

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (8/23):**

BUTTER: Grade AA closed at \$1.3950. The weekly average for Grade AA is \$ 1.3695 (-.0155).

CHEESE: Barrels closed at \$ 1.6425 and 40# blocks at \$ 1.6700. The weekly average for barrels is \$ 1.6730 (-.0920) and blocks, \$ 1.6900 (-.0815).

BUTTER HIGHLIGHTS: The butter market is unsettled due to an undefined price trend and ample inventories. Butter production is increasing at many churns as cream demand slackens from frozen dessert facilities. Higher bottling interest is also sending more cream into the marketplace, and butter churn operators report cream multiples are declining. Despite these cream market conditions, some butter manufacturers are reluctant to add to already hefty butter inventories. Although butter stocks are above year ago holdings nationally, there are some butter/powder producers who cleared all their butter. With cream multiples decreasing and butter prices at low ebb, some manufacturers are anxious to rebuild their bulk butter inventories for fall commitments. Other manufacturers are turning to print manufacturing for Q4 orders. Internationally, U.S. butter is priced favorably for clearance to overseas markets. NASS's Cold Storage report shows end of July butter holdings declined for the third consecutive month, dipping 7% compared to June. However, end of July holdings are still 26% higher than one year ago. Monday trading at the CME group knocked one cent off the butter price, closing at \$1.36. Wednesday and Thursday trading regained that penny, and butter closed on Friday up \$0.0250 for the week.

CHEESE HIGHLIGHTS: Wholesale cheese prices based off of the CME Group weekly average moved lower last week after five weeks of steadily higher prices. Milk supplies in the Northeast and Midwest have kept cheese plants busy, while production was reduced somewhat in the West. Cheese inventories are adequate to service current needs with buyers looking to see if the market is becoming oversupplied. Retail sales are mostly steady. Large buyers are said to be well supplied at current prices and are waiting for price breaks to add to inventories. Export sales are good as U.S. prices continue to be favorable versus international prices. Lower milk volumes are available for cheese plants to increase production as milk begins to fill the Class I demands of bottlers for school openings in the South. Barrels closed on Friday at \$1.6425, while blocks closed at \$1.6700. Barrels are \$0.1225 lower than last

Friday's close. Blocks settled \$0.1075 lower than the previous week.

FLUID MILK: California milk production is trending lower, resulting from a spell of hot weather. Some processors saw a quick 2-4% drop in receipts from a week earlier. Arizona milk production is lower. Hot weather advisories were being issued for man and beast. Milk production in the Pacific Northwest continues to decline along expected seasonal lines. Utah and Idaho milk supplies are being restricted by continued hot weather. Wildfires in the region have caused a few transportation issues as trucks were rerouted. The number of milk loads leaving the Central region heading to the Southeast to fill Class I demand is increasing from week to week. Handlers expect weekly milk load increases will continue until all schools are back in session and the pipeline is completely filled. Manufacturing milk spot loads are scarce within the Central region as a result of increasing Class I demand and seasonally decreasing farm milk intakes. Milk production remains above seasonal levels and adding to manufacturing milk supplies in the Northeast region. Manufacturing milk supplies in the Mid-Atlantic region are being reduced as increased Class I demand in the Southeast is pulling supplies out of the region. Milk production in Florida continues to decline with the typical seasonal low point still a few weeks out. Florida imported 212 spot loads of milk this week, which is the highest number of import loads since August of 2006.

DRY PRODUCTS: Western low/medium heat nonfat dry milk prices continue to trend higher. The market undertone remains firm. Central and Eastern nonfat dry milk prices stepped higher on the strength of both index based prices and F.O.B. spot prices. Western dry buttermilk prices are higher. The market tone is firmer in light trading. Central and Eastern dry buttermilk prices moved higher and the market tone is firm. Dry whole milk prices are higher on a firm market. Demand is active for manufacturers' scarce spot loads. Western dry whey prices are lower across the full range of prices as various pricing indices adjusted lower. The mostly series was steady with a weak undertone being noted. Central dry whey prices are mixed on the range and mostly series. Blocks of loads and single

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CME GROUP CASH TRADING

COMMODITY	MONDAY AUG 19	TUESDAY AUG 20	WEDNESDAY AUG 21	THURSDAY AUG 22	FRIDAY AUG 23	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.7350 (-.0300)	\$1.7000 (-.0350)	\$1.6500 (-.0500)	\$1.6375 (-.0125)	\$1.6425 (+.0050)	:: (-.1225)	:: \$1.6730 (-.0920)
40# BLOCKS	\$1.7550 (-.0225)	\$1.7075 (-.0475)	\$1.6700 (-.0375)	\$1.6475 (-.0225)	\$1.6700 (+.0225)	:: (-.1075)	:: \$1.6900 (-.0815)
NONFAT DRY MILK							
EXTRA GRADE	\$1.7500 (N.C.)	\$1.7500 (N.C.)	\$1.7500 (N.C.)	\$1.7800 (+.0300)	\$1.7800 (N.C.)	:: (+.0300)	:: \$1.7620 (+.0120)
GRADE A	\$1.7950 (N.C.)	\$1.8000 (+.0050)	\$1.8000 (N.C.)	\$1.8000 (N.C.)	\$1.8000 (N.C.)	:: (+.0050)	:: \$1.7990 (+.0045)
BUTTER							
GRADE AA	\$1.3600 (-.0100)	\$1.3600 (N.C.)	\$1.3625 (+.0025)	\$1.3700 (+.0075)	\$1.3950 (+.0250)	:: (+.0250)	:: \$1.3695 (-.0155)

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

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Eastern F.O.B. spot loads are also filling demand in the Central region, adding supply competition into a lackluster regional market. Northeast dry whey prices declined this week as sales based on various price indices lowered prices on the upper end of the range. Dry whey production is active and adding to most manufacturers' inventories. Prices on whey protein concentrate 34% are mostly higher on a firm market. Prices for lactose are unchanged on the mostly series, while the bottom of the range gained one cent. Lactose demand is steady to higher in Q3 from most buyers, although a few end users have pushed back on unground lactose contract loads. Casein pricing is slightly higher, moving up 10 cents from the bottom ends of both the acid and rennet casein series.

ORGANIC DAIRY MARKET NEWS (DMN): AMS reports Total Organic Milk Products sales for June 2013, 179 million pounds, were up 5.8% from June last year. Organic Whole Milk sales for June 2013, 47 million pounds, were up 8.2% compared with June last year and up 8.9% year-to-date compared with last year. Organic Reduced Fat Milk sales for May, 51 million pounds, were 12.6% above sales one year earlier and 9.7% above year-to-date sales last year. The weighted average advertised organic half-gallon milk price, \$3.50, is down 14 cents from two weeks ago. Conventional milk's price for half gallons is \$1.41, which results in an organic-conventional half-gallon price spread of \$2.09, compared to \$1.77 two weeks ago. Since the first week of May, conventional milk half gallon prices have varied within a 68.1% price range in contrast with organic half gallons, 6.8%. More ads for organic gallons of milk occurred this period than any period since this survey period began during the fall of 2009, nearly four years ago. A closer examination of the ads reveals that nationwide, about 80% of the ads for organic gallons were run by a single national supermarket chain. Those ads included that chain's private label brand of organic gallons in every ad, at prices ranging from \$5.00 to \$6.99, depending on location. The national weighted average advertised price for organic gallons is \$5.56, up from \$5.00 two weeks ago but down from \$5.72 one year ago. Organic milk half gallons of a national brand are now being sold in the cooler section of a national drugstore chain. This chain has frequently featured low prices for conventional milk relative to other outlets for milk, but organic milk is a new addition to the cooler. Growth of the organic ice cream sector as well as confidence in growth potential, has now led to a Humboldt County California organic ice cream manufacturer only in business for several years, to engage in a national person-to-person promotional campaign. Retail demonstrators travel the country in trucks boldly painted to publicize the brand, appearing in stores of a national natural food store chain and offering samples of the organic ice cream to shoppers. Some of these outlets are now carrying as many as four brands of organic ice cream.

NATIONAL DAIRY RETAIL REPORT (DMN): Cheese shreds in 8-ounce packs are the most featured individual item this period, appearing in 8,557 ad features. The national price averaged \$2.08, down 28 cents from two weeks ago. 8-ounce blocks at \$2.19, moved 24 cents lower from two weeks ago. Greek yogurt in 4-6 ounce packs, featured in 9,192 ads, averaged \$.99, down 1 cent from two weeks ago and 2 cents from a year ago. Regular yogurt in 4-6 ounce packs averaged 51 cents, unchanged from two weeks ago. The national weighted average butter price registered \$2.80 for 1# packages, an 11 cent decrease from two weeks ago but 13 cents higher than a year ago. Ice cream features are up 20% this period, appearing in 13,664 ads. The national average for 48-64 oz. containers was \$2.97, up 8 cents from two weeks ago and but 11 cents lower than a year ago. The national weighted average conventional milk price for half gallons, \$1.41 is 46 cents lower than two weeks ago. Organic -1A-

half-gallon milk, at \$3.50, is 14 cents lower than two weeks ago. The organic-conventional half-gallon price spread is \$2.09, compared to \$1.77 two weeks ago. Since the first week of May, conventional milk half gallon prices have varied within a 68.1% price range in contrast with organic half gallons, 6.8%.

INTERNATIONAL DAIRY MARKET NEWS UPDATE (DMN): At the August 20th gDT session #98, average prices were mostly higher from the prior event, except lower for buttermilk powder and skim milk powder. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,931 +7.1%; butter, \$3,614 +3.3%; buttermilk powder, \$4,689 -3.1%; cheddar cheese, \$4,375 +0.9%; lactose, not traded; milk protein concentrate, \$7,828 +1.5%; rennet casein, \$10,085 +1.9%; skim milk powder, \$4,426 -0.7%; and whole milk powder, \$5,124 +2.7%.

COLD STORAGE (NASS): On July 31, U.S. cold storage holdings of butter totaled 295.8 million pounds, down 7% from June but up 26% from July last year. Natural American cheese holdings total 704.5 million pounds, down 1% from June but up 5% from last year. Total cheese stocks were 1.152 billion pounds, up slightly from June and up 5% from last year.

JULY MILK PRODUCTION (NASS): Milk production in the 23 major States during July totaled 15.7 billion pounds, up 1.2% from July 2012. June revised production, at 15.8 billion pounds, was up 1.7% from June 2012. The June revision represented an increase of 1 million pounds or less than 0.1% from last month's preliminary production estimate.

SEPTEMBER FEDERAL MILK ORDER ADVANCE PRICES (FMMO): Under the Federal milk order pricing system, the base Class I price for September 2013 is \$19.16. This price is derived from the advanced Class IV skim milk pricing factor of \$14.26 and the advanced butterfat pricing factor of \$1.5420. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. Compared to August 2013, the base Class I price increased \$0.28. For selected consumer products, the price changes are: whole milk(3.25% milk fat), \$0.30 PER CWT., \$0.026 per gallon; reduced fat milk (2%), \$0.37 per cwt., \$0.032 per gallon; fat-free (skim milk), \$0.46 per cwt., \$0.040 per gallon. The advanced Class IV skim milk pricing factor is \$14.26. Thus, the Class II skim milk price for September is \$14.96, and the Class II nonfat solids price is \$1.6622. The two-week product price averages for September are: butter \$1.4448, nonfat dry milk \$1.7679, cheese \$1.7778, and dry whey \$0.5752.

FMMO PRICE AND POOL HIGHLIGHTS (DY PROGRAMS): During July, more than 10.8 billion pounds of milk were received from Federally pooled producers. This volume of milk is 20.9% higher than the July 2012 volume. In July 2013 and July 2012, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. Regulated handlers pooled 3.367 billion pounds of producer milk as Class I products, nearly the same total amount as the previous year, with decreases in 6 of the 10 Federal Milk Order Marketing areas and increases in 4 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 31%, Class II = 12%, Class III = 49%, and Class IV = 8%. The weighted average statistical uniform price was \$19.19, \$0.21 lower than last month and \$2.21 higher than last year.

