

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (7/18)**

BUTTER: Grade AA closed at \$2.4800. The weekly average for Grade AA is \$2.4170 (+.0325).

CHEESE: Barrels closed at \$2.0700 and 40# blocks at \$2.0275. The weekly average for barrels is \$2.0415 (+.0770) and blocks, \$2.0100 (+.0545).

BUTTER HIGHLIGHTS: The butter market is tight in most regions, with some frozen butter being reworked to meet current interest. Butter demand is steady into food service accounts as summer travel spurs vacation related fast food and eat-in dining. Sales into industrial accounts are steady. Butter production is mostly lower as cream volumes clear into ice cream/frozen novelties production. Some butter/powder plant operators report the current returns on spot cream sales are too good to pass up. However, those operators also note they will have to retain cream volumes in the coming weeks to start rebuilding salted and unsalted bulk and retail inventories before holiday demand arrives. Bulk butter prices range from 3 cents under to 6 cents over market, with various time frames and averages used.

CHEESE HIGHLIGHTS: Cheese production is trending lower this week. Hot weather in the West is reducing manufacturing milk volumes. Milk production in the Central and Eastern regions is past peak and reducing seasonally. Because cheese plants are hoping to run at capacity, many are looking for spot surplus milk to keep full production schedules. Some plants are looking to available condensed skim supplies to increase vat yields. Domestic demand from retail and processor/packager facilities is mostly steady as they try to acquire inventory. Export demand is softer with many of the deliveries from previously negotiated sales. Mozzarella sales have slowed. Stocks of cheese are tightening in the Midwest with barrels tighter than blocks. Western stocks are more readily available as exporting has slowed. Wholesale cheese prices are lower this week, but spot sales at the CME Group this week rallied higher. Barrels closed on Friday at \$2.0700, up 8.25 cents from last Friday. Blocks closed at \$2.0275, up 5.75 cents from last week's close.

FLUID MILK: Milk production has slowed across much of the country. The combination of hot weather and typical seasonal declines is slowing availability of manufacturing milk. In the Midwest, cooler weather is expected to keep milk volumes closer to steady. Spot loads of milk are available, but are becoming harder to source. Class I demand is sluggish, but negotiations for the new school year are beginning in various parts of the country. Cream demand remains good with ice cream, frozen novelties and cream cheese plants working steady to slower schedules. Some butter/powder plants continue to sell cream at favorable prices.

Sales of condensed skim are being made to various Class III manufacturers and are helping to alleviate pressure on drying plants.

DRY PRODUCTS: The low/medium heat nonfat dry milk market is lower following trends in various basing models. NDM production continues at a heavy pace despite much of the country experiencing lower milk volumes. Demand is steady for contracted volumes with some buyers looking for lower pricing for additional purchases. Stocks continue to build in many parts of the country. High heat production is mostly geared to contract fulfillment. Dry buttermilk markets are steady to weak following trends in the NDM market. Stocks are adequate for current demand with light spot sales. Dry whey prices are mixed. Contract deliveries are steady, but buyers on the spot market are looking for lower prices to purchase volumes. Export prices are weak as international prices are lower than our domestic price. Stocks of whey are increasing due to the slower export sales. Whey protein concentrate 34% sales are mixed with a weak undertone. WPC 34% inventories are variable as buyers look for price breaks. The lactose market is unchanged to lower. New contracts for Q3 and end of year prices are emerging with some new pricing models. Stocks of lactose are building as export sales have slowed. Dry whole milk prices are unchanged to lower on a weak market.

INTERNATIONAL DAIRY MARKET NEWS (DMN):
WESTERN AND EASTERN EUROPE: WESTERN OVERVIEW: Western European milk production continues to be good with producers incentivized by good margins and favorable weather. Export market activity for most dairy commodities is light. Export prices are under pressure from other global markets. Domestic demand has also weakened, due to the onset of the European holiday season. Western European milk delivery estimates for May, reported by ZMB, have EU-28 production 3.8% above 2013 levels. Monthly delivery increases over last year levels are declining as milk production declines along the seasonal trend with Germany +3.1%; France, +3.8%; UK, +8.0%; Netherlands, +1.2% and Ireland, +7.0%. January-May deliveries compared to one year ago for selected countries are: Germany, +4.4%; France, +6.0%; Ireland, +8.5%; Netherlands, +4.3%; and the UK, +11.9%.
EASTERN OVERVIEW: Milk production in Eastern Europe remains strong with continued significant increases over year ago levels in Poland and the Baltic States. Increased levels of cheese, skim milk powder and butter are being produced, compared to last year. Dairy exports to Russia have increased

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CME GROUP CASH TRADING

COMMODITY	MONDAY JUL 14	TUESDAY JUL 15	WEDNESDAY JUL 16	THURSDAY JUL 17	FRIDAY JUL 18	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$2.0050 (+.0175)	\$2.0325 (+.0275)	\$2.0400 (+.0075)	\$2.0600 (+.0200)	\$2.0700 (+.0100)	:: (+.0825)	:: \$2.0415 (+.0770)
40# BLOCKS	\$1.9975 (+.0275)	\$2.0000 (+.0025)	\$2.0025 (+.0025)	\$2.0225 (+.0200)	\$2.0275 (+.0050)	:: (+.0575)	:: \$2.0100 (+.0545)
NONFAT DRY MILK							
GRADE A	\$1.7350 (N.C.)	\$1.7350 (N.C.)	\$1.7350 (N.C.)	\$1.7150 (-.0200)	\$1.6950 (-.0200)	:: (-.0400)	:: \$1.7230 (-.0345)
BUTTER							
GRADE AA	\$2.3750 (+.0025)	\$2.3900 (+.0150)	\$2.3900 (N.C.)	\$2.4500 (+.0600)	\$2.4800 (+.0300)	:: (+.1075)	:: \$2.4170 (+.0325)

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.

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recently as additional plants have gone through the Russian registration and approval process. Eastern European milk deliveries for May, reported by ZMB, showed robust increases for some countries compared to last year with Poland up 7.8%, Romania up 17.4% and the Baltic States up 12.3%.

OCEANIA OVERVIEW: **AUSTRALIAN** milk production was flat over the last fortnight with levels at or near the seasonal low point. The mild weather has given way to more normal winter conditions with cold and rains covering much of the dairy producing areas. Most dairy farmers have signed on for the new season with their milk processor of choice. Beginning season milk prices are above levels of years past and producers are readying for a good start to the new season. Cows will begin calving over the next 4 weeks. Export spot sales activity has been fairly light for most dairy commodities. Manufacturing plants continue to cycle through their typical shut downs for planned maintenance projects. Stocks are being worked lower with supplies moving through contracts. Trading is light with reports that China has mostly adequate supplies for the near term and Ramadan has lowered export interest from the Middle East. According to Dairy Australia, Australian production of various dairy commodities for May 2014 showed the following percentage changes compared to 2013: butter, +13.7%; butteroil, -13.2%; skim milk powder, +8.1%; whole milk powder, -11.9%; buttermilk powder, +15.7%; cheese, +1.9%; and whey powder, -7.4%. Dairy Australia also reports dairy product exports for the July-May period totaling 667.4 thousand tons, down 8.1% from the year ago period. The largest export category is skim milk powders (SMP). The total value of exports is 18.1% higher over the prior year period. The highest value items are SMP and WMP. **NEW ZEALAND's** milk producers are waiting for the start of the new season. Current milk production is limited, as a majority of cows are dried off and on winter pastures. Weather remains mild on the South Island, but the North Island has seen heavy rains and colder temperatures. Some flooding did occur in areas north of Auckland, but the impact to dairy operations is said to be minimal. Calving has started in some areas on the North Island. Stocks of dairy commodities are being worked lower, with uncommitted supplies of whole milk powder readily available for the spot market. Going into the new season, some manufacturers are adjusting their production schedules away from whole milk powder to butter and skim milk powder production. New Zealand's 2013-14 export revenue increased by 30% according to a report released by the Ministry of Primary Industries. At the July 15 GDT event #120, average prices ranged from 10.9% lower to 1.1% lower from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,250 -10.0%; butter, \$3,144 -1.1%; buttermilk powder, \$4,426 -4.6%; cheddar cheese, \$4,164 -1.6%; lactose, n.a.; milk protein concentrate, n.a.; rennet casein, \$9,761 -8.9%; skim milk powder, \$3,516 -7.1%; and whole milk powder, \$3,088 -10.9%.

JULY MILK SUPPLY AND DEMAND ESTIMATES (WAOB):

The milk production forecast for 2014 is lowered from last month as slower growth in output per cow more than offsets a more rapid expansion in cow numbers. The forecast for 2015 is raised as higher milk prices and lower feed costs are expected to support more rapid growth in cow numbers and output per cow. Export forecasts for 2014 are lowered on a fat basis but raised on a skim-solids basis. High domestic butter prices are expected to limit export opportunities, but nonfat dry milk/skim milk powder (NDM/SMP) exports are expected to remain strong. For 2015, no change is forecast to fat-basis exports, but strength in NDM/SMP sales will help support higher skim-solids exports. Product prices are forecast higher for 2014 with strength in butter prices expected to carry into 2015. Despite increased production, robust domestic demand and stronger NDM/SMP exports will support prices. Class III and Class IV prices for 2014 are raised on stronger component product prices and the Class IV price forecast for 2015 is raised reflecting strength in butter prices. The all milk price is forecast at \$23.25 to \$23.55 per cwt for 2014, and \$19.75 to \$20.75 per cwt for 2015.

