Acid	3.1175 3.2775	
National	1.6500 1.8000		Northeast	0.3200 0.4000		Change	N.C. N.C.	
Change	N.C. 0.0500		Change	N.C. N.C.		ANIMAL FEED WHEY		
						Central	0.2400 0.2700	
						Change	N.C. N.C.	

DAIRY MARKET NEWS PRICE SUMMARY FOR SEPTEMBER 2 - 13, 2019

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

Commodity	Range	Commodity	Range	Commodity	Range
SMP		WHOLE MILK POWDER		BUTTER	
W. Europe	2350 2475	W. Europe	3100 3350	W. Europe	3775 4175
Change	75 25	Change	25 100	Change	25 125
Oceania	2525 2675	Oceania	3025 3225	Oceania	4025 4125
Change	25 25	Change	-25 -50	Change	75 75
S. America	2300 2550	S. America	2850 3250	BUTTEROIL	
Change	50 -50	Change	-50 -100	W. Europe	4875 5750
WHEY				Change	N.C. -100
W. Europe	650 975			CHEDDAR CHEESE	
Change	N.C. 25			Oceania	3850 3950
				Change	50 -25

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

stable in the Central and West and expected to strengthen during the fall baking season in the East. Prices are unchanged in the West, but mixed in other regions. Stocks are balanced to light depending on the location. Whole milk powder prices are stable to increasing in the nation. Inventories are limited, and production is based on the needs of committed customers. The interest of bakers and cocoa mix manufacturers is anticipated to improve during the fall and winter. Dry whey prices are mostly unchanged in a quiet market. Sales are slow, whereas stocks are available to satisfy all requests. Production is steady, but could rise if higher protein concentrates processors shift their production focus to dry whey. Whey protein concentrate 34% contractual sales are enough to keep inventories under control. Outputs are currently flat. This week, prices have remained the same compared to the previous week. Lactose spot requests are slow to develop, leading to a growth in supplies. Processors are doing what is necessary to keep supplies in check. Prices are stable, but the market is generally weak. Acid and rennet casein prices are steady. However, the expectation is that New Zealand casein prices will remain flat until the September/October peak production season.

INTERNATIONAL DAIRY MARKET NEWS: EUROPE OVERVIEW: WESTERN: German milk production through much of August was above the previous August, according to ZMB early reporting. However, by the end of August, another hot spell led to lower production and likely lower production for the month once official data is released. Milk production in the first week of September is reported to have returned to expected levels. Even with the periods of extreme heat in recent months that impacted production in Germany, France, and some other countries, a factor helping EU production is farmgate milk prices. Western European cheese production remains below levels previously planned. German cheese manufacturers attribute this to lower than expected milk production earlier in 2019, as well as competing demand from other dairy product manufacturing, for more recent milk production. **EASTERN:** Poland's milk production January – July this year was 2.1 percent higher than last year, according to the CLAL data made available to USDA. Cheese production was 0.7 percent higher. The Czech Republic reports January – July milk production 0.8 percent higher than last year. Butter production was 11.2 percent higher.

OCEANIA OVERVIEW: NEW ZEALAND: New Zealand dairy manufacturing output is still very seasonally low. This leads most observers to not expect much to change in expectations for the season until final September or October production data becomes available. New Zealand seasonal milk production typically peaks in early October. It is spring in New Zealand. Even so, it has been cool, with snow in some remote areas. That is not likely to impact the overall seasonal results because pastures are in good shape.

SOUTH AMERICA OVERVIEW: Across South America, especially in the Southern Cone region, milk production on farms continues to improve as the continent transitions from winter to spring season. Thus, temperatures are becoming more pleasant to dairy herds, supporting the cows' productive yields. In this fashion, milk shipments into cheese, milk caramel, yogurt, and fluid manufacturing plants are more than adequate as demands within the dairy industry and food processing sector remain hearty. Butterfat volumes are steadily improving along with seasonal patterns. Having said this, butter production is ongoing with fair/good interest from the wholesale and retail sectors. Bottled/UHT milk pulls from several educational institutions and some public food aid programs are fair/good. Cheese production, especially mozzarella, is very active with strong interest from restaurants and pizzerias.

NATIONAL RETAIL REPORT (DMN): This week, ice cream in 48 to 64 oz containers returned as the most advertised dairy item in the United States. Dairy advertisements, both conventional and organic, decreased week over week. The national weighted average

advertised price for conventional milk half gallons is \$2.65, compared to \$3.88 for organic milk half gallons, an organic price premium of \$1.23. Conventional cheese ad numbers decreased 6 percent. The weighted average price for conventional 8 oz shred cheese is \$2.28, down 3 cents from last week. Conventional yogurt ad numbers decreased 14 percent. Organic yogurt ads decreased 67 percent.

AUGUST CONSUMER PRICE INDEX AND PRODUCER PRICE INDEX (BLS): The Consumer Price Index (CPI) for the all food category is 258.4, up 1.7 percent from 2018. The dairy products index is 218.8, up 1.1 percent from a year ago. The following are the August 2018 to August 2019 changes for selected products: fresh whole milk is +2.3 percent; cheese, +0.1 percent; and butter, +1.4 percent.

In August 2019, the Producer Price Index (PPI) for the all food manufacturing is 202.2, up 2.3 percent from 2018. The PPI index for manufactured dairy products is 206.5, up 5.8 percent from a year ago. The following are the August 2018 to August 2019 changes for selected products: fresh whole milk is +10.7 percent; cheese, +6.2 percent; butter, -0.5 percent; and dry milk products and mixtures, up 10.2 percent.

JULY MILK SALES (FMMO,CDFA): 3.6 billion pounds of packaged fluid milk products were shipped by milk handlers in July 2019. This was 0.2 percent higher than a year earlier. Estimated sales of total conventional fluid milk products decreased 0.1 percent from July 2018 and estimated sales of total organic fluid milk products increased 4.6 percent from a year earlier.

SEPTEMBER SUPPLY AND DEMAND ESTIMATES (USDA,WAOB): The milk production forecast for 2019 is raised as stronger growth in milk per cow more than offsets forecast lower cow numbers. For 2020, the milk production forecast is reduced from the previous month on slower expected growth in dairy cow numbers; however this is partly offset by slightly higher forecast milk per cow. The 2019 and 2020 fat basis import forecasts are lowered on recent trade data and expectations of slower butterfat imports. Fat basis export forecasts for 2019 and 2020 are reduced from last month on weaker expected global demand for U.S. butterfat products. The 2019 skim-solids basis import forecast is raised from the previous month on higher-than-expected imports of milk protein concentrates and a number of other dairy products.

COMMODITY	MONDAY SEP 9	TUESDAY SEP 10	WEDNESDAY SEP 11	THURSDAY SEP 12	FRIDAY SEP 13	::	WEEKLY CHANGE	::	WEEKLY AVERAGE
CHEESE									
BARRELS	\$1.8000 (+0.0575)	\$1.8200 (+0.0200)	\$1.8200 (N.C.)	\$1.8800 (+0.0600)	\$1.9200 (+0.0400)	::	(+0.1775)	::	\$1.8480 (+0.1105)
40 POUND BLOCKS	\$2.0000 (+0.0025)	\$2.0525 (+0.0525)	\$2.0925 (+0.0400)	\$2.1450 (+0.0525)	\$2.2050 (+0.0600)	::	(+0.2075)	::	\$2.0990 (+0.1290)
NONFAT DRY MILK									
GRADE A	\$1.0400 (-0.0075)	\$1.0375 (-0.0025)	\$1.0425 (+0.0050)	\$1.0550 (+0.0125)	\$1.0550 (N.C.)	::	(+0.0075)	::	\$1.0460 (-0.0009)
BUTTER									
GRADE AA	\$2.1750 (+0.0025)	\$2.2000 (+0.0250)	\$2.2350 (+0.0350)	\$2.2275 (-0.0075)	\$2.2225 (-0.0050)	::	(+0.0500)	::	\$2.2120 (+0.0189)
DRY WHEY									
EXTRA GRADE	\$0.3800 (-0.0150)	\$0.3800 (N.C.)	\$0.3900 (+0.0100)	\$0.3975 (+0.0075)	\$0.3975 (N.C.)	::	(+0.0025)	::	\$0.3890 (-0.0035)

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

Butter spot prices are mixed on various market exchanges currently. Trading activities are considerably active on the CME Group. In parts of the East region, cream supplies are beginning to slightly tighten. Cream demand is steady to somewhat picking up. Some butter makers are receiving stable cream loads for active production. There are other operations selling cream in lieu of churning. Manufacturers' butter inventories are fairly balanced. Many market participants anticipate cream interest will strengthen once the fall season approaches. Bulk butter prices for domestic sales are reported 5-8 cents over the market of 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

WEST

In the West, retail orders for print butter are not as good as sellers would like them to be. Food service intakes remain stout, helping to keep inventories under control. Global butter sales are steady, but with the strong value of the dollar and higher U.S. butter prices compared to the EU, export demand is unlikely to improve in the near future. Stocks of butter are currently readily accessible to buyers. As cream availability increases in the West and high freight costs limit the move of cream across regions, butter manufacturing is more active. Bulk butter prices are unchanged from a week ago.

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 - +0.0750

Secondary Sourced Information:

The Grade AA butter price at the CME Group on Wednesday closed at \$2.2350, compared to the weekly average price of \$2.1931 from last week.

CENTRAL

Butter producers have different reports on the effect of lower market prices in terms of demand. Some say orders are picking up due to buyers taking advantage of the recent market slips, while others say butter demand remains quiet. The cream picture has remained similar: it is available, and butter plant managers are taking advantage of continued accessibility. They suggest bulk butter, at premiums, is another reason to take on extra spot cream. That said, some producers suggest they are focused on working through contractual cream loads, eschewing the spot market. Producers suggest they are working on 2020 cream contracts currently. Butter market prices remain in the low end of their range-bound status.

