

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (4/5):**

**BUTTER:** Grade AA closed at \$1.7100. The weekly average for Grade AA is \$1.6645(+.0170).

**CHEESE:** Barrels closed at \$1.6925 and 40# blocks at \$1.7625. The weekly average for barrels is \$1.6435 (+.0379) and blocks, \$1.7155 (+.0211).

**BUTTER HIGHLIGHTS:** The past holiday weekend saw heavy cream supplies clearing into churns in many areas of the country as some Class II plants reduced hours. Butter production continues during the week as a few plants are working toward filling multi-load international contracts for 82% butter. Domestic bulk butter prices are moderating as the rash of buying for holiday orders subsides. Prices at the CME Group were unchanged on Monday, then tacked on a total of 8 cents through unfilled bids and sales during the balance of the week. Grade AA butter closed at \$1.7100 on Friday. Butter production in the United States for February 2013 totaled 171.3 million pounds, down 8.9% from January 2013, but 1.1% higher than the unadjusted value of one year ago. Butter production increased in two regions compared to one year ago: Atlantic, 18.6 million pounds, +2.7%; Central 70.3 million pounds, +9.6%. Butter production in the West decreased 5.5% from the unadjusted value one year ago, totaling 82.3 million pounds.

**CHEESE HIGHLIGHTS:** Cheese production levels across the country were mixed this week. Production in the Midwest remains strong as larger milk supplies and good component levels add to inventories. Production in the Northeast slowed some as Class I usage took more of the milk supply. In the West, production was mostly steady with some mixed interest as to manufacturing volumes. According to the NASS *Dairy Products* report, total U.S. cheese output for February was 857.4 million pounds, slightly below year ago levels (unadjusted for the 2012 leap year) and 8.4% lower than January of 2013. Retail demand at current price levels is good with some increased featuring in weekly ads. Prices from the National Dairy Retail Report were mostly lower from two weeks ago with increased ad numbers. Export demand is helping to clear additional supplies and keep inventories manageable. The CWT program assisted with sales of 5.9 million pounds of cheese this week. Spot prices at the CME Group moved higher each day on barrels. Blocks held steady until Thursday and Friday. Blocks went higher to nearly catch up to the barrel increase. Friday's close for barrels at \$1.6925 is 9.5 cents higher than last week's close. Blocks closed on Friday at \$1.7625, 7

cents higher than last week's close.

**FLUID MILK:** Milk handling over the holiday weekend went along planned schedules with processing plants on active duty with auxiliary plants being brought into action. Milk supplies remain heavy in the Northeast and Mid-Atlantic regions. Production has reached the seasonal peak and started to decline in Florida. Output in the Midwest is steady to higher at the farm level. Component levels are holding steady. Less milk is being offered at discount to Class prices. In the Northwest, weather conditions are favorable, pasture growth is occurring, and milk production is building slowly. Milk volumes in Utah and Idaho are steady to increasing. California milk production is trending higher on a week-to-week basis. Arizona milk output is teetering at the seasonal peak and being aided by good milk producing weather conditions.

**DRY PRODUCTS:** The dry dairy product complex is trending steady to higher, receiving a boost in pricing and demand from international market conditions. Nonfat dry milk prices are higher for low/medium heat powder. Higher skim milk powder (SMP) pricing at the gDT auction in NZ has resonated to other market segments. While buyers' specific needs for NZ SMP have pushed prices sharply higher, U.S. market prices have not moved to that extent and current fundamentals would not support those increases. Demand for NDM has improved as domestic buyers seek coverage and are hedging against price change risk. U.S. production levels are seasonally active. Dry buttermilk prices are trending higher as the demand situation improves. Dry whey prices are mixed. The market tone is indicated to be more stable with some segments becoming slightly firm. Drying schedules are seasonally heavy and matching cheese output changes. Whey protein concentrate 34% pricing is slightly higher, building on increased demand and higher pricing in comparable protein markets. Lactose pricing adjustments are being made at the start of a new marketing quarter. Prices are trending lower and the market is weak for specific mesh sizes. Demand is uneven. Production patterns are active.

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**CME GROUP CASH TRADING**

COMMODITY	MONDAY APR 01	TUESDAY APR 02	WEDNESDAY APR 03	THURSDAY APR 04	FRIDAY APR 05	WEEKLY CHANGE*	WEEKLY AVERAGE#
<b>CHEESE</b>							
BARRELS	\$1.6075 (+.0100)	\$1.6125 (+.0050)	\$1.6425 (+.0300)	\$1.6625 (+.0200)	\$1.6925 (+.0300)	:: (+.0950)	:: \$1.6435 (+.0379)
40# BLOCKS	\$1.6925 (N.C.)	\$1.6925 (N.C.)	\$1.6925 (N.C.)	\$1.7375 (+.0450)	\$1.7625 (+.0250)	:: (+.0700)	:: \$1.7155 (+.0211)
<b>NONFAT DRY MILK</b>							
EXTRA GRADE	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5800 (+.0200)	\$1.5900 (+.0100)	:: (+.0300)	:: \$1.5700 (+.0100)
GRADE A	\$1.5900 (+.0300)	\$1.6400 (+.0500)	\$1.6500 (+.0100)	\$1.6825 (+.0325)	\$1.6825 (N.C.)	:: (+.1225)	:: \$1.6490 (+.1015)
<b>BUTTER</b>							
GRADE AA	\$1.6300 (N.C.)	\$1.6325 (+.0025)	\$1.6500 (+.0175)	\$1.7000 (+.0500)	\$1.7100 (+.0100)	:: (+.0800)	:: \$1.6645 (+.0170)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. \*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.

Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/DAIRYMARKETNEWS.

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

**ORGANIC DAIRY MARKET NEWS (DMN):** AMS reports Total Organic Milk Products sales for January 2013, 189 million pounds, were down 1.8% from January 2012. Organic Whole Milk sales for January 2013, 51 million pounds, were up 7.2% compared with January 2012. The national weighted average advertised price of organic milk half gallons, \$3.59, is 6 cents lower than two weeks ago. The price range is \$2.79 to \$3.99. One year ago the price was \$3.08. The region with the highest average price is the Southeast, with \$3.91, while the South Central has the lowest, \$3.13. This is the first period of 2013 that the Northeast at \$3.33, has not had the highest average price. This reporting period, the average advertised cost of a half-gallon of organic milk is \$1.55 more than the cost of a conventional half gallon. The current national organic half-gallon milk weighted average advertised price of \$3.59, compared with conventional half gallons, \$2.04, yields this price spread, which is down 75 cents from two weeks ago. A significant percentage of organic butter ads were priced \$3.99, which equals the advertised price of some conventional butter. The national weighted average advertised price of organic butter is \$4.15, up from \$4.07 two weeks ago.

**DAIRY MARKET NEWS RETAIL REPORT (DMN):** Many ads this cycle had tie-ins with the spring holidays. The most featured individual item was ice cream, seen in 10,947 stores this period. The national weighted average price was \$3.14 per 48-64 ounce pack, down 5 cents from 2 weeks ago and 24 cents less than a year ago. Butter pricing was \$2.46 for a 1-pound pack, down 4 cents from two weeks ago but the same price as a year ago. Cheese pricing trended lower for all pack sizes. The most featured cheese pack, 8 ounce shreds, averaged \$2.14, down 17 cents from two weeks ago, while 8-ounce blocks averaged \$2.25, down 9 cents from two weeks ago. Cream cheese ad features were more than double the volume of two weeks ago with the price at \$1.38, down 13 cents from two weeks ago. Sour cream pricing averaged \$1.69, up 2 cents from two weeks ago. Greek yogurt in 4-6 ounce packs, the most advertised yogurt category, averaged \$1.00, which is unchanged from two weeks ago and up 4 cents from a year ago. Regular yogurt in 4-6 ounce packs, averaged 53 cents, up 4 cents from two weeks ago but down 3 cents from a year ago. Features for 32-ounce Greek yogurt increased 6 times from two weeks ago. The average price is \$3.35, down 60 cents. The national weighted average conventional milk price for half gallons, \$2.04, is up 69 cents from two weeks ago. For organic half-gallon milk, at \$3.59, is down 6 cents from two weeks ago. The organic-conventional half-gallon price spread is \$1.55, compared to \$2.30 two weeks ago and 99 cents a year ago.

**INTERNATIONAL UPDATE (DMN):** At the April 2nd g/DT session #89, average prices for the majority of products traded and contracting periods were higher and were sharply higher for skim milk powder. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,695 +6.7%; butter, \$4,425 -2.7%; buttermilk powder, \$4,595 +0.8%; cheddar cheese, \$4,622 +6.6%; lactose, not traded; milk protein concentrate, not traded; rennet casein, \$9,489 +4.4%; skim milk powder, \$5,142 +27.8%; and whole milk powder, \$5,100 +7.0%.

**MARCH CLASS AND COMPONENT PRICES (DAIRY PROGRAMS):** The following are the March 2013 prices under the Federal Milk Order pricing system and the changes from the previous month: Class II \$18.82 (\$0.33), Class III \$16.93 (-\$0.32), and Class IV \$17.75 (N.C.).

**MARCH FEDERAL MILK ORDER CLASS AND COMPONENT PRICES (FMMO):** Component Price Information: Under the Federal milk order pricing system, the butterfat price for March 2013 is \$1.7476 per pound. Thus, the Class II butterfat price is -1A-

\$1.7546. The protein and other solids prices for March are \$2.8204 and \$0.4179 per pound, respectively. These component prices set the Class III skim milk price at \$11.21 per cwt. The March Class IV skim milk price is \$12.06, which is derived from the nonfat solids price of \$1.3395 per pound. Product Price Averages: The product price averages for March are: butter \$1.6146, nonfat dry milk \$1.5208, cheese \$1.6467, and dry whey \$0.6048.

**JANUARY OVER-ORDER CHARGES ON PRODUCER MILK (FMMO):** For January 2013, the all reporting areas combined average over-order charge on producer milk used in Class I was \$2.09 per cwt., up \$0.05 from the December 2012 average. Ninety percent of the producer milk used in Class I carried an over-order charge. On an individual order basis, Class I over-order charges ranged from \$0.80 in the Pacific Northwest to \$2.96 in the Florida Order. For producer milk used in Class II, the all reporting areas combined average over-order charge was \$1.20 per cwt., up \$0.04 per cwt. from the December 2012 average. Eighty percent of the producer milk used in Class II carried an over-order charge.

**JANUARY MILK SALES (FMMO & CDFA):** During January, 4.4 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.4% lower than January 2012. After adjusting for calendar composition, sales in January 2013 were 2.1% lower than January 2012. Estimated sales of total conventional fluid milk products decreased 1.4% from January 2012 and estimated sales of total organic fluid milk products decreased 1.8% from a year earlier.

**FEBRUARY 2013 DAIRY PRODUCTS HIGHLIGHTS\* (NASS):** Butter production was 171.3 million pounds, 1.1% above February 2012 but 8.9 percent below January 2013. American type cheese production totaled 347.0 million pounds, 1.3% above February 2012 but 7.8% below January 2013. TOTAL CHEESE output (excluding cottage cheese) was 857.4 million pounds, slightly below February 2012 and 8.4% below January 2013. NONFAT DRY MILK production, for human food, totaled 137.5 million pounds, 20.0% below February 2012 and 3.7% below January 2013. DRY WHEY production, for human food, was 77.5 million pounds, 9.0% below February 2012 and 10.2% below January 2013. ICE CREAM (hard) production totaled 62.6 million gallons, 0.8% below February 2012 but 11.8% above January 2013. \* Year to year comparisons are not adjusted for an additional day in 2012 due to leap year

**CME GROUP**

MONDAY, APRIL 1, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.6075; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A: 1 @ \$1.5800, 1 @ \$1.5900; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.6000  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.6300; LAST OFFER UNCOVERED: NONE

TUESDAY, APRIL 2, 2013

CHEESE -- SALES: 2 CARS BARRELS @ \$1.6100; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6125; 1 CAR 40# BLOCKS @ \$1.6925; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.6300; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.6400; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.6600  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.6325; LAST OFFER UNCOVERED: NONE

WEDNESDAY, APRIL 3, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6425; 2 CARS 40# BLOCKS @ \$1.6925; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 2 CARS EXTRA GRADE @ \$1.5600; 1 CAR GRADE A @ \$1.6500; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.6500; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.6500; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.6600

THURSDAY, APRIL 4, 2013

CHEESE -- SALES: 5 CARS BARRELS @ \$1.6525; 5 CARS 40# BLOCKS: 1 @ \$1.6950, 2 @ \$1.7050, 2 @ \$1.7225; LAST BID UNFILLED: 3 CARS BARRELS @ \$1.6625; 2 CARS 40# BLOCKS @ \$1.7375; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.5800; 1 CAR GRADE A @ \$1.6825; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.7500  
 BUTTER -- SALES: 2 CARS GRADE AA @ \$1.7000; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.7000; LAST OFFER UNCOVERED: NONE

FRIDAY, APRIL 5, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.6925; 2 CARS 40# BLOCKS @ \$1.7625; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 2 CARS EXTRA GRADE @ \$1.5900; 1 CAR GRADE A @ \$1.6825; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$1.7500  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7100; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7200

**BUTTER MARKETS**

**NORTHEAST**

The CME Group butter price increased \$0.0025 on Tuesday and closed at \$1.6325. This is the first price increase in the last 9 trading sessions. Cream supplies were very heavy going into the holiday weekend keeping churns operating at/or near capacity. Domestic demand for butter has declined following Easter. Current production is adding to most manufacturers' inventories. A few butter makers are continuing to make 82% unsalted butter to fill export orders. Export demand remains active with support from assistance programs. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 1.636 million pounds (742 metric tons) of butter. The products will be delivered April through September 2013. During 2013, CWT has assisted member cooperatives in making export sales of butter totaling 46.484 million pounds. According to the National Dairy Retail Report, retail butter ads in the Northeast totaled 1,582, 19% of the total national ad count of 8,522, third highest of any region. The weighted average price for a 1 lb. package of butter in the Northeast was \$2.79, 33 cents more than the national weighted average price and 25 cent more than the previous reporting period. Current bulk butter prices are 4-8 cents over the market on the CME Group with various time frames and averages used.