REVISED APRIL MILK SALES (FMMO & CDFA): During April, 4.1 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 4.5% lower than April 2013. Estimated sales of total conventional fluid milk products decreased 5.1% from April 2013 and estimated sales of total organic fluid milk products increased 7.6% from a year earlier.

APRIL MAILBOX MILK PRICES (AMS & CDFA): In April 2014, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$25.33, up \$0.15 from the March 2014 average, and up \$5.88 from the April 2013 average. The component tests of producer milk in April 2014 were: butterfat, 3.72%; protein, 3.11%; and other solids, 5.73%. The April Mailbox prices increased an average of \$0.07 across all Federal milk order reporting areas when compared to the previous month. The April 2014 mailbox prices increased in thirteen areas and decreased in six areas. Minnesota experienced the greatest increase of \$0.63, while the Northwest States experienced the greatest decrease of \$0.39. Mailbox prices in April 2014 ranged from \$27.13 in Florida to \$22.94 in New Mexico.

CME GROUP

MONDAY, JULY 14, 2014

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.9925, 2 @ \$2.0025, 2 @ \$2.0050; 10 CARS 40# BLOCKS: 1 @ \$1.9750, 1 @ \$1.9900, 2 @ \$1.9950, 6 @ \$1.9975; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.0050; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 6 CARS GRADE AA: 3 @ \$2.3500, 1 @ \$2.3600, 1 @ \$2.3650, 1 @ \$2.3700; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.3750; LAST OFFER UNCOVERED: NONE

TUESDAY, JULY 15, 2014

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$2.0000; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.0325; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE A @ \$1.7000; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 13 CARS GRADE AA: 1 @ \$2.3600, 1 @ \$2.3650, 1 @ \$2.3675, 3 @ \$2.3700, 1 @ \$2.3725, 1 @ \$2.3750, 1 @ \$2.3800, 3 @ \$2.3850, 1 @ \$2.3900; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.3800; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JULY 16, 2014

CHEESE -- SALES: 6 CARS BARRELS: 1 @ \$2.0450, 1 @ \$2.0500, 1 @ \$2.0550, 1 @ \$2.0525, 1 @ \$2.0550, 1 @ \$2.0400; 3 CARS 40# BLOCKS: 1 @ \$2.0000, 1 @ \$2.0050, 1 @ \$2.0025; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.0400; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$2.0050
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$1.7350; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.7050; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.7500
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, JULY 17, 2014

CHEESE -- SALES: 4 CARS BARRELS @ \$2.0600; LAST BID UNFILLED: 2 CARS BARRELS @ \$2.0600; 1 CAR 40# BLOCKS @ \$2.0225; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$2.0600
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$1.7150
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.4500; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.4500; LAST OFFER UNCOVERED: NONE

FRIDAY, JULY 18, 2014

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$2.0700, 1 @ \$2.0750, 1 @ \$2.0725, 2 @ \$2.0700; 6 CARS 40# BLOCKS: 2 @ \$2.0500, 1 @ \$2.0475, 1 @ \$2.0350, 2 @ \$2.0275; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.0700; 1 CAR 40# BLOCKS @ \$2.0250; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$1.6950
 BUTTER -- SALES: 4 CARS GRADE AA: 2 @ \$2.4600, 2 @ \$2.4800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

Butter producers, in some cases, remain tolerant to the strong pull on tight cream supplies by other cream based dairy manufacturers. In general, inventories are adequate for satisfying near term contracts. While some manufacturers benefit from current cream prices, butter stock requirements that address consumers' looming Q4 holiday needs are being considered. The current bulk butter prices for domestic sales are reported 4-6 cents over the market of the CME Group, with various time frames and averages used. At the CME, Grade AA butter closed Tuesday at \$2.3900, up \$0.0050 from a week ago. The market is uneven.

CENTRAL

Cream availability is tighter in the Central region. Some butter plant operators, though, are selling FOB cream loads to capture advantageous returns from the spot market. Butter production is steady to lower as milk intakes decline seasonally and ice cream/cream cheese operations continue to draw upon cream supplies. Butter interest into retail is light, with few features running in grocery stores. Food service demand for chips/cups/continentals is active as summer vacations and seasonal travel spur carry out and eat in dining sales. Industrial butter sales are steady. Butter inventories are tight at many locations in the Central region. Some butter churn operators are buying bulk butter from other manufacturers and reworking it to meet current and near term obligations. Current bulk butter prices range from market to 6 cents over the market, based on the CME Group with various time frames and averages used. Wednesday at the CME Group, Grade AA butter closed unchanged at \$2.3900, up one-half cent since last Wednesday.

WEST

Wholesale butter prices based on the CME Group weekly average moved lower. Due in part to the volatility of the market, some butter orders are being priced on day shipped to better reflect current prices. Butter production in the West is steady to lower as hot weather is reducing incoming solids across much of the region. Temperatures in the 100s have reduced overall milk intakes. Good demand from ice cream and cream cheese manufacturers have some butter plants selling cream. This is also adding to lower butter production. Butter inventories continue to lag typical levels as previously committed export sales continue to be delivered. Manufacturers are aware of increased domestic retail demand for the remainder of the year and are beginning to reserve churns to fill those needs. The butter price at the CME Group on Wednesday closed unchanged at \$2.3900. There have been 19 loads of butter sold at the exchange at midweek. Prices for bulk butter range from 2 cents over the market to 3 cents under, based on the CME with various time frames and averages used.

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

<u>WEEK ENDING</u>	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
July 12, 2014	2.3120 3,984,082	2.0315 13,322,925	2.0502 10,609,167	0.6876 8,739,512	1.8845 18,618,029

CHEESE MARKETS

NORTHEAST

Sufficient Class III milk volumes contributed to elevated cheddar production, as cheese plants work full schedules throughout the week. A few cheese makers are using condensed skim to increase vat yields, as component levels decline. Mozzarella sales have slowed, with some manufacturers expecting interests to surge around mid-August. Stocks are marginally expanding with increases in production. Last week, the weekly average cheese prices on the CME Group saw declines for blocks and barrels. Northeast wholesale prices for 40# block and muenster decreased \$0.0275, while prices for process 5# sliced decreased \$0.0250. Grade A Swiss cheese remained unchanged. The CME Group daily cash prices on Tuesday saw barrels move higher \$0.0275 to close at \$2.0325, and blocks inched up \$0.0025 to close at \$2.0000.

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

Cheddar 40# Block	: 2.3475-2.6325
Process 5# Sliced	: 2.1875-2.6675
Muenster	: 2.3675-2.7275
Grade A Swiss Cuts 10 - 14#	: 4.1575-4.4800

MIDWEST

Cheese production is easing slightly lower seasonally. Milk production has passed the peak in the estimation of most cheese makers. Some plants are taking spot surplus milk at prices ranging from \$1.00 under to \$1.00 over to help production. Condensed skim is being added in some cheese plants to improve vat yields. Some plants have made slight reductions in production schedules to reflect milk availability. Mozzarella orders show some seasonal weakness due to slower pizza sales, but that aside, cheese buyers are taking orders and other buyers are looking for cheese. Cheese availability outside contract orders is tighter in the Midwest. Barrels are harder to find than blocks. Most aging programs have already stocked necessary cheese. Most processor and packager schedules are steady to lighter. Wisconsin wholesale prices for 1,000 to 5,000 pound mixed lots of process cheese decreased \$.0250; Swiss was unchanged; and the remaining varieties decreased \$.0275. Blocks and barrels closed CME Group trading Wednesday at the highest prices of July, blocks at \$2.0025 and barrels at \$2.0400. Last week, 15 cars of barrels and 29 of blocks sold on CME Group trading. Through this Wednesday, 11 cars of barrels and 14 cars of blocks have sold.

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

Process American 5# Loaf	: 2.0650-2.4250
Brick And/Or Muenster 5#	: 2.3275-2.7525
Cheddar 40# Block	: 2.0325-2.4500
Monterey Jack 10#	: 2.3025-2.5075
Blue 5#	: 2.5950-3.5825
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 2.1725-3.0675
Grade A Swiss Cuts 6 - 9#	: 3.6750-3.7925

WEST

Wholesale cheese prices based off of the CME Group weekly average are lower this week. The market continues to trade in a narrow range with no clear direction over the past few weeks. Cheese production in the West continues to be busy, but milk volumes are decreasing as hot weather affects milk production. Manufacturers are filling previously arranged export orders in addition to regular contract sales to domestic customers. Domestic demand is steady as buyers look to refill their inventories on price breaks whenever possible. Retail sales look to be mostly steady. Some mozzarella manufacturers report slower sales and have decreased production to match needs. Cheese prices at the CME Group are higher on Wednesday with barrels up \$.0075 to \$2.0400 and blocks closing up \$.0025 to \$2.0025. Prices have moved higher each day of trading at midweek. Barrels have recorded 11 sales by midweek and blocks have sold 14 loads. Barrels continue to sell at a premium to blocks.