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

Bulk Basis Pricing - 80% Butterfat \$/LB: +0.0150 - +0.0600

2019 U.S. Butter and Milkfat Exports (USDA-FAS)

	2019 Exports (Million Lb.)	% Change From 1 Year Ago
July	2.7	- 69
TOTAL, JAN - JULY	33.3	- 40
Exports - Destination Country		
1 Canada	10.6	- 43
2 Mexico	5.5	- 63
3 Columbia	3.0	+787
4 Saudi Arabia	3.0	- 4
5 South Korea	2.8	+107

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Dairy Products Report – Butter Summary

Released September 4, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Butter Production – States and United States: July 2018 and 2019

Region	Monthly Production (1000 pounds)		Percent Change from	
	July 2018	June 2019	July 2019	July 2018
United States	134,564	144,801	142,687	6.0 - 1.5
Atlantic	12,167	14,843	12,667	4.1 -14.7
Pennsylvania	6,902	6,895	6,856	-0.7 - 0.6
Central	51,902	56,036	54,833	5.6 - 2.1
West	70,495	73,922	75,187	6.7 1.7
California	42,726	45,460	45,107	5.6 - 0.8

Butter Production – Cumulative Production January - July

Report Month	Cumulative Production (1000 pounds)		Percent Change from
	2018	2019	2018
July	1,153,683	1,140,832	-1.1

CHEESE MARKETS

NORTHEAST

In the Northeast, cheese production is strong. Cheddar, mozzarella and provolone production schedules are active. Cheese orders from pizzerias have grown as educational institutions have returned from break. Additionally, grocery stores are gearing up for fall promotions. Cheese inventories are accessible in the region. So far this trading week, cheddar cheese 40-pound block spot prices on the CME Group have closed around the \$2.00 mark. Some market participants are speculating if not enough cheddar blocks have been made for the demands' current needs, or whether processors are strategically building and holding inventories. In the Northeast, the wholesale cheese prices for cheddar and Muenster increased \$0.0725 this week. Additionally, the process cheese price grew by \$0.0450. The Grade A Swiss price declined \$0.0125 following the release of the August 2019 Announcement of Class and Component Prices. However, the Class III skim milk price for August 2019 saw a 15 cents increase.

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

Cheddar 40 pound Block	2.4275-2.7125
Muenster	2.4125-2.7625
Process American 5 pound Sliced	1.8925-2.3725
Swiss 10-14 pound Cuts	3.2650-3.5875

MIDWEST

Cheese block prices breaking the \$2 mark on the CME is the topic of the week for dairy market contacts. There are a number of viewpoints as to why cheese prices have risen recently, but a number of cheese producers and contacts are concerned regarding what markets will do in the near future. Some expect a sharp fall-off, while others question where the ceiling is. Midwestern cheese sales remain healthy, even with market price upticks. Contacts say demand is steady, and cheese inventories are in balance. Available spot milk, however, has become tighter. Spot milk prices ranged from \$.50 under to \$1.75 over Class III early in the week.

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

Blue 5 pounds	2.6075-3.6775
Brick 5 pounds	2.3400-2.7650
Cheddar 40 pound Block	2.0625-2.4625
Monterey Jack 10 pounds	2.3150-2.5200
Mozzarella 5-6 pounds	2.1400-3.0850
Muenster 5 pounds	2.3400-2.7650
Process American 5 pound Loaf	1.8225-2.1825
Swiss 6-9 pound Cuts	2.7800-2.8975

WEST

Western cheese makers say there is plenty of milk available for processing, and they are running plants near full capacity. Strong seasonal pizza demand is promoting the production of mozzarella. And the wide spread between block and barrel prices is encouraging block production. Some industry contacts are trying to make sense of the lift in cheese prices on the CME, especially for the 40-pound block price. They see demand as adequate to keep cheese stock piles from ballooning, but export demand has been stifled by the higher market prices within the United States compared to world market prices. The daily close for blocks touched the \$2 mark for the first time since November 2014 this week. Contacts suggest supplies of block cheese that meet CME trading requirements are limited, giving a push to block prices. Western cheese contacts relay that demand has been strong for block cheese, with some suppliers heavily committed over

the next few months. However, with languid consumer demand for processed cheese, contacts also suggest there is currently no shortage of barrels and 640s. The concern is how well the market can regain a balance. Block and barrel prices may moderate somewhat, but the concern is that stronger milk prices and cheap feed may incentivize more milk production and, subsequently, more cheese production. A few contacts suspect that without the potential for new market opportunities, the U.S. may again have a lot of cheese that is hard to sell.

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

Cheddar 10 pound Cuts	2.3000-2.5000
Cheddar 40 pound Block	2.0525-2.5425
Monterey Jack 10 pounds	2.2875-2.5625
Process American 5 pound Loaf	1.8400-2.0950
Swiss 6-9 pound Cuts	2.8625-3.2925

FOREIGN TYPE

In Germany, the market for semi-hard cheese continues to operate in the same way as in recent weeks. Generally, there is a good balance between the contractual requests for cheese and the inventories. However, supplies have been trending lower for some time, making it difficult for processors to satisfy all spot needs. While semi-hard cheese production is lower than expected, milk output volumes are conformed to market players' anticipation. There is a regional revival in cheese demand due to the end of the holiday in several states. Food retailers' requests have also seasonally picked up. Exports to EU and non-EU countries are flat. Sliced cheese prices are steady despite some recent inconsistencies noted. In Q4 contractual negotiations, German manufacturers are asking for higher prices. Blue, gorgonzola, parmesan, and Romano cheese prices in the U.S. increased \$.0725, whereas Swiss cheese prices declined \$.0125. All other prices are unchanged from the previous week.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	2.6400-5.2300	2.4850-3.9725*
Gorgonzola	3.6900-5.7400	2.9925-3.7100*
Parmesan	-0-	3.8725-5.9625*
Romano	-0-	3.6750-5.8300*
Sardo Romano (Argentina)	2.8500-4.7800	-0-
Reggianito (Argentina)	3.2900-4.7800	-0-
Jarlsberg	2.9500-6.4500	-0-
Swiss	-0-	3.3025-3.6250*
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
09/09/2019	38660	81110
09/01/2019	39457	81770
CHANGE	-797	-660
% CHANGE	-2	-1

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

EAST

Northeast milk production is level to lower. Many market participants continue to evaluate feed quality and farm milk supply for the upcoming fall months. Class I sales are fairly level compared to last week. **Mid-Atlantic** milk production is level to lower. Class I sales are higher this week. **Southeast** milk output is fairly flat currently. Milk from the region is heading to other locations in the U.S. for immediate needs. **Florida** milk output is still down. Class I sales are higher compared to last week. As Dorian has passed, Class I plants are back up and running. Market participants relay little to no wind or electrical issues from the hurricane. In areas of the region, **cream** loads are beginning to slightly tighten. Cream interest is steady to somewhat picking up. Some butter manufacturers are receiving cream supplies for active butter production. There are other operations selling cream in place of churning. Multiples are ranging 1.30-1.39. **Condensed skim** market conditions are stable this trading week.

Northeastern U.S., F.O.B. Condensed Skim

Price Range - Class II; \$/LB Solids: 0.80 - 0.95

Price Range - Class III; \$/LB Solids: 0.75 - 0.90

Northeastern U.S., F.O.B. Cream

Multiples Range - All Classes: 1.3000 - 1.3900

Price Range - Class II; \$/LB Butterfat: 2.8510 - 3.0484

Secondary Sourced Information:

With last Wednesday's announcement of the Class and Component Prices, the Class III Skim Milk price increased \$0.15, compared to the previous month.

MIDWEST

Fluid milk output is steady in the Midwest. Weather, in general, has been fairly comfortable for dairy cows. That said, following the hurricane in the Southeast, some milk trucks have begun returning toward that region. Thus, milk availability has tightened in the Midwest. Bottlers continue to take on steady/higher levels with schools reopening. Cheesemakers are not getting the same amount of spot milk offers as they were last week, and reported prices are evidence of that. Prices ranged from \$.50 under to \$1.75 over Class III. Notably, most of these prices were hovering around the \$1 over Class mark. The reported spot milk price is on par with the past two years. In 2017, prices ranged from Class to \$1.50 over and last year prices ranged from Class to \$2 over. **Cream** is available for all uses in the region. Butter producers are finding deals both locally and from the Western region, and they report offers are aplenty. Since ice cream production has seasonally declined, and school skimming has picked up, cream is expected to remain available for the near term. Regarding field and crop reports, both beans and corn are lagging relative to previous years in the entire region. The very wet planting season assuredly delayed, and in some cases destroyed, some planting acres in the Midwest and the lower Central region. Midwestern dairy farmers are exhibiting some understandable concern regarding feed rations for the upcoming winter.

Midwestern U.S., F.O.B. Cream

Multiples Range - All Classes: 1.2000 - 1.3500

Price Range - Class II; \$/LB Butterfat: 2.8072 - 2.9610

Multiples Range - Class II: 1.2800 - 1.3500

WEST

Milk output is flat in **California**. Class I sales are steady to a bit up as many schools are back to normal schedules. Fluid milk supplies are well balanced with demand. Class II milk is readily available in the market. However, high freight costs limit the possibility to move it across regions. In **Arizona**, no major change has occurred in the farm milk market. Milk loads available to processors are steady compared to last week's volumes. Educational institutions' milk intakes are flat. In **New Mexico**, more milk is moving to cheese plants. Some of the milk that was supposed to go to Class IV is being redirected to other Classes due to repair and maintenance workloads. Milk supplies are up this week, but balancing volumes are down. Class I sales are slightly trending higher, whereas Class II demand is stable. Milk production in the **Pacific Northwest** continues to ease back from summer levels. That said, there is plenty of milk for most processing needs. Cheese production is active and bottling demand is steady. Educational institutions are back in session, and with school milk bottling, more cream is available for butter making. **Idaho, Utah and Colorado** milk production continues to fill most manufacturing plants to full capacity. Industry contacts suggest any small disruption at processing facilities creates a ripple effect within the region. In southern parts of the region this means juggling loads to find a home for the milk, but in the northern parts of the region, a few loads are discounted at \$4.75 under Class IV. Some industry contacts suggested they would not be surprised if a few loads of milk have been discarded at times through the summer because of various troubles at processing plants. The **condensed skim** market is stable with stocks readily available for nonfat dry milk production. **Cream** offers in the West surge throughout the week. Butter churning is active as some of the cream that was going to ice cream processing is being redirected to butter plants. Cream multiples for all Classes increased at the bottom of the range, while declining at the top.

Western U.S., F.O.B. Cream

Multiples Range - All Classes: 1.0900 - 1.2700

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 shifted lower on the bottom of the range and bottom of the mostly price series. Production remains a focus from producers in the region and elsewhere, and supplies are available. Prices in the Midwest are still finding a comfortable range in the mid \$1.00s to the \$1.07 acme, however Eastern buyers are finding deals closer to \$1.00 which is putting downward pressure on prices. Producers and brokers say demand is on the steady to slower end of the spectrum. Regarding markets, NDM is in a range-bound status. High heat NDM prices slipped on the bottom of the range, as well. Availability is a little higher, and buyers found some extra spots at discounts from last week. Spot trading of high heat NDM picked up slightly.

EAST: Low/medium heat nonfat dry milk (NDM) spot prices are mixed on the range and mostly price series this week. Drying time is stable to lower, and manufacturers' stocks are reportedly balanced to available. The market tone is somewhat unsettled. High heat NDM prices are lower on the bottom of the price range this trading week. In general, high heat NDM production is intermittent and focused mainly on contractual needs. There are reports market conditions are expected to improve once baking season is near.

