

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (12/18)**

BUTTER: Grade AA closed at \$2.0600. The weekly average for Grade AA is \$2.0690 (-.5370).

CHEESE: Barrels closed at \$1.4500 and 40# blocks at \$1.4400. The weekly average for barrels is \$1.4290 (-.0470) and blocks, \$1.4290 (-.0475).

NONFAT DRY MILK: Grade A closed at \$.7650. The weekly average for Grade A is \$.7775 (+.0150).

BUTTER HIGHLIGHTS: The trade is assessing the butter market after sharp price declines over the past two weeks. Some last minute buyers are filling remaining orders. Most of ice cream, egg nog, sour cream and cream cheese processing for the holidays is completed. As a result, cream supplies to make butter are more available. Butter churning is active in the West and Central regions, but is steady to lower in the East. In the Central region, some production lines will be down for maintenance projects. In the West, some manufacturers are shifting production from print to bulk. At this point, major parts of the national butter output are destined to frozen storage. Inventories are steady to building. Butter demand from retailers is light but steady from food service. The market undertone is weak. The Grade AA butter price at the CME Group on Friday closed at \$2.0600, down 14 cents from a week ago.

CHEESE HIGHLIGHTS: This week's cheese production is steady across the regions. Sales of specialty cheese have been particularly strong. Slower sales of fresh mozzarella have caused a slight slowdown in production. Commitments have been made already by some manufacturers to secure extra milk intakes next week, which will keep many cheese plants in heavy production. Manufacturers are comfortable with expectations that the higher production can be sold and they are receptive to lower spot milk prices at this time of year. During November, quota cheese imports into the U.S. increased 7.6% over levels one year ago. For January – November, high tier cheese imports into the US were 36.6% above the same 11 months of 2014, and quota imports were 18.6% higher. Barrels closed the week at \$1.4500, up \$0.0275 and blocks closed at \$1.4400, down \$0.0050 from last week's close.

FLUID MILK: Milk production in California and the mid-Atlantic states is steady. Production is increasing from the seasonal low in the Pacific Northwest, where components are also increasing.

Northeast milk production is marginally higher, as is production in Florida. Midwest milk production is steady to climbing, with spot milk this week clearing into cheese plants at \$4.00 to \$.50 under Class. New Mexico production is higher, heading up to the seasonal flush while Arizona milk production is at the peak of the flush.

DRY PRODUCTS: The market for low/medium heat nonfat dry milk is sluggish with an unsettled undertone, as prices move lower and higher. Many buyers are in a just-in-time purchasing pattern, although some brand/location/packaging end users have finalized 2016 contracting. Prices for dry buttermilk are lower. Buying interest has diminished with the holiday baking and ice cream/frozen dessert production seasons complete. Production is steady to higher and inventories are steady to increasing. Prices for dry whey are steady to higher. Production is steady to higher, with mixed interest in making commitments for 2016 contracting. Whey protein concentrate 34% markets are mostly steady with limited spot market activity. Lactose prices and production are steady.

ORGANIC DAIRY MARKET NEWS (DMN): AMS reports total organic milk products sales for October 2015, 204 million pounds, were down 8.5% from October last year and down 2.4% year to date through October this year compared with last year. Total organic whole milk products sales for October 2015, 70 million pounds, were up 0.9% compared with October last year and up 9.1% January through October 2015 compared with the same months of 2014. With the exception of organic whole milk, all other fat and flavored categories of organic milk have lower sales January through October 2015 than 2014. The U.S. weighted average advertised price of organic eggnog is \$4.50, up 55 cents from one year ago, and 28 cents from last week. The U.S. weighted average advertised price of organic milk half gallons have a U.S. weighted average advertised price of \$3.78, down 10 cents from last week, but up 29 cents from last year. The U.S. weighted average price of 1 pound organic butter is \$5.13. That is, 38 cents lower than last week. The U.S. weighted average price of 32 ounce organic Greek yogurt is \$2.86, down \$3.63 from one year ago, and down \$2.54 from last week. The low price this week is because of a featured store brand. Organic Greek yogurt in 4-6 ounce containers has a U.S. weighted average price of \$1.25, up 7 cents from one year ago, but unchanged from last week.