**CENTRAL**

There was extra cream available for churning last week and into the holiday weekend. This has led to a general reduction in bulk butter prices because some manufacturers have opted to move the extra butter out by reducing prices over market, rather than incur the cost of moving it into storage. For example, where regional bulk butter two weeks ago was selling as high as 6 cents over CME, various sales Tuesday this week were 2 cents over, 1 cent over, and flat market. This market, characterized as "spotty", has resulted in some butter makers planning production so as not to get too far ahead of orders, or behind. Export interest remains strong, with some exporters shopping around to secure butter for export. Butter retail advertising volume nationally reported in the National Dairy Retail Report increased by

26% from two weeks ago. The national weighted average advertised price for a 1 pound package decreased 4 cents to \$2.46, exactly what the price was one year ago. Ad volume in the Midwest decreased by 40% from two weeks ago, when ad volume had increased by 76% from four weeks ago. The Midwest regional weighted average advertised price of \$2.61, 15 cents higher than the national average. Cooperatives Working Together (CWT) has accepted requests for export assistance to export 1.636 million pounds (742 metric tons) of butter. The product will be delivered April through September 2013. Year-to-date, CWT has assisted member cooperatives in exporting 46.484 million pounds of butter and 44,092 pounds of anhydrous milk fat.

**WEST**

Western butter prices moved lower last week as spot butter prices at the CME Group were lower for the shortened week. Spot prices this week reversed that trend. Cream remains plentiful and butter churns are operating heavy schedules to clear milk supplies. Manufacturers continue to build inventories. Demand for retail butter is good and surprising some manufacturers with increased orders. Club store sales are said to be very good. U.S. butter prices are competitive with international prices and interest for export is helping to move additional supplies. The CWT program assisted with sales of 1.6 million pounds this week. Butter prices at the CME Group exchange are \$.0175 higher on Wednesday at \$1.6500. Butter prices have recovered 2 cents by midweek after losing ground last week. Sales at the CME Group have been light with only one sale reported at midweek. Prices for bulk butter range from 3 cents under to 4 cents under the market, based on the CME with various time frames and averages used. CME Group average price for March 2013 for butter is \$1.6421 compared to \$1.4895 for March 2012. Advertised U.S. butter prices from the National Dairy Retail Report were lower compared to two weeks ago. Nationally, butter showed a weighted average price of \$2.46 per pound compared to \$2.50 two weeks ago and \$2.46 a year ago. Featuring of butter ads this week increased 26% from the same period two weeks ago. Western advertised prices ranged from \$1.99-3.49 per pound. The weighted average for butter in the Northwest was \$2.04 and the Southwest was \$2.66.

**NATIONAL DAIRY PRODUCTS SALES REPORT**

**U.S. AVERAGES AND TOTAL POUNDS**

<b>WEEK ENDING</b>	<b>BUTTER</b>	<b>CHEESE 40# BLOCKS</b>	<b>CHEESE BARRELS 38% MOISTURE</b>	<b>DRY WHEY</b>	<b>NDM</b>
March 30, 2013	1.6586 5,058,133	1.6217 8,712,577	1.6499 10,046,749	0.5816 8,482,983	1.5066 30,768,989

## CHEESE MARKETS

## NORTHEAST

Cheese prices on the CME Group were mixed Tuesday with barrels increasing \$0.0050 to close at \$1.6125, and blocks closing unchanged at \$1.6925. Weekly average prices for barrels and blocks were mixed last week with barrels declining and blocks increasing. The mixed result caused wholesale prices for cheddar blocks and Muenster to increase \$0.0450, Process 5# sliced cheese declined \$0.0200 with Swiss cuts unchanged. Cheese production has marginally declined this week as increased Class I demand has resulted in lower milk volumes going to cheese plants. Cheese demand has surprised some cheese makers and has held up fairly well coming off the holiday weekend. Mozzarella demand has especially been good, prompted by good pizza promotions and sales. Export demand continues to be active supported by assistance programs. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 5.899 million pounds (2,676 metric tons) of Cheddar cheese. The product will be delivered April through September 2013. During 2013, CWT has assisted member cooperatives in making export sales of cheese totaling 47.055 million pounds. According to the National Dairy Retail Report, retail cheese ads for 8 oz. block cheese in the Northeast totaled 2,920, 32% of the total national ad count of 8,987 and was the highest ad count for any region. Retail cheese ads for 8 oz. shredded cheese in the Northeast totaled 1,431, 15% of the total national ad count of 9,487, a significant decline from last period's 30% level. The weighted average price for 8 oz. cheese blocks in the Northeast was \$2.50, 25 cents higher than the national weighted average price and 7 cents higher than the previous reporting period. The weighted average price for 8 oz. shredded cheese in the Northeast was \$2.35, 21 cents more than the national weighted average price, but 17 cents lower than the previous reporting period.

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

Cheddar 40# Block	:	2.0950-2.3800
Process 5# Sliced	:	1.8275-2.3075
Muenster	:	2.1150-2.4750
Grade A Swiss Cuts 10 - 14#	:	3.5300-3.8525

## MIDWEST

Cheese production remains strong in the Midwest, encouraged by good milk intake volume and components, higher national and regional volume of retail cheese advertising, lower advertised prices, and by good export demand. Midwest milk intakes at cheese plants remain strong. Milk is readily available and in some areas, components exceed last year, leading to increasing cheese production. The milk supply is also helping some Midwest cheese plants continue with production to meet good export demand. Primarily due to price movement of barrels, the price spread between blocks and barrels increased last week to \$.0950 before narrowing this week to \$.0500 by Wednesday. Block prices have not moved in four trading sessions, remaining \$1.6925, while barrels this week have increased each day, \$.0450 to \$1.6425 by Wednesday. Midwest and national cheese ad volume reported in the National Dairy Retail Report increased from two weeks ago. National cheese ad numbers increased by 26% and Midwest ads by 13% during this period. Regional ads for 8 ounce shredded cheese (42% of total regional cheese ads) have a weighted average advertised price of \$1.94, 20

cents lower than the national average. The \$2.14 national average is 17 cents below two weeks ago. For 8 ounce blocks in the Midwest (34% of regional cheese ads), the average price is \$1.96, 29 cents lower than the national average. The \$2.25 national average is 9 cents below two weeks ago. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 5.899 million pounds (2,676 metric tons) of Cheddar cheese for delivery April through September 2013. Year-to-date, CWT has assisted member cooperatives in selling 47.055 million pounds of cheese.

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

Process American 5# Loaf	:	1.8000-2.5050
Brick And/Or Muenster 5#	:	2.0825-2.6425
Cheddar 40# Block	:	2.0825-2.9550
Monterey Jack 10#	:	2.0525-2.9550
Blue 5#	:	2.3450-3.3325
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9250-3.0550
Grade A Swiss Cuts 6 - 9#	:	3.0500-3.1675

## WEST

Weekly wholesale price averages for Western cheese were mixed last week as barrels were lower and blocks moved higher. Cheese production in the West is mostly steady with some increases reported and other places holding the line on production schedules. Export demand is good as the CWT program assisted with sales of 5.9 million pounds this week. U.S. prices continue to be competitive on a world basis. Retail demand is good at current price levels. Demand for barrel cheese is moderate to good as processors look to increase inventories. The barrel cheese price at the CME Group was \$.0300 higher on Wednesday at \$1.6425. Blocks closed unchanged at \$1.6925. Barrel prices have moved higher each day of trading this week. Barrels are 4.5 cents higher than last Friday. Blocks have remained steady with last week's close. Sales activity is light with two loads of barrels sold and no loads of blocks by Wednesday. The CME Group monthly average price for March 2013 for barrels is \$1.5920 compared to March 2012 at \$1.5152. Blocks averaged \$1.6240 for March 2013 compared to \$1.5193 for the previous year. Advertised U.S. cheese prices as reported in the National Dairy Retail Report showed prices moved lower compared to two weeks ago. The weighted average price for the heavily advertised 8 oz. shred package was \$2.14 compared to two weeks ago at \$2.31 per package, and last year's price of \$2.16. In the West, the weighted average price ranged from \$4.99-6.99 per package for the 2 pound block package.

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

Process 5# Loaf	:	1.7350-1.9925
Cheddar 40# Block	:	1.8125-2.1650
Cheddar 10# Cuts	:	1.9925-2.2125
Monterey Jack 10#	:	2.0025-2.1625
Grade A Swiss Cuts 6 - 9#	:	3.1075-3.5375

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## CHEESE MARKETS

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## FOREIGN

On Friday, the CME Group weekly average block price increased for the third straight week, causing domestic wholesale foreign type cheese prices to increase \$0.0450. Swiss cuts and imported varieties were unchanged. Importers are reminded that May 1 is the last day fee payments can be transmitted for calendar year 2013 licenses. It is also the last transmission date for a licensee to notify FAS that it will not accept a calendar year 2013 license.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.2350-3.7225*
Gorgonzola	: 3.4900-6.1900	: 2.7375-3.1925*
Parmesan (Italy)	: -0-	: 3.6250-5.7150*
Provolone (Italy)	: 3.4400-5.4500	: 2.2775-2.4350*
Romano (Cows Milk)	: -0-	: 3.4250-5.5750*
Sardo Romano (Argentine)	: 2.8500-3.6900	: -0-
Reggianito (Argentine)	: 3.2900-4.3900	: -0-
Jarlsberg-(Brand)	: 2.9500-5.2900	: -0-
Swiss Cuts Switzerland	: -0-	: 3.6275-3.9500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

\* = Price change.

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

BUTTER : CHEESE

	:	
04/01/13	12,285	: 113,292
04/01/13	12,285	: 113,292
CHANGE	0	: 0
% CHANGE	0	: 0

## FLUID MILK AND CREAM

## EAST

## SPOT SHIPMENTS OF GRADE A MILK INTO OR OUT OF FLORIDA &amp; SOUTHEASTERN STATES

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	130	0	110	0	230
SOUTHEAST STATES	0	0	0	0	0	0

Manufacturing milk supplies in the Northeast and Mid-Atlantic regions were heavy going into the holiday weekend, but were somewhat lighter coming out of the weekend, due to increased Class I demand. Milk production in both regions continues to increase along the seasonal trend and milk component levels remain very good and comparable to last year's levels. Florida's Class I demand declined this week as most schools in the state are on break and also because a bottling plant is in the midst of a major maintenance project. Though down this week, Class I demand has held up better this year than in previous years. The improved demand can be partially attributed to the increased popularity and expansion of soft serve frozen yogurt operations, which uses Class I milk in their soft serve machines. Milk production has reached its peak and has begun to decline. Cow comfort levels are declining as the weather has turned hot and dry with daytime highs in the mid 80's. Hay supplies are getting harder to come by and higher priced as drought conditions have worsened. The decline in Class I demand expanded export spot shipments of milk to 130 loads. Milk supplies were heavy going onto and coming out of the holiday weekend in the Southeast. Class I demand was limited this week as a couple of bottling plants had ongoing maintenance projects. Nearly all auxiliary manufacturing plants were utilized over the holiday period. Cream demand has improved coming off the holiday weekend as numerous cream based product manufacturers resume production schedules. Once pipelines were refilled, supplies will quickly outpace demand and price discounts were needed in order to find cream a home. Whipping/heavy cream production has increased to coincide with various berry harvests in the Southeast. Ice cream production expansion in the Mid-Atlantic and Northeast regions has been tempered by the cool spring temperatures. The fluctuations in demand and supplies have resulted in a widening of cream multiples this week with the range being 1.12-1.25. Condensed skim supplies continue to be at increased volumes this week with a majority of the supplies channeled to Class IV production. Demand continues to be limited to contract volumes with very light spot market activity.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. producing plants: Northeast -	1.8452-2.0594
F.O.B. producing plants: Upper Midwest -	1.9441-2.0429

## PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.52 - 1.57
Northeast - Class III - spot prices -	1.42 - 1.47

## MIDWEST

Milk marketers indicate fewer loads of spot milk were offered to the market this week in the Central region. Spot prices ranged from flat Class to \$3 under. Volumes clearing through Class I are steady, with some Central region gallon features in the mid \$2 range trying to entice customers. Milk handlers indicate a few education systems are still on hiatus this week and decreasing the need for portion size

packaging. Fluid orders are expected to increase starting on Friday, as classes resume next week. Flat priced condensed skim imports from the Southwest eased pressure on dryers in that area and supplemented Class II condensed skim volumes in the South Central region. Farm milk intakes are steady to modestly higher for the week at balancing plants. Opinions vary on whether the Central region will experience a traditional flush season or a milk production pattern that hits a lower peak and continues for a longer period. Some North Central cheese plants report intakes are notching gains compared to month ago volumes while others indicate intakes are steady. Components are holding steady as well. Cream supplies in the region are clearing readily into Class II outlets after a busy weekend of churning. Class II cream multiples gained a few points on the bottom of the range this week, but the top of the range is steady. Cream supplies are described as ample with the region. Multiples on Class II cream range from 1.18 - 1.24. Churning continues at several plants as butter manufacturers prepare bulk butter for domestic and international contracts.