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

Process 5# Loaf	: 2.0925-2.3500
Cheddar 40# Block	: 2.0750-2.4275
Cheddar 10# Cuts	: 2.2550-2.4750
Monterey Jack 10#	: 2.2650-2.4250
Grade A Swiss Cuts 6 - 9#	: 3.7350-4.1650

FOREIGN

Imported wholesale cheese prices were unchanged this week, while domestically manufactured foreign type cheeses were \$0.0275 lower. Domestic Swiss prices were unchanged. Aged cheese stocks in Europe are declining, but are not tight. Importers to the U.S. report difficulties with increased inspections from both the FDA and Customs slowing the process. Tighter availability of shipping space between Europe and the U.S. is also adding to difficulties.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.4875-3.9750*
Gorgonzola	: 3.6900-6.9700	: 2.9900-3.4025*
Parmesan (Italy)	: -0-	: 3.8775-5.9675*
Provolone (Italy)	: -0-	: 2.5300-2.6875*
Romano (Cows Milk)	: -0-	: 3.6775-5.8275*
Sardo Romano (Argentine)	: 2.8500-3.6900	: -0-
Reggianito (Argentine)	: 3.2900-4.5600	: -0-
Jarlsberg-(Brand)	: 2.9500-5.6300	: -0-
Swiss Cuts Switzerland	: -0-	: 4.2550-4.5775
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKSBUTTER : CHEESE

	:	
07/14/14	: 21,444	: 90,198
07/01/14	: 21,626	: 91,273
CHANGE	: -182	: -1,075
% CHANGE	: -1	: -1

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	0	35	0	48	0	42
SOUTHEAST STATES	0	0	0	0	0	0

Milk production in the Northeast and Mid-Atlantic regions is showing slight declines, although milk intakes for most processing plants are moderate. The Southeast's milk production rates inched lower. Milk haulers schedules, in some instances, are changed from every day pickups due to the declines. The combined impact of marginal increases in bottling sales and lower milk production rates is lessening loads sent to manufacturing. Florida's farm-level production is hampered by hot, humid and wet weather, with daytime temperatures in the mid 90s and nights in the mid-70s. Pastures are not improving, with thunderstorms occurring daily and most of Florida experiencing 6 inches above normal rainfall for this time of year. Class I demand is up a tick this week. Spot shipments out of the area totaled 35. **Cream multiples** for all Classes ranged **1.40-1.49**. Last week, the CME Group Grade AA butter weekly average butter price was \$2.3845, down \$0.0505 from the previous week. Cream cheese production is active. **Condensed skim** is plentiful, with the bulk of the volume going to Class IV production. Class II and III condensed skim demand is steady. Some loads moved out of region at discount, although high transportation costs cause manufacturers to consider options.

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 -	3.3383-3.5529
F.O.B. producing plants: Upper Midwest -	3.1475-3.3383

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.85-1.93
Northeast - Class III - spot prices -	1.63-1.66

MIDWEST

Milk intakes remain steady in many plants while declining in others. Component levels are decent. Central region milk production has seasonally declined from peak levels. Moderate summer weather this week is leaving cows comfortable and thus, is expected to slow declines. Bottling sales are lower following seasonal trends. However, schools will resume in southern parts of the region in three weeks, beginning the process of filling school milk pipelines. Spot load milk is available at prices ranging from \$1.00 under to \$1.00 over Class in many parts of the region, but is hard to find in some areas. Availability of distressed spot loads has moderated although some sellers still seek \$2.00 over Class. Balancing is moving milk north from Indiana and Ohio to Wisconsin, although less so than recent weeks. Class II cream multiples moved higher on the bottom of the range while the top is unchanged. **The range is 1.32 to 1.40 this week.** Cream demand is steady. Sales of cultured milk products such as sour cream and yogurt are mostly stable. Ice cream sales are flat but ice cream production remains strong. Condensed skim sales on contracts are moving product. Some spot loads are selling for \$1.40 to \$1.45, up from recent weeks.

WEST

Milk production in CALIFORNIA is trending lower. In the Central Valley area, dairy operators report several days with higher humidity than is customary for July, and this is making it more difficult to maintain cow comfort. Sales into fluid accounts are steady at seasonal levels, with discussions developing for upcoming school year supply contracts. Ice cream/frozen novelty manufacturers are taking contract cream loads, along with condensed skim for a push on stick/cup/cone production as that season slows down. NEW MEXICO milk haulers report loads are steady to trending seasonally lower. In-state processing facilities are handling all the intakes, along with additional loads from neighboring states. Sales into bottler accounts are sluggish. Class II plants are trimming orders for milk as production slows on ice cream/frozen novelty lines. Drying plants are active as decreasing orders from Class II and III plants send additional loads to NDM production. Anecdotal accounts indicate feedstuffs are available and affordable, with good quality hay available in the range of \$250/ton. Milk intakes in ARIZONA are trending lower as a long string of hot days takes a toll on cow comfort. Fluid accounts are ordering steady volumes for refilling grocery outlets. Discussions are ongoing concerning needs for the upcoming school year's meal programs. Cream sales are active into cream cheese/ice cream production. Milk pooled on the Arizona Order 131 totaled 407.2 million pounds in June 2014. Class I utilization accounted for about 24% of producer milk. The uniform price was \$23.33, \$0.42 below last month, but \$4.06 above one year ago. Overall CREAM supplies are moving lower as milk production declines. Market participants report Western cream sales remain active both within the Western states as well as throughout the Central and East regions. Tighter supplies in some areas are bolstering cream pricing. Western butter churn operators are foregoing some churning to complete spot cream sales and enhance returns on cream. Buyers in the Central region indicate the challenges in trying to find equipment and drivers to haul cream to the Central region have stymied some sales. Dairy market participants in Western states indicate informal work slowdowns at a few ports have lengthened wait times for trailers, tractors, and drivers. Also, hauling of juice is cutting down on tanker availability. Early in the week, a few delivered cream loads were rejected due to temperature or other issues. That left some buyers searching for replacement cream loads in an already tight market. With tightening cream supplies, cream multiples are firm, ranging from 1.12 to 1.42, reflecting intrastate and interstate sales. At the CME Group, Grade AA butter closed on Wednesday at \$2.3900, up one-half cent from a week ago. Hot weather in the PACIFIC NORTHWEST is affecting milk production. Milk intakes are reported to be down by 5-10% as high temperatures affect cow comfort. Milk supplies are past seasonal peak amounts, but are expected to rebound with improved weather. As milk volumes moved lower, more milk is being processed closer to local production areas, reducing transportation costs. UTAH and IDAHO milk production is also reduced from temperatures that reached into triple digit highs. Temperatures ranged from 4-10 degrees above normal. Processing capacity in the region is sufficient to handle current milk supplies. Harvesting of second crop alfalfa continues and irrigated crops are reported to be in good condition.

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 low/medium heat nonfat dry milk prices are unchanged to lower as FOB spot sale prices adjusted to market indicators and contract prices followed downward trends in bases. Buyer interest is unchanged and following just-in-time purchasing patterns. At this point, few domestic buyers want to take a position on NDM. The NDM export market also faces competition from the international market as recent results from the Global Dairy Trade auction showed declines in SMP pricing. Central low/medium nonfat dry milk production is steady, but some plant operators are offering additional loads of condensed skim to divert volumes from the dryers. Central high heat prices are unchanged to lower as contract prices adjust to changes in indices. Production is intermittent.

EAST: Eastern low/medium heat nonfat dry milk prices moved lower throughout the range due to lower f.o.b. spot sales and indices adjusting lower. The mostly series is steady to lower. Marginal declines in milk production have offered limited resistance to steady drying rates of low/medium nonfat milk at some facilities. Most nonfat dry milk is moving through contracts, with improved demand from ice cream and cheese manufacturers as needed for product fortification. Some buyers restrict purchasing to spot market acquisitions to circumvent a committed position while waiting on prices to stabilize. Sales this week below the market are indicative of a soft undertone. Prices for high heat nonfat dry milk are steady to lower. High heat nonfat dry milk is tight, while some manufacturers still find dryer time scarce, due to the volume of condensed skim on hand. Interest is up. Wednesday at the CME Group, Grade A NDM closed unchanged \$1.7350, down \$0.0375 from a week ago.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.7400 - 1.9450 MOSTLY: 1.7800 - 1.8800
 HIGH HEAT: 1.9100 - 1.9950

NONFAT DRY MILK - WEST

The Western low/medium heat nonfat dry milk market is weak. Prices are unchanged to lower. Market participants indicate the recent Global Dairy Trade auction results, which showed lower prices on skim milk powder, are pointing the way for the U.S. NDM market. Current U.S. prices are well above the world market. Manufacturers are somewhat removed from the immediate price turmoil through the steady fulfillment of standing contract orders. Some Western manufacturers do not consider NDM stocks burdensome, and price adjustments have been limited to some FOB spot loads. Brokers and traders indicate they are in the middle of a tough market. Prices are keeping buyers from making any commitments to sizeable NDM purchases in the near term. As buyers delay commitments, stocks are building steadily at resellers' locations. Low/medium heat nonfat dry milk production is variable, with some plants increasing drying activity as fewer loads of milk clear to higher Class products.

Other plant operators report milk intakes are slowing, and lower volumes of condensed skim are clearing through the dryers. High heat nonfat dry milk prices moved lower following changes to some indices. Production is contract driven, and inventories are in balance with near term contract needs.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.6900 - 1.9000 MOSTLY: 1.7600 - 1.8700
 HIGH HEAT: 1.8700 - 1.9400

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices are unchanged on a weak market. Buyers are taking contract loads as agreed, but FOB spot load interest is light. Some resale loads are reportedly trading below the market as brokers/traders balance holdings. Also, a few manufacturers are reportedly reconstituting dry buttermilk for sale to ice cream accounts. Dry buttermilk production is steady to lower as cream demand from higher Class products curtails churn and dryer operations. Dry buttermilk inventories are steady to building incrementally.