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DAIRY GRAPHS (G1)
NATIONAL RETAIL REPORT-DAIRY

CME GROUP CASH TRADING

COMMODITY	MONDAY DEC 14	TUESDAY DEC 15	WEDNESDAY DEC 16	THURSDAY DEC 17	FRIDAY DEC 18	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4400 (+.0175)	\$1.4350 (-.0050)	\$1.4100 (-.0250)	\$1.4100 (N.C.)	\$1.4500 (+.0400)	:: (+.0275)	:: \$1.4290 (-.0470)
40# BLOCKS	\$1.4475 (+.0025)	\$1.4375 (-.0100)	\$1.4100 (-.0275)	\$1.4100 (N.C.)	\$1.4400 (+.0300)	:: (-.0050)	:: \$1.4290 (-.0475)
NONFAT DRY MILK GRADE A	\$.7925 (+.0200)	\$.7700 (-.0225)	\$.7800 (+.0100)	\$.7800 (N.C.)	\$.7650 (-.0150)	:: (-.0075)	:: \$.7775 (+.0150)
BUTTER GRADE AA	\$2.0700 (-.1300)	\$2.0700 (N.C.)	\$2.0775 (+.0075)	\$2.0675 (-.0100)	\$2.0600 (-.0075)	:: (-.1400)	:: \$2.0690 (-.5370)

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 international purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY

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

The U.S. weighted average price of 8 ounce cheese blocks is \$4.54, up \$1.05 from one year ago, and up 82 cents from last week. Finally, 8 ounce cheese shreds are priced \$4.11, up 51 cents from last week.

INTERNATIONAL DAIRY MARKET NEWS UPDATE

(DMN): At the December 15 GDT event #154, average prices ranged from 9.5% lower to 9.0% higher 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, \$3,721 +6.1%; butter, \$3,136 +9.0%; buttermilk powder, \$1,564 -6.1%; cheddar cheese, \$2,856 +1.1%; lactose, \$542 +6.8%; rennet casein, \$4,541 -9.5%; skim milk powder, \$1,891 +0.2%; and whole milk powder, \$2,304 +1.8%.

NOVEMBER FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY (FMMO): During November, 10.936 billion pounds of milk were received from federally pooled producers. This volume of milk is 13.8% higher than the November 2014 volume. Regulated handlers pooled 3.475 billion pounds of producer milk as Class I products, up 0.9% when compared to the previous year. Class I utilization increased from last year in 8 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 32%, Class II = 10%, Class III = 48%, and Class IV = 10%. The weighted average statistical uniform price was \$17.25 per cwt, up \$0.38 from last month but down \$4.80 from last year.

NATIONAL RETAIL REPORT-DAIRY: The volume of conventional dairy ads increased by 22% compared to the previous week. The most advertised items this period were 8 ounce packages of cream cheese, one pound butter, and 16 ounce packages of sour cream. Cream cheese ads increased 73% from the week before, with an average price of \$1.43. Butter ads were up 60%. The average price of butter was \$3.10, down 9 cents from last week. Sour cream ads increased 36%. Another popular holiday favorite, egg nog, had the largest percentage increase in ad volume. Advertisements for quart containers of egg nog increased by 130%, with an average price of \$2.98. Ads for half gallon egg nog went up 106%, with an average price of \$3.54. The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.22, down 7 cents from last week and 40 cents below a year ago; 8 ounce shred cheese averaged \$2.27, up 7 cents from last week, but 18 cents below one year ago. Ads for conventional cheese increased 19% from last week, and organic cheese ads increased 25%. Conventional yogurt in 4-6 ounce packages averaged 51 cents, up 3 cents from last week and unchanged from a year ago. The average price of 4-6 ounce conventional Greek yogurt is \$.94, unchanged from last week, but down 4 cents from a year ago. Conventional yogurt ad numbers decreased 17% from last week. Organic yogurt ads increased 209%. The price spread between organic and conventional half gallon milk is \$.08. Last week, the spread was \$2.68. The price spread is the difference between national weighted average prices for organic, \$3.78, and conventional, \$3.70. The only region with reported conventional half gallon milk ads this period was Hawaii.