## WEST

CALIFORNIA milk output is trending higher on a week-to-week basis. Weather conditions are good. New crop feed is giving some boost to the milk flow. Most processing plants are working on longer schedules to handle the available milk supplies. Class 1 interest is often lower than projection. Cheese plants are taking less milk than plans. Milk movements out of state are limited. The March 4a price (butter/powder) in CALIFORNIA is \$17.87, down \$0.14 from February but \$2.54 higher than last year. This compares to the Federal Order Class IV price for March at \$17.75. The March 4b price (cheese) is \$15.02, \$0.39 lower than February but \$1.35 more than last year. This compares to the Federal Order Class III price for March at \$16.93. February 2013 POOL RECEIPTS of milk in CALIFORNIA total 3.09 billion pounds, 9.3% lower than last year, according to CDFA. Adjusted for the leap year day in 2012, the percentage change would be -6.0%. The February blend price, at a fat test of 3.80%, is \$17.76, \$0.09 lower than January but \$2.28 more than February 2012. The percentage of receipts used in Class 1 products is 13.8%. The February quota price is \$18.36 and the over quota price is \$16.66. These prices are \$0.06 higher than January and \$2.07 higher than a year ago. ARIZONA milk production remains at seasonal high levels and is thought to be at the peak. Weather conditions have been ideal with warm daytime temperatures and cooler nighttime conditions. The forecast is showing daytime highs starting in the 90's. Humidity levels remain low. Processing plants are running on extended schedules to process the milk supplies. The amount of imported milk and components from other states is limited as the current flush is being worked through. Increases in Class I demand have helped to alleviate the push of manufacturing schedules. Schools and colleges are returning from spring breaks and are pulling more milk for meal programs. CREAM markets have steadied following the holiday weekend. Demand was light to fair with sales sometimes better than expected. There are some improvements in demand from ice cream accounts. Butter production remains active with heavy movements of cream towards that avenue. At the CME Group, Grade AA butter pricing closed at \$1.6500 on Wednesday, April 3, up 1 cent from a week earlier. Cream multiples range 1.08 to 1.22, up from last week. Weather conditions in the PACIFIC NORTHWEST are favorable for

CONTINUED ON PAGE 4A

**CONTINUED FROM PAGE 4**

dairy cattle. Along the coastal areas pastures are green and dairy cattle are able to graze fresh grasses. Milk production is building slowly. The temperatures have warmed inland, sending farmers into fields. Rainy days are spent planning early spring fieldwork schedules and milk production strategies for the upcoming summer. Milk supplies in Central Washington are increased from a year ago as some dairies have increased cow numbers. Current production is staying within the region as processors prepare for spring flush volumes. UTAH and IDAHO milk supplies are steady to increasing with moderate weather conditions. Hay crops are greening and dairies are looking forward to fresh forages. High cull cow prices are helping dairies to replace older cows with heifers to increase production with minimal costs incurred. A recent dairy auction in Idaho reported heifer replacement prices averaged \$1370 for the top 50 head offered. Common heifer prices are reported in the \$1050-\$1200 range.

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

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

**NONFAT DRY MILK - CENTRAL AND EAST**

**CENTRAL:** Central nonfat dry milk prices stepped higher this week. Some manufacturers report the latest globalDairyTrade auction results spurred renewed interest early in the week from many end users and resellers. The opposite is also true as some resellers report a few of their customers are unwilling to commit to NDM loads because they anticipate the globalDairyTrade price pressure may be short lived. Other buyers are ready and willing to take ownership of nonfat dry milk for the short term through to the end of the year. Some manufacturers indicate recent sales have outstripped inventories as well as projected production for April, thus, new market entrants may have to wait for NDM. Nonfat dry milk production is active at all plants in the Central region. Sales of condensed skim milk into Class III are steady to lower, while sales into Class II are increasing. Nonfat dry milk inventories are steady to building. The March 2013 Dairy Market News average of the mostly price series for Central and East nonfat dry milk, low/medium heat, was \$1.5217 compared to \$1.5505 one month ago and \$1.3050 in March 2012. The March 2013 Dairy Market News average of the range price series for Central and East nonfat dry milk, high heat, was \$1.6396 compared to \$1.6488 one month ago and \$1.4216 in March 2012.

**EAST:** Low heat nonfat dry milk prices moved significantly higher this week as spot sales moved above contract pricing. High heat nonfat dry milk prices declined this week, due to lower prices for sales based on various price indices. The market became very active after skim milk powder prices sharply increased on the g/DT auction for skim milk powder. The increased spot market activity was short lived as manufacturers preferred to hold inventories with the possibility of future higher prices. By mid-week, few or no loads were being offered by manufacturers. Production of nonfat dry milk remains strong with good manufacturing milk supplies coming off the holiday weekend. Demand for product has increased as many buyers see little downside risk in the current market. The market undertone has gone from weak, to unsettled, to firm in a short period, primarily due to the New Zealand drought and its impact on global demand.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.4700 - 1.7000 MOSTLY: 1.5400 - 1.6300  
 HIGH HEAT: 1.5800 - 1.6475

**NONFAT DRY MILK - WEST**

Western low/medium heat NDM prices are higher for both the range and mostly price series. The U.S. NDM market tone has been stabilized and the spot market has "whipsawed", moving from recently leading the market pricing downwards to now leading the market pricing upwards. Demand is fair to good. Some buyers are seeking at least some coverage. Others are questioning whether this is a blip or a market reversal. The index based pricing is trending slightly lower, reflecting the market trend of past month(s), depending on series. The direct and indirect impact of higher international pricing for SMP is affecting demand for and pricing of U.S. NDM. While the latest gDT auction results for June delivery were at \$2.86 per pound for New Zealand MH SMP, "comparable" results for U.S. MH SMP were \$1.77 and the E.U. at \$1.81. The drought in New Zealand is affecting milk production and the subsequent product mix, including SMP. International buyers are

seeking NZ SMP because their needs have specific country origin, they have tight product specifications, and they need volume coverage. Further, they are bidding on limited volume and bidding prices moved upwards in the auction environment. With the milk production season building in the U.S. and E.U., SMP/NDM shortages are not expected in either region. High heat prices are unchanged, yet the market tone is firming. The main factor is the changing low heat market. Pricing trends are expected to move to reflect low heat prices. Demand is light to fair, getting some additional interest from buyers seeking coverage or sensing the price change. Holdings are light.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.4600 - 1.6700 MOSTLY: 1.5000 - 1.6000  
 HIGH HEAT: 1.5200 - 1.6400

**DRY BUTTERMILK - CENTRAL AND EAST**

**CENTRAL:** Central dry buttermilk prices are unchanged on the top, but gained 6 cents on the bottom of the range. Interest in dry buttermilk is steady into the dry blend baking/batter mix sector. Condensed buttermilk is clearing in increasing volumes into ice cream and ice cream mix as that season advances. With the start of the ballpark season, production and shipping of individual ice cream novelties is on the rise. One or two Central balancing plant operators indicate recent commitments to the international butter market is keeping churns active as well as dryers. Dry buttermilk inventories are steady to growing. The March 2013 Dairy Market News average of the range price series for Central and East dry buttermilk was \$1.3821 compared to \$1.4237 one month ago and \$1.2757 in March 2012.

**EAST:** Dry buttermilk prices moved higher this week as prices for both spot sales and sales based on various price indices increased. Dry buttermilk production continued to be very active coming off the holiday weekend as cream volumes going to churns remained heavy. Spot market activity increased in the early portion of the week following the price increases on the g/DT auction for skim milk powder as some buyers sought to increase their dry protein based product inventories. Spot market activity slowed as manufacturers chose to hold current inventories for possible future price increases. Interest for dry buttermilk has improved as the nonfat dry milk market has moved higher with buyers looking at dry buttermilk as a lower priced alternative. The market undertone turned firm.

F.O.B. CENTRAL/EAST: 1.3900 - 1.4600

**DRY BUTTERMILK - WEST**

Western dry buttermilk prices are trending higher. The market tone is firm. The buttermilk market is mainly following the firming strength of nonfat dry milk. Buyer interest is fair to good with some buyers seeking coverage, especially those who want to beat any price movement. Offerings are being pulled back as the market tone has turned. Production remains seasonally active as butter production is moderate to heavy in the region. Stocks are light to moderate and being held with more confidence.

F.O.B. WEST: 1.3400 - 1.4800 MOSTLY: 1.3750 - 1.4150

CONTINUED ON PAGE5A



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

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

**CONTINUED FROM PAGES****DRY WHOLE MILK - NATIONAL**

Dry whole milk prices are unchanged to higher on a firm market. Interested buyers/resellers indicate dry whole milk is difficult to find on a spot basis from manufacturers. A few short term contracts are in the works to fill near term supply gaps. Producers indicate their dry whole milk inventories are light and in balance with near term contract needs. The March 2013 Dairy Market News average of the range price series for dry whole milk was \$1.7270 compared to \$1.7215 one month ago and \$1.6234 in March 2012.

F.O.B. PRODUCING PLANT: 1.7400 - 1.8000

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
March 29	\$1.4982	19,067,843	0
March 22	\$1.5083	16,192,151	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

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

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

**DRY WHEY - CENTRAL**

The current overall market tone is unchanged for Central dry whey, although some market participants indicate they feel the market is close to reversing its downward trend. Spot market activity is active between producers and buyers, with slight ups and downs in pricing staying within a narrow range. Some end users report receiving numerous offers of dry whey spot loads from manufacturers in the region. Multiple load transactions reportedly lightened inventories of Q3 – Q4 2012 production as a few producers made a concerted effort to decrease days from production for stock on hand. Resellers are also plying buyers with competitively priced dry whey loads. Dry whey production is active as milk intakes at Class III operations are steady, with minimal demand from Class I to divert volumes away from the vats. In some cases, cheese production increased this week as milk intakes were enough to fill additional vats. Milk components are reported as steady, which is supporting strong cheese yields. The March 2013 Dairy Market News average of the mostly price series for Central dry whey was \$0.5538 compared to \$0.5993 one month ago and \$0.6224 in March 2012. Animal feed dry whey prices are unchanged to lower. The market tone is weak as availability is ample to fill near term animal feed production needs. Some feed blenders note they are accessing edible dry whey spot offers from manufacturers at prices within the animal feed range, and therefore are less dependent on animal feed dry whey suppliers. The March 2013 Dairy Market News average of the range price series for ANIMAL FEED Central milk replacer dry whey was \$0.4864 compared to \$0.5280 one month ago and \$0.5323 in March 2012.

F.O.B. CENTRAL: .4800 - .6425 MOSTLY: .5100 - .5600  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4000 - .5200

**DRY WHEY - NORTHEAST**

Prices for dry whey moved lower this week as prices on the upper end of the range declined with the low end of the range holding steady. Dry whey production saw some marginal decreases as increased Class I demand lowered milk volumes going to cheese plants coming off the holiday weekend. It is anticipated that dry whey production will return to preholiday levels once the Class I pipelines are refilled. Spot sales activity was fairly active as manufacturer's offered price discounts in an effort to reduce inventory levels. Buyers were delaying contract deliveries to take advantage of discount offerings and for the possibility of lower prices in the future. Demand has shown some increase and there is the feeling among some market participants that prices may be at or near their low point. Increases in the nonfat dry milk market may have the effect of raising prices for whey as some buyers look for lower priced proteins. Though the market moved lower this week, the market appears to be in transition with the undertone moving from weak to steady. The March 2013 Dairy Market News average of the price series for Northeast dry whey was \$0.5899 compared to \$0.6180 one month ago and \$0.6357 in March 2012.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5200 - .6200

**DRY WHEY - WEST**

Western dry whey prices were uneven this week. The range moved lower as various contract indices at the upper end weakened. The mostly series was unchanged as the market experienced a shift in tone. Production continues to be heavy as cheese plants are busy with current milk supplies. Spot sales to the export market have improved and helped to clear some excess inventory. Whey is still available for spot purchases, but there is less urgency to clear product. Recent reported firmness for dry products into international markets has added to the change in thinking. The March 2013 Dairy Market News monthly average price for Western dry whey range was \$0.5768 compared to \$0.4675 for March 2012; the Western dry whey mostly series averaged \$.5611 compared to \$.5379 a year ago.