EAST: Prices for dry buttermilk are unchanged. Tight cream supplies remain intact and continue to curb overall dry buttermilk production in the region. Some inventories of dry buttermilk are stagnant in growth; however, contacts noted stocks as "readily available" in some channels. Buyer interest waned in the spot market, with very little activity occurring. Market participants are expressing concerns about the repercussions associated with the status quo of general cream market. The attractive cream prices that currently impede butter production levels, as noted, can potentially influence future inventories and market transactions relative to butter and value added products.

F.O.B. CENTRAL/EAST: 1.6700 - 1.8550

DRY BUTTERMILK - WEST

Prices for Western dry buttermilk are unchanged to lower on a market with weak undertones. Sales are light outside of contract agreements. FOB spot market sales garnered lower prices as buyers are aware of weakness in the NDM market that relates to the nonfat solids portion of dry buttermilk. Some Western dry buttermilk loads continue to fill supply gaps in the Central region. Dry buttermilk production is generally lower as cream is clearing to higher Class products in the near term. Manufacturers expect to increase dry buttermilk production once cream demand from ice cream and cream cheese manufactures declines seasonally. Dry buttermilk inventories are steady to building incrementally.

F.O.B. WEST: 1.6500 - 1.8500 MOSTLY: 1.7200 - 1.8200

-CONTINUED ON PAGE 5A-

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

-CONTINUED FROM PAGE 5-

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are unchanged to lower on a weaker market. Market pressure is coming from lower international prices, recent higher domestic production rates, and growing inventories. Overall demand outside of contracts is light.

F.O.B. PRODUCING PLANT: 1.9200 - 2.1250

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
July 11	\$1.8043	11,695,253
July 4	\$1.8161	14,233,424

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 whey prices adjusted higher at the top of the mostly price series while the range moved lower and higher. Inventories are mixed, with some reports of inventory being adequate while other reports of being lower than preferred. Central cheese manufacturing is down slightly, due to milk production past peak, leaving dry whey production varied. Interest in condensed whey as well as availability is noted this week. Prices of ANIMAL FEED WHEY moved lower, continuing a weakening market tone. There is increased production of off spec dry whey loads due to high humidity. Sellers note active inquiries for off grade / specification dry whey classified as Animal Feed Whey.

F.O.B. CENTRAL: .5700 - .7350 MOSTLY: .6250 - .7000
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4925 - .6375

DRY WHEY - NORTHEAST

Dry whey prices moved lower on the bottom of the range due to lower f.o.b. spot sales. Production of dry whey is steady, with some plants operating full schedules. Multiple spot purchases were available, resulting from the extensive maintenance plans of one manufacturer. Inventories are steady to increasing. Demand is active for liquid whey.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .6675 - .7525

DRY WHEY - WEST

Western dry whey prices are higher across both price series this week. Much of the increase is due to domestic whey prices that are tied to various price basing points. Domestic spot sales are following these trends as some buyers are looking for available whey to fill orders. Export sales have slowed in recent weeks as some international whey is priced lower than current U.S. prices. Brokers that cater to international markets are reporting increased inventories as sales slow down. Lower prices from competing protein sources are also weighing on domestic demand. Whey production is varied in the West as milk volumes have slowed due to warm weather. Cheese production is still a priority and plants are trying to maximize production.

NONHYGROSCOPIC: .6000 - .7350 MOSTLY: .6300 - .7100

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices on the whey protein concentrate 34% range price series are unchanged to lower. The mostly price series is steady. The market is mixed. Production at a few facilities is dropping due to lower manufacturing milk supplies and purposeful adjustments in cheese production due to lower sales of some cheese varieties. For some manufacturers, the slowdown in cheese manufacturing is translating into cancellations of fulfillment on WPC 34% contract loads. These cancellations are tightening the market as the search for replacement loads pushes buyers toward the spot market. WPC 34% inventories are variable from plant to plant. Interest varies by packaging and production qualities.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.4800 - 1.7600 MOSTLY: 1.5500 - 1.6650

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged to lower as additional monthly, Q3, and spot prices emerge. Beyond traditional monthly or quarter pricing, manufacturers are trying out other contract pricing models, or offering extended contract terms. While these types of prices are not included in the range or mostly price series, the emergence of these kinds of agreements show manufacturers are open to working with customers and finding pricing solutions that benefit both buyer and seller. A few fixed price Q4 contracts have also been finalized. Shipping off the West is slowing. Anecdotal reports indicate truckers are running into some delays in entering dock areas and unloading. This is extending the times of deliveries and also tying up truck drivers and equipment beyond the usual times needed for ground transit. Lactose production is steady to lower as milk intakes into several plants trend seasonally lower and a few cheese operations adjust output to match slower sales.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .3800 - .6900 MOSTLY: .5000 - .5950

CASEIN - NATIONAL

Casein prices were unchanged this week. The rennet casein market is unsettled with some buyers purchasing only for immediate needs, while they wait for a clearer picture of the market. Demand for acid casein is fairly good. Acid casein supplies in Europe have tightened over the past few weeks. The Global Dairy Trade at the July 15 event 120 saw rennet casein decrease 11.3% for the September contract period to \$9,605/MT, giving the market a weak undertone.

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: 4.6500 - 5.0000
ACID: 4.8000 - 5.4000

U.S. Dairy Cow Slaughter (000 head) under Federal Inspection & Comparable Week 2013

WEEK ENDING	2014 WEEKLY DAIRY COWS	2014 CUMULATIVE DAIRY COWS	2013 WEEKLY DAIRY COWS	2013 CUMULATIVE DAIRY COWS
06/28/2014	47.7	1,407.1	53.7	1,575.8

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
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
2013	18.14	17.25	16.93	17.59	18.52	18.02	17.38	17.91	18.14	18.22	18.83	18.95

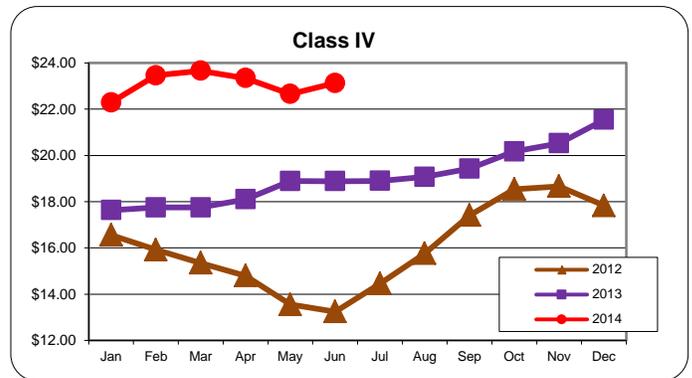
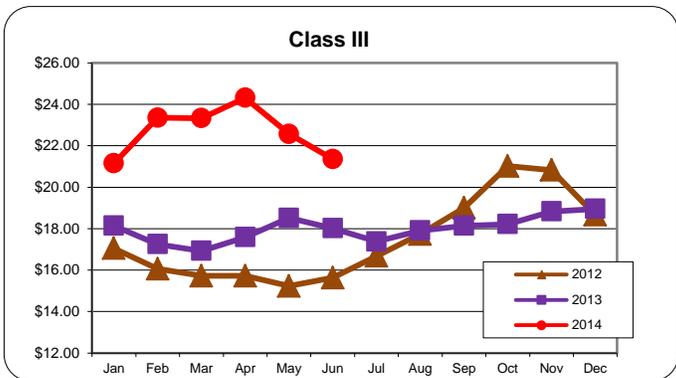
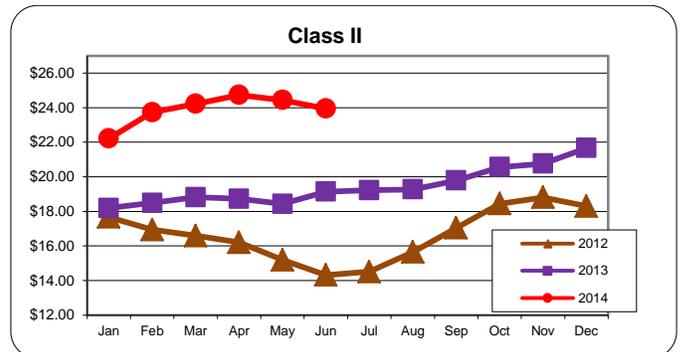
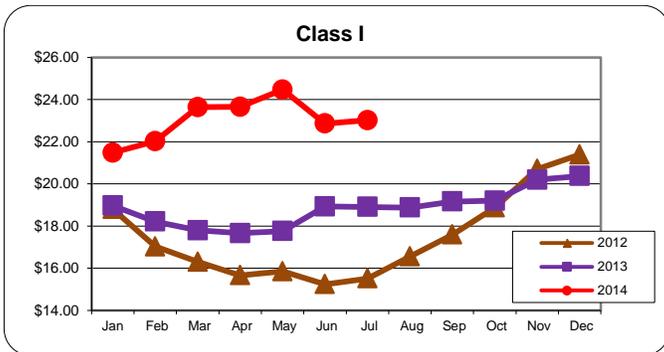
CLASS IV MILK PRICES (3.5%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2013	17.63	17.75	17.75	18.10	18.89	18.88	18.90	19.07	19.43	20.17	20.52	21.54

FEDERAL MILK ORDER CLASS PRICES FOR 2014 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	21.48	22.02	23.64	23.65	24.47	22.86	23.02					
II	22.21	23.73	24.22	24.74	24.44	23.94						
III	21.15	23.35	23.33	24.31	22.57	21.36						
IV	22.29	23.46	23.66	23.34	22.65	23.13						

1/ Specific order differentials to be added to this base price can be found by going to: www.ams.usda.gov/DairyMarketingStatistics; then select "Prices"; and then select "Principal Pricing Points."