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: 1.0000 - 1.0700

Mostly Range - Low & Medium Heat; \$/LB: 1.0300 - 1.0600

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: 1.1200 - 1.2000

NONFAT DRY MILK - WEST

In the West, the low/medium heat nonfat dry milk market conditions are mixed, with a bit of volatility reported. Some industry contacts suggest that domestic sales are active, whereas others say that buyers are taking a break as they wait for the right time for better purchase opportunities. Export demand is a bit livelier. Low/medium heat nonfat dry milk prices have increased at the bottom of the range, but dropped at the bottom of the mostly series. Production is improving due to more milk availability in the West. High heat nonfat dry milk prices are down at the bottom of the range; however, the market undertone is unchanged from the previous week. Sale volumes are at the same levels as last week, whereas supplies are balanced to tight for spot buyers. Production is intermittent.

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: 0.9925 - 1.0850

Mostly Range - Low & Medium Heat; \$/LB: 1.0200 - 1.0600

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: 1.1200 - 1.2250

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices in the region remain resolute, however Eastern trading has brought the bottom down slightly while Midwestern trades added slightly to the top of the range. Dry buttermilk demand remains steadfast locally, as inventories are reportedly light but not scarce. As is typical, buttermilk powder production and trading is mostly based on contractual needs. Condensed buttermilk is trading fairly regularly at discounts, so end users are more apt to take on those loads unless they have a specific need for the dry variation. Dry buttermilk market tones are stable.

EAST: Dry buttermilk spot prices are mixed this trading week. In the East region, spot trades are trending towards the \$1.03-\$1.07 price range. Most manufacturers are focused on drying buttermilk for contractual needs. Outside of contracts, available loads are limited. There are expectations dry buttermilk market conditions will strengthen once the fall baking season is near.

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

Price Range ; \$/LB: 1.0200 - 1.1100

DRY BUTTERMILK - WEST

Dry buttermilk prices are unchanged ahead of the baking season. Market conditions are strong and mostly stable. This week, f.o.b. spot prices for dry buttermilk are steady on the range and the mostly series. While current inventories are balanced to a bit limited, there is a likelihood that buttermilk production will increase in response to a surge in cream availability. Dry buttermilk sales continue to be driven by contractual needs.

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

Price Range ; \$/LB: 1.0000 - 1.0900

Mostly Range - ; \$/LB: 1.0200 - 1.0600

DRY WHOLE MILK - U.S.

National dry whole milk spot prices are steady to higher as a few sales based on specific brands pushed up the top price of the range. At this point, the market tone seems to be firming, but slightly. The trading activity in the domestic market remains slow. However, according to some contacts, the usage of dry whole milk from bakers and cocoa mix processors is expected to improve throughout the fall and winter seasons. Dry whole milk production is sporadic, mainly driven by contractual needs, while inventories are tight in some regions.

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

Price Range - 26% Butterfat; \$/LB: 1.6500 - 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 slightly increased on the top of the range, as mostly prices remain steady. Dry whey spot trading, along with the trading of higher protein blends, are among the quieter dairy powder markets, and this has been the case for the bulk of the summer. Dry whey is available in the region, but some end users are not eager to take on extra loads. Customers report this is not a pricing issue per se, but a lack of necessity or simply a lack of storage space for dry whey currently. Dry whey market tones are quiet, but some buyers suggest they are nearing the point of shopping the market within the next few weeks. Animal feed whey exhibited another week of quiet trading, as prices remain unchanged.

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: .2400 - .2700

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: .2900 - .4000
Mostly Range - Non-Hygroscopic; \$/LB: .3200 - .3800

DRY WHEY- NORTHEAST

Dry whey market prices are unchanged this trading week. Sales in both the export and domestic markets are lackluster. Cheese makers are receiving stable milk volumes for strong Class III processing. Dry whey production is also active. Supplies are available for contract and spot needs. A few suppliers are requesting current customers to purchase additional loads. Dry whey market conditions are steady.

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 - .4000

DRY WHEY- WHEY

Western whey prices are unchanged. Industry observers say the market is slow outside of contracts. End users seem content to take shipments or buy only as needed. While contracted sales have been able to keep whey stockpiles in check, there is an underlying concern that inventories may grow unless new market opportunities develop. The news of confirmed cases of African swine fever in the Philippines and ongoing trade issues suggest the troubles for whey producers may continue. In addition, some contacts think manufacturers may be shifting production from higher whey protein concentrates to dry whey production. As a result, they expect more downward price pressures across the whey protein complex.

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: .3325 - .4200
Mostly Range - Non-Hygroscopic; \$/LB: .3375 - .3900

WHEY PROTEIN CONCENTRATE

Prices for whey protein concentrate 34% are unchanged. A few processors suggest it has become difficult to push for prices above \$1. While the spot market tone is generally quiet, contracted shipments are enough to keep inventories in check. Additional demand varies widely. There are pockets where manufacturers see increased buyer interest. End users seeking favored brands seem willing to take on a few extra loads to assure coverage, but demand for WPC34% that is interchangeable with other protein sources is slow. Production is steady. A few market participants expect WPC34% outputs will increase as more whey streams are directed into WPC34% and dry whey production instead of higher whey 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: .8500 - 1.1000
Mostly Range - 34% Protein; \$/LB: .8800 - 1.0100

LACTOSE

Prices for lactose are unchanged. Lactose continues to move well through contracted agreements, but spot market demand is quiet. While lactose inventories are growing, they have not yet become burdensome for most processors. Manufacturers are happy to find homes for every load of lactose. Whether through selling additional loads to current customers; securing contracted commitments early for Q4 and 2020 production; or aggressively pursuing new customers, processors find relief with each load of lactose they no longer must push through the spot market. Industry contacts suggest the spot market is a buyers' market. The current weakness caused by African swine fever and trade issues with China are putting price pressures on available lactose in other markets. Manufacturers hope that demand can build for lactose used for standardization and infant formula to offset those pressures.

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 - .4500
Mostly Range - Non Pharmaceutical; \$/LB: .2300 - .3550

CASEIN

Acid and rennet casein prices are steady. Some buyers of New Zealand casein expect generally steady prices at least until official September or October milk production becomes clear, capturing the typical seasonal peak production. That is when there will be more confidence about seasonal casein production expectations.

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: 3.1175-3.2775
Rennet; Price Range - \$/LB: 2.9400-3.1500

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
08/24/2019	60.0	2,105.4	62.6	2,031.4

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

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			
II	15.74	16.13	16.61	16.38	16.48	17.30	17.61	17.60				
III	13.96	13.89	15.04	15.96	16.38	16.27	17.55	17.60				
IV	15.48	15.86	15.71	15.72	16.29	16.83	16.90	16.74				

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
09/07/2019	2,2748 1,386,855	1,9167 11,721,073	1,7333 11,276,988	.3681 5,033,750	1.0494 13,814,172

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	09/06	09/09	09/10	09/11	09/12
SEP 19	17.96	18.07	18.20	18.29	18.30
OCT 19	17.72	17.93	18.16	18.41	19.16
NOV 19	17.36	17.47	17.67	17.89	18.39

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

DATE	09/06	09/09	09/10	09/11	09/12
SEP 19	103.80	103.83	104.25	104.25	104.80
OCT 19	105.03	104.35	104.90	105.35	105.80
NOV 19	106.43	105.68	106.05	106.90	108.38

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

DATE	09/06	09/09	09/10	09/11	09/12
SEP 19	16.26	16.20	16.20	16.27	16.33
OCT 19	16.25	16.25	16.33	16.43	16.58
NOV 19	16.40	16.24	16.36	16.52	16.74

WHEY (Electronic-Traded) (¢/lb)

DATE	09/06	09/09	09/10	09/11	09/12
SEP 19	36.75	36.40	36.20	36.33	36.70
OCT 19	36.75	36.53	35.55	35.55	36.50
NOV 19	36.40	35.68	35.68	35.73	36.50

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

DATE	09/06	09/09	09/10	09/11	09/12
SEP 19	221.23	221.50	221.88	224.25	224.58
OCT 19	222.00	222.18	223.45	225.75	226.00
NOV 19	221.50	221.18	223.25	225.50	226.40

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

DATE	09/06	09/09	09/10	09/11	09/12
SEP 19	1.87	1.88	1.90	1.91	1.91
OCT 19	1.84	1.87	1.90	1.93	2.00
NOV 19	1.81	1.83	1.85	1.87	1.92

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

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered September 2 - 13, 2019

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

German milk production through much of August was above the previous August, according to ZMB early reporting. However, by the end of August, another hot spell led to lower production and likely lower production for the month once official data is released. Milk production in the first week of September is reported to have returned to expected levels.

Even with the periods of extreme heat in recent months that impacted production in Germany, France, and some other countries, a factor helping EU production is farmgate milk prices. EU wide farmgate milk pay prices January – August this year are 2.2 percent higher than last year, according to CLAL data provided to USDA. Many Western European observers are optimistic that stronger pay prices will encourage farmer efforts to increase production through the rest of the year, especially when the threat of extreme heat is no longer a factor.

In the scheduled European Commission roll over, the new President, has nominated as Agriculture Commissioner, a member of the ruling party in Poland. The nominee is said to be an advocate for increased farm supports and payments. He has also previously opposed large scale farming in favor of a “family farm” model. Confirmation hearings are scheduled in the European Parliament at the end of September.

Western European cheese production remains below levels previously planned. German cheese manufacturers attribute this to lower than expected milk production earlier in 2019, as well as competing demand from other dairy product manufacturing, for more recent milk production. Demand remains good from both the retail sector, as well as industrial cheese customers. Exports are considered normal. Aging stocks are low and still decreasing. This is a matter of concern as the trend must reverse at some point.

EASTERN OVERVIEW

Poland's milk production January – July this year was 2.1 percent higher than last year, according to CLAL data made available to USDA. Cheese production was 0.7 percent higher.

The Czech Republic reports January – July milk production 0.8 percent higher than last year. Butter production was 11.2 percent higher.

BUTTER/BUTTEROIL

Butter prices in Western Europe are higher, but varied between countries. Germany has the highest prices, followed by France, Italy, and Netherlands. Higher cream prices are noted. With milk production declining seasonally, EU observers believe that could remain a factor influencing butter prices.

Demand for packaged butter in Western Europe is stronger. This is seasonally normal. Bulk butter demand is lower.

Contracting for delivery through 2019 is slower because sellers are still seeking higher prices while buyers are resisting. Moving into 2020, little contracting has concluded because sellers and buyers are a bit too far apart in price expectations.

Western Europe, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 3,775 - 4,175

Western Europe, 99% Butterfat, Free on Board - Port Butteroil
Price Range - \$/MT: 4,875 - 5,750

SKIM MILK POWDER

Skim milk powder prices are higher. Available SMP stocks are considered lower than desirable. This has driven more buying interest. Inquiries from customers are up, both internal EU, as well as export. EU SMP is competitive globally and this is drawing increased export interest.

Most current SMP production in Western Europe is already committed to contract sales. Production during 2019 has been particularly strong in France, which is now a top tier EU producer. Very little current production is available for spot sales from manufacturers.