NONHYGROSCOPIC: .5200 - .6100

MOSTLY: .5300 - .5900

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices for whey protein concentrate 34% shifted higher on the range and the bottom of the mostly price series. The overall tone of the market is drawing some strength from fewer F.O.B. spot market offerings and increasing domestic NDM and international SMP prices. A few market participants indicate the shift in dynamics came about quickly, changing from WPC 34% spot loads being readily available to current and projected production being mostly committed to contract fulfillment. One or two manufacturers indicate unplanned production slowdowns are eating into the comfortable inventory buffer established during the last few months, and also keeping them from making spot market commitments. The March 2013 Dairy Market News average of the mostly price series for whey protein concentrate 34% Central and West was \$1.2150 compared to \$1.2472 one month ago and \$1.5091 in March 2012.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.1600 - 1.2700 MOSTLY: 1.2200 - 1.2400

**LACTOSE - CENTRAL AND WEST**

Many fixed price monthly and second quarter lactose contracts start this week. Pricing varies by mesh size and packaging, and the market is weak for some mesh sizes. Some buyers remain concerned about the downside price risk posed by quarterly contracting. A few manufacturers note they are offering their customers the opportunity to mitigate that risk with month to month contracts. Many producers indicate their long term established customers are contracting at near their usual volumes. However, some producers note the demand for lower mesh size lactose from international customers involved in milk powder standardizing retreated on the volumes they wanted. Market participants tie the decreased demand, and accompanying lower prices, from that one lactose market sector to the generally lower pricing across various lactose mesh sizes, packaging, and end uses. Production of lactose is steady at most facilities as cheese production remains active. The March 2013 Dairy Market News average of the mostly price series for Central and West lactose was \$0.6838, compared to \$0.7187 one month ago. The average price one year ago was \$0.8600.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .4500 - .7500 MOSTLY: .5800 - .7000

CONTINUED ON PAGE 6A

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

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

**CONTINUED FROM PAGE 6**

**CASEIN - NATIONAL**

Prices are higher for both acid and rennet casein ranges. The market undertone is firm. The Q2 pricing levels were moderately higher than for Q1. Availability remains a big concern for upcoming needs. Production is expected to be lower in New Zealand as milk is down because of drought and products of greatest need are being made. A poor start to spring milk production in Ireland, France, and the U.K. is raising additional thoughts about how much casein can be produced. Supplies in the U.S. are indicated to be light to adequate for current trade needs. The April 2nd gDT saw NZ rennet casein trade at \$4.30 for June delivery.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	4.3000 - 4.7000
ACID:	4.5500 - 4.9500

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS EFFECTIVE NOVEMBER 1, 2009

BUTTER Bulk \$1.05 per pound; CHEESE 40# Blocks \$1.13 per pound; 500# Barrels \$1.10; NONFAT DRY MILK \$.80 per pound

The CCC Purchase table will no longer be shown unless purchases occur. Last CCC purchase: October 2009

U.S. Dairy Cow Slaughter (000 head) under Federal Inspection & Comparable Week 2012

WEEK ENDING	WEEKLY	2013		2012 WEEKLY	2012	
	DAIRY COWS	CUMULATIVE DAIRY COWS		DAIRY COWS	CUMULATIVE DAIRY COWS	
03/16/2013	65.3	712.1		60.0	678.2	

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

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

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

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	19.32	17.03	18.00	16.76	18.18	20.25	18.24	17.32	16.28	17.06	15.51	15.28
2009	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66

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

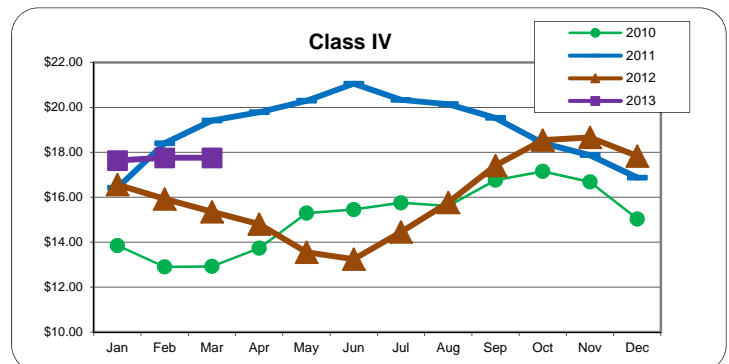
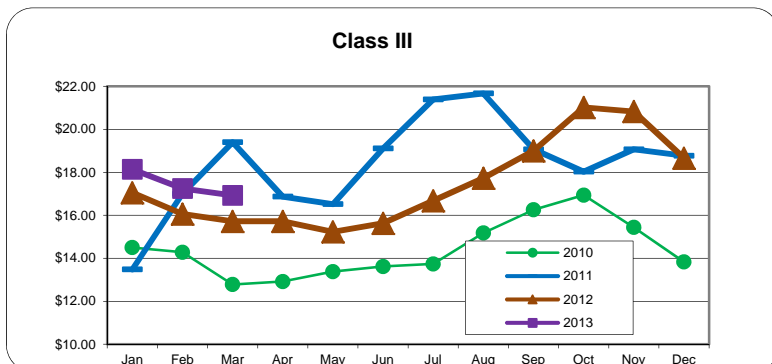
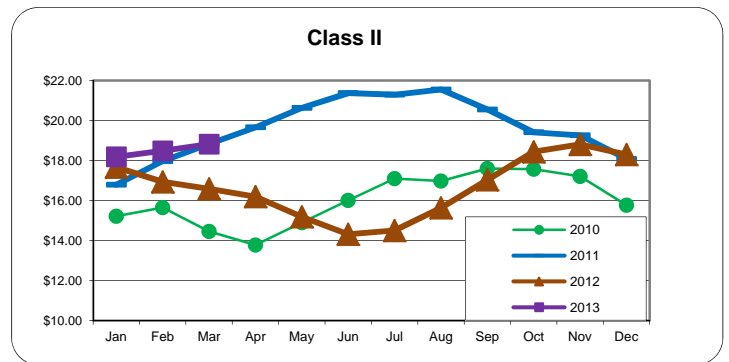
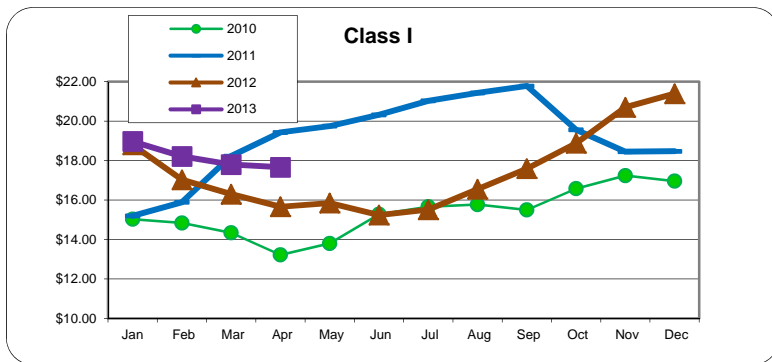
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	19.78	20.29	21.05	20.33	20.14	19.53	18.41	17.87	16.87
2012	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76	17.41	18.54	18.66	17.83

**FEDERAL MILK ORDER CLASS PRICES FOR 2013 (3.5%)**

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.97	18.21	17.80	17.66								
II	18.19	18.49	18.82									
III	18.14	17.25	16.93									
IV	17.63	17.75	17.75									

1/ Specific order differentials to be added to this base price can be found by going to:

[www.ams.usda.gov/DairyMarketingStatistics](http://www.ams.usda.gov/DairyMarketingStatistics); then select "Prices"; and then select "Principal Pricing Points."



ORGANIC DAIRY MARKET NEWS

Information gathered March 25 - April 5, 2013

ORGANIC DAIRY FLUID OVERVIEW

**Milk Product Sales:** AMS reports Total Organic Milk Products sales for January 2013, 189 million pounds, were down 1.8% from January 2012.

Organic Whole Milk sales for January 2013, 51 million pounds, were up 7.2% compared with January 2012.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, JANUARY 2013, WITH COMPARISONS 1/

Product Name January	Sales		Change from: 2/ Prev Yr. Y-T-D	
	Y-T-D Mil. Lbs.		Percent	
Whole Milk	1,151	1,151	-0.5	-0.5
Flavored Whole Milk	45	45	12.6	12.6
Reduced Fat Milk (2%)	1,551	1,551	0.1	0.1
Low Fat Milk (1%)	626	626	-2.0	-2.0
Fat-Free Milk (Skim)	603	603	-7.5	-7.5
Flavored Fat-Reduced Milk	366	366	-0.8	-0.8
Buttermilk	41	41	6.0	6.0
Tot. Conv. Milk Products 5/	4,383	4,383	-1.4	-1.4
Organic Whole Milk	51	51	7.2	7.2
Organic Reduced Fat Milk	52	52	-0.3	-0.3
Organic Low Fat Milk	38	38	-7.3	-7.3
Organic Fat-Free Milk (Skim)	38	38	-3.8	-3.8
Organic Flavored Milk	10	10	-18.9	-18.9
Organic Fat-Reduced Milk 3/	138	138	-4.8	-4.8
Tot. Organic Milk Products.	189	189	-1.8	-1.8
Tot. Fluid Milk Prod. 4/	4,572	4,572	-1.4	-1.4
Tot Fluid Milk Prod Adj 4/5/	4,548	4,570	-2.1	-1.3

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; 3/ Total of organic reduced fat, lowfat, skim, flavored, and miscellaneous milk products combined. 4/ Total fluid milk products include the products listed price plus miscellaneous products and eggnog. 5/ Sales volumes and percent changes have been adjusted for calendar composition; see <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3023272>

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

**Organic Dairy Overview.** Organic milk continues to be the predominate organic dairy product advertised by retailers. This period's organic dairy ad numbers remain below those of early weeks of the year, but are up for the third consecutive reporting period. The continuing relative decline in yogurt ads for the third consecutive period has intensified the relative strength of organic milk ads.

Organic milk ads achieved the highest percentage of all organic dairy ads for 2013 this period, reaching 82% of ads. This contrasts with conventional milk ads which have never exceeded 8% of total conventional dairy ads this year and which for over half of the year so far, never reached the top five categories of conventional dairy products advertised. Continuing with organic dairy ads, organic yogurt is second with 12% of ads, down from 25% two weeks ago and 37% four weeks ago. Organic butter is third, with 6% of ads, down from 23%.

Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period March 23, 2013,

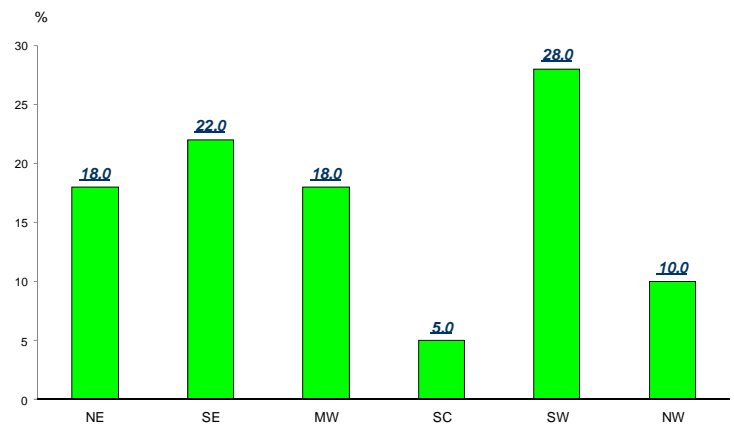
to April 5, 2013, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

Complete results of this bi-weekly survey providing additional graphs, tables, and regional delineation, follow at the end of Dairy Market News, or can be accessed at:

<http://www.ams.usda.gov/AMSV1.0/DairyRetailReport>

**Regional Organic Dairy Ad Trends.** One half of organic dairy ads ran in two of the six regions, the Southwest with 28% and the Southeast with 22%. The Midwest and Northeast tied with 18% each, and stores in each of the remaining regions constituted 10% or less of total ads.

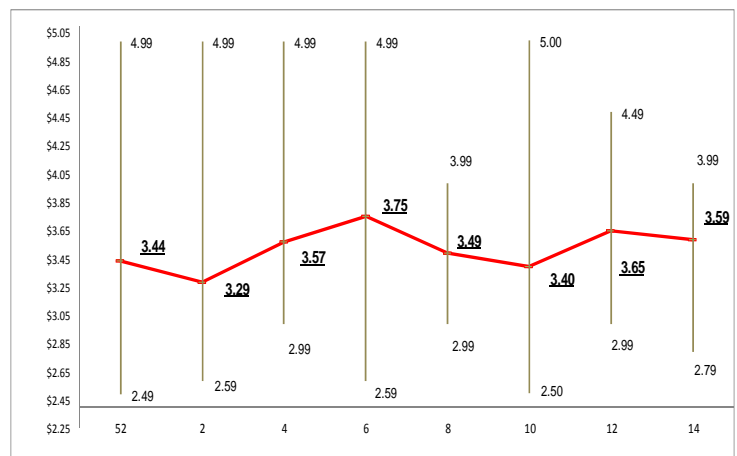
ORGANIC MILK FEATURES  
Regional % of Surveyed Supermarket Ads  
Week 14, 2013



**Organic Milk.** Organic half gallons predominate organic milk retail advertising, as is almost always the case, this period with nearly 70% of ads. Organic 8 ounce milk is second with 22% of ads, trailed by organic gallons with 9% of ads.