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered July 07 - 18, 2014

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

WESTERN OVERVIEW: Western European milk production continues to be good with producers incentivized by good margins and favorable weather. Export market activity for most dairy commodities is light. Export prices are under pressure from other global markets. Domestic demand has also weakened, due to the onset of the European holiday season. Western European milk delivery estimates for May, reported by ZMB, have EU-28 production 3.8% above 2013 levels. Monthly delivery increases over last year levels are declining as milk production declines along the seasonal trend with Germany +3.1%; France, +3.8%; UK, +8.0%; Netherlands, +1.2% and Ireland, +7.0%. January-May deliveries compared to one year ago for selected countries are: Germany, +4.4%; France, +6.0%; Ireland, +8.5%; Netherlands, +4.3%; and the UK, +11.9%.

BUTTER/BUTTEROIL: Butter prices weakened this reporting period with a decline on the upper end of the range. Export demand has declined as the Middle East observes the Ramadan holiday, which will continue until late in the month. Export interest from other regions has declined with many buyers holding off purchases to get a clearer picture of the market. Negotiations are ongoing for Q4 supplies with increased competition coming from other global markets. Domestic demand for butter has declined as the European holiday season has begun. Production of butter is steady. Stocks of butter are difficult to ascertain because of the discontinuation of the PSA program, but a majority of contacts have surmised that stocks must be building, given current milk flows, production schedules and decreased demand. Butter exports for the January-May period, as reported by Eurolait, increased 23% over year ago levels. EU butter exports for May were down, compared to April, primarily due to decreased demand from Russia. The butteroil market is weak in light trading. EU butteroil is coming under increasing pressure from lower priced product from Oceania. Export interest is very light. Current supplies are moving through contracts.

82% BUTTERFAT: 4,550 - 4,950
99% BUTTERFAT: 5,475 - 6,025

SKIM MILK POWDER (SMP): Skim milk powder prices declined marginally on the upper end of the range. The skim milk powder market has weakened with some buyers waiting for market conditions to become clearer prior to making additional purchases. Skim condensed is being discounted in some areas of the EU, giving some manufacturers the flexibility to lower prices and yet maintain reasonable margins. A majority of Q3 production is under contract with negotiations ongoing for Q4 needs with increased competition coming from other world markets. Exports of SMP for January to May, as reported by Eurolait, showed an increase of 60%, compared to the same period last year.

1.25% BUTTERFAT: 3,650 - 4,025

WHOLE MILK POWDER (WMP): Whole milk powder prices declined on both ends of the range. Market demand and activity are primarily addressing the domestic market, which have declined due to the beginning of the holiday season. The price gap between Europe and other global markets has significantly decreased export interest. Current supplies are moving through contracts with little available for the spot market. Eurolait reported EU-28 whole milk powder exports for January-May 2014 up 25% compared to last year.

26% BUTTERFAT: 4,050 - 4,550

SWEET WHEY POWDER: The whey market continues to be very stable with steady prices. Cheese production declines, due to reduced milk volumes, have marginally reduced dry whey output. Export interest from Asia is good. According to Eurolait, whey exports for the first five months of 2014 were 4.7% above year ago levels. China is the leading destination for European whey exports.

NONHYGROSCOPIC: 1,250 - 1,450

EASTERN OVERVIEW: Milk production in Eastern Europe remains strong with continued significant increases over year ago levels in Poland and the Baltic States. Increased levels of cheese, skim milk powder and butter are being produced, compared to last year. Dairy exports to Russia have increased recently as additional plants have gone through the Russian registration and approval process. Eastern European milk deliveries for May, reported by ZMB, showed robust increases for some countries compared to last year with Poland up 7.8%, Romania up 17.4% and the Baltic States up 12.3%.

**Exchange rates for selected foreign currencies:
July 14, 2014**

.1227 Argentina Peso	.0099 Japan Yen
.9393 Australian Dollar	.0772 Mexican Peso
.9336 Canadian Dollar	.8805 New Zealand Dollar
1.3619 Euro	.3291 Poland Zloty
.0167 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0772) = 12.9534 Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered July 07 - 18,2014

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

AUSTRALIAN milk production was flat over the last fortnight with levels at or near the seasonal low point. The mild weather has given way to more normal winter conditions with cold and rains covering much of the dairy producing areas. Most dairy farmers have signed on for the new season with their milk processor of choice. Beginning season milk prices are above levels of years past and producers are readying for a good start to the new season. Cows will begin calving over the next 4 weeks. Export spot sales activity has been fairly light for most dairy commodities. Manufacturing plants continue to cycle through their typical shut downs for planned maintenance projects. Stocks are being worked lower with supplies moving through contracts. Trading is light with reports that China has mostly adequate supplies for the near term and Ramadan has lowered export interest from the Middle East. According to Dairy Australia, Australian production of various dairy commodities for May 2014 showed the following percentage changes compared to 2013: butter, +13.7%; butteroil, -13.2%; skim milk powder, +8.1%; whole milk powder, -11.9%; buttermilk powder, +15.7%; cheese, +1.9%; and whey powder, -7.4%. Dairy Australia also reports dairy product exports for the July-May period totaling 667.4 thousand tons, down 8.1% from the year ago period. The largest export category is skim milk powders (SMP). The total value of exports is 18.1% higher over the prior year period. The highest value items are SMP and WMP. **NEW ZEALAND's** milk producers are waiting for the start of the new season. Current milk production is limited, as a majority of cows are dried off and on winter pastures. Weather remains mild on the South Island, but the North Island has seen heavy rains and colder temperatures. Some flooding did occur in areas north of Auckland, but the impact to dairy operations is said to be minimal. Calving has started in some areas on the North Island. Stocks of dairy commodities are being worked lower, with uncommitted supplies of whole milk powder readily available for the spot market. Going into the new season, some manufacturers are adjusting their production schedules away from whole milk powder to butter and skim milk powder production. New Zealand's 2013-14 export revenue increased by 30% according to a report released by the Ministry of Primary Industries. At the July 15 GDT event #120, average prices ranged from 10.9% lower to 1.1% lower from the prior event across categories. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,250 -10.0%; butter, \$3,144 -1.1%; buttermilk powder, \$4,426 -4.6%; cheddar cheese, \$4,164 -1.6%; lactose, n.a.; milk protein concentrate, n.a.; rennet casein, \$9,761 -8.9%; skim milk powder, \$3,516 -7.1%; and whole milk powder, \$3,088 -10.9%.

BUTTER: Butter prices moved lower on the upper end of the range and marginally declined on the low end of the range. Demand for butter is mixed with the Middle East slow, due to Ramadan. Demand from Southeast Asia and portions of North Africa are reasonably steady. Russia is negotiating with a number of sellers to cover their Q4 needs. Stocks are being worked lower and nearing their seasonal low point. Supplies are moving through contracts and spot sales activity is light. At the July 15 GDT event #120, NZ unsalted butter averaged \$3,115/MT for the September contracts, -1.6% from the prior event. Butter for all regions and contracting periods averaged \$3,144/MT, -1.1%. New Zealand

AMF prices averaged \$3,198/MT for the September contracts, -11.7% from the prior event. For all contract periods, the AMF price average was \$3,250/MT, -10.0%.

82% BUTTERFAT: 3,050 - 4,150

SKIM MILK POWDER (SMP): Prices moved lower this period with the most significant declines on the low end of the range, reflective of sales for late Q3 and early Q4. Demand for skim milk powder is steady to weak. Supplies are moving through contracts, but spot sale interest has declined. Some buyers are holding off purchases waiting for the possibility of lower prices. Some manufacturers are anxious to get sales on the books for later in Q3. Global supplies for late Q3 and early Q4 are anticipated to be fairly heavy. At the July 15 GDT event 120, SMP for all regions and contracting periods averaged \$3,516 per MT, -7.1%. For trading in contract period 2, September 2014, prices averaged \$3,430 for NZ sourced medium heat product, down \$330 from the prior event. For September sales, the price gap between NZ and U.S. sourced MH SMP, at \$3,850, was \$420/MT.

1.25% BUTTERFAT: 3,425 - 4,000

CHEDDAR CHEESE: Cheese prices moved marginally lower on both ends of the range. Production has yet to pick up in the region as milk production is at or near the seasonal low point. Declines in the whole milk powder market have made cheese production more economical. Milk volumes going to cheese plants are anticipated to increase in the first half of the new season. Negotiations for Q4 supplies are ongoing with fairly good buyer interest.

39% MAXIMUM MOISTURE: 4,100 - 4,850

WHOLE MILK POWDER (WMP): Whole milk powder prices declined on both ends of the range. Stocks of whole milk powder are mixed with some large manufacturers having more than normal levels for this time of year, while others have nearly depleted supplies. Market activity is fairly light with China reported as having more than adequate supplies for the near term. Some buyers are hesitant to purchase product on a downward trending market. Other buyers have seen the light trading activity as an opportunity to purchase some additional loads at lower price levels. The lower prices are causing some manufacturers to plan to lower their whole milk powder production schedules at the start of the new season. At the July 15 GDT event 120, the WMP pricing index, across all contracting periods, averaged \$3,088 per MT, down 10.9% compared to the prior event. For contract periods 2 and 3, September and October 2014, NZ regular WMP averaged \$3,005 and \$3,035 per MT.