Seasonally declining EU milk production is also on the minds of buyers. That factor, on top of tighter current SMP availability, is a reality checkpoint in price negotiations.

Buyers are taking contract deliveries on time. Most manufacturers can also deliver on time.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,350 - 2,475

WHEY

Western European whey prices are steady to higher. The upper range price strength is attributed to buyers with specific source preferences and some delivery timing factors.

Whey prices are inconsistent within Western Europe, and among manufacturers. Prices are higher in Germany but lower in Netherlands. Even with the current increase in upper range prices, EU sources report that export inquiries are a bit lower than expected. Not alarmingly so, but not up to expectations.

Prices for: Western Europe, All First Sales, Free on Board - Port, Conventional, and Edible Dry Whey
Price Range - Non-Hygroscopic; \$/MT: 650 - 975

WHOLE MILK POWDER

Whole milk powder prices are higher, but varied, within Western Europe between countries and manufacturers. Increased cream prices in Western Europe have helped boost WMP prices. This price strength is particularly driven by demand from internal EU customers. German prices are highest, followed by Netherlands. Prices are expected to be mostly steady in coming weeks.

Export activity is secondary to meeting internal EU demand. This is historically the pattern. Another factor this year is sending milk into more profitable products with expanding internal and export markets.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 3,100 - 3,350

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered September 2 - 13, 2019

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OCEANIA DAIRY MARKET OVERVIEW

AUSTRALIA:

State	July 2019		July 2019	
	Million Liters	Percent Change From 1 Year Ago	Percentage Milkfat	Protein
New South Wales	86.1	-10.6	3.99	3.36
Victoria	399.9	- 7.1	4.01	3.43
Queensland	28.7	-13.3	4.06	3.31
South Australia	32.1	-13.0	3.77	3.31
Western Australia	29.5	- 2.9	3.78	3.26
Tasmania	23.6	-14.0	4.48	3.50
Australia (Total)	600.0	- 8.4	4.01*	3.40**

- +0.7 percent from prior year period
- ** +0.3 percent from prior year period
- Data from Dairy Australia

NEW ZEALAND: New Zealand dairy manufacturing output is still very seasonally low. This leads most observers to not expect much to change in expectations for the season until final September or October production data becomes available. New Zealand seasonal milk production typically peaks in early October. It is spring in New Zealand. Even so, it has been cool, with snow in some remote areas. That is not likely to impact the overall seasonal results because pastures are in good shape.

The New Zealand Parliament has passed a bill to restructure the dairy industry. Further consideration must occur before the bill becomes a law. The bill primarily deals with a large dairy cooperative in New Zealand. One provision would allow the cooperative to refuse milk from producers who do not meet environmental standards, animal welfare requirements, or employment conditions. Another provision would relax the obligation to provide milk to rivals.

BUTTER/BUTTEROIL

Butter prices in Oceania are stronger. Buyers are up against tighter current availability than they would like. Some buyers believe that seasonal increases in production are not as buoyant as they would like. This has led to giving sellers the upper hand in negotiations.

There are also concerns among some buyers that strong export demand might cause butter to become harder to source from the region in coming months. This has added extra motivation to closing deals.

Oceania, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 4,025 - 4,125

Secondary Sourced Information:

Butter exports from Australia January - July 2019, 13,000 MT, were up 39.6 percent from January - July 2018, according to CLAL.

The table below shows the top export destinations and country percent change comparing January - July 2019 with January - July 2018.

AUSTRALIA BUTTER EXPORTS
JANUARY - JULY 2019

DESTINATION	% CHANGE	
	2019/2018	MT
Thailand	+52	2,528
United States	+513	1,959
China	+40	1,371

At GDT event 243 on September 3, the butter September contract price, \$4,110, increased 1.5 percent.

SKIM MILK POWDER

Oceania skim milk powder prices are higher. Early season production in Australia and New Zealand is still low in the seasonal arc. Even so, the price increase is slight and is attributed more to normal trading than to any meaningful supply and demand factor.

Most buyers have supply expectations in line with seasonal production patterns. No significant price movements are expected by most observers until at least later in October or November, when seasonal production patterns are more obvious.

In Australia, the current emphasis is to prioritize sending milk to SMP/butter production at the expense of other manufactured dairy products. Even so, with lower milk production in Australia, SMP output remains below ideal volumes.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,525 - 2,675

Secondary Sourced Information:

SMP exports from Australia January - July 2019, 83,000 MT, were down 6.9 percent from January - July 2018, according to CLAL.

The table below shows the top export destinations and country percent change comparing January - July 2019 with January - July 2018.

AUSTRALIA SMP EXPORTS
JANUARY - JULY 2019

DESTINATION	% CHANGE	
	2019/2018	MT
China	+50	26,924
Indonesia	- 6	16,714
Vietnam	+140	8,181

At GDT event 243 on September 3, the SMP all contracts price, \$2,500, increased 0.7 percent. The September contract, \$2,564, increased 0.5 percent.

CONTINUED ON PAGE 8B

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered September 2 - 13, 2019

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.

CONTINUED FROM PAGE 8A

CHEESE

Cheddar prices in Oceania are mixed, stronger at the low end of the price range, but lower at the top. This reflects inconsistent pricing in Australia and New Zealand, as well as between some cheese manufacturers.

Overall, there is enough cheese being produced which is not currently needed to fill contracts, leading to upper range prices moving slightly lower. Some other manufacturers are a bit tight on available spot market cheese. This has led to some sales at slightly higher prices.

Most observers in the region were mostly nonchalant about the current price movement. So early in the milk season, not much price movement is expected until the seasonal production projections can process more data.

Prices for: Oceania Cheese, Cheddar, 39% Maximum Moisture, Free on Board - Port
Price Range - \$/MT: 3,850 - 3,950

Secondary Sourced Information:

Cheese exports from Australia January - July 2019, 92,000 MT, were down 6.7 percent from January - July 2018, according to CLAL.

The table below shows the top export destinations and country percent change comparing January - July 2019 with January - July 2018.

AUSTRALIA CHEESE EXPORTS
JANUARY - JULY 2019

DESTINATION	% CHANGE 2019/2018	MT
Japan	-9	45,832
China	-8	10,205
South Korea	-7	5,122

At GDT event 243 on September 3, the cheddar all contracts price, \$3,827, decreased 0.8 percent. The September contract, \$3,885, increased 1.7 percent.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 3,025 - 3,225

Secondary Sourced Information:

WMP exports from Australia January - July 2019, 26,000 MT, were down 30.2 percent from January - July 2018, according to CLAL.

The table below shows the top export destinations and country percent change comparing January - July 2019 with January - July 2018.

AUSTRALIA WMP EXPORTS
JANUARY - JULY 2019

DESTINATION	% CHANGE 2019/2018	MT
China	-15	11,282
Thailand	-39	4,260
Singapore	-27	2,006

At GDT event 243 on September 3, the WMP all contracts price, \$3,076, decreased 0.8 percent. The September contract, \$3,203, decreased 0.8 percent.

Exchange rates for selected foreign currencies:
September 9, 2019

.0178 Argentina Peso	.0140 India Rupee
.6863 Australian Dollar	.0093 Japan yen
.2441 Brazil Real	.0511 Mexican Peso
.7593 Canadian Dollar	.6425 New Zealand Dollar
.0014 Chile Peso	.2550 Poland Zloty
1.1048 Euro	.0274 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0511) = 19.5695$ Mexican Pesos. Source: "Wall Street Journal"

WHOLE MILK POWDER

Oceania whole milk powder prices are a bit lower. New Zealand observers do not expect much price movement either way, at least not until final September or October production data becomes available. New Zealand seasonal milk production typically peaks in early October.

With Australia prioritizing sending available milk into SMP and butter production, at the expense of WMP, New Zealand remains the primary focus of Oceania WMP activity.

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered September 2 - 13, 2019

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

Across South America, especially in the Southern Cone region, milk production on farms continues to improve as the continent transitions from winter to spring season. Thus, temperatures are becoming more pleasant to dairy herds, supporting the cows' productive yields. In this fashion, milk shipments into cheese, milk caramel, yogurt, and fluid manufacturing plants are more than adequate as demands within the dairy industry and food processing sector remain hearty. Butterfat volumes are steadily improving along with seasonal patterns. Having said this, butter production is ongoing with fair/good interest from the wholesale and retail sectors. Bottled/UHT milk pulls from several educational institutions and some public food aid programs are fair/good. Cheese production, especially mozzarella, is very active with strong interest from restaurants and pizzerias.

SKIM MILK POWDER

During the past two weeks, the skim milk powder (SMP) market in the Southern Cone region has been unstable, reflected on mixed export prices. The trading activity has been light to moderate. With more condensed skim intakes in the region, SMP drying schedules are more frequent in several balancing facilities, while inventories vary from plant to plant. In general, the demand for SMP inside and outside the Mercosur bloc ranges from sluggish to fair.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,300 - 2,550

Secondary Sourced Information:

At the GDT Event 243 on September 3, skim milk powder (SMP) prices across all contract periods averaged \$2,500 per metric ton, up 0.7 percent from the last event.

2019 Brazil SMP Imports (USDA-COMEX)

	2019 Imports (Million Ton.)	% Change From 1 Year Ago
August	2.1	+ 64
TOTAL, JAN-AUG	12.6	- 1
Uruguay	6.4	+ 56
Argentina	5.9	- 9
United States	0.3	- 71

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 2,850 - 3,250

Secondary Sourced Information:

At the GDT Event 243 on September 3, whole milk powder (WMP) prices across all contract periods averaged \$3,076 per metric ton, down 0.8 percent from the last event.

2019 Brazil WMP Imports (USDA-COMEX)

	2019 Imports (Million Ton)	% Change From 1 Year Ago
August	3.2	- 56
TOTAL, JAN - AUG	43.3	+ 9
Argentina	20.3	+ 10
Uruguay	20.2	+ 12
Paraguay	2.3	+ 58

WHOLE MILK POWDER

Free on board export prices for whole milk powder (WMP) are lower in the Southern Cone region of South America. In this zone of the continent, condensed milk volumes moving into balancing are ample, prompted by strong regional farm milk intakes. In this way, WMP drying schedules are very active in most processing plants. Demands from Brazil and Algeria are mostly stagnant. Export activity occurring outside the Mercosur bloc are reflected on the bottom price of the range, while sales inside the bloc are mirrored on top value of the range.

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
June 2019	258.1	1.9	217.4	0.6	199.6	2.7	228.3	-1.2	244.8	0.8	249.2	0.3
July 2019	258.3	1.8	217.6	0.9	200.3	2.9	227.8	-0.9	248.1	0.3	250.0	0.0
August 2019	258.4	1.7	218.8	1.1	200.1	2.3	229.3	0.1	248.5	1.4	249.3	-0.6

U.S. City Average Retail Prices										
Month	Whole Milk ⁴		Butter ⁵		Process Cheese ⁶		Natural Cheese ⁷		Ice Cream ⁸	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(dollars)</i>									
Jun	3.054	2.877	N/A	N/A	3.844	3.956	5.254	5.234	4.633	4.656
Jul	3.031	2.839	N/A	N/A	3.772	3.958	5.349	5.065	4.674	4.750
Aug	3.045	2.871	N/A	N/A	3.873	3.946	5.367	5.118	4.682	4.662

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.