**Organic Milk Half Gallons.** The national weighted average advertised price of organic milk half gallons, \$3.59, is 6 cents lower than two weeks ago. The price range is \$2.79 to \$3.99. One year ago the price was \$3.08.

Advertised Organic Milk Half Gallon Price Range and Weighted Average Advertised Price by 2012 - 2013 Week



ORGANIC DAIRY MARKET NEWS

Information gathered March 25 - April 5, 2013

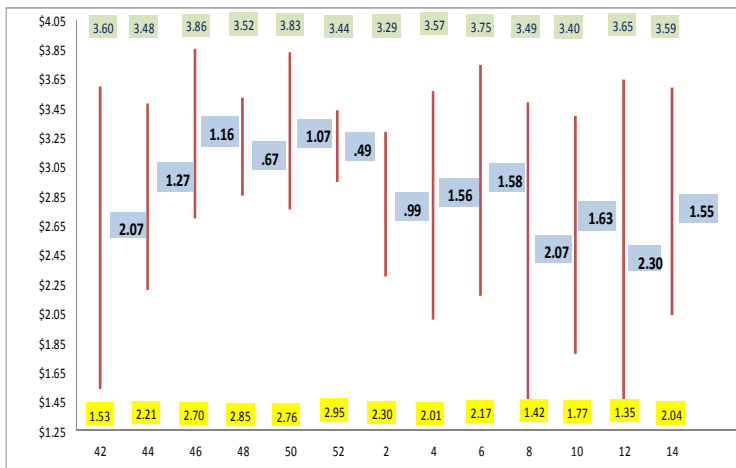
CONTINUED FROM PAGE 8

The region with the highest average price is the Southeast, with \$3.91, while the South Central has the lowest, \$3.13. This is the first period of 2013 that the Northeast at \$3.33, has not had the highest average price.

**Organic - Conventional Milk Half Gallon Price Spread.** This reporting period, the average advertised cost of a half-gallon of organic milk is \$1.55 more than the cost of a conventional half gallon. The current national organic half gallon milk weighted average advertised price of \$3.59, compared with conventional half gallons, \$2.04, yields this price spread, which is down 75 cents from two weeks ago. One year ago the price spread was 96 cents, with conventional half gallons priced \$2.12 and organic half gallons priced \$3.08.

The following graph shows the national organic and conventional weighted average advertised price of milk half gallons for the last six periods of 2012 and all of 2013 to date. Organic prices are in the green blocks at the top, conventional in the yellow blocks at the bottom, and the magnitude of each price spread in the blue blocks at the center of each red price line. It is visually evident that more variation tends to occur in conventional prices than organic prices.

**Weighted Average Advertised Price Range of Organic – Conventional Milk Half Gallons By 2012 - 2013 Week**



**Green Boxes—Organic Prices**  
**Yellow Boxes—Conventional Prices**  
**Blue Boxes—Price Spread**

**Organic Yogurt.** Organic yogurt ad numbers declined to the lowest level of the year, about one-half of the average. Over 90% of ads are in the Northeast, Southwest and Southeast, with the remaining ads in the Midwest. No organic yogurt ads were found for surveyed stores in Northwest and South Central regions. About five out of six organic ads are for 4-6 ounce organic yogurt, with a weighted average advertised price of 92 cents. Ads for 32 ounce organic yogurt had an average price of \$3.43 and ads for 4-6 ounce organic Greek yogurt had an average price of \$1.00.

**1 Pound Organic Butter.** A significant percentage of organic butter ads were priced \$3.99, which equals the advertised price of some conventional butter. Organic butter ads ran in the Southwest, Midwest, and Northwest. The national weighted average advertised price is \$4.15, up from \$4.07 two weeks ago. One year ago the price was \$3.97. All organic butter advertised in the Southwest and Midwest, which is 84% of organic butter ads, is priced \$3.99. This

equals the advertised price of conventional butter advertised in the Midwest and Northeast.

**SUPERMARKET PRICE COMPARISON:**

**Madison, Wisconsin Prices.** Non-advertised organic milk, yogurt, butter and cheese prices in a range of food stores in Madison, Wisconsin are compared for this two week period. Stores included a big-box sized local supermarket; 2 regional chain supermarkets; a smaller but full product line food market; and 2 natural food stores; a national discount big box chain store also selling food; and a large local cooperative grocery store. Organic milk available included 2 national brands, 4 private label store brands, and 3 small local or near-by creamery brands, one featuring non-homogenized milk. Cheese available included 2 national brands, 2 store brands, and cheese from 5 other cheese makers.

INFORMATION GATHERED 03/25/2013 - 04/05/2013

**ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE 2013 REPORTING WEEK 14**

	MADISON, WISCONSIN		
	LOW	HIGH	RANGE
<b>(in Dollars)</b>			
<b>FLUID MILK</b>			
MILK - gallon			
Whole	5.79	7.29	1.50
Reduced fat (2%)	5.79	7.29	1.50
Low fat (1%)	5.79	7.29	1.50
Nonfat (Skim)	5.79	7.29	1.50
<b>MILK - half gallon</b>			
Whole	3.89*	4.89	1.00*
Reduced fat (2%)	3.89*	4.89	1.00*
Low fat (1%)	3.89*	4.89	1.00*
Nonfat (Skim)	3.89*	4.89	1.00*
<b>FLAVMILK - half gallon</b>			
All fat tests	3.09	5.69	2.60
<b>YOGURT</b>			
Yogurt - 4-6 oz			
Yogurt	0.79	1.29	0.50
<b>CHEESE</b>			
Cheese - 8 oz block			
Mozzarella	3.40	5.75	2.35
Mild Cheddar	3.79	5.99	2.20
Monterey Jack	3.79	5.99	2.20
Pepper Jack	3.89	5.99	2.10
Cheese - 6 oz string			
Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	4.99	1.10
<b>BUTTER</b>			
Butter - 1 Pound	4.69*	6.09*	1.40

\* = Price change from prior reporting period.

CONTINUED ON PAGE 8-B

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**ORGANIC DAIRY MARKET NEWS**Information gathered March 25 - April 5, 2013

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CONTINUED FROM PAGE 8-A

**ORGANIC GRAIN AND FEEDSTUFF MARKETS:**

National organic grains and feedstuffs were at a near standstill this trading period. Feed grade corn trended weak to lower. Offerings on the farm continue to be heavy, while demand remains light because buyers have their immediate needs met. Trade was keeping a close eye on the CBOT after sharp declines earlier in the week. Some growers were looking to move inventory, but buyers continue stay out of the market at the weak asking price. Feed grade soybean and hard red winter wheat prices were mostly steady on light to moderate demand and offerings. New crop contracting continues to be of great interest, and farmers are said to be preparing in anticipation of planting, but cooler temperatures in much of the Midwest and Corn belt have farmers hesitant to hit the fields.

Additional livestock and grain market news information is available at: <http://www.ams.usda.gov/mnreports/lbfnof.pdf>

## JANUARY MILK SALES

During January, 4.4 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.4 percent lower than January 2012. After adjusting for calendar composition, sales in January 2013 were 2.1 percent lower than January 2012. Estimated sales of total conventional fluid milk products decreased 1.4 percent from January 2012 and estimated sales of total organic fluid milk products decreased 1.8 percent from a year earlier.

**Editor's Note:** Additional data can be found at <http://www.ams.usda.gov/AMSV1.0/FluidMilkSalesDataMonthlyandYeartoDate>.

**ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,  
JANUARY 2013, WITH COMPARISONS 1/**

Product Name	Sales		Change from: 2/	
	January	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Whole Milk	1,151	1,151	-0.5	-0.5
Flavored Whole Milk	45	45	12.6	12.6
Reduced Fat Milk (2%)	1,551	1,551	0.1	0.1
Low Fat Milk (1%)	626	626	-2.0	-2.0
Fat-Free Milk (Skim)	603	603	-7.5	-7.5
Flavored Fat-Reduced Milk	366	366	-0.8	-0.8
Buttermilk	41	41	6.0	6.0
Total Conventional Milk Products 5/	4,383	4,383	-1.4	-1.4
Organic Whole Milk	51	51	7.2	7.2
Organic Reduced Fat Milk	52	52	-0.3	-0.3
Organic Low Fat Milk	38	38	-7.3	-7.3
Organic Fat-Free Milk (Skim)	38	38	-3.8	-3.8
Organic Flavored Milk	10	10	-18.9	-18.9
Organic Fat-Reduced Milk 3/	138	138	-4.8	-4.8
Total Organic Milk Products	189	189	-1.8	-1.8
Total Fluid Milk Products 4/	4,572	4,572	-1.4	-1.4
Total Fluid Milk Products Adjusted 4/ 5/	4,548	4,570	-2.1	-1.3

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. 3/ Total of organic reduced fat, lowfat, skim, flavored, and miscellaneous organic milk products combined. 4/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 5/ Sales volumes and percent changes have been adjusted for calendar composition; see <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3023272> Report contact: Daniel Manzoni, [Daniel.manzoni@ams.usda.gov](mailto:Daniel.manzoni@ams.usda.gov) or 202-720-2352

**PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS  
AND CALIFORNIA, JANUARY 2013, WITH COMPARISONS 1/**

Marketing Area	Order Number	Sales		Change from: 2/	
		January	Year to Date	Previous Year	Year to Date
		Million Pounds		Percent	
Northeast	001	764	764	-1.9	-1.9
Appalachian	005	310	310	1.3	1.3
Florida	006	251	251	-1.5	-1.5
Southeast	007	423	423	0.1	0.1
Upper Midwest	030	355	355	-3.1	-3.1
Central	032	393	393	-1.6	-1.6
Mideast	033	513	513	-1.1	-1.1
Pacific Northwest	124	178	178	-6.3	-6.3
Southwest	126	395	395	0.2	0.2
Arizona	131	96	96	-8.0	-8.0
California	---	532	532	-0.5	-0.5

1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 4/ above for the products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis.

**Source:** U.S. Department of Agriculture. California Department of Food and Agriculture. Milk Stabilization Branch. *California Dairy Information Bulletin, January 2013.*



FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, MARCH

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for March 2013 is \$1.7476 per pound. Thus, the Class II butterfat price is \$1.7546. The protein and other solids prices for March are \$2.8204 and \$0.4179 per pound, respectively. These component prices set the Class III skim milk price at \$11.21 per cwt. The March Class IV skim milk price is \$12.06, which is derived from the nonfat solids price of \$1.3395 per pound.  
**Product Price Averages:** The product price averages for March are: butter \$1.6146, nonfat dry milk \$1.5208, cheese \$1.6467, and dry whey \$0.6048.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT <sup>1/2/</sup>						
FEDERAL MILK ORDER MARKETING AREAS <sup>3/</sup>	ORDER NUMBER	MARCH 2013				APRIL 2013
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) <sup>4/</sup>	001	21.05	18.82	16.93	17.75	20.91
Appalachian (Charlotte) <sup>5/ 6/</sup>	005	21.20	18.82	16.93	17.75	21.06
Southeast (Atlanta) <sup>6/ 7/</sup>	007	21.60	18.82	16.93	17.75	21.46
Florida (Tampa) <sup>6/ 8/</sup>	006	23.20	18.82	16.93	17.75	23.06
Midwest (Cleveland) <sup>9/</sup>	033	19.80	18.82	16.93	17.75	19.66
Upper Midwest (Chicago) <sup>10/</sup>	030	19.60	18.82	16.93	17.75	19.46
Central (Kansas City) <sup>11/</sup>	032	19.80	18.82	16.93	17.75	19.66
Southwest (Dallas) <sup>12/</sup>	126	20.80	18.82	16.93	17.75	20.66
Arizona (Phoenix)	131	20.15	18.82	16.93	17.75	20.01
Pacific Northwest (Seattle) <sup>13/</sup>	124	19.70	18.82	16.93	17.75	19.56
All-Market Average	---	20.69	18.82	16.93	17.75	20.55

<sup>1/</sup> To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk.  
<sup>2/</sup> Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.  
<sup>3/</sup> Names in parentheses are the major city in the principal pricing point of the market.  
<sup>4/</sup> Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.  
<sup>5/</sup> Class I prices at other cities are: Knoxville, minus \$0.20 and Louisville, minus \$1.10.  
<sup>6/</sup> Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted.  
<sup>7/</sup> Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40.  
<sup>8/</sup> Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40.  
<sup>9/</sup> Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.  
<sup>10/</sup> Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.  
<sup>11/</sup> Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.  
<sup>12/</sup> Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.  
<sup>13/</sup> Class I prices at other cities are: Portland, same; and Spokane, same.

**OVER-ORDER CHARGES ON PRODUCER MILK, BY CLASS OF UTILIZATION,  
BY FEDERAL MILK ORDER MARKETING AREA, JANUARY 2013 1/**

For January 2013, the all reporting areas combined average over-order charge on producer milk used in Class I was \$2.09 per cwt., up \$0.05 from the December 2012 average. Ninety percent of the producer milk used in Class I carried an over-order charge. On an individual order basis, Class I over-order charges ranged from \$0.80 in the Pacific Northwest to \$2.96 in the Florida Order. For producer milk used in Class II, the all reporting areas combined average over-order charge was \$1.20 per cwt., up \$0.04 per cwt. from the December 2012 average. Eighty percent of the producer milk used in Class II carried an over-order charge.