CME GROUP

MONDAY, AUGUST 19, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7350; 1 CAR 40# BLOCKS @ \$1.7550
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.3600; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.3600; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.4000

TUESDAY, AUGUST 20, 2013

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.7100; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7000; 1 CAR 40# BLOCKS @ \$1.7075
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.7500; 1 CAR GRADE A @ \$1.8000; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.3500; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.3975

WEDNESDAY, AUGUST 21, 2013

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.6600, 2 @ \$1.6500; 2 CARS 40# BLOCKS: 1 @ \$1.6800, 1 @ \$1.6700; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6400;
 LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6700; 1 CAR 40# BLOCKS @ \$1.6800
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.7400; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA @ \$1.3625; LAST BID UNFILLED: 3 CARS GRADE AA @ \$1.3600; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.3650

THURSDAY, AUGUST 22, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6000; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6375; 1 CAR 40# BLOCKS @ \$1.6475
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.7800; 2 CARS GRADE A @ \$1.8000; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.3700; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.3950

FRIDAY, AUGUST 23, 2013

CHEESE -- SALES: 5 CARS BARRELS @ \$1.6425; 13 CARS 40# BLOCKS: 1 @ \$1.6575, 11 @ \$1.6600, 1 @ \$1.6700; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.6425; 3 CARS 40# BLOCKS @ \$1.6600; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 7 CARS GRADE AA: 4 @ \$1.3850, 2 @ \$1.3900, 1 @ \$1.3950; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.3950; LAST OFFER UNCOVERED: 1 CAR AA @ \$1.4000

BUTTER MARKETS

NORTHEAST

The CME Group butter price held steady Tuesday and closed at \$1.3600. Butter prices have been on a downward trend and have not seen an increase over the last 12 trading sessions. During that period, the net decline in the butter price has been 8 cents. Cream supplies remain heavy with numerous loads struggling to find homes as maintenance projects keep some churns offline. Butter production in the region remains slow, but has seen some increase over last week. Demand for butter has increased as the decline in the CME butter price has prompted some retailers and food service businesses to expand their inventories. European butter prices remain considerably above the US price, prompting continued export interest. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 1 million pounds (454 metric tons) of butter. The product will be delivered August through January 2014. During 2013, CWT has assisted member cooperatives in making export sales of butter totaling 64.947 million pounds. Current bulk butter prices for this week are reported 2-4 cents over the market on the CME Group with various time frames and averages used. According to the National Dairy Retail Report, retail butter ads in the Northeast totaled 1,746, 43% of the total national ad count of 4,060 the highest of any region. The weighted average price for a 1 lb. package of butter in the Northeast was \$2.78, 2 cents lower than the national weighted average price and 57 cents less than the previous reporting period.

CENTRAL

Reports are that more cream is becoming available to butter manufacturers, due to reduced ice cream demand as well as standardization of fluid milk as bottling plants begin the process of filling the school milk pipeline. This is expected to send more cream to butter churns at a time when butter stocks are viewed by

one manufacturer as "plentiful". If more cream does get churned in coming weeks, one observation is that it will "make a currently tough situation even more difficult". For the first time since August 2, daily CME butter trading closed up this Wednesday, closing at \$1.3625. Bulk butter prices range from 4 cents under, to flat market, depending on brand and other quality/quantity factors. The National Dairy Retail Report reveals that Midwest butter ad numbers decreased to 151 from 414 two weeks ago. The current price, \$1.93, is 22 cents below two weeks ago. The \$1.93 Midwest price is 87 cents below the national price. Butter retail advertising volume nationally reported in the National Dairy Retail Report for a 1 pound package of butter increased by 123% from two weeks ago while the weighted average advertised price decreased 11 cents to \$2.80. National ad numbers are 78% above this week last year and the price is 13 cents higher. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 1.000 million pounds (454 metric tons) of butter. The product will be delivered August 2013 through January 2014. Year-to-date, CWT has assisted member cooperatives in selling 64.947 million pounds of butter and 44,092 pounds of anhydrous milk fat.

WEST

Western butter prices are lower again this week continuing the trend that began in early July. The market is struggling to find strength as butter inventories in cold storage are heavy. Cream continues to find its way to butter churns as cream prices have also weakened recently. Butter manufacturers are running print lines to build product inventory for anticipated fourth quarter demand. Demand for print butter into retail and club store accounts is reported to be

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NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
August 17, 2013	1.4366 5,823,439	1.7628 11,066,521	1.8043 8,664,514	0.5762 9,176,217	1.7713 13,694,371

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very good. Export sales are being assisted by the CWT program and U.S. butter is priced favorably into international markets. Advertised U.S. butter prices from the National Dairy Retail Report were lower (11 cents) compared to two weeks ago. Nationally, butter showed a weighted average price of \$2.80 per pound compared to \$2.91 two weeks ago and \$2.67 a year ago. Featuring of butter ads this week was over twice that of the same period two weeks ago. Western advertised prices ranged from \$1.79-3.49 per pound. The weighted average for butter in the Northwest was \$2.15 and the Southwest was \$3.49. Butter prices at the CME Group exchange on Wednesday were \$.0025 higher, closing at \$1.3625. Prices were uneven so far this week as the market was one cent lower on Monday and fractionally higher on Wednesday. As of midweek, there have been three loads sold at the exchange. Prices for bulk butter range from 3 cents under to 6 cents under the market, based on the CME with various time frames and averages used. According to the FAS, quota imports of butter for January - July 2013 total 5.6 million pounds, 48.0% more than the same period in 2012. January - July imports for 2013 account for 36.1% of the yearly total quota. Imports of High-Tier butter (above quota and with a penalty) are 337,487 pounds, compared to last year's high tier import of 156,895 pounds for January - July.

2013 U.S. Butter Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
July Quota Imports	0.88	+ 53.7	5.7
Jan. - July			
High Tier	.34	+ 115.1	N.A.
Quota Imports	5.55	+ 48.0	36.1

CHEESE MARKETS

NORTHEAST

Cheese prices on the CME Group moved considerably lower Tuesday with barrels declining \$0.0350 to close at \$1.7000, while blocks dropped \$0.0475 to close at \$1.7075. In 2 days of trading this week barrels have declined \$0.0650 and blocks have declined \$0.0700. Weekly average cheese prices on the CME Group declined for the first time in over a month, lowering wholesale prices for cheddar 40# blocks and Muenster by \$0.0175 and process cheese by \$0.0225. More than adequate milk supplies are keeping most cheese makers on 6-7 day production schedules. Demand for cheese has increased as food service and pizza makers gear up for the commencing of classes at schools and universities. Quality concerns have spread from New Zealand dry products to New Zealand cheeses, which have prompted some countries to explore the possibility of increased cheese imports from the US. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 2.189 million pounds (993 metric tons) of Cheddar, Gouda and Monterey Jack cheese. The product will be delivered August through January 2014. During 2013, CWT has assisted member cooperatives in making export sales of cheese totaling 81.941 million pounds. According to the National Dairy Retail Report, retail cheese ads for 8 oz. block cheese in the Northeast totaled 2,458, 41% of the total national ad count of 5,982 and was the highest ad count for any region. Retail cheese ads for 8 oz. shredded cheese in the Northeast totaled 1,863, 22% of the total national ad count of 8,557, and was the second highest ad count for any region. The weighted average price for 8 oz. cheese blocks in the Northeast was \$2.29, 10 cents more than the national weighted average price, but 8 cents less than the previous reporting period. The weighted average price for 8 oz. shredded cheese in the Northeast was \$2.27, 19 cents more than the national weighted average price, but 21 cents less than the previous reporting period.

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

Cheddar 40# Block	: 2.1700-2.4550
Process 5# Sliced	: 1.9875-2.4675
Muenster	: 2.1900-2.5500
Grade A Swiss Cuts 10 - 14#	: 3.5150-3.8375

MIDWEST

As this week opened, cheese manufacturing was active using the regular milk supplies available. Some plants would increase production if more milk were available. There is minimal acquisition of spot milk by cheese plants to supplement committed milk supplies, reflecting seasonal declining production and Class I milk demands in the Southeast being supplemented with Midwest milk. Mozzarella sales demand has been strong, which is typical for this time of year. Retail cheese sales in general are reported to be "stagnant". Some manufacturers took early week CME cheese price declines in stride, expecting price "choppiness" in the near term. However, the steep declines this week through Wednesday, with blocks down on daily trading \$.1075 and barrels down \$.1150, have some manufacturers perplexed and challenged to explain the movement based on production, inventory and sales. The National Dairy Retail Report found that this period, Midwest ads for 8 ounce shredded cheese (61% of total Midwest cheese ads), have a weighted average advertised price of \$1.92, 16 cents lower than the national average, \$2.08. National ad numbers this period decreased by nearly 13% from one year ago when the national price was \$2.19. For 8 ounce blocks in the Midwest (22% of total Midwest cheese ads), the average price is \$2.02, 17 cents lower than the national

average, \$2.19. National ad numbers for all cheese categories this period have declined by slightly over 31% from one year ago and 27% from two weeks ago. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 2.189 million pounds (993 metric tons) of Cheddar, Gouda and Monterey Jack cheese. The product will be delivered August 2013 through January 2014. Year-to-date, CWT has assisted member cooperatives in exporting 81.941 million pounds of cheese.

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

Process American 5# Loaf	: 1.9650-2.6700
Brick And/Or Muenster 5#	: 2.1550-2.6025
Cheddar 40# Block	: 2.1550-3.0275
Monterey Jack 10#	: 2.1250-3.0325
Blue 5#	: 2.4175-3.4050
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 1.9975-3.1325
Grade A Swiss Cuts 6 - 9#	: 3.0350-3.1525

WEST

Western cheese prices based off of the CME Group weekly average were lower this week. After a few weeks of stronger prices, the market tone has changed and buyers are looking for lower prices to make purchases above current needs. Cheese production is down slightly due to lower available milk supplies. Continued hot weather and typical seasonal declines have reduced the amount of milk for manufacturing. The return of Class I fluid demand for schools has added to tighter supplies. Demand for cheese at the retail level is described as good. Manufacturers report sufficient supplies for most of the current demand. Advertised U.S. cheese prices as reported in the National Dairy Retail Report showed prices were lower compared to two weeks ago, except in the 2 lb. block category. The most heavily featured category for the two week period was the 8 ounce shred package. The weighted average price for the 8 oz. shred package, was 28 cents lower compared to two weeks ago at \$2.08 per package, and 11 cents lower than last year's price of \$2.19. Cheese prices at the CME Group on Wednesday closed lower. Barrels on Wednesday were \$.0500 lower to settle at \$1.6500. Blocks were \$.0375 lower and closed at \$1.6700. Blocks and barrels have moved lower each day this week at the exchange. Sales at the exchange have been light with only three loads of barrels and three loads of blocks purchased by midweek. According to FAS, quota imports of cheese for January - July 2013 total 88.0 million pounds, up 0.4% from a year ago. The imports stand at 29.4% of the annual quota. Imports of High-Tier cheese (above quota and with a penalty) for the same period are estimated to total 14.0 million pounds, down 7.1% compared to imports for January - July of 2012. Imports of quota Swiss cheese for January - July 2013 total 25.2 million pounds, up 7.9% from last year. The two main countries for the imports are Norway and Switzerland, and they accounted for 13.9 million pounds or 55.3% of the year's total import of Swiss.