Producer Price Index (PPI)¹

Producer Price Index												
Month	All Food Manufacturing		Dairy Products		Fresh Whole Milk		Cheese		Butter		Dry Milk Products and mixtures	
	PPI	Pct. Chg ²	PPI	Pct. Chg	PPI	Pct. Chg	PPI	Pct. Chg	PPI	Pct. Chg	PPI	Pct. Chg
June 2019	201.8	0.8	203.4	4.0	225.3	6.2	181.6	3.7	169.4	1.1	168.7	12.2
July 2019	201.7	1.5	205.5	5.5	225.7	6.2	185.7	7.2	169.5	7.3	170.6	11.5
August 2019	202.2	2.3	206.5	5.8	229.4	10.7	185.9	6.2	166.5	-0.5	170.9	10.2

¹ Source: BLS, U.S. Department of Labor. ² The standard reference base period for these indexes is 1981-1984 = 100. ³ Percent change from previous year.

July Milk Sales

3.6 billion pounds of packaged fluid milk products were shipped by milk handlers in July 2019. This was 0.2 percent higher than a year earlier. Estimated sales of total conventional fluid milk products decreased 0.1 percent from July 2018 and estimated sales of total organic fluid milk products increased 4.6 percent from a year earlier.

Estimated Total U.S. Sales of Fluid Milk Products, July 2019, with Comparisons ¹

Product Name	Sales ²		Change from:	
	Jul	Year to Date ⁴	Previous Year ⁴	Year to Date ⁴
	<i>(million pounds)</i>		<i>(percent)</i>	
Conventional Production Practice				
Whole Milk	1,272	8,715	3.6	1.2
Flavored Whole Milk	57	439	10.4	13.4
Reduced Fat Milk (2%)	1,176	8,277	-1.1	-2.4
Low Fat Milk (1%)	410	3,258	-4.9	-6.2
Fat-Free Milk (Skim)	265	1,976	-8.1	-10.0
Flavored Fat-Reduced Milk	158	2,021	-8.0	-3.2
Buttermilk	38	249	-5.7	-12.1
Other Fluid Milk Products	26	168	410.8	606.6
Total Fat-Reduced Milk ³	2,009	15,531	-3.5	-4.3
Total Conventional Milk Products	3,403	25,102	-0.1	-1.7
Organic Production Practice				
Whole Milk	95	621	11.4	2.3
Reduced Fat Milk (2%)	73	473	10.3	-1.0
Low Fat Milk (1%)	26	195	-17.4	-12.1
Fat-Free Milk (Skim)	16	108	-14.9	-20.5
Flavored Fat-Reduced Milk	8	52	17.4	-8.5
Other Fluid Milk Products	0	0	-54.3	29.4
Total Fat-Reduced Milk ³	122	828	-0.2	-7.2
Total Organic Milk Products	217	1,450	4.6	-3.3
Total Fluid Milk Products	3,620	26,552	0.2	-1.8

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, lowfat, 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.

Package Sales of Total Fluid Milk Products in Federal Milk Orders, July 2019, with Comparisons ¹

Marketing Area	Order Number	Sales ²		Change from:	
		Jul	Year to Date	Previous Year ³	Year to Date ³
		<i>(million pounds)</i>		<i>(percent)</i>	
Northeast	001	608	4,414	-0.5	-3.5
Appalachian	005	250	1,802	-1.4	-3.0
Florida	006	209	1,556	0.3	-0.6
Southeast	007	327	2,362	-1.2	-4.7
Upper Midwest	030	259	1,915	-3.5	-5.2
Central	032	302	2,227	-1.5	-3.2
Mideast	033	406	3,023	2.8	1.8
California ³	051	418	3,056	5.2	4.1
Pacific Northwest	124	147	1,040	-1.3	-4.0
Southwest	126	328	2,464	0.9	-1.4
Arizona	131	77	569	-4.0	-5.1
All Areas (Totals) ¹		3,330	24,428	0.2	-1.8

¹ These figures are representative of the consumption of total fluid milk products in the respective area. Reported volumes do not include added non-dairy ingredients such as sweeteners or flavorings. ² Data may not add due to rounding. ³ The figures for California include data obtained from the California Department of Food and Agriculture (CDFA) for the months of January through October 2018, and prior years. The California Federal Milk Marketing Order became effective November 1, 2018.

September Supply and Demand Estimates

The milk production forecast for 2019 is raised as stronger growth in milk per cow more than offsets forecast lower cow numbers. For 2020, the milk production forecast is reduced from the previous month on slower expected growth in dairy cow numbers; however this is partly offset by slightly higher forecast milk per cow. The 2019 and 2020 fat basis import forecasts are lowered on recent trade data and expectations of slower butterfat imports. Fat basis export forecasts for 2019 and 2020 are reduced from last month on weaker expected global demand for U.S. butterfat products. The 2019 skim-solids basis import forecast is raised from the previous month on higher-than-expected imports of milk protein concentrates and a number of other dairy products. This strength is expected to carry over into 2020 and the 2020 skim-solids basis import forecast is raised. The skim-solids basis export forecast for 2019 is reduced from last month on weakness in a number of dairy products, but the 2020 skim-solids basis export forecast is raised primarily on expected strong global demand for lactose. For 2019 and 2020, cheese, nonfat dry milk (NDM), and whey prices are raised from the previous month, but the price forecast for butter is reduced. The 2019 and 2020 the Class III price forecasts are raised from last month on higher cheese and whey prices. The 2019 and 2020 Class IV price forecasts are lowered from the previous month as lower forecast butter prices more than offset higher NDM prices. The 2019 all milk price is forecast raised to \$18.35 per cwt, and the all milk price forecast for 2020 is raised to \$18.85 per cwt.

U.S. Milk Supply and Use					
Commodity	2018	2019 Projected		2020 Projected	
		Aug	Sep	Aug	Sep
Milk	<i>(billion pounds)</i>				
Production	217.6	217.9	218	221.4	221.2
Farm Use	1.0	1.0	1.0	1.0	1.0
Fat Basis Supply					
Beginning Commercial Stocks	13.4	13.8	13.8	13.0	13.0
Marketings	216.6	216.9	217.0	220.3	220.2
Imports	6.3	7.2	7.0	7.0	6.9
Total Commercial Supply	236.3	237.8	237.7	240.3	240.1
Fat Basis Use					
Commercial Exports	10.4	9.4	9.3	9.9	9.6
Ending Commercial Stocks	13.8	13.0	13.0	13.0	13.0
CCC Donations	0.0	0.2	0.2	0.0	0.2
Domestic Commercial Use	212.1	215.2	215.2	217.5	217.3
Skim-Solid Basis Supply					
Beginning Commercial Stocks	11.8	10.7	10.7	10.0	10.0
Marketings	216.6	216.9	217.0	220.3	220.2
Imports	5.5	5.5	5.9	5.2	5.6
Total Commercial Supply	233.8	233.1	233.5	235.5	235.9
Skim-Solids Basis Use					
Commercial Exports	44.7	40.6	40.2	42.4	42.6
Ending Commercial Stocks	10.7	10.0	10.0	10.1	9.8
CCC Donations	0.0	0.2	0.2	0.0	0.1
Domestic Commercial Use	178.5	182.3	183.2	183.1	183.4

NOTE: Totals may not add due to rounding.

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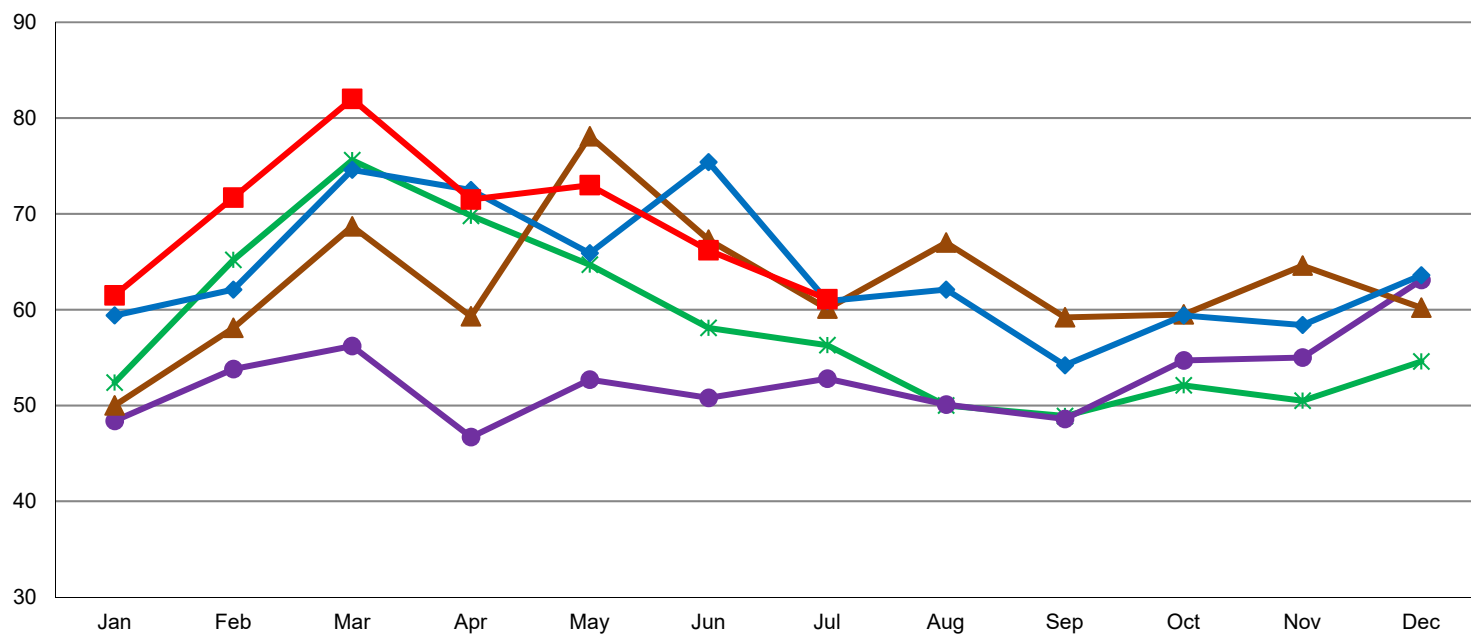
September Milk Supply and Demand Estimates-cont'd

U.S. Dairy Prices						
Commodity	2018	2019 Projected		2020 Projected		
		Aug	Sep	Aug	Sep	
Product Prices ^{1,5}	(dollars per pound)					
	Cheese	1.5377	1.6850	1.7000	1.7250	1.7750
	Butter	2.2572	2.3200	2.2650	2.3350	2.2250
	Nonfat Dry Milk	0.7945	1.0050	1.0150	1.0150	1.0350
	Dry Whey	0.3422	0.3800	0.3900	0.3600	0.3750
Milk Prices ^{2,5}	(dollars per cwt)					
	Class III	14.61	16.30	16.45	16.55	17.05
	Class IV	14.23	16.30	16.15	16.45	16.15
	All Milk ³	16.26	18.30	18.35	18.80	18.85
	Quarterly					
	2019 II	2019 III ⁴	2019 IV ⁴	2020 I ⁴	2020 II ⁴	
	Milk Production	(billion pounds)				
	55.8	53.9	53.8	55.5	56.4	
All Milk Price ^{2,3,5}	(dollars per cwt)					
		17.93	19.00	19.40	18.90	18.65
	Class III Price ^{2,5}	16.20	17.68	17.59	17.18	16.97
	Class IV Price ^{2,5}	16.28	16.59	16.04	15.88	16.22

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. ⁵ As of May 2019, price range forecasts for WASDE have been eliminated in favor of single price points for all crops and livestock.

Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates*, WASDE-592, September 12, 2019. 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].

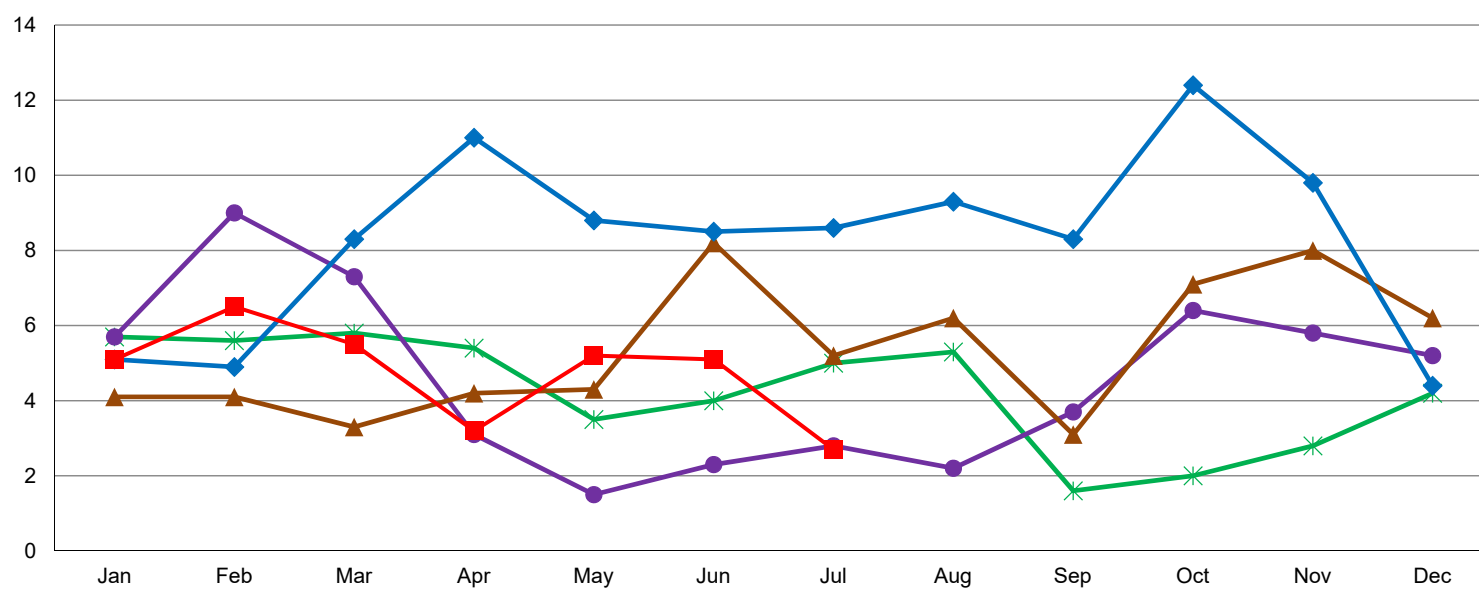
Million Pounds

Cheese Exports (various H.S. Codes)

GRAPH USDA, DMN; SOURCE USDA,FAS

* 2015 ● 2016 ▲ 2017 ◆ 2018 ■ 2019

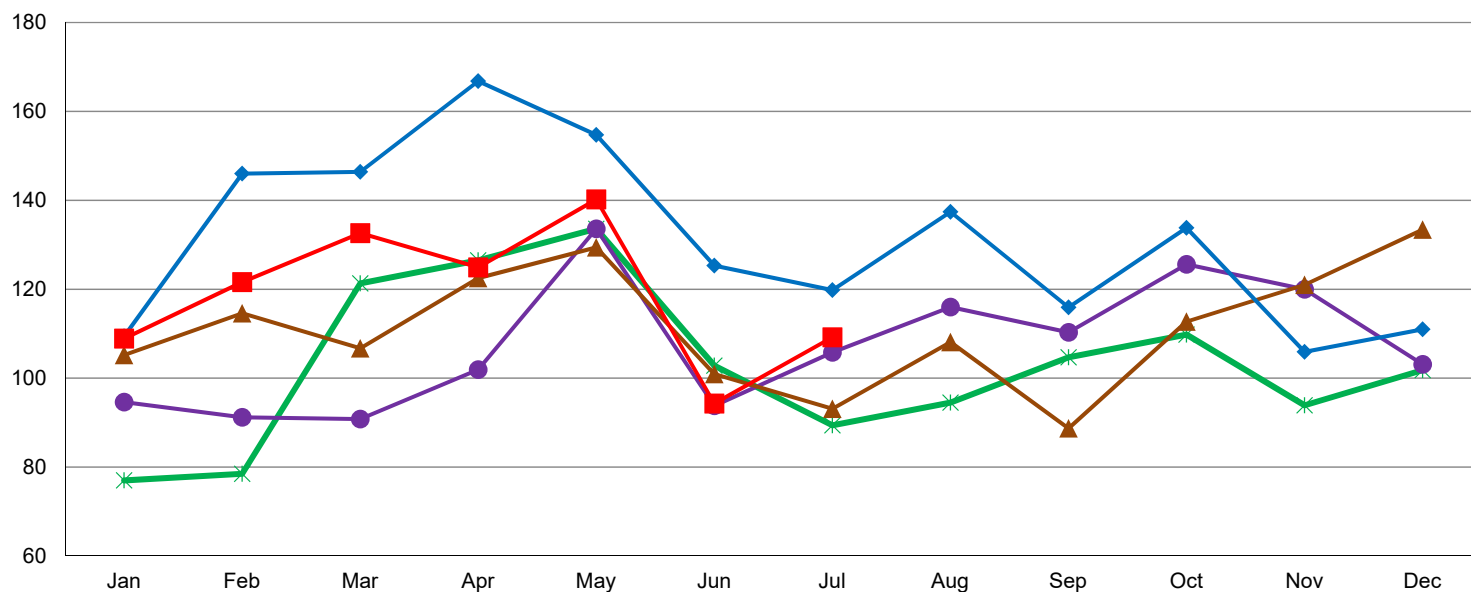
Million Pounds

U.S. Butter and Milkfat Exports (various H.S. Codes)

GRAPH, USDA, DMN; SOURCE, USDA,FAS

* 2015 ● 2016 ▲ 2017 ◆ 2018 ■ 2019

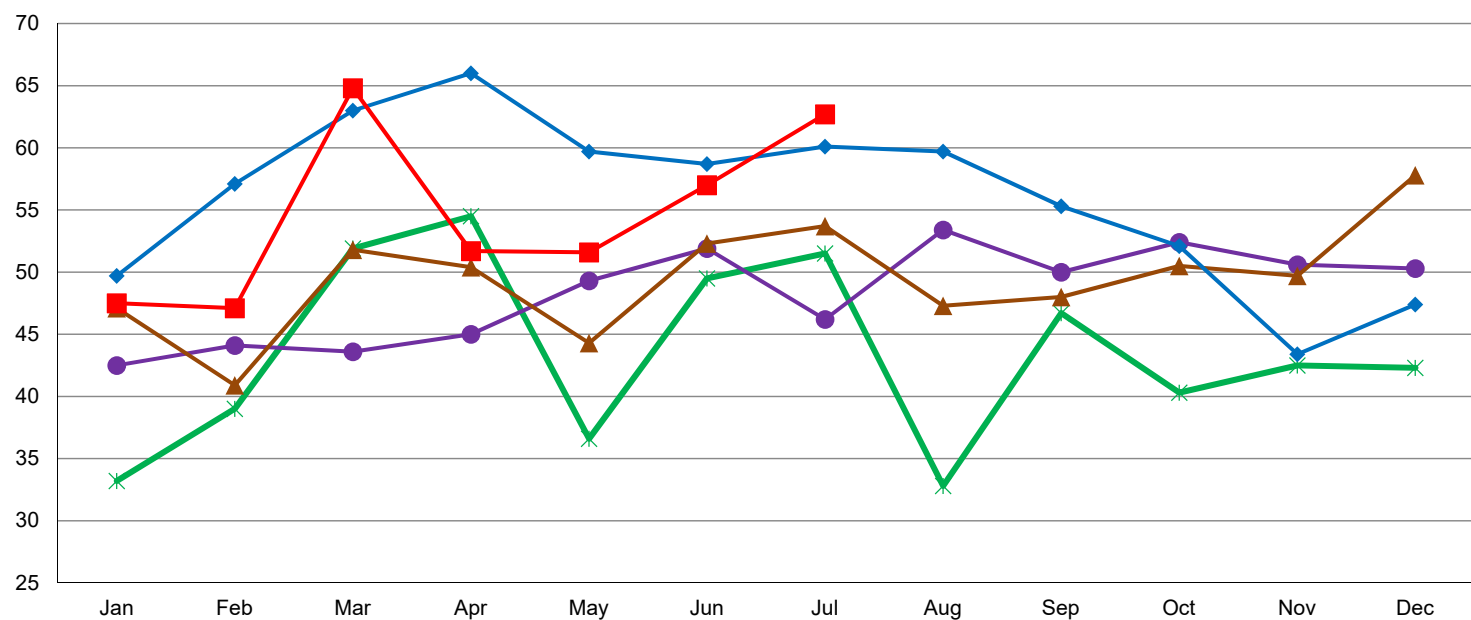
Million Pounds

Monthly Nonfat Dry Milk Exports: H.S. Code 0402100000(FAS)