26% BUTTERFAT: 3,000 - 4,000

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

US\$/MT	Global/Dairy Trading (gDT) Event 120 Recap - July 15, 2014													
	Contract 1 Aug-14		Contract 2 Sep-14		Contract 3 Oct-14		Contract 4 Nov-14		Contract 5 Dec-14		Contract 6 Jan-15		All Contracts	
Anhydrous Milk Fat	n.a.		\$3,198	-11.7%	\$3,223	-10.8%	\$3,289	-7.9%	\$3,373	-7.6%	\$3,475	-5.9%	\$3,250	-10.0%
Butter	\$4,800	-1.5%	\$3,115	-1.6%	\$3,035	-2.1%	\$3,125	0.2%	\$3,195	-0.2%	n.a.		\$3,144	-1.1%
Buttermilk Powder	n.a.		\$4,485	-4.9%	\$4,360	-6.8%	\$4,440	3.7%	n.a.		n.a.		\$4,426	-4.6%
Cheddar	n.a.		\$4,314	-4.3%	\$4,129	-1.3%	\$4,101	-0.5%	n.a.		n.a.		\$4,164	-1.6%
Lactose	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Milk Protein Concentrate	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Rennet Casein	n.a.		\$9,605	-11.3%	\$10,192	-3.7%	n.a.		n.a.		n.a.		\$9,761	-8.9%
Skim Milk Powder	\$3,850	-0.9%	\$3,478	-8.2%	\$3,509	-8.1%	\$3,612	-4.1%	\$3,543	-5.3%	\$3,535	-6.5%	\$3,516	-7.1%
Whole Milk Powder	n.a.		\$3,090	-10.6%	\$3,082	-10.2%	\$3,042	-11.7%	\$3,074	-11.9%	\$3,423	-6.6%	\$3,088	-10.9%

Average price US\$/MT and % change in indices from previous event.

US\$/Pound	Global/Dairy Trading (gDT) Event 120 Recap - July 15, 2014													
	Contract 1 Aug-14		Contract 2 Sep-14		Contract 3 Oct-14		Contract 4 Nov-14		Contract 5 Dec-14		Contract 6 Jan-15		All Contracts	
Anhydrous Milk Fat	n.a.		\$1.4506	-11.7%	\$1.4619	-10.8%	\$1.4919	-7.9%	\$1.5300	-7.6%	\$1.5762	-5.9%	\$1.4742	-10.0%
Butter	\$2.1773	-1.5%	\$1.4130	-1.6%	\$1.3767	-2.1%	\$1.4175	0.2%	\$1.4492	-0.2%	n.a.		\$1.4261	-1.1%
Buttermilk Powder	n.a.		\$2.0344	-4.9%	\$1.9777	-6.8%	\$2.0140	3.7%	n.a.		n.a.		\$2.0076	-4.6%
Cheddar	n.a.		\$1.9568	-4.3%	\$1.8729	-1.3%	\$1.8602	-0.5%	n.a.		n.a.		\$1.8888	-1.6%
Lactose	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Milk Protein Concentrate	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.	
Rennet Casein	n.a.		\$4.3568	-11.3%	\$4.6231	-3.7%	n.a.		n.a.		n.a.		\$4.4276	-8.9%
Skim Milk Powder	\$1.7463	-0.9%	\$1.5776	-8.2%	\$1.5917	-8.1%	\$1.6384	-4.1%	\$1.6071	-5.3%	\$1.6035	-6.5%	\$1.5948	-7.1%
Whole Milk Powder	n.a.		\$1.4016	-10.6%	\$1.3980	-10.2%	\$1.3798	-11.7%	\$1.3944	-11.9%	\$1.5527	-6.6%	\$1.4007	-10.9%

Average price US\$/pound and % change from previous event.

CME GROUP, INC FUTURES
Selected settling prices, (open interest)

Month	07/03	07/04	07/07	07/08	07/09	07/10	07/11	07/14	07/15	07/16
CLASS III MILK FUTURES (Pit-Traded) (\$/cwt)										
JUL 14	21.38 (4018)	NO TRADING	21.37 (4003)	21.32 (4064)	21.30 (4051)	21.39 (4049)	21.40 (4039)	21.43 (4015)	21.46 (4004)	21.46 (4065)
AUG 14	20.58 (3541)		20.66 (3546)	20.53 (3577)	20.35 (3587)	20.60 (3592)	20.70 (3601)	20.97 (3615)	21.02 (3630)	21.27 (3689)
SEP 14	20.32 (3212)		20.36 (3202)	20.19 (3192)	19.81 (3263)	19.87 (3286)	19.85 (3283)	20.15 (3242)	20.10 (3266)	20.35 (3289)
OCT 14	20.25 (2769)		20.25 (2769)	20.10 (2809)	19.75 (2852)	19.77 (2879)	19.79 (2877)	20.03 (2892)	19.93 (2961)	20.00 (3046)
NOV 14	19.81 (2498)		19.80 (2512)	19.61 (2528)	19.31 (2582)	19.32 (2612)	19.32 (2640)	19.55 (2660)	19.50 (2678)	19.50 (2733)
DEC 14	19.50 (2145)		19.47 (2146)	19.40 (2160)	19.08 (2206)	19.10 (2244)	19.09 (2303)	19.33 (2316)	19.21 (2330)	19.20 (2390)
JAN 15	18.84 (1114)		18.78 (1138)	18.74 (1159)	18.50 (1250)	18.54 (1299)	18.50 (1313)	18.70 (1324)	18.56 (1354)	18.62 (1397)
FEB 15	18.30 (975)		18.28 (989)	18.26 (1008)	18.10 (1094)	18.14 (1123)	18.14 (1140)	18.26 (1140)	18.17 (1158)	18.19 (1192)
MAR 15	18.13 (836)		18.11 (853)	18.10 (858)	18.03 (933)	18.05 (962)	18.03 (980)	18.13 (983)	18.06 (1012)	18.06 (1049)
APR 15	18.01 (501)		18.02 (527)	17.99 (539)	17.95 (595)	17.94 (626)	17.88 (632)	18.00 (645)	17.99 (652)	18.00 (659)
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
JUL 14	23.16 (1312)	NO TRADING	23.16 (1311)	23.39 (1313)	23.39 (1316)	23.37 (1316)	23.39 (1317)	23.46 (1317)	23.46 (1317)	23.46 (1317)
AUG 14	22.46 (1268)		22.46 (1268)	22.46 (1268)	22.42 (1272)	22.29 (1281)	22.38 (1284)	22.80 (1289)	22.95 (1290)	22.96 (1290)
SEP 14	21.72 (1095)		21.72 (1095)	21.65 (1096)	21.35 (1125)	21.19 (1129)	21.30 (1131)	21.60 (1136)	21.79 (1148)	21.95 (1150)
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
JUL 14	228.00 (967)	NO TRADING	228.00 (967)	227.00 (967)	226.88 (964)	227.03 (956)	229.50 (951)	230.60 (950)	231.75 (954)	231.75 (952)
AUG 14	225.00 (974)		224.00 (973)	224.00 (973)	222.98 (974)	221.45 (981)	223.55 (984)	228.55 (993)	233.55 (1016)	235.00 (1010)
SEP 14	216.13 (907)		216.33 (904)	216.33 (904)	212.50 (914)	210.05 (914)	212.10 (934)	217.10 (939)	222.10 (940)	227.10 (944)
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
JUL 14	181.20 (571)	NO TRADING	181.30 (572)	184.75 (571)	184.00 (574)	184.00 (574)	184.00 (574)	184.00 (574)	183.50 (574)	183.50 (553)
AUG 14	176.20 (469)		176.20 (469)	178.25 (471)	176.40 (472)	176.15 (479)	177.00 (480)	178.70 (484)	177.00 (477)	177.00 (465)
SEP 14	171.00 (446)		171.00 (446)	171.00 (446)	169.50 (449)	168.00 (446)	169.98 (439)	170.70 (443)	169.00 (456)	168.75 (467)
WHEY (Electronic-Traded) (¢/lb)										
JUL 14	66.50 (366)	NO TRADING	66.33 (359)	66.33 (359)	66.33 (352)	66.75 (352)	67.00 (352)	67.25 (352)	67.25 (352)	67.25 (352)
AUG 14	65.20 (329)		64.75 (312)	64.75 (312)	64.75 (312)	66.75 (315)	67.00 (315)	67.50 (315)	67.50 (315)	67.50 (312)
SEP 14	60.75 (309)		60.25 (309)	60.25 (309)	60.25 (306)	63.05 (309)	64.50 (312)	65.00 (320)	64.28 (320)	64.28 (320)
CHEESE CSC (Electronic-Traded) (\$/lb)										
JUL 14	2.04 (1614)	NO TRADING	2.04 (1596)	2.04 (1597)	2.04 (1597)	2.04 (1597)	2.04 (1597)	2.04 (1597)	2.04 (1595)	2.04 (1595)
AUG 14	1.97 (1384)		1.98 (1386)	1.97 (1395)	1.95 (1412)	1.97 (1417)	1.97 (1426)	1.99 (1417)	2.00 (1438)	2.03 (1467)
SEP 14	1.98 (1361)		1.98 (1364)	1.97 (1362)	1.93 (1366)	1.92 (1366)	1.90 (1366)	1.93 (1365)	1.92 (1400)	1.95 (1401)
OCT 14	1.99 (1337)		1.99 (1338)	1.98 (1339)	1.94 (1347)	1.93 (1376)	1.93 (1374)	1.95 (1374)	1.94 (1373)	1.94 (1373)
NOV 14	1.95 (1451)		1.95 (1447)	1.94 (1450)	1.90 (1463)	1.90 (1480)	1.89 (1481)	1.91 (1479)	1.91 (1480)	1.91 (1476)
DEC 14	1.93 (1494)		1.93 (1494)	1.92 (1494)	1.89 (1522)	1.89 (1559)	1.88 (1640)	1.90 (1644)	1.89 (1688)	1.89 (1762)