CME GROUP

MONDAY, DECEMBER 14, 2015

CHEESE -- SALES: 3 CARS BARRELS: 2 @ \$1.4200, 1 @ \$1.4325; 5 CARS 40# BLOCKS: 1 @ \$1.4450, 1 @ \$1.4425, 1 @ \$1.4400, 1 @ \$1.4500, 1 @ \$1.4475; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4400; 1 CAR 40# BLOCKS @ \$1.4425; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4500
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7925; LAST OFFER UNCOVERED: 8 CARS GRADE A @ \$0.8175
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0500; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0700

TUESDAY, DECEMBER 15, 2015

CHEESE -- SALES: 3 CARS BARRELS: 2 @ \$1.4400, 1 @ \$1.4350; 5 CARS 40# BLOCKS: 2 @ \$1.4400, 3 @ \$1.4375; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3900; 1 CAR 40# BLOCKS @ \$1.4200; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4375; 1 CAR 40# BLOCKS @ \$1.4500
 NONFAT DRY MILK -- SALES: 8 CARS GRADE A: 1 @ \$0.7850, 6 @ \$0.7700, 1 @ \$0.7725; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7700
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0000; LAST OFFER UNCOVERED: 3 CARS GRADE AA @ \$2.0700

WEDNESDAY, DECEMBER 16, 2015

CHEESE -- SALES: 4 CARS BARRELS @ \$1.4100; 4 CARS 40# BLOCKS: 2 @ \$1.4150, 2 @ \$1.4100; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4000; 2 CARS 40# BLOCKS @ \$1.4100; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.4200
 NONFAT DRY MILK -- SALES: 7 CARS GRADE A: 1 @ \$0.7875, 2 @ \$0.7775, 1 @ \$0.7800, 1 @ \$0.7850, 2 @ \$0.7800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 12 CARS GRADE AA: 3 @ \$2.0700, 2 @ \$2.0800, 1 @ \$2.0850, 2 @ \$2.0900, 2 @ \$2.0800, 1 @ \$2.0750, 1 @ \$2.0775; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0750; LAST OFFER UNCOVERED: NONE

THURSDAY, DECEMBER 17, 2015

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.4300
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$0.7525; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$0.7850
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.0675; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0725

FRIDAY, DECEMBER 18, 2015

CHEESE -- SALES: 5 CARS 40# BLOCKS: 1 @ \$1.4100, 1 @ \$1.4200, 1 @ \$1.4300, 1 @ \$1.4275, 1 @ \$1.4200; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4500; 1 CAR 40# BLOCKS @ \$1.4400; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.4700
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 10 CARS GRADE A @ \$0.7500; LAST OFFER UNCOVERED: 2 CARS GRADE A @ \$0.7650
 BUTTER -- SALES: 13 CARS GRADE AA: 2 @ \$2.0500, 1 @ \$2.0500, 2 @ \$2.0525, 1 @ \$2.0550, 3 @ \$2.0600, 1 @ \$2.0575, 1 @ \$2.0550, 2 @ \$2.0600; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0500; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0700

BUTTER MARKETS

NORTHEAST

Northeast butter output is steady to lower. Some butter operations that were active last week avoided churning cream this week. Manufacturers are not eager to churn without sales being finalized. Notably, most butter manufacturers are considering what's ahead, in anticipation of surges in next week's milk receipts. Higher churning rates are foreseen, which will likely add to yearend butter inventories. Fresh butter is available and frozen supplies are ample to meet any need. Due to the lower multiples, this may be the last week some producers microfix butter orders. In lieu of microfixing, those manufacturers would be encouraged to buy cream for churning, if needed, to fulfill butter needs. The market undertone is steady to weak. This week, bulk butter prices for domestic sales are flat market to 5 over the market of the CME Group, with various time frames and averages used. According to the DMN *National Retail Report-Dairy*, during the week of December 11-17, 2015, the U.S. weighted average advertised price for 1 pound butter was \$3.19, down 13 cents from a year ago, and down 10 cents from the previous week. The Northeast average butter price was \$3.53, up 11 cents from last week. At the CME Group Grade AA butter closed Tuesday at \$2.0700, down 77 cents from last Tuesday.

CENTRAL

Butter production in the Central region is steady to higher as cream demand from Class II operations is declining. Ice cream and cultured goods plant operators indicate the last of holiday related orders are on their way to stores now, and some production lines will be down for maintenance projects. Churn operators expect the next few weeks will bring additional cream into their facilities. Although butter production right now is generally destined for storage, some butter makers indicate the recent sharp decline in prices has made those increases in holdings more palatable than if

prices were closer to \$2.90 per pound. Butter demand is light from the retail sector and generally steady from food service. The DMN *National Retail Report-Dairy* for December 11-17 noted the national weighted average advertised price for a 1 pound package of butter was \$3.19, down \$0.10 from one week ago and \$0.13 lower than a year ago. The weighted average prices in the Midwest and South Central regions, respectively, are \$2.99 and \$3.05. The CME Group Grade AA butter market closed Wednesday at \$2.0775. This is down 71.25 cents from last Wednesday. Bulk butter prices range from 4 cents under to 7 cents over the market, based on CME Group prices and various indices.