GRAPH USDA, DMN; SOURCE USDA,FAS

2015 2016 2017 2018 2019

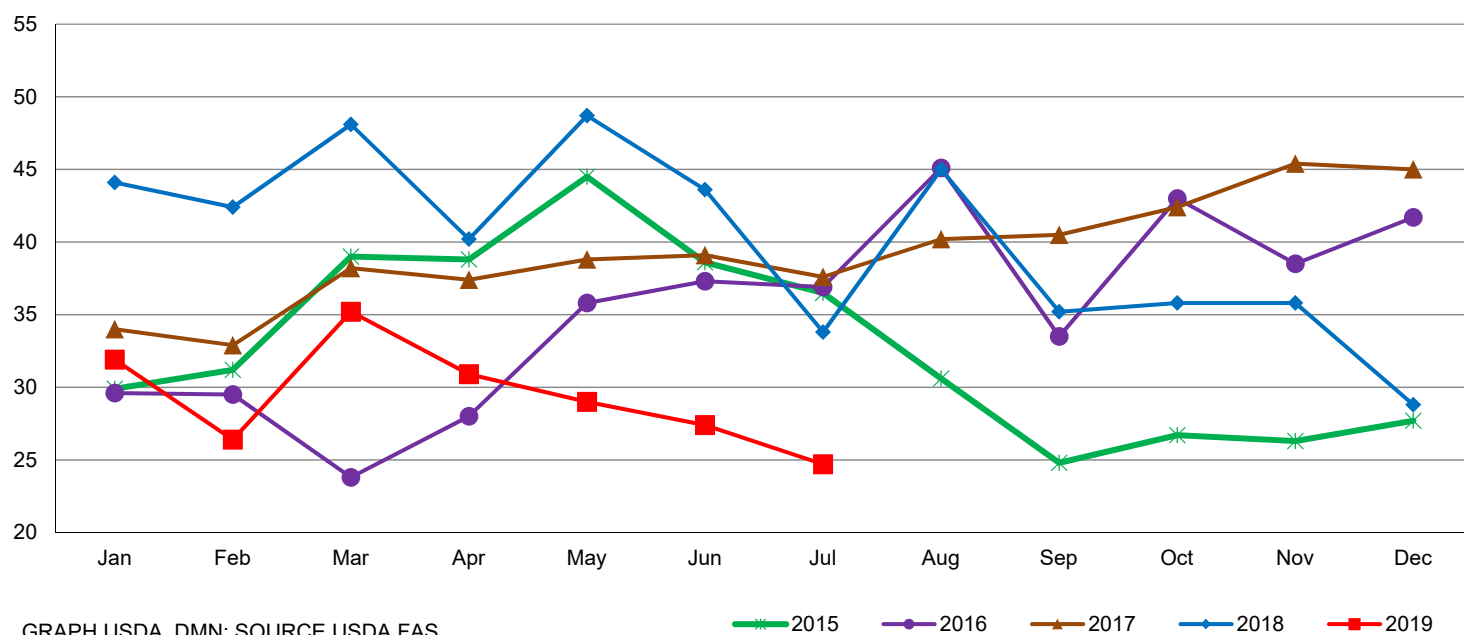
Million Pounds

Monthly Lactose Exports: H.S. Code 1702110000(FAS)

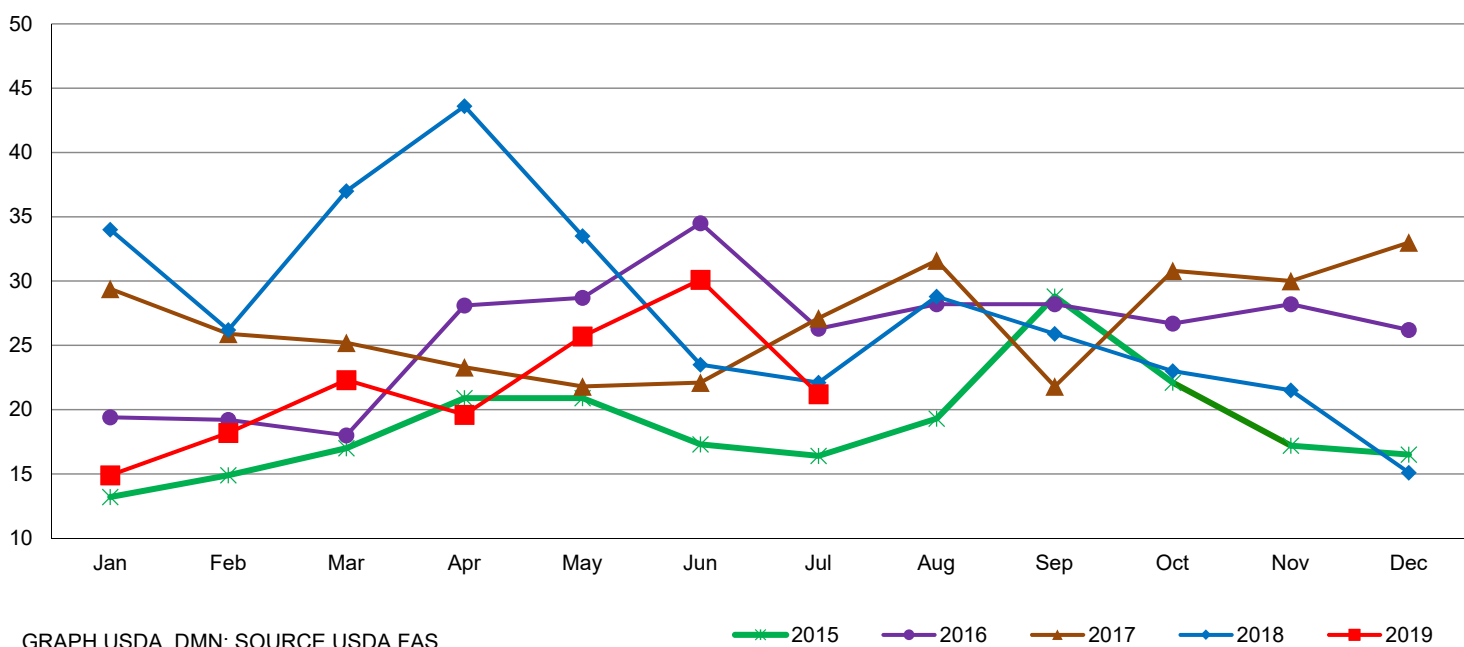
GRAPH USDA, DMN; SOURCE USDA,FAS

2015 2016 2017 2018 2019

Million Pounds

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

Million Pounds

Monthly WPC <80% Exports: H.S. Code 0404100500(FAS)



Dairy Market News Branch

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Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 09/13/2019 to 09/19/2019

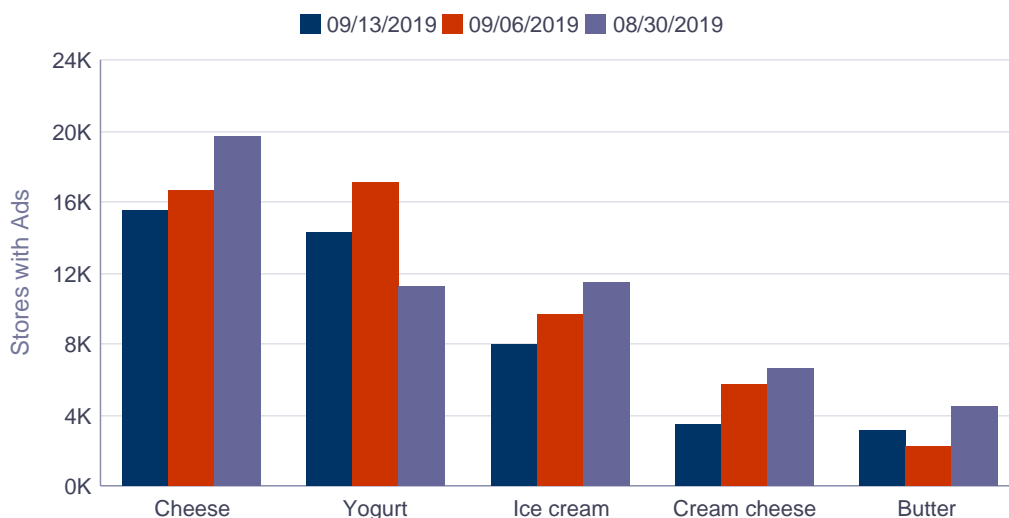
This week, ice cream in 48 to 64 oz containers returned as the most advertised dairy item in the United States. Dairy advertisements, both conventional and organic, decreased week over week. Total conventional ads decreased 19 percent, while total organic ad numbers showed a 35 percent decline.

The national weighted average advertised price for conventional milk half gallons is \$2.65, compared to \$3.88 for organic milk half gallons, an organic price premium of \$1.23. Conventional half gallon milk ad numbers decreased 61 percent. Organic half gallon milk ads decreased by 42 percent week over week, but remain the most advertised organic item.

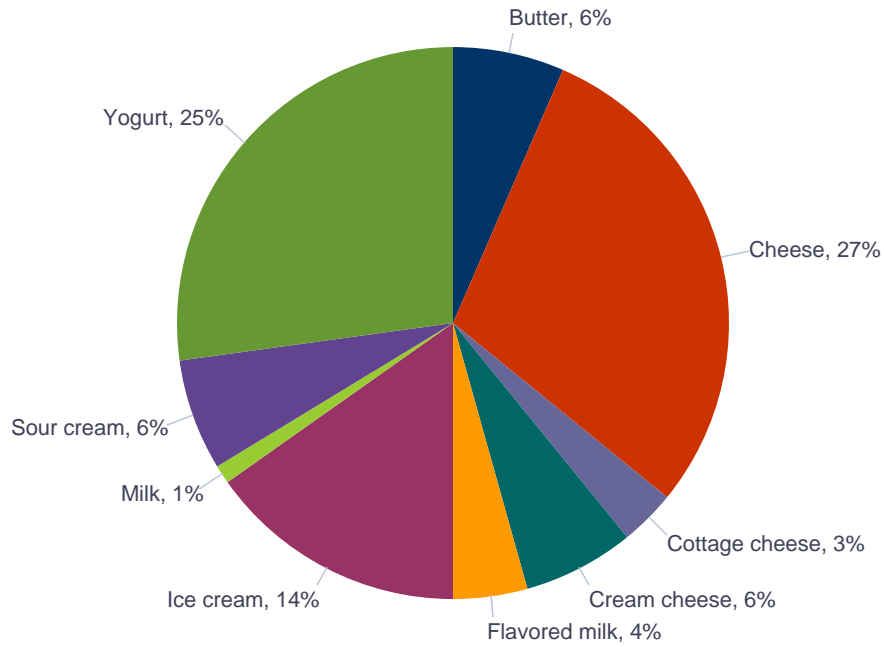
Conventional cheese ad numbers decreased 6 percent. The weighted average price for conventional 8 oz shred cheese is \$2.28, down 3 cents from last week. Organic 8 oz shred cheese has a weighted average price of \$3.49, creating an organic premium of \$1.21.