Federal Milk Order Marketing Area 2/	Order Number	Weighted Average of Over-Order Charges Spread Over Total Class I Milk 1/	Weighted Average of Over-Order Charges Spread Over Total Class II Milk 1/
		\$/cwt	
Appalachian	5	2.61	1.26
Florida	6	2.96	0.39
Southeast	7	2.64	2.18
Upper Midwest	30	2.12	0.93
Central	32	2.01	1.02
Mideast	33	1.87	1.45
Pacific Northwest	124	0.80	0.70
All Reporting Areas Combined 3/		2.09	1.20

1/ Figures are weighted averages of all the over-order charges applicable to any volume of milk used in the respective class spread over 100 percent of the producer milk used in that class. Includes some producer milk for which there was no over-order charge.

2/ Information is available for all Federal milk marketing areas except the Northeast and Southwest. See 3/.

3/ Figures are weighted averages of the available individual marketing area data; includes information for the Arizona order which is administratively confidential.

Report Contact: Randal Stoker, [randal.stoker@usda.gov](mailto:randal.stoker@usda.gov) or 202-690-1932

**FEBRUARY 2013 DAIRY PRODUCTS HIGHLIGHTS\***

**BUTTER** production was 171.3 million pounds, 1.1 percent above February 2012 but 8.9 percent below January 2013. **AMERICAN TYPE CHEESE** production totaled 347.0 million pounds, 1.3 percent above February 2012 but 7.8 percent below January 2013. **TOTAL CHEESE** output (excluding cottage cheese) was 857.4 million pounds, slightly below February 2012 and 8.4 percent below January 2013. **NONFAT DRY MILK** production, for human food, totaled 137.5 million pounds, 20.0 percent below February 2012 and 3.7 percent below January 2013. **DRY WHEY** production, for human food, was 77.5 million pounds, 9.0 percent below February 2012 and 10.2 percent below January 2013. **ICE CREAM** (hard) production totaled 62.6 million gallons, 0.8 percent below February 2012 but 11.8 percent above January 2013.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	FEB 2013	PERCENT CHANGE FROM:			PRODUCT	FEB 2013	PERCENT CHANGE FROM:		
	1,000 LBS.	FEB 2012*	JAN 2013	YEAR TO DATE 1/		1,000 LBS.	FEB 2012*	JAN 2013	YEAR TO DATE 1/
BUTTER	171,263	1.1	-8.9	2.7	SOUR CREAM	95,737	-1.9	-11.3	1.6
CHEESE					YOGURT (PLAIN AND FLAVORED)	361,414	-1.2	-8.4	-0.2
AMERICAN TYPES 2/	346,979	1.3	-7.8	2.0	DRY WHEY, HUMAN FOOD	77,467	-9.0	-10.2	---
CHEDDAR	250,007	-0.6	-10.9	1.4	DRY WHEY, ANIMAL FEED	3,316	-22.0	-24.3	---
OTHER AMERICAN	96,972	6.6	1.5	---	DRY WHEY, TOTAL 8/	80,783	-9.6	-10.9	-7.6
BRICK & MUENSTER	11,847	2.9	-12.3	---	REDUCED LACTOSE AND MINERALS				
CREAM & NEUFCHATEL	63,658	8.6	-10.6	---	HUMAN FOOD	2,491	-6.3	3.1	---
HISPANIC	18,504	4.1	-5.3	---	ANIMAL FEED	4,725	-6.1	-7.1	---
TOTAL ITALIAN TYPES	361,467	-2.6	-9.7	-1.4	LACTOSE, HUMAN FOOD & ANIMAL FEED	78,253	-3.7	-11.7	-0.6
MOZZARELLA	279,467	-4.0	-10.3	-2.1	WHEY PROTEIN CONCENTRATE				
OTHER ITALIAN	82,000	2.2	-7.5	---	HUMAN FOOD 9/	33,693	3.4	-6.0	---
SWISS	23,426	-8.7	-8.4	---	ANIMAL FEED 9/	500	-82.4	-48.5	---
ALL OTHER TYPES	12,697	-15.3	-2.4	---	TOTAL 9/	34,193	-3.5	-7.1	-3.9
TOTAL	857,365	---	-8.4	1.4	25.0-49.9 PERCENT 10/	16,064	-20.9	-11.3	---
COTTAGE CHEESE, CURD 3/	32,510	-6.3	-8.8	---	50.0-89.9 PERCENT 10/	18,129	19.9	-3.1	---
COTTAGE CHEESE, CREAM 4/	25,075	-2.8	-9.3	1.7	WHEY PROTEIN ISOLATES 11/	6,857	21.7	4.9	---
COTTAGE CHEESE, LOWFAT 5/	30,373	-5.6	-9.1	-2.8	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
CANNED EVAP & CONDSO WHOLE MILK	(D)	(X)	(X)	---	ICE CREAM (HARD)	62,645	-0.8	11.8	0.3
DRY BUTTERMILK	12,197	14.4	-12.6	---	ICE CREAM, LOWFAT (HARD)	16,009	10.7	3.6	---
DRY WHOLE MILK	5,194	16.9	11.1	---	ICE CREAM, LOWFAT (SOFT)	16,116	-3.1	23.5	---
MILK PROTEIN CONC. (MPC), TOTAL 6/	10,104	10.1	5.1	---	ICE CREAM, LOWFAT (TOTAL)	32,125	3.3	12.7	1.7
NONFAT DRY MILK (NDM), HUMAN	137,526	-20.0	-3.7	-14.0	SHERBET, HARD	3,267	4.4	9.0	1.2
SKIM MILK POWDERS (SMP) 7/	43,178	136.8	-10.0	57.3	FROZEN YOGURT (TOTAL)	5,351	1.1	46.7	2.6

MANUFACTURERS' STOCKS, END OF MONTH 12/							
PRODUCT	FEB 2013	PERCENT OF:		PRODUCT	FEB 2013	PERCENT OF:	
	1,000 LBS.	FEB 2012	JAN 2013		1,000 LBS.	FEB 2012	JAN 2013
DRY WHEY, HUMAN FOOD	64,971	38.7	9.2	WHEY PROTEIN CONCENTRATE			
DRY WHEY, ANIMAL FEED	3,505	-28.8	-22.2	HUMAN FOOD 9/	54,490	39.5	0.5
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 13/	5,688	-16.1	6.5	ANIMAL FEED 9/	1,366	-23.3	-29.2
LACTOSE, HUMAN FOOD & ANIMAL FEED	88,957	26.5	-0.7	TOTAL 9/	55,856	36.7	-0.5
CANNED EVAP & CONDSO WHOLE MILK	(D)	(X)	(X)	25.0-49.9 PERCENT 10/	26,504	15.3	-0.8
DRY BUTTERMILK	22,429	13.9	3.1	50.0-89.9 PERCENT 10/	29,352	64.3	-0.3
NONFAT DRY MILK (NDM), HUMAN FOOD	225,153	16.5	13.6	WHEY PROTEIN ISOLATES 11/	10,290	45.2	-1.3

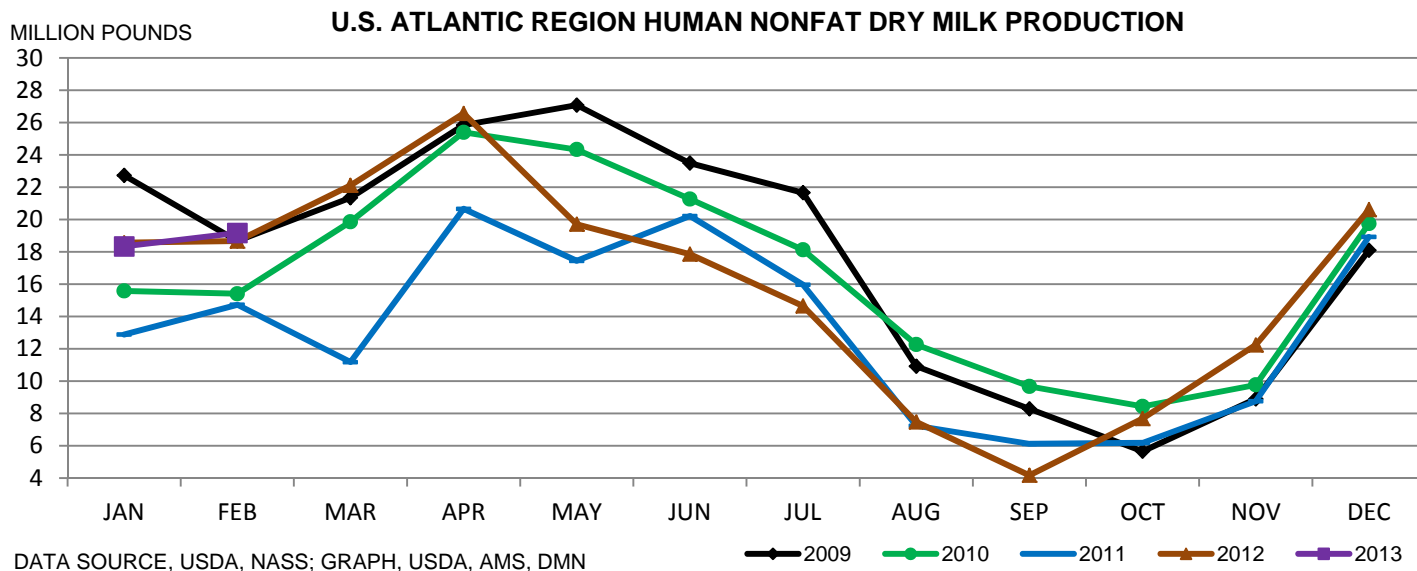
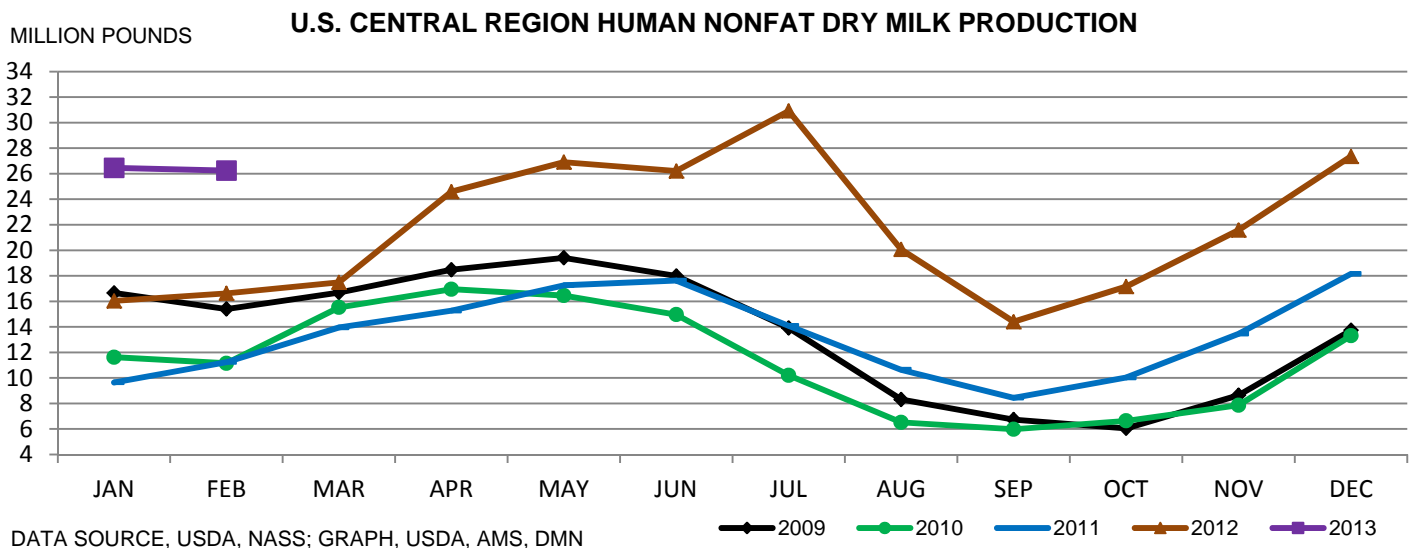
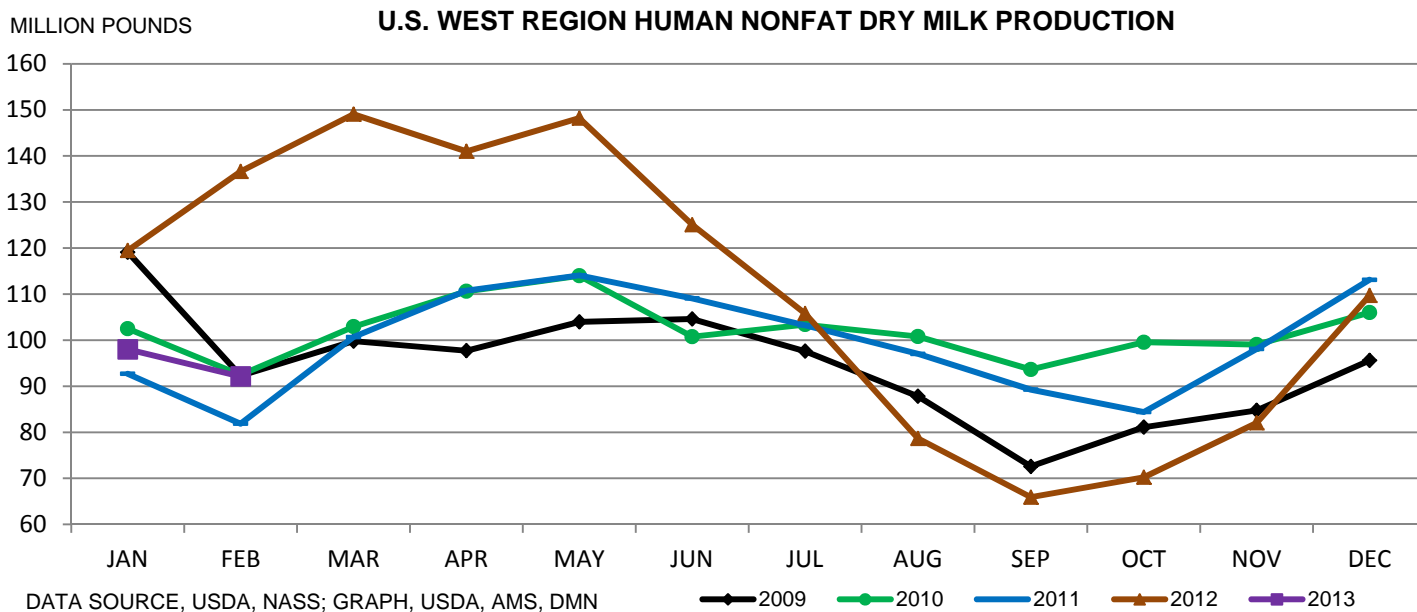
\* Year to year comparisons are not adjusted for an additional day in 2012 due to leap year.