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

Process 5# Loaf	: 1.8950-2.1525
Cheddar 40# Block	: 1.8900-2.2425
Cheddar 10# Cuts	: 2.0700-2.2900
Monterey Jack 10#	: 2.0800-2.2400
Grade A Swiss Cuts 6 - 9#	: 3.0925-3.5225

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CHEESE MARKETS

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FOREIGN

The CME Group weekly average block price declined for the first time in 5 weeks, lowering domestic wholesale foreign type cheese prices by \$0.0175. Imported cheese varieties and Swiss prices were unchanged. Milk production in the EU declined nearly 1% over the quota year through March 2013, due to lower margins, caused by lower milk prices, poor weather, and high feed costs. Imports of high tier and quota Italian-type cheese from January through July this year totaled 13.5 million pounds, down 20.1% compared to last year. Imports of quota Italian-type cheese January through July totaled 5.9 million pounds, 33.3% below last year and 19.7% of the annual quota. Imports of high tier Italian-type cheese January through June totaled 7.6 million pounds, down 5.8% from 2012. The decline in Italian-type cheese imports can largely be attributed to declines in Argentina cheese imports, which are down 72.5% compared to last year. Imports of high tier and quota Swiss/Emmenthaler varieties from January through July 2013 totaled 25.2 million pounds, 7.9% more than last year.

2013 U.S. Cheese Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly
Quota			
July Quota Imports	13.9	+ 6.0	4.7
Jan. - July			
High Tier	14.0	- 7.1	N.A.
Quota Imports	88.0	+ 0.4	29.4

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.3100-3.7975*
Gorgonzola	: 3.4900-6.4700	: 2.8125-3.2675*
Parmesan (Italy)	: -0-	: 3.7000-5.7900*
Provolone (Italy)	: -0-	: 2.3525-2.5100*
Romano (Cows Milk)	: -0-	: 3.5000-5.6500*
Sardo Romano (Argentine)	: 2.8500-3.6900	: -0-
Reggianito (Argentine)	: 3.2900-4.4600	: -0-
Jarlsberg-(Brand)	: 2.9500-5.2900	: -0-
Swiss Cuts Switzerland	: -0-	: 3.6125-3.9350
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

	:	
08/19/13	16,030	: 109,102
08/01/13	18,114	: 112,441
CHANGE	-2,084	: -3,339
% CHANGE	-12	: -3

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	212	0	73	0	72	0
SOUTHEAST STATES	0	0	0	0	0	0

Milk production remains above seasonal levels and adding to manufacturing milk supplies in the Northeast region. Manufacturing milk supplies in the Mid-Atlantic region are being reduced as increased Class I demand in the Southeast is pulling supplies out of the region. Continuing cool, dry weather over both regions has increased hay harvest activities. A majority of crops in the two regions are rated good to excellent. Milk production in Florida continues to decline with the typical seasonal low point still a few weeks out. Nearly all schools are back in session and Class I demand is very strong. Retail fluid milk promotions are also contributing to the increase in fluid demand. Rains have been plentiful in the state with some areas too wet for field work. Pastures are rated as 84% good to excellent. Florida imported 212 spot loads of milk this week, which is the highest number of import loads since August of 2006. Class I demand is also strong in the Southeast region with nearly all supplies going to fill fluid needs. Manufacturing milk supplies, for all practical purposes, have been reduced to contract minimums. Milk production continues to decline in the region along the seasonal trend. Milk production and butterfat remain above year ago levels, making cream supplies readily available in the East with some loads having trouble finding a home. Cream demand is beginning to wane from ice cream manufacturers, though demand from cream cheese makers remains good. **Cream multiples for all Classes** were in a wide range this week, 1.24-1.43, and depended on location and date of purchase. The current cost per butterfat pound is 60-70 cents below year ago levels, primarily due to the lower butter market, which averaged \$1.3850 last week compared to \$1.7775 a year ago. **Condensed skim** supplies have increased as cool weather has improved cow comfort levels and milk production. Most supplies are moving through contracts with light spot sale activity. Those looking for spot loads are not finding many deals as most balancing plants are comfortable making nonfat dry milk, given the current market. According to NASS, milk production for July 2013 in the 23 reported states totaled 15.7 billion pounds, up 1.2% from July 2012. Milk production increased in all of the 5 listed states in the Eastern region, compared to year ago levels. Eastern region production increased 1.2% compared to the same month last year to 2,545 million pounds. The 5 states showed the following percentage changes in milk production from July 2012 to July 2013 and total milk production this July: Florida, +2.1%, 191 million pounds; New York, +1.1%, 1,125 million pounds; Pennsylvania, +1.2%, 870 million pounds; Vermont, +0.5%, 219 million pounds; and Virginia, +2.2% at 140 million pounds. Due to sequestration, no information on the number of cows or milk per cow was released by NASS.

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 -	1.7174-1.9806
F.O.B. producing plants: Upper Midwest -	1.7313-1.9113

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.76 - 1.83
Northeast - Class III - spot prices -	1.53 - 1.59

MIDWEST

The number of milk loads leaving the Central region heading to the Southeast to fill Class I demand is increasing from week to week. Handlers expect weekly milk load increases will continue until all schools are back in session and the pipeline is completely filled. Manufacturing milk spot loads are scarce within the Central region as a result of increasing Class I demand and seasonally decreasing farm milk intakes. Several cheese manufacturers indicated they are running below optimal efficiency due to the strong draw on their milk supplies from bottlers. Some plants are reducing cheese making schedules by whole or partial days as manufacturing milk availability drops. Spot milk load pricing is running between \$1.75 - \$2.50 over Class. Some cheese manufacturers note with Cheddar block and barrel cheese prices hovering below \$1.70, it is a tough decision whether to purchase spot milk. Producers with both butter/powder and cheese operations report the favorable tilt toward butter/powder is eroding as butter prices slide lower. Class II demand is gradually trending lower as the peak of seasonal frozen dessert production is past. Class II cream multiples are decreasing steadily, in step with the increase in cream volumes coming from Class I standardizing and the lower cream demand from frozen dessert manufacturers. **The Class II cream multiple range is 1.25 – 1.38** for the week. Many areas of the Central region had dry weather that allowed for additional forage harvesting. In areas of the North Central, the same dry weather is a cause for concern for owners of corn and soybean fields. Moisture is critical at certain stages of cob and pod filling, and grain operators are looking for rain to bolster plant maturity.

WEST

CALIFORNIA milk production is trending lower, resulting from a spell of hot weather. Some processors saw a quick 2-4% drop in receipts from a week earlier. Milk continues to be shipped around because of several plants that are down because of equipment issues. In addition, there were some power issues in the Central Valley that interrupted production plants. Milk and components were being moved to accommodate some issues following the incident. Farm level conditions are better due to milk pricing levels and lower feed input costs in the short term. The September 2013 Class 1 prices in CALIFORNIA range from \$20.28 in the north to \$20.56 in the south. The statewide average Class 1 price based on production is \$20.30. The average is \$0.07 higher than August and \$0.94 higher than September 2012. ARIZONA milk production is lower. Hot weather advisories were being issued for man and beast. The conditions are stressing the milking herds and heat abatement measures are not able to mitigate all the problems. Processing plants are running on reduced schedules because of lower receipts and a stronger call for Class I milk needs. Schools and colleges are starting new terms. Some retail interest is improving as consumer buying picks up to accommodate changes in home eating patterns. CREAM markets continue to be relatively weak. More cream is becoming available from milk standardization, as milk needs increase for schools and colleges. Demand is light to fair for higher-class items. The impact of the ice cream season has been along expected volumes. There is limited spot interest. Excess cream supplies are clearing to the butter churns, putting more pressure on the butter pricing structure. Many butter producers are preparing for upcoming holiday needs. Basing points continue to trend lower. The weekly average price at the CME has declined for each of the past six weeks. At the CME Group, the Grade AA butter price closed at \$1.3625 on Wednesday, August 21, down 1.75 cents from a week earlier. Cream multiples are lower off the top end of the 1.19 to 1.34 range, and vary depending on class usage and basing points. Milk production in the PACIFIC NORTHWEST continues to decline along

Continued on page 4A

FLUID MILK AND CREAM

Continued from page 4

expected seasonal lines. Some increases in production above year ago levels have been noted in Washington as dairies expanded to take advantage of higher milk prices. Hot weather in the Eastern areas of the region is weighing on dairy cows and adding to lower production levels. Scattered incidents of fires in the mountains have caused some rerouting of milk trucks, but no serious problems have been reported. More milk is being sent to bottlers as schools gear up for the new season. With less milk available, some plants are scheduling routine maintenance projects. UTAH and IDAHO milk supplies are being restricted by continued hot weather. Wildfires in the region have caused a few transportation issues as trucks were rerouted. Reduced supplies of milk due to seasonal declines have few plants operating at capacity. Crop Progress and Condition reports from Idaho report second cutting of alfalfa mostly completed with irrigation water supplies soon to be reduced or closed. Most crops with sufficient irrigation look to be in good shape. Milk pooled on the Pacific Northwest Order 124 totaled 732.4 million pounds in July 2013; approximately 595 producers delivered milk to the market. The average daily delivery per producer was 39,708 pounds. Class I utilization was 168.0 million pounds and accounted for 22.9 percent of producer milk. The producer price differential (PPD) for the Pacific Northwest Order was \$1.27 per cwt., resulting in a statistical uniform price of \$18.65. The statistical uniform price for the Pacific Northwest Order was \$0.19 below last month, and \$2.71 above the same month last year, an increase of 17.0%. According to NASS, July *Milk Production* for the 23 surveyed states totals 15.7 billion pounds, up 1.2% from last year. July milk production changes from a year ago for selected Western states are as follows: Arizona - 2.0%, California -3.5%, Colorado +5.5%; Idaho -1.1%, New Mexico +1.9%, Oregon -0.9%, Utah unchanged, and Washington +3.8%. Due to the effects of sequestration, cow numbers and production per cow are unavailable for this report.

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: Central nonfat dry milk prices stepped higher on the strength of both index based prices and F.O.B. spot prices. The market tone is firm. Resellers indicate getting one or two F.O.B. spot loads is usually doable, but blocks are generally unavailable. Anecdotal reports indicate larger end users are actively in the market for Q4 needs despite the futures showing lower pricings in the months to come. Some market participants interpret the early shopping to mean some end users have concerns about sufficient Q4 NDM supplies. Central manufacturers are cautious in their spot offering volumes as commitments for Q4 must be filled. Current nonfat dry milk production is below plant capacities at many locations. This lower NDM production relates to the seasonal downturn of farm milk intakes as well as the increasing draw from bottlers to fill Class I demand. Cheese plants are also actively seeking out milk spot loads, taking additional milk loads out of NDM manufacture. Nonfat dry milk inventories are comfortable at some locations, but other producers indicate they are sold out for the balance of the year.

EAST: Nonfat dry milk prices moved higher this week as spot sales and sales based on various price indices moved both ends of the price range higher. Production is mixed in the East with drying schedules fairly active in the Northeast, but less active elsewhere in the region as increased Class I demand is lowering manufacturing milk supplies. Domestic demand has improved as buyers view the market as on an upward trend and are making purchases ahead of possible future price increases. Manufacturers' inventories are being worked lower with the outlook of continued declines in the near term. Reductions in manufacturing milk supplies, due to increased Class I demand with the start of the school year, are giving the market a firm undertone.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.7600 - 1.8525 MOSTLY: 1.7700 - 1.8200
 HIGH HEAT: 1.8800 - 1.9025

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices continue to trend higher. The market undertone remains firm. The market continues to be helped by good demand for skim milk powder. Domestic interest in NDM is light and unaggressive. Export demand is fair to good. Volumes are moving into export channels. Production of NDM is tending to be steady to lower. Maintenance at several plants has milk and components being moved to accommodate processing. Production of skim milk powder remains active in the region to service an aggressive export market. U.S. offered SMP at this week's gDT auction sold for \$2.10 - 2.13 per pound for September shipments. Pricing is \$1.92 - 1.94 for October shipments. The pricing represents FAS, U.S. port. Many trade contacts are both pleased and surprised at the pricing levels. High heat NDM pricing moved slightly higher. Demand is light to fair. Some resistance to higher pricing points is noticed, yet the market is trading at increasing numbers. Buyer interest beyond contracting is slower, especially where buyers have coverage positions in place. Drying schedules are open for high heat needs at some locations.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.7550 - 1.8200 MOSTLY: 1.7900 - 1.8100
 HIGH HEAT: 1.8100 - 1.9100

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices moved higher and the market tone is firm. Market participants from several regions report it is tough to get Central spot buttermilk loads direct from manufacturers. Some resellers report they shopped through other resellers to fill their own needs as F.O.B. spot loads were unavailable. Dry buttermilk manufacturers indicate although the demand from ice cream producers is seasonally lower for condensed buttermilk, interest from various process cheese/cheese powder manufacturers is increasing. This demand continues to keep condensed buttermilk away from the dryers. Producers indicate their dry buttermilk inventories are comfortable and in line with near term contract fulfillment.