WEST

Much of the holiday butter business has passed. With the recent large decrease in the butter price at the CME Group, a few last minute shoppers are rushing to fill remaining orders and purchasing loads on the exchange. Meanwhile, some butter makers say domestic butter demand has died off and inventories are starting to build. Cream is more available, but manufacturers are not as interested in pursuing spot loads to churn. Instead, most processors are content to only churn the cream that they already possess. Some western butter contacts are shifting from print to bulk butter production. The DMN *National Retail Report-Dairy* for the week of December 11-17 found that the U.S. weighted average advertised price of 1 pound butter is \$3.19, down \$.10 from one week ago and down \$.13 from one year ago. In the Southwest, the weighted average advertised price for 1 pound butter was \$3.38 with a price range of \$1.69-\$4.99, and in the Northwest, \$3.15 with a price range of \$2.50-\$3.99. Bulk butter pricing in the West this week is 4 cents under market to 4 cents above, based on the CME Group with

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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
December 12, 2015	2,8567 3,610,874	1,5935 13,735,400	1,5466 10,421,359	.2425 6,583,031	.8023 19,828,853

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

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various time frames and averages used. The Grade AA butter price at the CME Group on Wednesday closed at \$2.0775, down \$.7125 from a week ago.

2015 U.S. Butter Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
November Quota Imports	1.1	+ 24.1	6.9
Jan – Nov			
High Tier	20.8	+ 241.1	...
Quota Imports	14.5	+ 5.2	94.0

CHEESE MARKETS

NORTHEAST

Cheese production is seasonally active. Manufacturers are preparing for the upcoming holiday week and the likelihood of increased surplus milk and full production schedules at most plants. Currently, domestic market interest centers on covering immediate and short term needs as buyers expect prices to slide further. Some major packagers are seeing orders start to slow, with most committed product already delivered to retail customers. With slower mozzarella sales, producers are attempting to align production with demand. Interest in the aged cheddar is active. This week, Northeast cheese prices continued to trend lower for both blocks and barrels. Wholesale prices for cheddar and Muenster declined \$0.0675, as process cheese prices dipped \$0.0325. Grade A Swiss prices are steady. According to the *DMN National Retail Report -Dairy*, during the week of December 11-17, 2015 the weighted average advertised price for 8 ounce cheese blocks in the Northeast was \$2.47, 18 cents more than the national average, and 32 cents more than a week ago. The Southeast 8 ounce block cheese price was \$2.54, 22 cents more than a week ago. Tuesday's CME Group daily cash trading saw barrels close at \$1.4350, down \$0.0650 from a week ago; blocks closed at \$1.4375, down \$0.0625 from a week ago.

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

Cheddar 40# Block	:	1.8750-2.1600
Process 5# Sliced	:	1.6925-2.1725
Muenster	:	1.8950-2.2450
Grade A Swiss Cuts 10 - 14#	:	3.2100-3.5325

MIDWEST

In many ways, cheese production is driven as much by available milk supplies and pricing, as by carefully plotted and shifting strategies that change weekly. This week is similar to recent weeks in that regard. Continuing high milk supplies are a big factor driving high cheese production levels as the year winds to a close. If you run a cheese plant, you make cheese. If you also have high milk availability at a favorable cost, you make more cheese. That is happening now. Manufacturers are very aware that efficiencies of operation favor higher production levels if inputs have a favorable cost. There is ample milk this week and even more looking forward over the next two holiday weeks when prevailing fluid milk retail and school sales patterns are altered for the holiday weeks. Something must be done with the milk and cheese continues to be among the most profitable uses. Moreover, this season has given some credibility to the concept that if cheese is made it will be sold. Manufacturers have come to see that concept proven in recent months. Thus, even with high cheese production and some storage tightness, cheese is continually being made and even more will be made next week. Holiday cheese has been shipped so current production is focused on some weeks or months ahead. Where there is some variation, is in what types of cheese are being made. Mozzarella is subject to shorter storage limits for customers who want fresh mozzarella so production is more tightly calibrated with sales. Some plants shift focus between varieties and specialty cheeses. Harder varieties with longer storage expected, continue to be made with less concern. While barrels are generally long, many plants making barrels are not able to divert milk into block type cheese, so barrel production continues at a good pace. There has been some buyer interest in having contracts for 2016 production finalized. The *DMN National Retail Report-Dairy* shows that December 11-17 Midwest ads for 8 ounce