(D) = Withheld to avoid disclosing data for individual operations.

(X) = Not applicable.

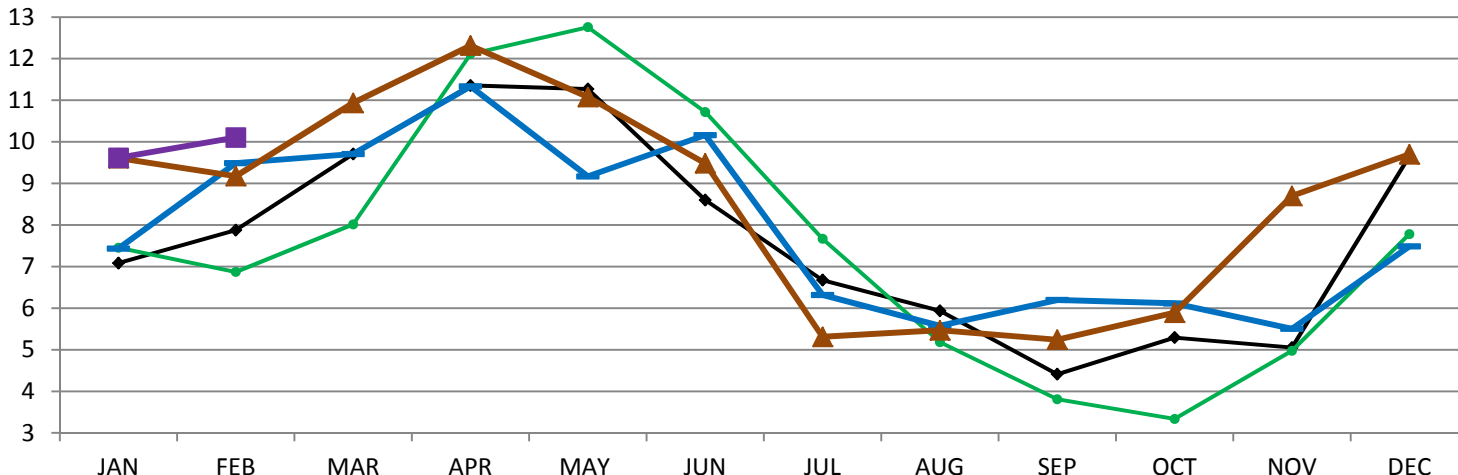
1/ 2013 cumulative as percent change of 2012 cumulative. 2/ Includes Cheddar, Colby, Monterey and Jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Dry milk protein concentrate, 40-89.9 percent. 7/ Includes protein standardized and blends. 8/ Excludes all modified dry whey products. 9/ Whey protein concentrate, 25.0 to 89.9 percent. 10/ Whey protein concentrate, human and animal. 11/ Whey protein isolates, 90.0 percent or greater. 12/ Stocks held by manufacturers at all points and in transit. 13/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. Dairy Products, April 2013.



**U.S. MILK PROTEIN CONCENTRATE PRODUCTION,  
40.0 - 89.9% PROTEIN**

MILLION POUNDS

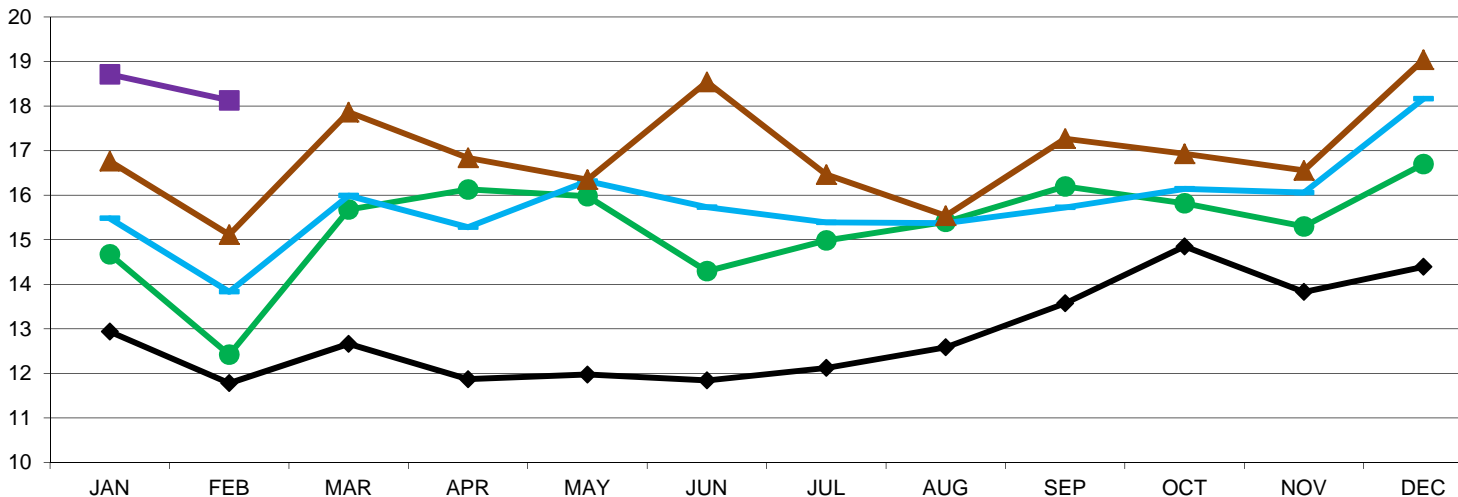


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

◆ 2009 ● 2010 ▲ 2011 ▲ 2012 ■ 2013

**U.S. TOTAL DRY WPC PRODUCTION, HUMAN AND ANIMAL,  
50.0 - 89.9% PROTEIN**

MILLION POUNDS

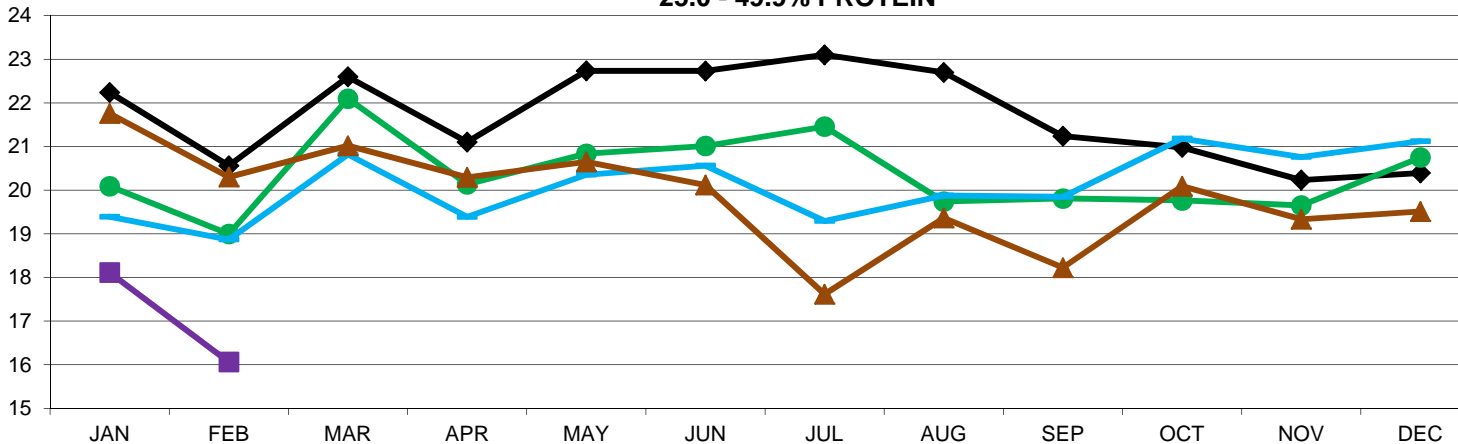


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

◆ 2009 ● 2010 ▲ 2011 ▲ 2012 ■ 2013

**U.S. TOTAL DRY WPC PRODUCTION, HUMAN AND ANIMAL,  
25.0 - 49.9% PROTEIN**

MILLION POUNDS



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

◆ 2009 ● 2010 ▲ 2011 ▲ 2012 ■ 2013



## Dairy Market News Branch

Agricultural  
Marketing  
Service

# National Dairy Retail Report

Websites: <http://www.marketnews.usda.gov/portal/da> and <http://www.ams.usda.gov/mnreports/dybretil.pdf>

Volume 80- Number 14

Issued Biweekly

Thursday, April 4, 2013

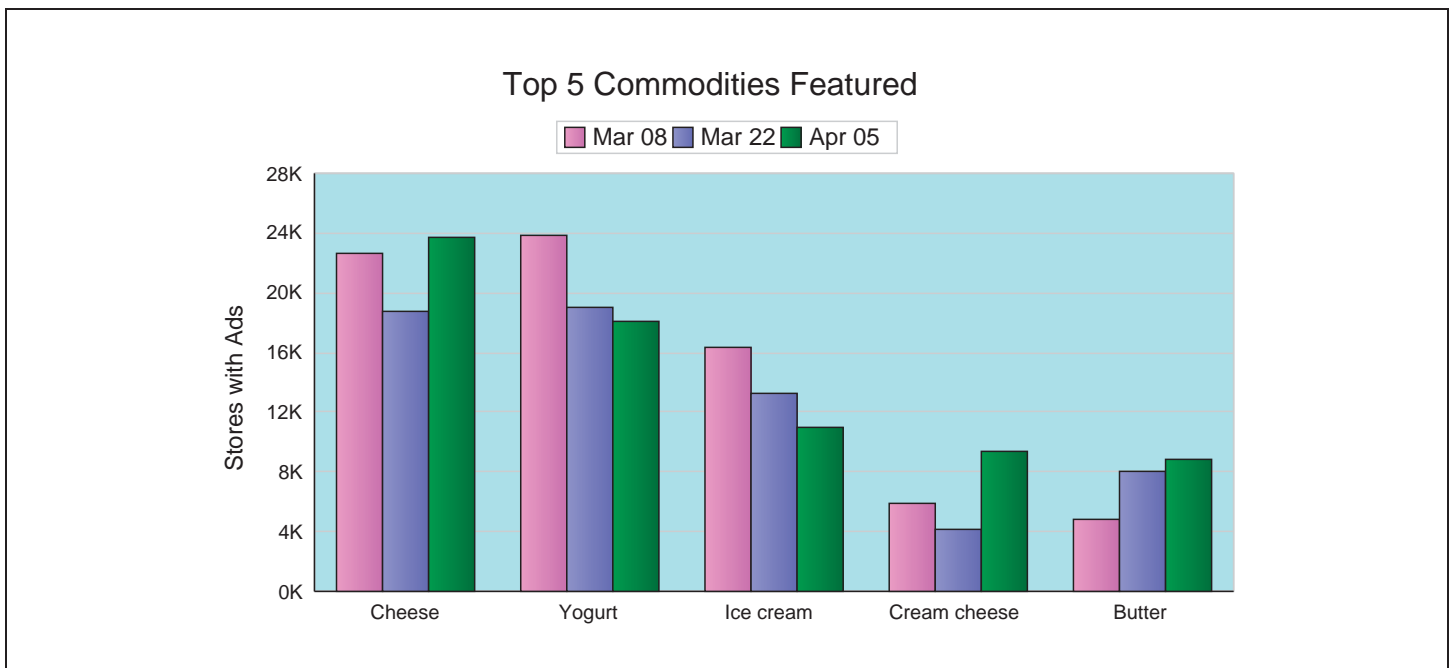
### Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 03/25 to 04/05

Many ads this cycle had tie-ins with the spring holidays. The most featured individual item was ice cream, seen in 10,947 stores this period. The national weighted average price was \$3.14 per 48-64 ounce pack, down 5 cents from 2 weeks ago and 24 cents less than a year ago. Butter pricing was \$2.46 for a 1 pound pack, down 4 cents from two weeks ago but the same price as a year ago.