EAST: Dry buttermilk prices increased as spot sales and sales based on price indices move both ends of the range higher. Butter and dry buttermilk production in the East is low as some churns remain out of operation, due to maintenance projects. Demand for dry buttermilk is good. Supplies are very tight and held in firm hands with most transactions, outside of contract loads, at "less than a load" quantities. Price increases in nonfat dry milk supports the firm undertone in the dry buttermilk market.

F.O.B. CENTRAL/EAST: 1.6350 - 1.6900

DRY BUTTERMILK - WEST

Western dry buttermilk prices are higher. The market tone is firmer in light trading. Producer offerings remain on the light side. Demand is fair to good when matched to offerings. Some buyers are seeking coverage for future needs and are concerned about availability, therefore they are more aggressive. Dairy protein market demand remains good and buyers are seeking dry buttermilk to fill needs when other products are short. Production has been slower seasonally, as butter output moved lower and sales of condensed buttermilk are active. Stocks are light to moderate and producers are generally comfortable with current positions.

F.O.B. WEST: 1.6600 - 1.7200 MOSTLY: 1.6800 - 1.7000

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are higher on a firm market. Demand is active for manufacturers' scarce spot loads. International auction prices also stepped higher, capturing a 2.7% gain for all contracts during the latest gDT auction. Domestically, a few manufacturers are receiving higher milk intake volumes than anticipated, and sending some of those volumes through to dry whole milk production. Contract loads of dry whole milk are shipping on schedule. Producers' uncommitted inventories of dry whole milk are light.

F.O.B. PRODUCING PLANT: 1.9500 - 2.0500

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
August 16	\$1.7564	6,389,435	0
August 9	\$1.7336	10,920,629	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

Central dry whey prices are mixed on the range and mostly series. Sale prices based on various indices moved lower while some F.O.B. spot load sellers captured price increases at the bottom of the range. Blocks of loads and single Eastern F.O.B. spot loads are also filling demand in the Central region, adding supply competition into a lackluster regional market. Dry whey production is at seasonally lower levels at most locations. Various cheese/dry whey manufacturers indicate milk intakes are declining and spot loads of milk are difficult to find. ANIMAL FEED DRY WHEY prices are steady. End users report F.O.B. spot load availability is sufficient to meet current demand. Finished feed sales are active into dairy replacement and dairy beef accounts.

F.O.B. CENTRAL: .4800 - .6275 MOSTLY: .5200 - .5600
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4050 - .5400

DRY WHEY - NORTHEAST

Dry whey prices declined this week as sales based on various price indices lowered prices on the upper end of the range. Milk production remains above year ago levels and is keeping most cheese makers in the East on 6-7 day production schedules. Dry whey production is active and adding to most manufacturers' inventories. Domestic end user demand is flat with export demand at levels below manufacturers' expectations. Some manufacturers are offering price discounts for multiple load spot sales, as a way to better manage their inventories. The combination of active production schedules, more than adequate supplies and lackluster demand are giving the market a weak undertone.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5350 - .6250

DRY WHEY - WEST

Western dry whey prices are lower across the full range of prices as various pricing indices adjusted lower. The mostly series was steady with a weak undertone being noted. Whey production schedules are reduced as milk volumes available for cheese plants are declining. Hot weather and typical seasonal declines are restricting whey stream volumes. Increased production of whey protein concentrates leaves lower volumes for sweet whey production also. Current supplies are described as adequate to fill immediate demand needs from both manufacturers and brokers. Demand is moderate as buyers look for lower prices for additional product. Strong powder prices for alternate protein sources are providing producers with less incentive to lower prices. Export demand is good with much of the Western production going to fill those needs.

NONHYGROSCOPIC: .5400 - .6050 MOSTLY: .5650 - .6050

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices on whey protein concentrate 34% are mostly higher on a firm market. Several manufacturers managed to find spot loads of WPC 34% to test the market and garnered above market prices in most instances. Demand is very active as producers and some resellers report requests for spot loads continue to arrive by phone and email from domestic and international buyers. Some end users are also trying to increase contract volumes, but manufacturers' inventories are often too light to allow much leeway on supplying that demand. Animal feed producers are generally out of the edible WPC 34% market as ample availability of off specification WPC of varying protein potencies is keeping them well supplied. Cheese operation production of WPC 34% is at seasonal levels based on lower manufacturing milk availability. Conversely, some plant operators using inputs from offsite facilities report liquid whey availability is improving and dry WPC 34% production will be increasing over the next few weeks.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.3000 - 1.5125 MOSTLY: 1.3450 - 1.3925

LACTOSE - CENTRAL AND WEST

Prices for lactose are unchanged on the mostly series, while the bottom of the range gained one cent. Lactose demand is steady to higher in Q3 from most buyers, although a few end users have pushed back on unground lactose contract loads. Negotiations for Q4 are ongoing between some buyers and producers, with contract prices being finalized for some Q4 volumes. Overall, lactose demand is active from domestic and international markets. Lactose production is generally lower due to seasonal decreases in manufacturing milk intakes and for scheduled maintenance downtime. Several manufacturers indicate they are out of the spot market on full lot loads, but one or two manufacturers indicate they are developing mixed lot loads to clear warehouse space, as well as clearing LTL's.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .4200 - .7200 MOSTLY: .5900 - .6900

CASEIN - NATIONAL

Pricing is slightly higher, moving up 10 cents from the bottom ends of both the acid and rennet casein series. The market tone remains firm. Buying interest is fair to good. Demand for both types is helping to push pricing levels higher. The weakening U.S. cheese market is causing more concern within the analog cheese business. At the August 20th gDT event, New Zealand rennet casein prices traded between \$4.52 to \$4.60 for October to December delivery, averaging 1.9% higher.

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: 4.7000 - 5.0000
ACID: 4.8000 - 5.4000

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	
08/03/2013	60.7	1,853.1		59.0	1,800.4	

WEBSITE: http://www.ams.usda.gov/mnreports/sj_ls714.txt

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

CLASS III MILK PRICES (3.5% 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)

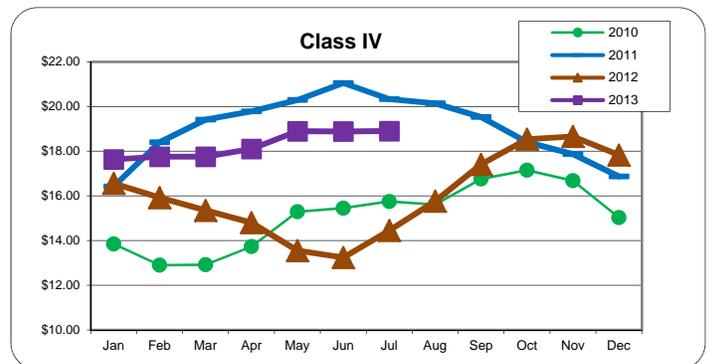
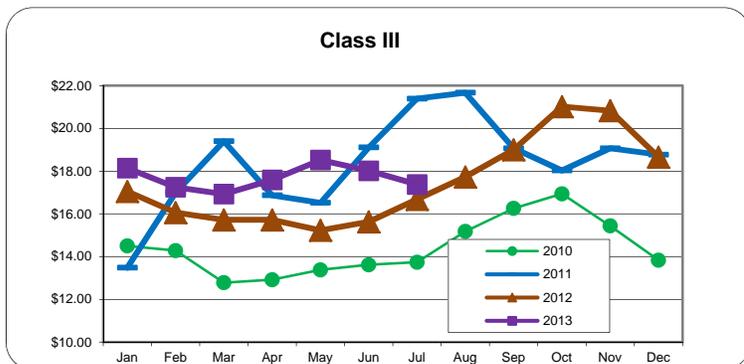
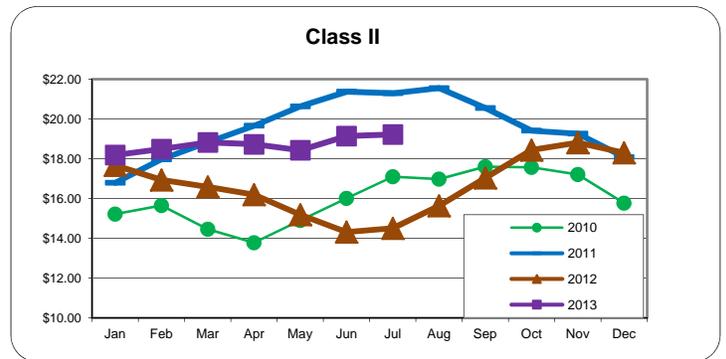
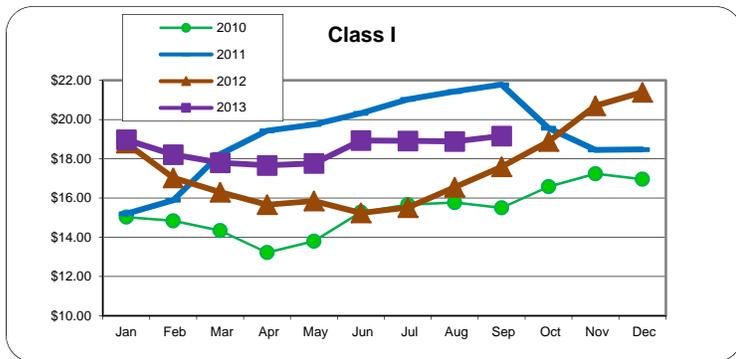
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	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	17.76	18.93	18.91	18.88	19.16			
II	18.19	18.49	18.82	18.73	18.43	19.14	19.22					
III	18.14	17.25	16.93	17.59	18.52	18.02	17.38					
IV	17.63	17.75	17.75	18.10	18.89	18.88	18.90					

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

www.ams.usda.gov/DairyMarketingStatistics; then select "Prices"; and then select "Principal Pricing Points."



ORGANIC DAIRY MARKET NEWS

Information gathered August 12 - 23, 2013

ORGANIC DAIRY FLUID OVERVIEW

News. Organic milk half gallons of a national brand are now being sold in the cooler section of a national drugstore chain. This chain has frequently featured low prices for conventional milk relative to other outlets for milk, but organic milk is a new addition to the cooler.

Growth of the organic ice cream sector as well as confidence in growth potential, has now led to a Humboldt County California organic ice cream manufacturer only in business for several years, to engage in a national person-to-person promotional campaign. Retail demonstrators travel the country in trucks boldly painted to publicize the brand, appearing in stores of a national natural food store chain and offering samples of the organic ice cream to shoppers. Some of these outlets are now carrying as many as four brands of organic ice cream.

Milk Product Sales: AMS reports Total Organic Milk Products sales for June 2013, 179 million pounds, were up 5.8% from June last year.