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

JULY MILK SUPPLY AND DEMAND ESTIMATES

The milk production forecast for 2014 is lowered from last month as slower growth in output per cow more than offsets a more rapid expansion in cow numbers. The forecast for 2015 is raised as higher milk prices and lower feed costs are expected to support more rapid growth in cow numbers and output per cow. Export forecasts for 2014 are lowered on a fat basis but raised on a skim-solids basis. High domestic butter prices are expected to limit export opportunities, but nonfat dry milk/skim milk powder (NDM/SMP) exports are expected to remain strong. For 2015, no change is forecast to fat-basis exports, but strength in NDM/SMP sales will help support higher skim-solids exports. Product prices are forecast higher for 2014 with strength in butter prices expected to carry into 2015. Despite increased production, robust domestic demand and stronger NDM/SMP exports will support prices. Class III and Class IV prices for 2014 are raised on stronger component product prices and the Class IV price forecast for 2015 is raised reflecting strength in butter prices. The all milk price is forecast at \$23.25 to \$23.55 per cwt for 2014, and \$19.75 to \$20.75 per cwt for 2015.

U.S. MILK SUPPLY AND USE					
Commodity	2013	2014 Projected		2015 Projected	
		June	July	June	July
BILLION POUNDS					
MILK					
PRODUCTION	201.2	206.1	205.9	212.1	212.4
FARM USE	1.0	1.0	1.0	1.0	1.0
FAT BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	12.2	11.2	11.2	10.8	10.8
MARKETINGS	200.2	205.1	204.9	211.1	211.4
IMPORTS	3.7	3.5	3.5	3.4	3.5
TOTAL COMMERCIAL SUPPLY	216.2	219.7	219.6	225.3	225.6
FAT BASIS USE					
COMMERCIAL EXPORTS	12.4	13.4	13.2	13.0	13.0
ENDING COMMERCIAL STOCKS	11.2	10.8	10.8	12.0	12.0
CCC DONATIONS	0.0	0.0	0.0	0.0	0.0
DOMESTIC COMMERCIAL USE	192.6	195.6	195.6	200.3	200.6
SKIM-SOLID BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	12.4	11.7	11.6	11.9	12.0
MARKETINGS	200.2	205.1	204.9	211.1	211.4
IMPORTS	5.3	5.6	5.2	5.2	5.1
TOTAL COMMERCIAL SUPPLY	217.9	222.3	221.8	228.2	228.5
SKIM-SOLIDS BASIS USE					
COMMERCIAL EXPORTS	38.6	39.4	40.4	38.6	39.1
ENDING COMMERCIAL STOCKS	11.6	11.9	12.0	12.2	12.2
CCC DONATIONS	0.0	0.0	0.0	0.0	0.0
DOMESTIC COMMERCIAL USE	167.7	171.1	169.3	177.3	177.2

NOTE: Totals may not add due to rounding.

Continued on page 10

JULY MILK SUPPLY AND DEMAND ESTIMATES-cont'd

U.S. DAIRY PRICES					
Commodity	2013	2014 Projected		2015 Projected	
		June	July	June	July
DOLLARS PER POUND					
PRODUCT PRICES ¹					
CHEESE	1.7683	2.015-2.055	2.030-2.060	1.670-1.770	1.670-1.770
BUTTER	1.5451	1.870-1.940	1.965-2.025	1.640-1.770	1.650-1.780
NONFAT DRY MILK	1.7066	1.820-1.860	1.835-1.865	1.605-1.675	1.605-1.675
DRY WHEY	0.5902	0.630-0.650	0.635-0.655	0.550-0.580	0.550-0.580
DOLLARS PER CWT					
MILK PRICES ^{2/}					
CLASS III	17.99	20.80-21.20	21.00-21.30	16.95-17.95	16.95-17.95
CLASS IV	19.05	21.45-21.95	21.95-22.35	18.65-19.75	18.70-19.80
ALL MILK ^{3/}	20.05	22.90-23.30	23.25-23.55	19.75-20.75	19.75-20.75
QUARTERLY					
	2014 II	2014 III	2014 IV ^{4/}	2015 I ^{4/}	2015 II ^{4/}
BILLION POUNDS					
MILK PRODUCTION	52.7	50.9	51.2	52.8	54.3
DOLLARS PER CWT.					
ALL MILK PRICE ^{2/3/}	24.27	22.80-23.20	21.40-22.10	20.60-21.60	18.95-19.95
CLASS III PRICE ^{2/}	22.75	20.20-20.60	18.40-19.10	16.45-17.45	16.80-17.80
CLASS IV PRICE ^{2/}	23.04	22.00-22.50	19.85-20.65	18.10-19.20	18.50-19.60

^{1/} Simple average of monthly prices calculated from AMS weekly weighted average prices published in the National Dairy Products Sales Report located at: <http://www.ams.usda.gov/AMSV1.0/DairyProductMandatoryReporting>.”

^{2/} Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test.

^{3/} Does not reflect any deductions from producers as authorized by legislation.

^{4/} Projection.

Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-531, July 11, 2014*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Uthra Raghunathan, AMS; Paul Kiendl, FAS; Roger Hoskin, ERS; and Milton Madison, FSA].

REVISED APRIL MILK SALES

During April, 4.1 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 4.5 percent lower than April 2013. Estimated sales of total conventional fluid milk products decreased 5.1 percent from April 2013 and estimated sales of total organic fluid milk products increased 7.6 percent from a year earlier. Additional data can be found at <http://www.ams.usda.gov/AMSV1.0/FluidMilkSalesDataMonthlyandYearToDate>.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, APRIL 2014, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	April	Year to Date	Previous Year	Year to Date
	<i>million pounds</i>		<i>Percent</i>	
Conventional Production Practice				
Whole Milk	1,058	4,383	-2.0	0.2
Flavored Whole Milk	43	179	-8.2	-1.4
Reduced Fat Milk (2%)	1,382	5,754	-3.5	-1.7
Low Fat Milk (1%)	565	2,293	-6.3	-4.2
Fat-Free Milk (Skim)	497	2,063	-12.5	-10.2
Flavored Fat-Reduced Milk	352	1,360	-6.9	-4.6
Buttermilk	40	161	0.7	0.8
Other Fluid Milk Products	4	17	---	---
Total Fat-Reduced Milk 3/	2,795	11,471	-6.2	-4.2
Total Conventional Milk Products	3,940	16,210	-5.1	-2.9
Organic Production Practice				
Whole Milk	60	236	19.1	21.5
Reduced Fat Milk (2%)	61	247	7.4	19.2
Low Fat Milk (1%)	39	161	6.1	12.5
Fat-Free Milk (Skim)	34	141	-7.4	-1.1
Flavored Fat-Reduced Milk	11	41	10.6	-0.8
Other Fluid Milk Products	0	2	---	---
Total Fat-Reduced Milk 3/	134	549	2.9	11.4
Total Organic Milk Products	205	829	7.6	13.5
Total Fluid Milk Products	4,145	17,039	-4.5	-2.2
Total Fluid Milk Products Adjusted 4/	*	*	*	*

* Total Fluid Milk Products Adjusted for Calendar Composition will not be published until the 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 account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis. 3/ Both conventional and organic fat-reduced milk categories are total of reduced fat, lowfat, skim and flavored fat-reduced milk. 4/ Sales volumes and percent changes have been adjusted for calendar composition. Report contact: Daniel Manzoni, Daniel.manzoni@ams.usda.gov or 202-720-2352

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS AND CALIFORNIA, APRIL 2014, WITH COMPARISONS 1/

Marketing Area	Order Number	Sales		Change from: 2/	
		April	Year to Date	Previous Year	Year to Date
		<i>million pounds</i>		<i>percent</i>	
Northeast	001	686	2,891	-6.8	-2.0
Appalachian	005	262	1,108	-7.0	-3.5
Florida	006	229	944	-4.1	-2.1
Southeast	007	381	1,556	-2.1	-1.5
Upper Midwest	030	324	1,323	-3.8	-2.0
Central	032	353	1,452	-6.6	-3.7
Mideast	033	441	1,873	-3.7	-3.3
Pacific Northwest	124	167	677	-5.0	-1.9
Southwest	126	370	1,494	-2.9	0.1
Arizona	131	92	380	-4.9	0.4
California	---	498	1,977	-2.4	-2.8
All Orders (Total)		3,315	13,698	-4.8	-2.2
All Areas (Total)		3,813	15,676	-4.5	-2.2

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*, April 2014.

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, APRIL 2014, WITH COMPARISONS

In April 2014, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$25.33 per cwt, up \$0.15 from the March 2014 average, and up \$5.88 from the April 2013 average. The component tests of producer milk in April 2014 were: butterfat, 3.72%; protein, 3.11%; and other solids, 5.73%. The April Mailbox prices increased an average of \$0.07/cwt across all Federal milk order reporting areas when compared to the previous month. The April 2014 mailbox prices increased in thirteen areas and decreased in six areas. Minnesota experienced the greatest increase of \$0.63/cwt, while the Northwest States experienced the greatest decrease of \$0.39/cwt. Mailbox prices in April 2014 ranged from \$27.13 in Florida to \$22.94 in New Mexico.