Cheese pricing trended lower for all pack sizes. The most featured cheese pack, 8 ounce shreds, averaged \$2.14, down 17 cents from two weeks ago, while 8 ounce blocks averaged \$2.25, down 9 cents from two weeks ago. Cream cheese ad features were more than double the volume of two weeks ago with the price at \$1.38, down 13 cents from two weeks ago. Sour cream pricing averaged \$1.69, up 2 cents from two weeks ago.

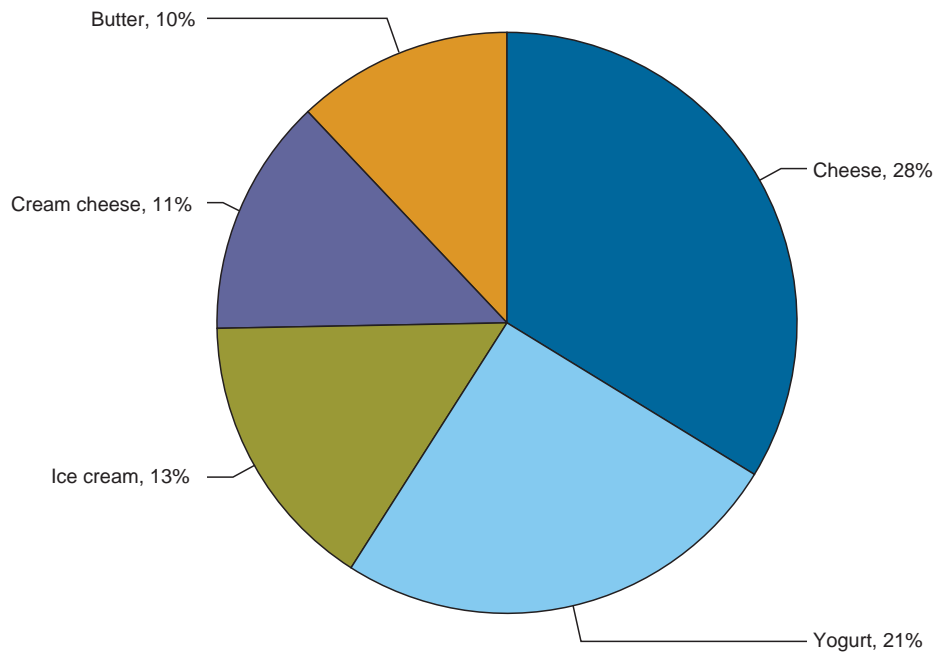
Greek yogurt in 4-6 ounce packs, the most advertised yogurt category, averaged \$1.00 which is unchanged from two weeks ago and up 4 cents from a year ago. Regular yogurt in 4-6 ounce packs, averaged 53 cents, up 4 cents from two weeks ago but down 3 cents from a year ago. Features for 32 ounce Greek yogurt increased 6 times from two weeks ago. The average price is \$3.35, down 60 cents.

The national weighted average conventional milk price for half gallons, \$2.04, is up 69 cents from two weeks ago. For organic half-gallon milk, at \$3.59, is down 6 cents from two weeks ago. The organic-conventional half-gallon price spread is \$1.55, compared to \$2.30 two weeks ago and 99 cents a year ago.

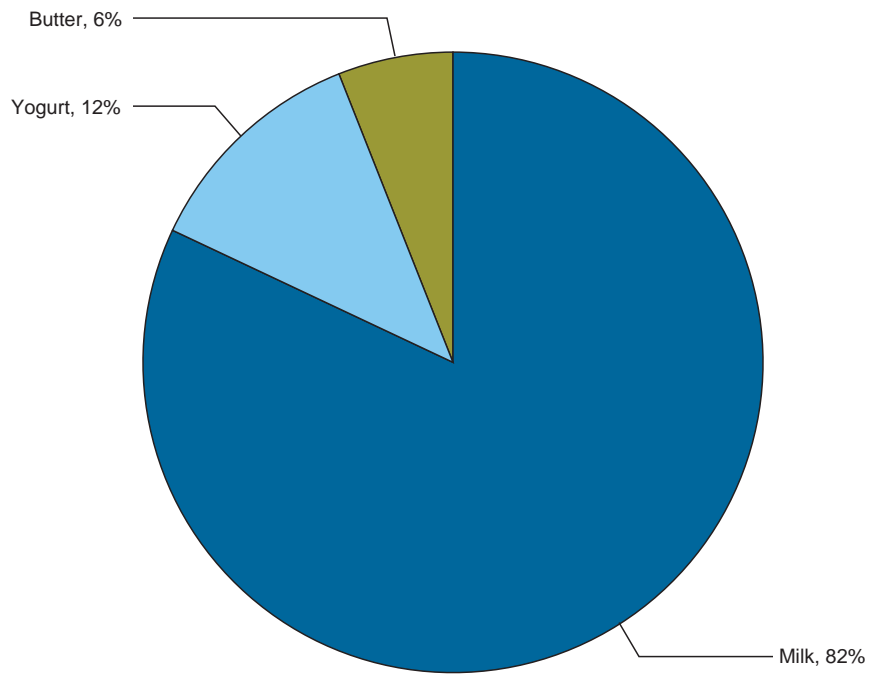


1 -- Dairy Market News surveys more than 150 retailers, comprising nearly 16,000 individual stores, with online weekly advertised features.  
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

### Top 5 Percentage of Total Conventional Ads



### Top 5 Percentage of Total Organic Ads



## NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	8522	2.46	6770	2.50	15068	2.46
Cheese	Natural Varieties	8 oz block	8987	2.25	5379	2.34	14886	2.33
Cheese	Natural Varieties	1 # block	2812	3.79	2562	4.19	6872	3.78
Cheese	Natural Varieties	2 # block	1467	6.56	1760	7.47	501	5.79
Cheese	Natural Varieties	8 oz shred	9487	2.14	7400	2.31	12644	2.16
Cheese	Natural Varieties	1 # shred	987	3.18	1712	3.87	1319	3.64
Cottage cheese		16 oz	2366	1.75	3189	1.88	3207	2.15
Cream cheese		8 oz	9404	1.38	4104	1.51	10785	1.45
Flavored milk	All fat tests	half gallon	272	2.25	824	2.40	1568	1.86
Flavored milk	All fat tests	gallon	478	2.93	175	2.66	1355	3.19
Ice cream		48-64oz	10947	3.14	13308	3.19	13690	3.38
Milk	All fat tests	half gallon	516	2.04	636	1.35	1410	2.12
Milk	All fat tests	gallon	1025	2.62	3859	2.79	1857	2.73
Sour cream		16 oz	8010	1.69	7422	1.67	13367	1.65
Yogurt	Greek	4-6 oz	8207	1.00	9401	1.00	11241	.96
Yogurt	Greek	32 oz	1315	3.35	219	3.95	585	5.30
Yogurt	Yogurt	4-6 oz	5998	.53	6800	.49	12101	.56
Yogurt	Yogurt	32 oz	1862	2.46	1237	2.43	4216	2.08

## 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 #	1.99-3.99	1582	2.79	1.99-2.50	3164	2.31	1.88-3.99	646	2.61
Cheese	Natural Varieties	8 oz block	1.50-3.99	2920	2.50	1.67-3.00	2605	2.09	1.49-2.50	1197	1.96
Cheese	Natural Varieties	1 # block	1.99-4.99	1546	3.80	3.49-3.99	142	3.86	2.99-5.88	415	3.19
Cheese	Natural Varieties	2 # block				5.99-6.99	111	6.51			
Cheese	Natural Varieties	8 oz shred	1.88-3.99	1431	2.35	1.67-2.50	2090	1.81	1.49-2.50	1461	1.94
Cheese	Natural Varieties	1 # shred	3.99	128	3.99	2.99-3.49	435	3.13	2.99	424	2.99
Cottage cheese		16 oz	1.99-2.99	718	2.13	1.00-2.00	816	1.72	1.00-2.00	481	1.12
Cream cheese		8 oz	1.25-1.79	1085	1.50	0.98-1.78	3825	1.36	0.97-1.99	1296	1.43
Flavored milk	All fat tests	half gallon	2.00-3.25	182	2.37	2.99	30	2.99	1.49-1.50	60	1.50
Flavored milk	All fat tests	gallon							2.50-2.99	362	2.59
Ice cream		48-64oz	2.48-4.99	2960	2.90	2.49-4.99	1361	3.41	2.48-5.99	1805	3.14
Milk	All fat tests	half gallon				1.77-2.50	328	2.22			
Milk	All fat tests	gallon				1.99-3.00	412	2.74	1.99-2.79	412	2.53
Sour cream		16 oz	1.49-2.39	1952	1.72	1.00-2.00	1101	1.56	0.98-2.00	1414	1.44
Yogurt	Greek	4-6 oz	0.79-1.25	2302	1.01	0.90-1.00	2168	.99	1.00	1712	1.00
Yogurt	Greek	32 oz	4.99	108	4.99	2.99-5.49	163	4.60	2.99-3.98	147	3.41
Yogurt	Yogurt	4-6 oz	0.33-0.75	3278	.56	0.40-0.60	789	.51	0.40-0.60	781	.50

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	32 oz	1.50-2.99	490	2.36	2.28	109	2.28	2.00-2.89	502	2.41

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-2.50	974	2.20	1.99-3.49	1686	2.66	1.79-2.99	470	2.04
Cheese	Natural Varieties	8 oz block	1.67-3.50	1118	2.34	1.67-2.50	910	2.25	1.99-2.50	237	2.07
Cheese	Natural Varieties	1 # block	3.79	32	3.79	3.49-3.67	59	3.59	2.50-5.49	618	4.20
Cheese	Natural Varieties	2 # block	6.99	234	6.99	4.99-6.99	744	6.83	4.99-5.99	378	5.78
Cheese	Natural Varieties	8 oz shred	1.67-2.50	1409	2.11	1.67-3.00	2116	2.38	1.79-4.49	980	2.40
Cottage cheese		16 oz	2.00	85	2.00	1.69-1.99	231	1.91	1.99	35	1.99
Cream cheese		8 oz	0.98-2.00	1165	1.25	0.99-1.79	1460	1.39	0.88-1.49	573	1.33
Flavored milk	All fat tests	gallon				3.99	116	3.99			
Ice cream		48-64oz	1.99-4.51	1945	3.51	1.99-3.99	2435	2.97	2.50-3.99	441	3.17
Milk	All fat tests	half gallon	2.50	70	2.50				1.25	118	1.25
Milk	All fat tests	gallon	2.59	201	2.59						
Sour cream		16 oz	1.49-2.50	862	1.90	0.99-2.00	1883	1.77	1.59-1.99	798	1.87
Yogurt	Greek	4-6 oz	1.00	442	1.00	1.00	1087	1.00	1.00-1.25	496	1.04
Yogurt	Greek	32 oz	2.99	234	2.99	2.50-2.99	365	2.82	2.99	298	2.99
Yogurt	Yogurt	4-6 oz	0.33-0.59	661	.48	0.40-0.50	287	.46	0.65	202	.65
Yogurt	Yogurt	32 oz	1.99-2.50	187	2.13	2.50-3.00	292	2.88	1.49-3.00	282	2.57

### NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		TWO WEEKS AGO		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	359	4.15	1247	4.07	681	3.97
Cream cheese		8 oz			26	2.99	144	2.61
Ice cream		48-64oz					551	5.55
Milk	All fat tests	half gallon	3242	3.59	2452	3.65	975	3.08
Milk	All fat tests	gallon	427	5.37	306	5.99	235	5.99
Milk	All fat tests	8 oz UHT	1032	1.02			105	1.00
Yogurt	Greek	4-6 oz	54	1.00	592	1.21	269	1.36
Yogurt	Greek	32 oz			26	3.99		
Yogurt	Yogurt	4-6 oz	586	.92	258	.77	584	.58
Yogurt	Yogurt	32 oz	60	3.43	446	2.99		

Wtd Avg - Simple weighted average

## REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #							3.99	26	3.99
Milk	All fat tests	half gallon	2.99-3.99	538	3.33	3.69-3.99	456	3.91	3.79-3.99	518	3.90
Milk	All fat tests	gallon	5.69	232	5.69	4.99	195	4.99			
Milk	All fat tests	8 oz UHT	1.25	56	1.25	1.00	398	1.00	1.00	424	1.00
Yogurt	Greek	4-6 oz	1.00	54	1.00						
Yogurt	Yogurt	4-6 oz	0.67-0.99	151	.81	1.00	202	1.00			
Yogurt	Yogurt	32 oz							3.00-3.99	60	3.43

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				3.99	276	3.99	4.99	57	4.99
Milk	All fat tests	half gallon	2.79-3.49	234	3.13	2.99-3.99	1080	3.57	3.49-3.50	416	3.49
Milk	All fat tests	8 oz UHT	1.25	36	1.25				1.00	118	1.00
Yogurt	Yogurt	4-6 oz				0.89-1.00	233	.93			

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

### REGIONAL DEFINITIONS

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

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

# DAIRY MARKET NEWS

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(608) 278-4200

**VOLUME:** 80

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