Organic Whole Milk sales for June 2013, 47 million pounds, were up 8.2% compared with June last year and up 8.9% year-to-date compared with last year.

Organic Reduced Fat Milk sales for May, 51 million pounds, were 12.6% above sales one year earlier and 9.7% above year-to-date sales last year.

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

Product Name	Sales	Y-T-D	Change from: 2/	
	June		Y-T-D	Prev Yr.
	Mil. Lbs.		Percent	
Whole Milk	1,047	6,525	-5.4	-2.0
Flavored Whole Milk	40	267	1.8	10.1
Reduced Fat Milk (2%)	1,379	8,681	-6.0	-2.0
Low Fat Milk (1%)	499	3,495	-7.2	-3.2
Fat-Free Milk (Skim)	513	3,376	-11.5	-8.7
Flavored Fat-Reduced Milk	165	1,933	-0.3	-0.9
Buttermilk	37	238	-0.1	2.8
Tot. Conv. Milk Products 5/	3,680	24,515	-6.4	-2.9
Organic Whole Milk	47	293	8.2	8.9
Organic Reduced Fat Milk	51	314	12.6	9.7
Organic Low Fat Milk	38	219	6.2	-4.2
Organic Fat-Free Milk (Skim)	33	212	-6.4	-3.9
Organic Flavored Milk	9	62	-4.0	0.5
Organic Fat-Reduced Milk 3/	132	811	5.0	1.1
Tot. Organic Milk Products.	179	1,104	5.8	3.1
Tot. Fluid Milk Prod. 4/	3,859	25,619	-5.9	2.7
Tot Fluid Milk Prod Adj 4/5/	*	*		*

*Total Fluid Milk Products Adjusted for Calendar Composition will not be published until release of "An Overview of Calendar Composition of Fluid Milk Sales." 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.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON

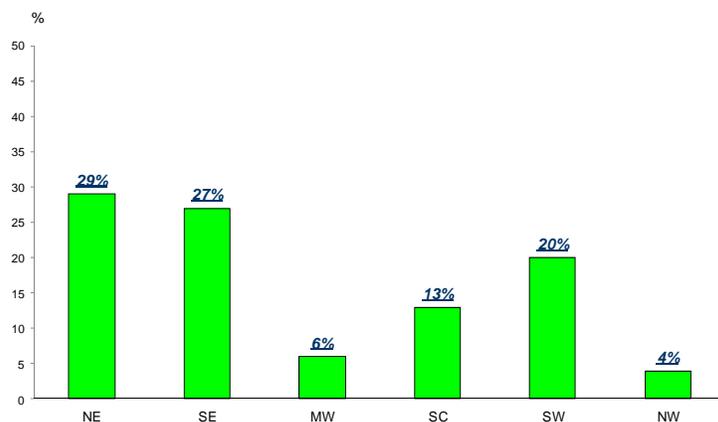
Organic Dairy Overview. Organic dairy product ad volume was quite similar with 2 weeks ago. Products advertised this week include organic milk, yogurt, cottage cheese and cream cheese. Organic milk ads total 68% of all organic dairy ads, followed by organic yogurt ads at 29%, organic cottage cheese at 2% and organic cream cheese, 1%.

Advertising information presented is compiled from nearly 14,000 surveyed newspaper supermarket ads for the period August 10, 2013, to August 23, 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. Organic dairy ads appeared in all 6 regions, led by the Northeast with 29% of ads, followed by the Southeast, 27%; Southwest, 20%; South Central, 13%; Midwest, 6%; and Northwest, 4%.

Organic Dairy Ads Regionally As A Percentage of Surveyed Organic Dairy Ads Week 34, 2013



Organic Milk. Ads for organic half gallons declined for the fifth consecutive report. Half gallon organic milk ad numbers are also lower than organic gallon ads, an unusual occurrence which last occurred three years ago in August 2010.

Organic Milk Half Gallons. The weighted average advertised price of organic milk half gallons is \$3.50, down 14 cents from last period. The price range declined at the top and bottom of the price range, \$4.49 to \$2.59. One year ago the weighted average advertised price was \$3.91.

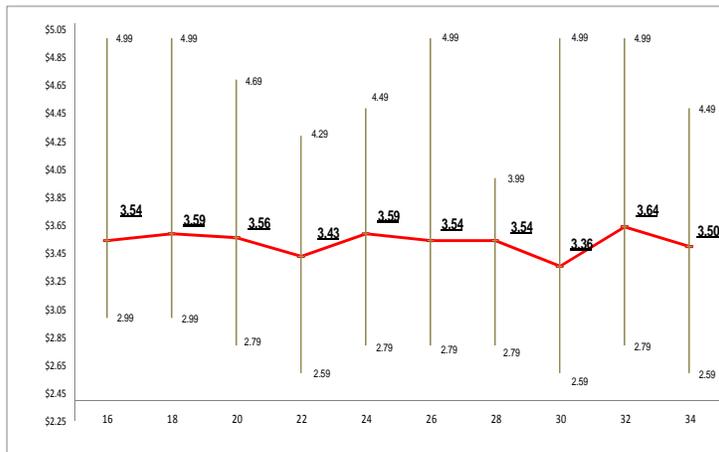
The Northeast has the highest weighted average price, \$3.76, while the South Central Region has the lowest weighted average price this period, \$2.91.

ORGANIC DAIRY MARKET NEWS

Information gathered August 12 - 23, 2013

CONTINUED FROM PAGE 8

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



Organic - Conventional Milk Half Gallon Price Spread. The weighted average advertised organic half-gallon milk price, \$3.50, is down 14 cents from two weeks ago. Conventional milk's price for half gallons, \$1.41, is down 46 cents from two weeks ago.

The organic-conventional half-gallon price spread is \$2.09, compared to \$1.77 two weeks ago. Since the first week of May, conventional milk half gallon prices have varied within a 68.1% price range in contrast with organic half gallons, 6.8%.

Organic Milk Gallons. More ads for organic gallons of milk occurred this period than any period since this survey period began during the fall of 2009, nearly four years ago. In fact, there were nearly as many ads for organic gallons during this two week period, than during all of 2011 or 2012. As a general observation, the emphasis in organic milk ads since 2009 has been toward ads for half gallons and away from gallons. All of these factors make this period's number of organic gallon ads noteworthy.

A closer examination of the ads reveals that nationwide, about 80% of the ads for organic gallons were run by a single national supermarket chain. Those ads included that chain's private label brand of organic gallons in every ad, at prices ranging from \$5.00 to \$6.99, depending on location. However the \$6.99 price only occurred in the Northeast, often the region with the highest organic milk prices. Some of that chain's ads in the Southeast and Southwest also featured a national brand of organic milk at a price of \$5.00 per organic gallon. In each store with ads for both the store's private label brand and the national brand, the national brand was priced lower.

The remaining approximate 20% of ads for organic gallons were split between stores of three separate regional supermarket chains, two in the Southeast and one in the Northeast. One of those chains has recently agreed to be purchased by the largest national supermarket chain. The organic gallons advertised by each of the chains was a store private label brand, with two of the chains offering the lowest price of all stores advertising organic gallons, \$4.99.

The national weighted average advertised price for organic gallons is \$5.56, up from \$5.00 two weeks ago but down from \$5.72 one year ago.

Organic Yogurt. Organic yogurt ad numbers are nearly identical with last report, at the third highest level of 2013. The Northeast has 61% of organic yogurt ads, followed by the Southeast, 23%; Southwest, 11%; and South Central, 5%.

4-6 ounce organic yogurt and 4-6 ounce organic Greek yogurt tied

with 35% of ads each, followed by 32 ounce yogurt with 30%.

The weighted average advertised price for 4-6 ounce organic yogurt is \$.70, up 10 cents from last year. The weighted average advertised price for 4-6 ounce organic Greek yogurt is \$1.04, down from \$1.46 last year. As for 32 ounce organic yogurt, the price is \$3.11, up from \$2.99 one year ago.

8 Oz. Cream Cheese. Ads for organic cream cheese appeared in only the Northeast with all ads priced at \$2.50.

16 Oz. Organic Cottage Cheese: Ads for organic cottage cheese appeared in only the Midwest with all ads priced at \$3.69.

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.

ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE 2013 REPORTING WEEK 34

	MADISON, WISCONSIN		
	LOW	HIGH	RANGE
(in Dollars)			
FLUID MILK			
MILK - gallon			
Whole	5.99	6.99	1.00
Reduced fat (2%)	5.99	6.99	1.00
Low fat (1%)	5.99	6.99	1.00
Nonfat (Skim)	5.99	6.99	1.00
MILK - half gallon			
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
FLAVMILK - half gallon			
All fat tests	3.09	5.69	2.60
YOGURT			
Yogurt - 4-6 oz			
Yogurt	0.69	1.29	0.60
CHEESE			
Cheese - 8 oz block			
Mozzarella	4.10	5.75	1.65
Mild Cheddar	4.10	5.99	1.89
Monterey Jack	4.10	5.99	1.89
Pepper Jack	4.10	5.99	1.89
Cheese - 6 oz string			
Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	4.99	1.10
BUTTER			
Butter - 1 Pound	4.89	6.09	1.20

* = Price change from prior reporting period.

CONTINUED ON PAGE 8-B

ORGANIC DAIRY MARKET NEWSInformation gathered August 12 - 23, 2013

CONTINUED FROM PAGE 8-A

ORGANIC GRAIN AND FEEDSTUFF MARKETS: National organic grain and feedstuff prices are mostly steady. Market activity continues to be lackluster. Producers remain reluctant and end users continue to buy on an as needed basis. A lower undertone prevails in the corn complex due to anticipation of improved yields in the Eastern Cornbelt as well as heavy old crop carry-over still available at the farm. Soybean prices are steady, but concerns over late planting and an early frost still cause an uneasy feeling among the trade. Wheat harvest is well under way. However, milling quality production is light, with many farmers experiencing light test weights and high vomitoxin levels. This has caused an increase in feed quality production, resulting in weakness.

Additional livestock and grain market news information is available at:

<http://www.ams.usda.gov/mnreports/lbnof.pdf>

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

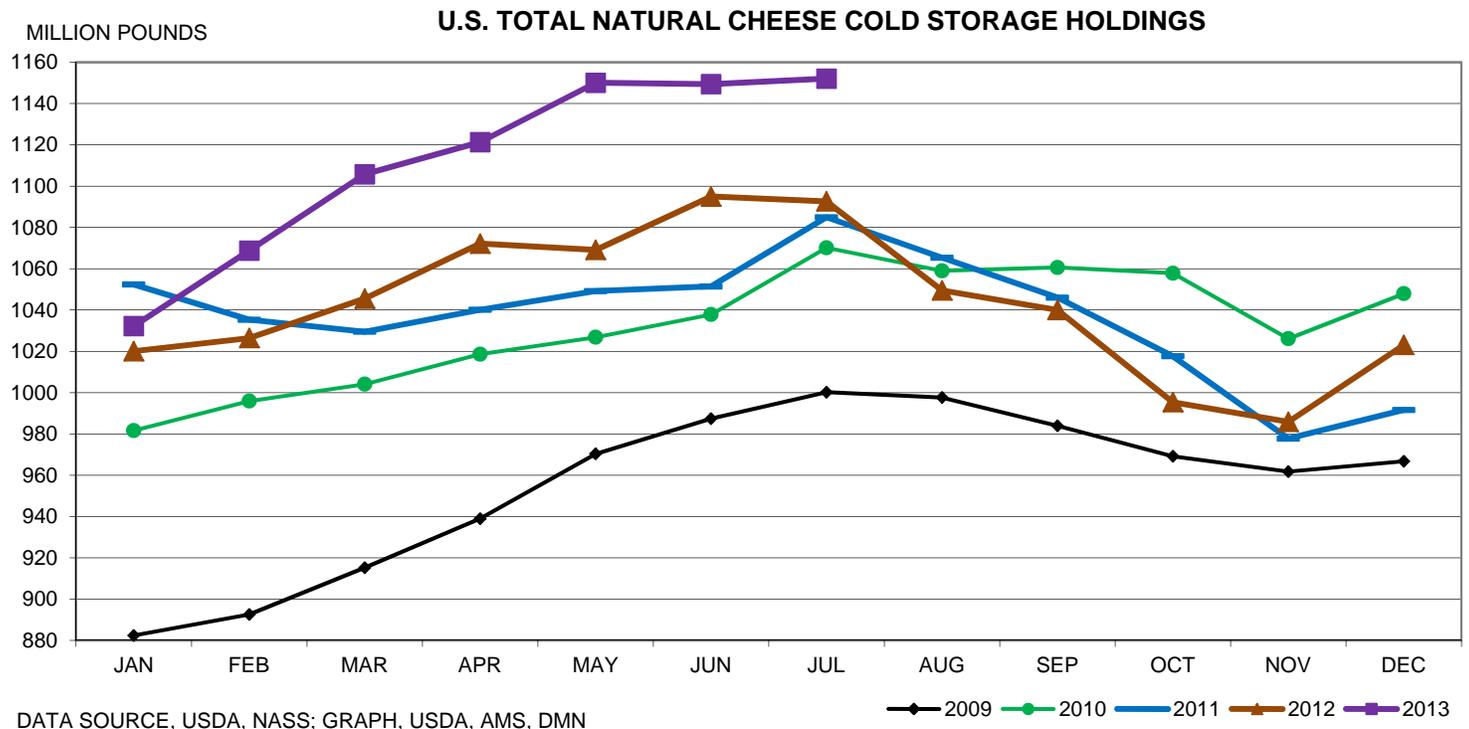
NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	JUN 30, 2011	JUN 30, 2012	REVISED JUNE 30, 2013	JULY 31, 2011	JULY 31, 2012	JULY 31, 2013
Butter	190,310	243,235	318,893	187,796	234,352	295,811
Cheese, Natural American	619,147	662,387	710,604	648,834	670,734	704,533
Cheese, Swiss	34,363	30,377	31,347	34,168	30,611	32,784
Cheese, Other Natural	397,914	402,201	407,426	401,944	391,272	414,733
Total Cheese	1,051,424	1,094,965	1,149,377	1,084,946	1,092,617	1,152,050

JULY STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
New England	41,120	38,913	47,385	---	---	---	778	827	817
Middle Atlantic	53,371	49,119	55,980	---	---	---	23,524	18,340	22,028
East North Central	272,420	300,266	302,269	---	---	---	272,636	285,831	287,155
West North Central	109,105	103,331	102,559	---	---	---	67,796	37,367	44,144
South Atlantic	41	44	600	---	---	---	6,923	6,063	9,660
East South Central	1,675	6,528	6,468	---	---	---	292	12,684	12,798
West South Central	4,606	14,695	13,442	---	---	---	1,328	1,181	610
Mountain	58,043	48,944	55,727	---	---	---	6,464	6,017	4,104
Pacific	108,453	108,894	120,103	---	---	---	22,203	22,962	33,417
TOTAL	648,834	670,734	704,533	187,796	234,352	295,811	401,944	391,272	414,733

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2012 TO DATE

Month	Butter		Natural American Cheese		Nonfat Dry Milk					
	Commercial		Commercial		Total ^{1/}		Commercial		Government	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Million Pounds		Million Pounds		Million Pounds					
January	207	170	643	642	198	157	198	157	0	0
February	238	205	661	635	226	193	226	193	0	0
March	255	208	685	651	232	210	232	210	0	0
April	310	254	699	664	208	226	208	226	0	0
May	322	262	715	652	230	215	230	215	0	0
June	319	243	711	662	230	144	230	144	0	0
July	296	234	705	671		129		129		0
August		201		649		106		106		0
September		196		642		118		118		0
October		145		611		104		104		0
November		127		612		127		127		0
December		153		636		183		183		0

^{1/} Includes instant nonfat dry milk.

Source: U.S. Department of Agriculture. Farm Service Agency. *Summary of Processed Commodities, May 2013*. National Agricultural Statistics Service. *Cold Storage and Dairy Products, August 2013*.

JULY MILK PRODUCTION

Milk production in the 23 major States during July totaled 15.7 billion pounds, up 1.2 percent from July 2012. June revised production, at 15.8 billion pounds, was up 1.7 percent from June 2012. The June revision represented an increase of 1 million pounds or less than 0.1 percent from last month's preliminary production estimate.

JULY 2013 MILK PRODUCTION, BY STATES

STATE	MILK PRODUCTION					
	JUNE			JULY		
	2012	2013	CHANGE FROM 2012	2012	2013	CHANGE FROM 2012
	MILLION POUNDS		PERCENT	MILLION POUNDS		PERCENT
AZ	378	378	----	354	347	-2.0
CA	3,523	3,486	-1.1	3,498	3,375	-3.5
CO	268	279	4.1	273	288	5.5
FL	199	202	1.5	187	191	2.1
ID	1,154	1,156	0.2	1,187	1,174	-1.1
IL	159	160	0.6	152	157	3.3
IN	310	328	5.8	301	324	7.6
IA	359	382	6.4	350	380	8.6
KS	224	244	8.9	222	246	10.8
MI	737	764	3.7	743	766	3.1
MN	744	760	2.2	735	756	2.9
MO	119	114	-4.2	110	111	0.9
NM	671	679	1.2	676	689	1.9
NY	1,098	1,147	4.5	1,113	1,125	1.1
OH	440	455	3.4	429	442	3.0
OR	214	215	0.5	218	216	-0.9
PA	859	880	2.4	860	870	1.2
TX	785	800	1.9	779	820	5.3
UT	165	165	----	171	171	----
VT	214	221	3.3	218	219	0.5
VA	140	143	2.1	137	140	2.2
WA	522	541	3.6	526	546	3.8
WI	2,262	2,302	1.8	2,256	2,321	2.9
23 STATE TOTAL	15,544	15,801	1.7	15,495	15,674	1.2

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Milk Production*, August 2013.

FEDERAL MILK ORDER ADVANCE PRICES, SEPTEMBER

Base Class I Price. Under the Federal milk order pricing system, the base Class I price for September 2013 is \$19.16 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of \$14.26 and the advanced butterfat pricing factor of \$1.5420. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. **Comparison to Previous Month.** Compared to August 2013, the base Class I price increased \$0.28 per cwt. For selected consumer products, the price changes are: whole milk (3.25% milk fat), \$0.30 per cwt., \$0.026 per gallon; reduced fat milk (2%), \$0.37 per cwt., \$0.032 per gallon; fat-free (skim milk), \$0.46 per cwt., \$0.040 per gallon. **Class II Price Information.** The advanced Class IV skim milk pricing factor is \$14.26. Thus, the Class II skim milk price for September is \$14.96 per cwt., and the Class II nonfat solids price is \$1.6622. **Product Price Averages.** The two-week product price averages for September are: butter \$1.4448, nonfat dry milk \$1.7679, cheese \$1.7778, and dry whey \$0.5752.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION ^{1/2/}				
Federal Milk Order Marketing Area ^{3/}	Order Number	August 2013		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) ^{4/}	001	22.41	17.51	1.5745
Appalachian (Charlotte) ^{5/ 6/}	005	22.56	17.66	1.5760
Southeast (Atlanta) ^{6/ 7/}	007	22.96	18.06	1.5800
Florida (Tampa) ^{6/ 8/}	006	24.56	19.66	1.5960
Midwest (Cleveland) ^{9/}	033	21.16	16.26	1.5620
Upper Midwest (Chicago) ^{10/}	030	20.96	16.06	1.5600
Central (Kansas City) ^{11/}	032	21.16	16.26	1.5620
Southwest (Dallas) ^{12/}	126	22.16	17.26	1.5720
Arizona (Phoenix)	131	21.51	16.61	1.5655
Pacific Northwest (Seattle) ^{13/}	124	21.06	16.16	1.5610
All-Market Average		22.05	17.15	1.5709

^{1/} 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. ^{2/} 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. ^{3/} Names in parentheses are the major city in the principal pricing point of the markets. ^{4/} 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.

^{5/} Class I prices at other cities are: Knoxville, minus \$0.20 and Louisville, minus \$1.10. ^{6/} Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted. ^{7/} Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90;

Nashville, minus \$0.90; and Springfield, MO, minus \$1.40. ^{8/} Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40. ^{9/} Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. ^{10/} Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10. ^{11/} 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.

^{12/} 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.

^{13/} Class I prices at other cities are: Portland, same; and Spokane, same.

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, JULY 2013

HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for July 2013 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During July, more than 10.8 billion pounds of milk were received from Federally pooled producers. This volume of milk is 20.9 percent higher than the July 2012 volume. In July 2013 and July 2012, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. Regulated handlers pooled 3.367 billion pounds of producer milk as Class I products, nearly the same total amount as the previous year, with decreases in 6 of the 10 Federal Milk Order Marketing areas and increases in 4 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 31%, Class II = 12%, Class III = 49%, and Class IV = 8%. The weighted average statistical uniform price was \$19.19 per cwt., \$.21 lower than last month and \$2.21 higher than last year.