Conventional yogurt ad numbers decreased 14 percent. Organic yogurt ads decreased 67 percent. The weighted average advertised price for conventional Greek yogurt in 4 to 6 oz containers is \$0.94, \$.01 lower than last week. Conventional yogurt in 4 to 6 oz containers had a weighted average price of \$.49, \$.03 cents below last week.

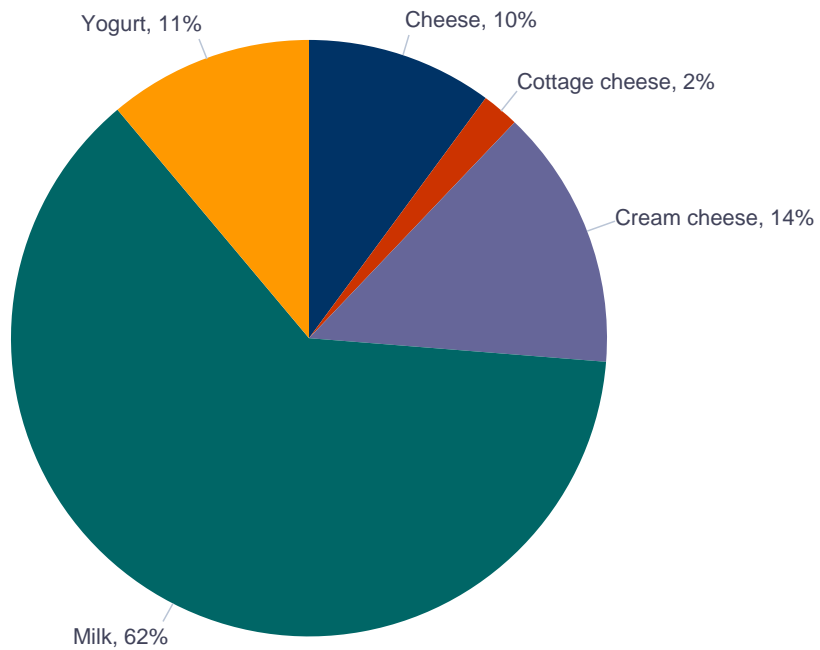
Top 5 Commodities Featured This Week



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 #	3193	3.67	2219	3.62	3589	3.41
Cheese	Natural Varieties	8 oz block	7176	2.12	6792	2.10	6876	2.28
Cheese	Natural Varieties	1 # block	72	3.49	206	3.83	1047	3.72
Cheese	Natural Varieties	2 # block	1464	6.85	1000	5.02	1194	5.67
Cheese	Natural Varieties	8 oz shred	6276	2.28	7303	2.31	8229	2.30
Cheese	Natural Varieties	1 # shred	335	4.22	914	3.94	556	4.18
Cottage cheese		16 oz	1851	1.70	3150	1.65	2096	2.07
Cream cheese		8 oz	3196	1.90	5787	1.85	4368	1.73
Flavored milk	All fat tests	half gallon	1668	2.26			634	2.49
Flavored milk	All fat tests	gallon	394	4.18	841	3.75	319	3.17
Ice cream		48-64oz	8005	2.96	9545	2.96	10223	3.24
Milk	All fat tests	half gallon	372	2.65	951	2.02	972	2.10
Milk	All fat tests	gallon	404	2.59	1704	3.26	1449	3.46
Sour cream		16 oz	3118	1.67	7215	1.64	5765	1.56
Yogurt	Greek	4-6 oz	6839	.94	10695	.95	11039	.94
Yogurt	Greek	32 oz	2153	4.33	1219	3.93	1440	4.40
Yogurt	Yogurt	4-6 oz	3937	.49	4178	.52	5524	.59
Yogurt	Yogurt	32 oz	1082	3.23	178	2.50	662	2.72

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.79-3.99	1176	3.12	3.98-4.00	797	4.00	3.68-4.49	360	4.09
Cheese	Natural Varieties	8 oz block	1.88-3.99	1661	2.40	1.33-3.00	3081	1.86	1.88-3.00	715	2.62
Cheese	Natural Varieties	1 # block	3.49	72	3.49						
Cheese	Natural Varieties	2 # block	5.99-6.99	286	6.70				6.99	586	6.99
Cheese	Natural Varieties	8 oz shred	1.50-3.00	2337	2.17	1.49-3.00	1852	2.10	1.88-3.00	531	2.62
Cheese	Natural Varieties	1 # shred	3.79	100	3.79				3.79-4.99	235	4.40
Cottage cheese		16 oz	1.50-2.50	719	1.94	1.50	1002	1.50	1.50	69	1.50
Cream cheese		8 oz	1.67-2.50	400	1.89	1.50-3.00	515	2.19	1.00-1.50	122	1.22
Flavored milk	All fat tests	half gallon	1.99-2.50	162	2.30	2.50	564	2.50	1.50-2.50	764	1.79
Flavored milk	All fat tests	gallon				3.50	214	3.50	4.99	180	4.99
Ice cream		48-64oz	1.99-3.79	2066	2.70	2.00-5.99	2073	2.90	2.49-3.98	1421	2.88
Milk	All fat tests	half gallon	2.50	72	2.50						
Milk	All fat tests	gallon	1.99	100	1.99				1.99	116	1.99
Sour cream		16 oz	1.50-1.77	941	1.66	1.50	1002	1.50	0.99-2.00	425	1.66
Yogurt	Greek	4-6 oz	0.79-1.00	1894	.97	0.70-1.00	777	.86	0.80-1.19	1585	.93
Yogurt	Greek	32 oz	3.99-4.49	197	4.33	3.50-4.99	949	4.65			

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	4-6 oz	0.50-0.67	747	.53	0.40-0.50	1410	.45	0.50-0.60	947	.54
Yogurt	Yogurt	32 oz	3.49-3.99	549	3.84						

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 #	2.98-4.99	256	3.42	2.99-3.99	315	3.56	4.79	289	4.79
Cheese	Natural Varieties	8 oz block	1.69-1.99	1101	1.87	2.50-3.00	311	2.78	1.69-3.00	234	2.03
Cheese	Natural Varieties	2 # block				5.99-6.99	292	6.60	6.99	289	6.99
Cheese	Natural Varieties	8 oz shred	1.69-2.50	183	2.02	2.00-3.00	716	2.65	1.69-3.00	584	2.51
Cottage cheese		16 oz							2.50	61	2.50
Cream cheese		8 oz	1.49-1.99	1081	1.94	0.99-2.50	659	1.81	1.67-1.96	419	1.76
Flavored milk	All fat tests	half gallon				3.49	178	3.49			
Ice cream		48-64oz	1.99-4.98	1231	3.80	2.49-3.49	1093	2.81	2.49	121	2.49
Milk	All fat tests	half gallon							2.69	289	2.69
Milk	All fat tests	gallon	2.99-3.99	188	3.28						
Sour cream		16 oz	1.49-2.29	301	1.73	1.99-2.00	315	1.99	2.00	61	2.00
Yogurt	Greek	4-6 oz	0.77-1.00	605	.94	0.79-1.00	919	.92	0.80-1.00	988	.94
Yogurt	Greek	32 oz	3.50-4.99	245	4.15	3.49-4.99	473	4.06	3.89	289	3.89
Yogurt	Yogurt	4-6 oz	0.39-0.50	352	.48	0.49	241	.49	0.39-0.49	240	.42
Yogurt	Yogurt	32 oz				2.50	244	2.50	2.69	289	2.69

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	2.79-3.50	49	3.20	2.00	24	2.00
Cheese	Natural Varieties	2 # block	5.99	11	5.99			
Cheese	Natural Varieties	8 oz shred	2.79-3.50	49	3.20	2.00	24	2.00
Milk	All fat tests	half gallon	2.49	11	2.49			
Sour cream		16 oz	1.69-2.99	49	2.43	2.50	24	2.50
Yogurt	Greek	4-6 oz	0.80-2.00	71	1.44			

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

Wtd Avg - Simple weighted average



Butter		1 #					108	5.29
Cheese	Natural Varieties	8 oz block	121	3.49	98	3.49	137	5.99
Cheese	Natural Varieties	8 oz shred	121	3.49	289	3.79	121	2.99
Cottage cheese		16 oz	51	2.99			214	4.29
Cream cheese		8 oz	339	2.99				
Ice cream		48-64oz			105	5.99		
Milk	All fat tests	half gallon	940	3.88	1623	3.88	2476	4.05
Milk	All fat tests	gallon	503	5.56	105	5.00	1577	5.27
Milk	All fat tests	8 oz UHT					553	.93
Sour cream		16 oz			214	2.50	62	3.29
Yogurt	Greek	32 oz	55	6.99	376	5.45	214	3.00
Yogurt	Yogurt	4-6 oz			72	.69	360	1.00
Yogurt	Yogurt	32 oz			376	3.67	573	3.12

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
Cream cheese		8 oz	2.99	161	2.99						
Milk	All fat tests	half gallon	3.69-4.59	220	3.93	3.98	195	3.98			
Milk	All fat tests	gallon				4.99	214	4.99			

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	3.49	121	3.49						
Cheese	Natural Varieties	8 oz shred	3.49	121	3.49						
Cottage cheese		16 oz	2.99	51	2.99						
Cream cheese		8 oz				2.99	178	2.99			
Milk	All fat tests	half gallon	2.97	51	2.97				2.99-4.39	463	3.86
Milk	All fat tests	gallon							5.99	289	5.99
Yogurt	Greek	32 oz	6.99	55	6.99						

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
Milk	All fat tests	half gallon	5.99	11	5.99			

Wtd Avg - Simple weighted average

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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GENERAL NUMBER

(608) 422-8587

Elizabeth Frederick

(608) 422-8587

Elizabeth.Frederick@USDA.GOV

ORGANIC/ EAST

Daniel Johnson

(608) 422-8605

Daniel.Johnson4@USDA.GOV

EAST

Jessica Mueller

(608) 422-8589

Jessica.Mueller@USDA.GOV

CENTRAL

Israel Weber

(608) 422-8601

Israel.Weber@USDA.GOV

SOUTHWEST/SOUTH AMERICA

AJ (Angel José) Terán

(608) 422-8593

Angel.Teran@USDA.GOV

SOUTHWEST

Florence Kone-Gonzalez

(608) 422-8594

Florence.KoneGonzalez@USDA.GOV

NORTHWEST/MOUNTAIN

Mike Bandli

(608) 422-8592

Mike.Bandli@USDA.GOV

EUROPE/OCEANIA

Eric Graf

(608) 422-8590

Eric.Graf@USDA.GOV

NATIONAL SUPERVISOR

Janet Linder

(608) 422-8588

Janet.Linder@USDA.GOV

BRANCH CHIEF

Butch Speth

(608) 422-8586

Butch.Speth@USDA.GOV

RECORDED INFORMATION SYSTEM

(608) 422-8602

FAX

(608) 240-6689

USDA, Dairy Market News

4600 American Parkway, STE 106

Madison, WI 53718-8334

Additional Dairy Market News Information:

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