shredded cheese have a weighted average advertised price of \$1.59, 61 cents lower than the national average. Midwest prices range from \$0.99 - \$1.99. One year ago the national price was \$2.45. For 8 ounce blocks, the Midwest average price is \$1.31, 98 cents lower than the national average price. Midwest ads are priced from \$0.99 to \$1.99. Last year, the national price was \$2.62. In CME Group trading Wednesday, barrels closed at \$ 1.4100, down \$.0900 from last Wednesday and blocks closed at \$ 1.4100, down \$.0650.

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

Process American 5# Loaf	:	1.5750-1.9350
Brick And/Or Muenster 5#	:	1.8550-2.2800
Cheddar 40# Block	:	1.5825-1.9775
Monterey Jack 10#	:	1.8300-2.0350
Blue 5#	:	2.1225-3.1100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6550-2.5950
Grade A Swiss Cuts 6 - 9#	:	2.7275-2.8450

WEST

Western cheese makers report plenty of milk for processing needs. Cheese production remains steady. Some manufacturers say specialty cheese sales have been good during the holiday season. Retail and food service demand is firm. Although processors expect some downturn in cheese demand after the holidays, they anticipate good requests for cheese continuing through the Super Bowl. Storage remains a concern in some areas of the region. Industry contacts report available storage is limited and cheese barrels are long. The *DMN National Retail Report-Dairy* for the week of December 11-17 shows the U.S. weighted average advertised retail price for an 8 ounce pack of natural shredded cheese is \$2.20, down \$.12 from last week and down \$.25 from a year ago. Packs averaged \$2.35 in the Southwest and \$2.48 in the Northwest. For 8 ounce blocks, the U.S. price is \$2.29, up \$.05 from last week, but down \$.33 from a year ago. Blocks averaged \$1.99 in the Southwest and \$2.73 in the Northwest this week. In the West, wholesale prices are down \$.0325 for process, and down \$.0675 for cheddar block, cuts, and Monterey jack. Prices are unchanged for Swiss cuts. This week, a cooperative export assistance program accepted requests for 3.402 million pounds of cheese. In CME Group trading Wednesday, barrels closed at \$1.4100, down \$.0900 from a week ago and blocks closed at \$1.4100, down \$.0650.

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

Process 5# Loaf	:	1.5900-1.8475
Cheddar 40# Block	:	1.5875-2.0325
Cheddar 10# Cuts	:	1.7675-1.9875
Monterey Jack 10#	:	1.7775-1.9375
Grade A Swiss Cuts 6 - 9#	:	2.7875-3.2175

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CHEESE MARKETS

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FOREIGN

European domestic cheese consumption has taken up some of this year's increase in EU cheese production. Prices for semi-hard cheese manufactured in the European Union strengthened during November in the EU, but that has not impacted U.S. wholesale prices for imported cheese. Domestic foreign type cheese prices adjusted down \$.0675 except for Swiss, which was unchanged. During November, quota cheese imports into the US increased 7.6% over levels one year ago. For January – November, high tier cheese imports into the US were 36.6% above the same 11 months of 2014, and quota imports were 18.6% higher.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3800	: 2.0500-3.5375*
Gorgonzola	: 3.6900-5.8900	: 2.5575-3.2550*
Parmesan (Italy)	: -0-	: 3.4400-5.5300*
Provolone (Italy)	: -0-	: 2.0925-2.3450*
Romano (Cows Milk)	: -0-	: 3.2400-5.3900*
Sardo Romano (Argentine)	: 2.8500-4.9300	: -0-
Reggianito (Argentine)	: 3.2900-4.9300	: -0-
Jarlsberg-(Brand)	: 2.9500-6.4500	: -0-
Swiss Cuts Switzerland	: -0-	: 3.2475-3.5700
Swiss Cuts Finnish	: 2.6700-2.9300	: -0-

* = Price change.