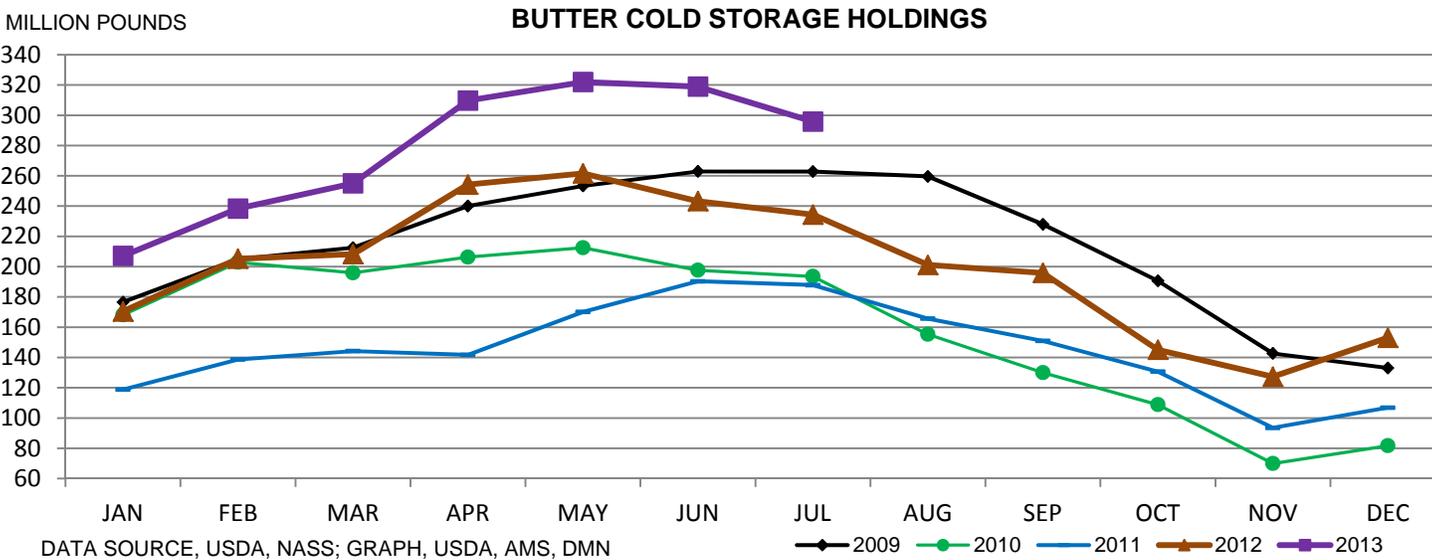
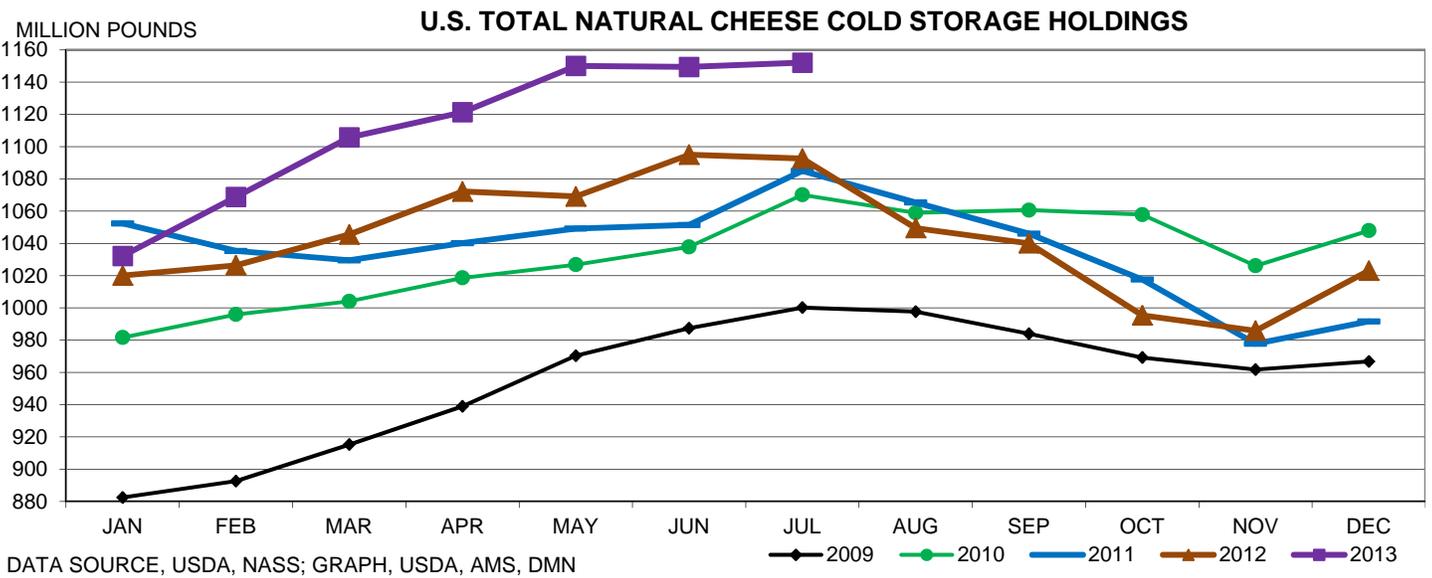
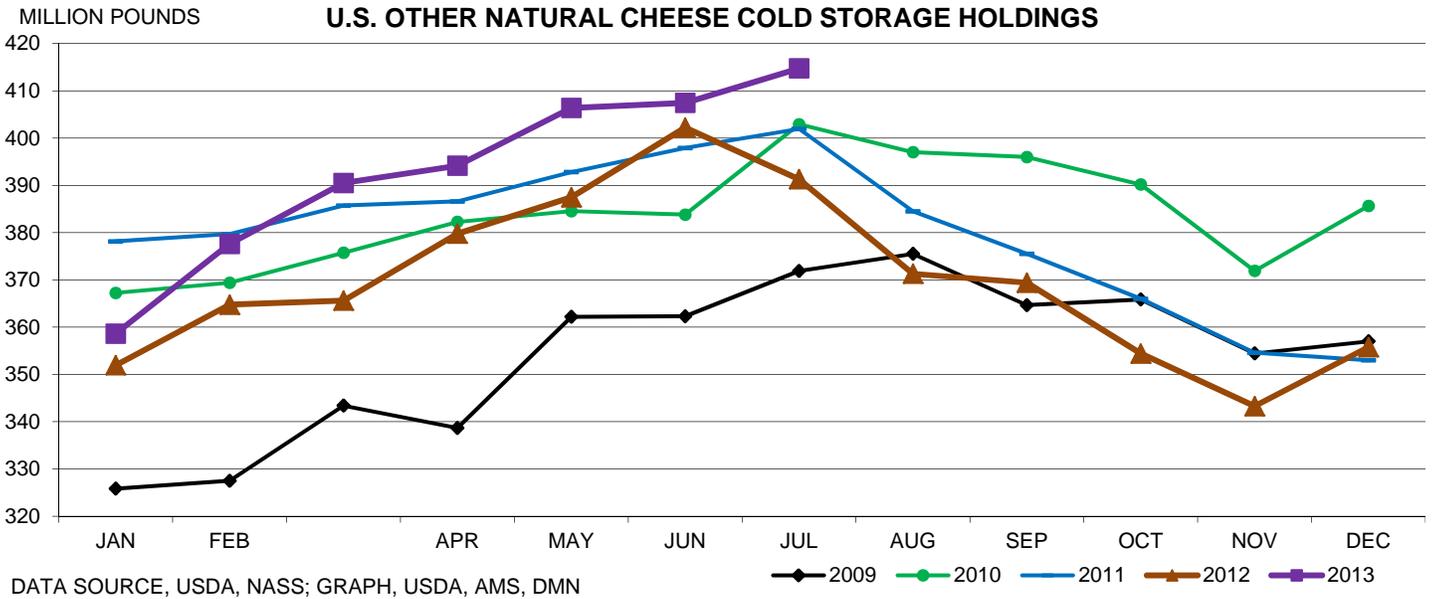
PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF JULY 2013										
FEDERAL MILK ORDER MARKETING AREA 1/	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE 2/ \$ PER CWT.
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			
Northeast (Boston)	001	2,115.4	3.8	751.3	-1.1	36	27	27	10	20.18
Appalachian (Charlotte)	005	452.2	-2.6	311.4	-2.1	69	18	7	6	21.26
Florida (Tampa)	006	219.9	-1.6	189.1	1.8	86	9	3	2	23.44
Southeast (Atlanta)	007	477.5	-5.3	325.0	-7.6	68	12	14	6	21.57
Upper Midwest (Chicago)	030 3/	2,892.2	29.4	290.7	-1.8	10	2	88	0	17.78
Central (Kansas City)	032 3/	1,251.3	39.3	376.0	0.5	30	13	49	8	18.62
Mideast (Cleveland)	033 3/	1,351.6	7.3	515.0	9.0	38	12	38	12	19.12
Pacific Northwest (Seattle)	124	732.4	68.1	168.0	-2.7	23	7	45	25	18.65
Southwest (Dallas)	126 3/	1,001.9	75.9	333.6	2.2	33	10	56	1	19.40
Arizona (Phoenix)	131	363.5	2.8	107.6	-3.7	30	10	28	32	19.17
ALL MARKET AVERAGE OR TOTAL	3/	10,857.9	20.9	3,367.6	0.0	31	12	49	8	19.19

1/ Names in parentheses are the major city in the principal pricing point of the market.

2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

3/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform price in these markets, handlers elected not to pool an estimated 644.3 million pounds of milk that normally would have been associated with these markets. In July 2012, the estimated not pooled volume of milk was 2.1 billion pounds, occurring in order numbers 030, 032, 033, 124, 126, and 131. After adjusting for non pooled milk, the year-to-year percent change is -3.4%.

Report Contact: Randal Stoker, randal.stoker@usda.gov or 202-690-1932.





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/dybretail.pdf>

Volume 80- Number 34

Issued Biweekly

Thursday, August 22, 2013

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 08/12 to 08/23

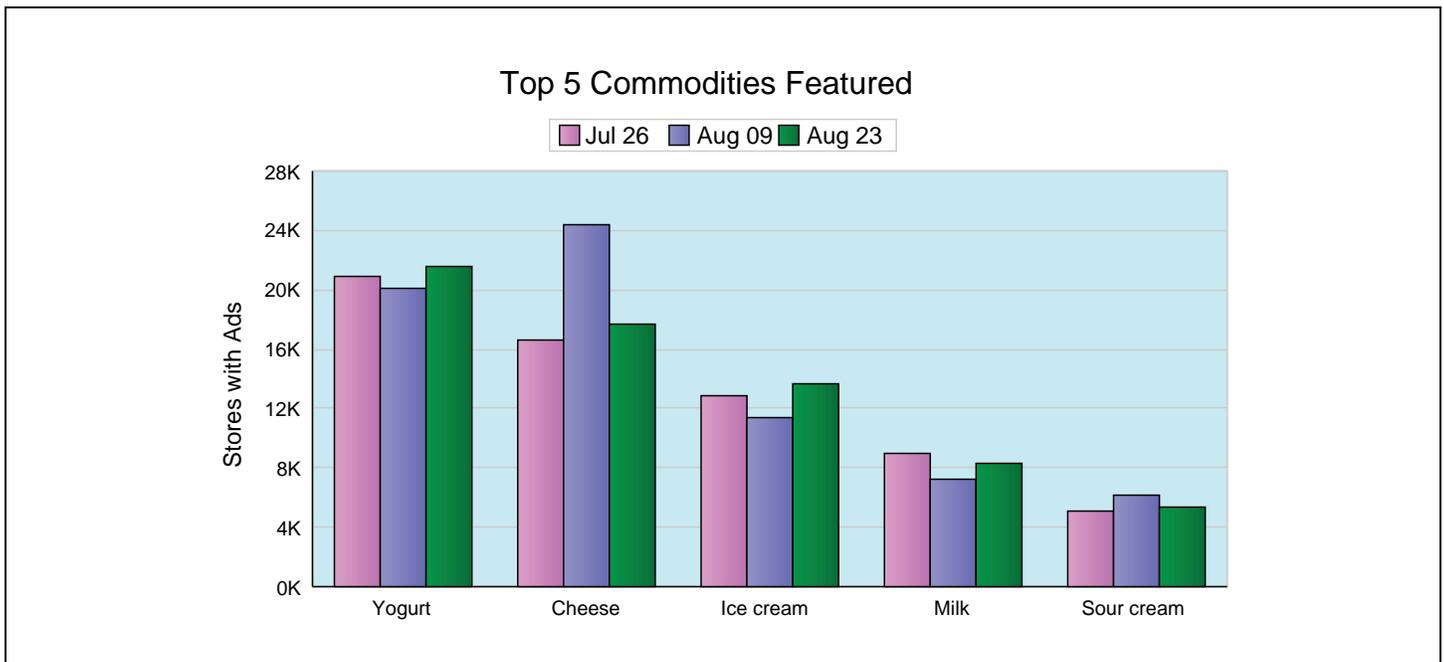
Cheese shreds in 8-ounce packs are the most featured individual item this period, appearing in 8,557 ad features. The national price averaged \$2.08, down 28 cents from two weeks ago. 8-ounce blocks at \$2.19, moved 24 cents lower from two weeks ago.

Greek yogurt in 4-6 ounce packs, featured in 9,192 ads, averaged \$.99, down 1 cent from two weeks ago and 2 cents from a year ago. Regular yogurt in 4-6 ounce packs averaged 51 cents, unchanged from two weeks ago.

The national weighted average butter price registered \$2.80 for 1# packages, an 11 cent decrease from two weeks ago but 13 cents higher than a year ago.