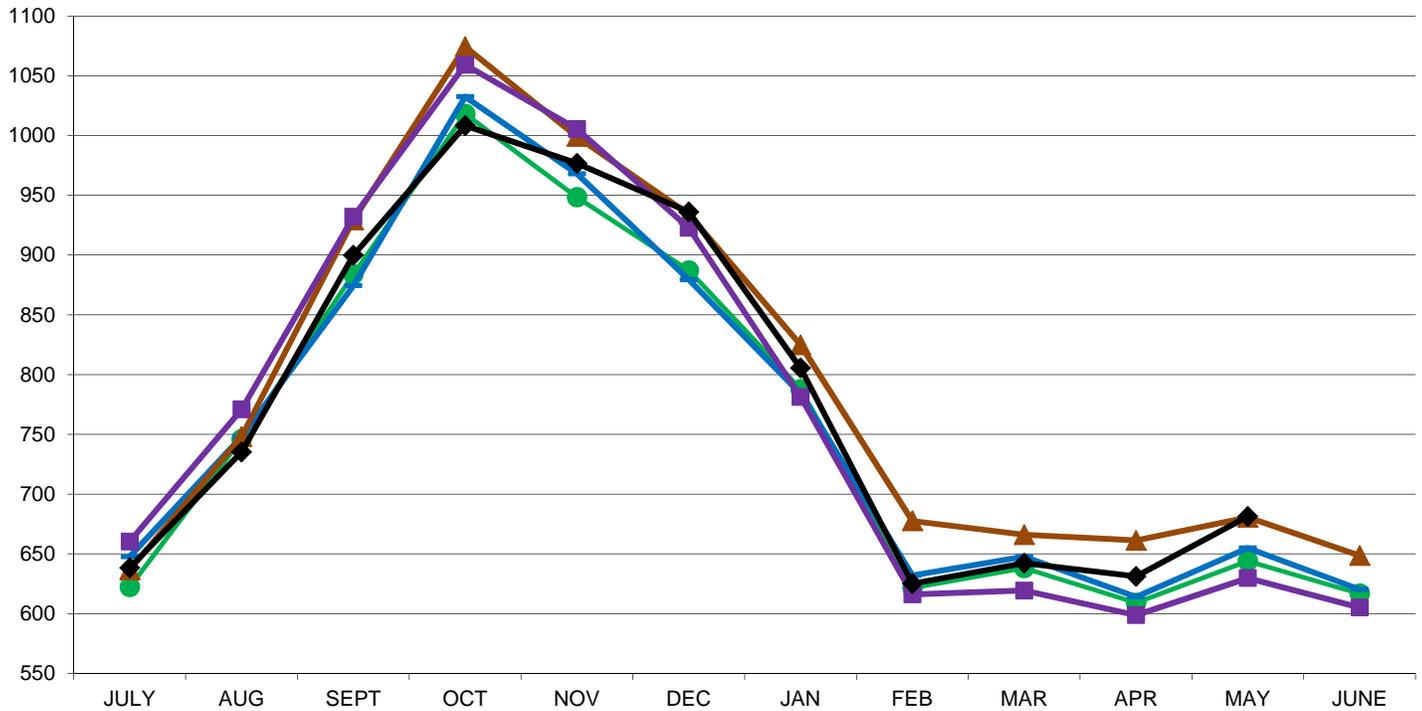
Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	April 2013	March 2014	April 2014
	Dollars per hundredweight		
New England States <u>3/</u>	20.80	26.30	26.41
New York	19.83	25.58	25.66
Eastern Pennsylvania <u>4/</u>	19.91	25.48	25.58
Appalachian States <u>5/</u>	20.02	25.96	25.78
Southeast States <u>6/</u>	20.26	26.10	25.83
Southern Missouri <u>7/</u>	18.87	24.92	24.64
Florida	21.73	27.27	27.13
Western Pennsylvania <u>8/</u>	19.94	25.61	25.77
Ohio	19.82	25.24	25.38
Indiana	19.33	24.46	24.51
Michigan	18.96	24.62	24.66
Wisconsin	19.65	25.34	25.91
Minnesota	19.63	25.43	26.06
Iowa	19.85	25.75	25.97
Illinois	19.75	25.61	25.81
Corn Belt States <u>9/</u>	18.71	24.39	24.51
Western Texas <u>10/</u>	18.40	24.32	24.42
New Mexico	17.25	22.96	22.94
Northwest States <u>11/</u>	19.22	25.36	24.97
All Federal Order Areas <u>12/</u>	19.45	25.18	25.33
California <u>13/</u>	17.90	23.36	23.13

1/ Areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay prices received by dairy farmers for milk. Prices reflect all payments received for milk sold and all costs associated with marketing the milk. Prices are weighted averages of the prices reported for all orders receiving milk from the reporting area and are reported at the average butterfat tests. Prices do not include any Milk Income Loss Contract (MILC) payments, but do include, for the most part, the assessment under the Cooperatives Working Together (CWT) program. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. 4/ Includes all counties to the east of those listed in 8/. 5/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 6/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 7/ Includes the counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 8/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. 9/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 7/. 10/ Includes all counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. 11/ Includes Oregon and Washington. 12/ Weighted average of prices for all selected reporting areas. California is simple average. 13/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."

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

MILLION LITRES

MONTHLY AUSTRALIAN MILK PRODUCTION

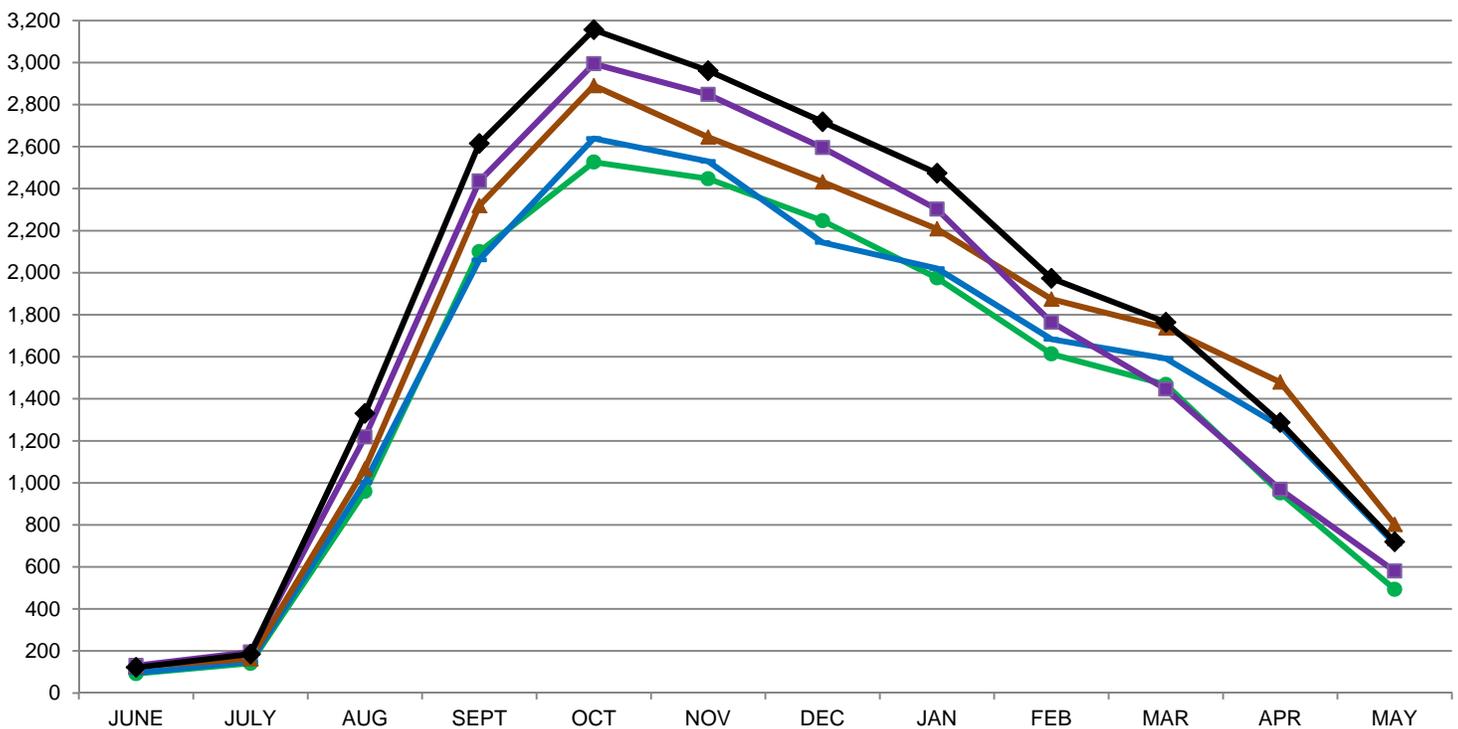


DATA SOURCE, DAIRY AUSTRALIA LTD.; GRAPH, USDA, AMS, DMN

● 2009-10 ■ 2010-11 ▲ 2011-12 ■ 2012-13 ◆ 2013-14

MONTHLY NEW ZEALAND MILK PRODUCTION

1,000 MT



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

● 2009-10 ■ 2010-11 ▲ 2011-12 ■ 2012-13 ◆ 2013-14

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