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

BUTTER : CHEESE

	:	
12/14/15	6,602	: 91,370
12/01/15	7,684	: 94,943
CHANGE	-1,082	: -3,573
% CHANGE	-14	: -4

2015 U.S. Cheese Imports (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
November Quota Imports	27.8	+ 7.6	9.3
Jan – Nov High Tier Quota Imports	36.9 202.8	+ 36.6 + 18.6	... 67.9

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	10	0	10	0	0
SOUTHEAST STATES	0	0	0	0	0	0

This week in the East, area balancing plants note steady to lower milk intakes. That will probably change next week as schools break for the yearend holiday into the New Year. The lapse in school milk needs will leave balancing plants with significantly higher milk volumes to process. Milk production varies throughout the region. In the Northeast, farm milk production is marginally increasing. Mid-Atlantic milk production is steady. Southeast milk production is balanced, as bottlers added to orders in some instances, while others cut orders with declines in Class I demand. Florida farm milk output continues to trend incrementally higher. Sales to Class I remain active. Increased migration by seasonal residents into the state is not expected to heavily impact demand. Export f.o.b spot milk shipments totaled 10 loads this week, unchanged from last week. According to the DMN *National Retail Report-Dairy*, from December 11-17, 2015, the U.S. weighted average advertised price for a gallon of milk was \$2.64, down 76 cents from a year ago, but up 21 cents from last week. **Condensed skim** processors are generally content with contracted volumes. This has resulted in minimal spot market activity. The exception is in the Northeast, where ice cream production is pulling marginally on supplies. **Cream multiples** ranged **1.00-1.25**. Spot market activity is primarily supplying seasonal production of egg nog and cream cheese. At the CME Group, Grade AA butter closed Wednesday at \$2.0775, down \$0.7125 from last Wednesday.

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 - 2.6060-3.2575

F.O.B. producing plants: Upper Midwest - 2.9187-3.1793

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices - .87-.93

Northeast - Class III - spot prices - .63-.66

MIDWEST

Unseasonably mild temperatures in the Mid to North Central region have kept milk production steady to climbing as dairy cows are not stressed to stay warm. Also, late fall calving continues. South Central milk production is also steady to higher. However, throughout the region, wet conditions are contributing to an increase in somatic cell counts in those cows walking through muddy lanes and/or lots as well as pneumonia. Sales into Class I are very active throughout the week. Milk marketers indicate, though, that the cutoff in bottling sales is expected early next week. School districts are discontinuing milk deliveries during the holiday hiatus. Spot milk loads are clearing into cheese plants this week at \$4.00 to \$.50 under Class. Cream is clearing into butter plants this week, although some churn operators indicate holiday orders are done. Butter coming off the lines now is destined for storage. Central Class II cream multiples range from 1.12 to 1.22. According to the DMN *National Retail Report-Dairy* for the week of December 11-17, the national and Midwest weighted average

advertised prices for one gallon of milk are, respectively, \$2.64 and \$2.36. Some corn is still standing in North Central fields. With current wet conditions, operators will have to wait until a hard freeze occurs before they can harvest. Due to the mild temperatures, some winter wheat fields broke dormancy during the last two weeks. Operators are concerned how this will ultimately affect yields next year. Most alfalfa fields do not have snow cover, which may lead to winter kill if snow doesn't arrive ahead of freezing temperatures.