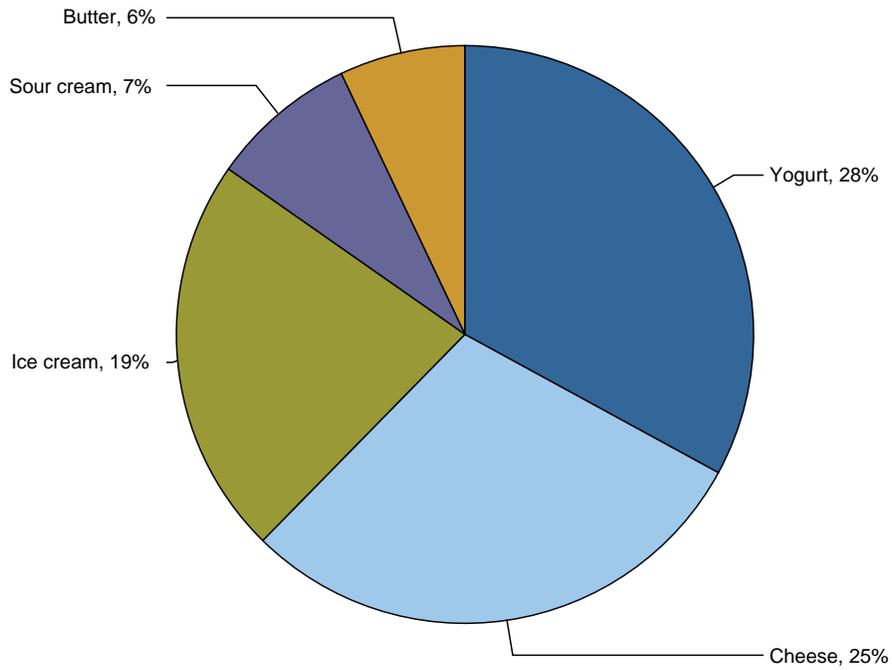
Ice cream features are up 20% this period, appearing in 13,664 ads. The national average for 48-64 oz. containers was \$2.97, up 8 cents from two weeks ago and but 11 cents lower than a year ago.

The national weighted average conventional milk price for half gallons, \$1.41 is 46 cents lower than two weeks ago. Organic half-gallon milk, at \$3.50, is 14 cents lower than two weeks ago. The organic-conventional half-gallon price spread is \$2.09, compared to \$1.77 two weeks ago. Since the first week of May, conventional milk half gallon prices have varied within a 68.1% price range in contrast with organic half gallons, 6.8%.

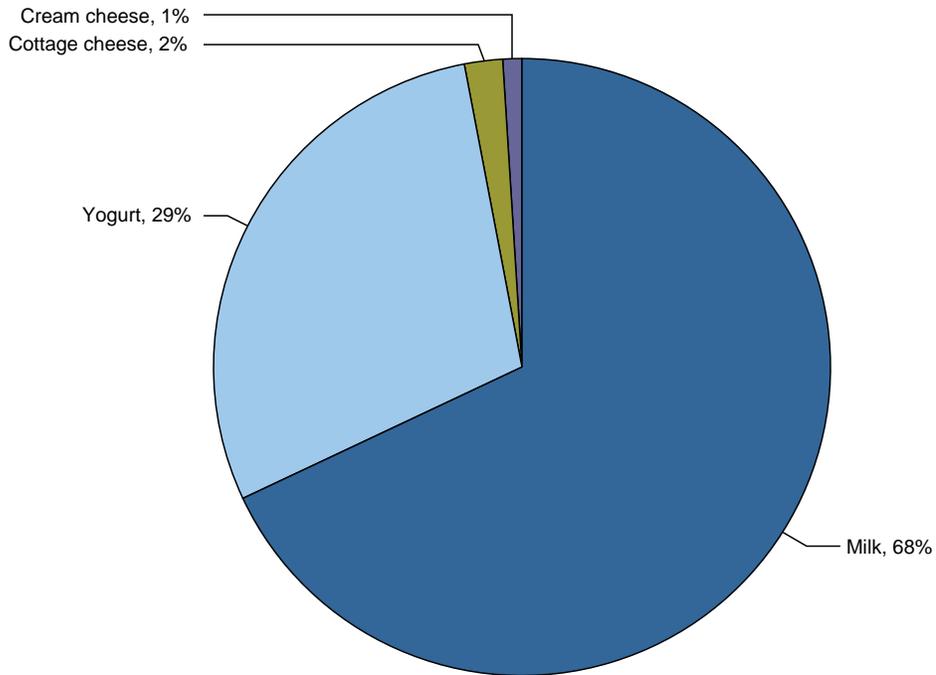


1 -- Dairy Market News surveys nearly 100 retailers, comprising over 14,000 individual stores, with online weekly advertised features.
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

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 #	4060	2.80	1821	2.91	2281	2.67
Cheese	Natural Varieties	8 oz block	5982	2.19	9235	2.43	7851	2.20
Cheese	Natural Varieties	1 # block	1508	3.54	1469	4.32	2718	3.45
Cheese	Natural Varieties	2 # block	589	6.95	432	5.94	2599	5.03
Cheese	Natural Varieties	8 oz shred	8557	2.08	12755	2.36	9829	2.19
Cheese	Natural Varieties	1 # shred	1048	3.26	472	4.18	2698	3.28
Cottage cheese		16 oz	1043	2.06	1367	2.26	3033	2.10
Cream cheese		8 oz	3254	1.57	4109	1.71	4283	1.63
Flavored milk	All fat tests	half gallon	790	2.20	568	2.78	1263	1.90
Flavored milk	All fat tests	gallon	654	3.63	345	4.35	659	2.74
Ice cream		48-64oz	13644	2.97	11387	2.89	17645	3.08
Milk	All fat tests	half gallon	471	1.41	934	1.87	1858	2.26
Milk	All fat tests	gallon	3228	2.83	2878	2.68	5760	2.74
Sour cream		16 oz	5303	1.65	6195	1.67	3891	1.63
Yogurt	Greek	4-6 oz	9194	.99	10992	1.00	10024	1.01
Yogurt	Greek	32 oz	1103	3.85	1903	3.20	199	4.49
Yogurt	Yogurt	4-6 oz	7181	.51	4711	.51	9236	.50
Yogurt	Yogurt	32 oz	2140	2.13	565	2.07	2555	2.22

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 #	2.50-3.00	1746	2.78	2.50-3.00	1650	2.88	1.88-2.00	151	1.93
Cheese	Natural Varieties	8 oz block	1.24-2.79	2458	2.29	1.67-2.50	1662	2.08	1.66-2.50	601	2.02
Cheese	Natural Varieties	1 # block	2.99-3.99	598	3.71	3.99	105	3.99	2.99	176	2.99
Cheese	Natural Varieties	2 # block	7.99	235	7.99				5.99	89	5.99
Cheese	Natural Varieties	8 oz shred	1.25-2.99	1863	2.27	1.67-2.50	2847	2.01	1.59-2.50	1653	1.92
Cheese	Natural Varieties	1 # shred	3.99	165	3.99	2.99	363	2.99	2.99	176	2.99
Cottage cheese		16 oz	1.99-2.50	481	2.19				1.89-2.29	238	2.05
Cream cheese		8 oz	0.99-2.50	1065	1.77	1.25-1.79	742	1.55	1.00-1.25	459	1.20
Flavored milk	All fat tests	half gallon	2.50-3.48	376	2.87				0.99-1.99	414	1.60
Flavored milk	All fat tests	gallon	3.99	100	3.99				1.99-3.99	260	3.18
Ice cream		48-64oz	1.88-3.99	2490	2.79	1.88-4.99	3955	3.18	1.39-3.00	2148	2.70
Milk	All fat tests	half gallon							0.99-1.66	151	1.27
Milk	All fat tests	gallon	2.49-3.97	459	3.23	1.99-2.99	1342	2.91	1.99-2.50	246	2.35
Sour cream		16 oz	1.25-2.00	1577	1.66	1.47-1.79	1375	1.49	1.50-2.00	409	1.78
Yogurt	Greek	4-6 oz	0.80-1.25	2860	1.00	1.00-1.25	1120	1.02	0.88-1.00	1847	.98
Yogurt	Greek	32 oz	3.48-4.69	881	4.01				3.49	94	3.49
Yogurt	Yogurt	4-6 oz	0.44-0.75	1984	.54	0.50	3406	.50	0.40-0.60	869	.51

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	1.99-2.99	652	2.45	1.99-2.00	565	1.99	1.99	450	1.99

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
Butter		1 #	2.50-3.00	123	2.72	3.49	222	3.49	1.79-2.99	168	2.15
Cheese	Natural Varieties	8 oz block	1.99-2.50	366	2.17	1.79-2.50	815	2.24	2.29	80	2.29
Cheese	Natural Varieties	1 # block	3.99	122	3.99	2.99-3.99	389	3.42	2.99	118	2.99
Cheese	Natural Varieties	2 # block	4.99-6.99	185	6.07				6.99	80	6.99
Cheese	Natural Varieties	8 oz shred	1.67-2.50	946	2.01	1.79-2.50	1168	2.23	2.29	80	2.29
Cheese	Natural Varieties	1 # shred	3.99	122	3.99	2.99	222	2.99			
Cottage cheese		16 oz	1.67	122	1.67				1.99	202	1.99
Cream cheese		8 oz	1.50-1.67	546	1.56	1.50	312	1.50	1.39-1.50	130	1.46
Flavored milk	All fat tests	gallon				3.79-3.99	244	3.89	3.99	50	3.99
Ice cream		48-64oz	2.39-4.99	1558	3.34	1.99-3.99	2581	2.79	1.88-3.99	912	2.98
Milk	All fat tests	half gallon	1.67	122	1.67				1.25-1.50	198	1.35
Milk	All fat tests	gallon	2.19-3.00	331	2.53	1.89-2.99	502	2.74	2.59-3.49	348	2.72
Sour cream		16 oz	1.69-1.99	334	1.82	1.69-1.99	978	1.87	0.88-1.99	630	1.44
Yogurt	Greek	4-6 oz	1.00	810	1.00	1.00	1561	1.00	0.79-1.00	996	.95
Yogurt	Greek	32 oz				2.99	128	2.99			
Yogurt	Yogurt	4-6 oz	0.40-0.50	340	.48	0.40-0.50	532	.48	0.50	50	.50
Yogurt	Yogurt	32 oz	1.99	185	1.99	1.99	90	1.99	1.99	198	1.99

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 #			1256	4.05	195	4.15
Cottage cheese		16 oz	165	3.69				
Cream cheese		8 oz	56	2.50	56	2.50		
Milk	All fat tests	half gallon	1628	3.50	2172	3.64	4554	3.91
Milk	All fat tests	gallon	2112	5.56	122	5.00	260	5.72
Milk	All fat tests	8 oz UHT	867	1.04	1164	1.00	2886	.99
Yogurt	Greek	4-6 oz	698	1.04	373	1.18	320	1.46
Yogurt	Yogurt	4-6 oz	702	.70	1081	.69	334	.60
Yogurt	Yogurt	32 oz	590	3.11	493	3.12	235	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
Cottage cheese		16 oz							3.69	165	3.69
Cream cheese		8 oz	2.50	56	2.50						
Milk	All fat tests	half gallon	3.50-4.49	388	3.76	3.49-3.50	1025	3.50	3.50	62	3.50
Milk	All fat tests	gallon	5.98-6.69	253	6.29	4.99-6.69	360	5.26	5.99	85	5.99
Milk	All fat tests	8 oz UHT	1.50	63	1.50				1.00	85	1.00
Yogurt	Greek	4-6 oz	1.00-1.50	430	1.07	1.00	268	1.00			
Yogurt	Yogurt	4-6 oz	0.60-0.80	507	.74	0.60	195	.60			
Yogurt	Yogurt	32 oz	2.99-3.50	281	3.39						

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
Milk	All fat tests	half gallon	2.59-3.50	153	2.91						
Milk	All fat tests	gallon	5.00-5.69	346	5.43	5.00-5.99	770	5.69	5.00	298	5.00
Milk	All fat tests	8 oz UHT	1.00	307	1.00	1.00	412	1.00			
Yogurt	Yogurt	32 oz	2.99	100	2.99	2.49-2.99	209	2.77			

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

GENERAL NUMBER
(608) 278-4200

VOLUME: 80

REPORT: 34

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