WEST

Winter storm Echo is causing wintry weather in the Southwest. However, the effects to the milk yield are marginal. Milk production is steady in California. Class 1 sales are mixed as most schools will be closed for winter break during next week. Nevertheless, bottled milk sales to grocery stores and restaurants are higher. The January 2016 Class 1 prices in California are \$17.88 in the north and \$18.15 in the south. The statewide average Class 1 price based on production is \$17.90. This price is 44 cents lower than December 2015 and \$1.61 lower than January 2015. Arizona milk production is at the peak of the seasonal flush. Lower temperatures, averaging 60 degrees, are helping dairy cow comfort. In addition, the butterfat component level of milk is improving. Bottled milk sales are decreasing. Sales into Class II are flat. Condensed skim manufacturing is steady to lower. Milk pooled on the Arizona Order 131 totaled 381.3 million pounds in November 2015. Class I utilization accounted for about 28.4% of producer milk. The uniform price was \$17.28, \$0.48 above last month, but \$3.91 below one year ago. New Mexico milk output is higher, heading up to the seasonal flush. Sales into Class I are lower. Class II sales are steady. Condensed skim processing for the holidays has been completed. Manufacturing milk volumes moving into cheese plants are steady to lower. According to the DMN *National Retail Report-Dairy* for the week of December 11-17, the national weighted average advertised price for one gallon of milk is \$2.64, \$2.43 in the Southwest and \$2.50 in the Northwest. Pacific Northwest milk production is coming up from the seasonal low seen earlier this month. Industry contacts say components are also improving. Bottling demand is strong, but some milk is expected to shift back into manufactured products as the holidays get closer. Utah and Idaho milk production are steady. A winter storm brought snow to parts of the region earlier this week. The snow, while good for next spring's water supply, made transporting milk a little more difficult for a short time. Milk pooled on Pacific Northwest Order 124 totaled 711.7 million pounds in November 2015. Class I utilization accounted for about 23.4% of producer milk. The uniform price was \$16.68, \$0.40 above last month, but \$3.50 below one year ago. In the West, cream supplies are steady to higher as most of ice cream, egg nog, sour cream and cheese cream processing for the holidays is completed. However, butter churning is active. Multiples for all classes are lower, ranging from 1.05 to 1.18. At the CME Group, Grade AA butter price on Wednesday closed at \$2.0775, 71.25 cents lower from a week ago.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Central nonfat dry milk prices, low/medium heat, are unchanged to lower, mirroring movement on various indices. Although sales are ongoing, market participants characterize the overall tone as sluggish. Buyers are content to shop on a just in time basis for light to moderate needs. However, several end users with specific brand/location/packaging needs have put together at least partial supply contracts for 2016. Low/medium heat NDM production is active and increasing through internal increases in milk volume intakes. Also, as some milk buyers cut back on production of seasonal products, lower milk volumes are exiting supply plants. Low/medium heat NDM inventories are building incrementally at most locations. High heat NDM prices are unchanged to lower. Spot market activity is light as demands from the holiday-related baking sectors trail off. Availability is steady. Production is light as plant operators are focusing on clearing milk intakes quickly.

EAST: Prices for Eastern low/medium nonfat dry milk are lower on light f.o.b spot trading. Milk supplies re-directed from Class I usage, as demand diminishes, are aiding a low/medium heat nonfat dry milk production spurt. As well, condensed skim reductions from end-users' accounts will likely add to output. This movement should continue into next week. Plant managers at some operations in the East are now prepared to run full schedules, having resolved dryer mechanical issues. Currently, demand is light. Brokers not wanting to carry product valued higher than current market prices are anxiously looking to move those holdings prior to the New Year. There is uncertainty for market participants hoping to maximize their 2016 buying/selling position, as they ponder negotiating a contract or not. High heat prices are steady to lower. Producers' high heat nonfat dry milk holdings are generally available for supplying their established customer needs. Otherwise, availability is sporadic. The market undertone is steady to lower.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .8000 - .8800 MOSTLY: .8300 - .8700
 HIGH HEAT: .9000 - 1.1500

NONFAT DRY MILK - WEST

Low/medium heat nonfat dry milk (NDM) f.o.b. spot prices are slightly higher to steady as some prices adjust to movement on the CME Group and various indices. Currently, the market undertone is unsettled. According to some industry participants, the resale market has been quiet. Some buyers/end users are still waiting, anticipating lower spot prices in the near future. On the other hand, some processors note an uptick in spot sales. NDM drying schedules are steady. Inventories are unchanged to building. Exports to Mexico are active. High heat nonfat dry milk f.o.b. spot prices are lower. The market undertone is steady to weaker. Demand from bakers is waning. Spot sales have been slow. Production is steady based on contractual needs. Inventories are steady to higher.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .7150 - .8500 MOSTLY: .7600 - .7900
 HIGH HEAT: .8400 - 1.1200

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES
December 11	\$.7985	9,590,696
December 4	\$.7488	6,446,214

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. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: After a sharp decline in Grade AA prices on the CME Group platform, Central dry buttermilk prices moved lower. The market tone is weak. With the holiday baking and ice cream/frozen dessert seasons complete as far as getting finished products to retail locations, end users have decreased interest in dry buttermilk. In contrast, dry buttermilk production is steady to higher as cream is increasingly clearing through butter/powder facilities. Dry buttermilk inventories are steady to building, but manufacturers report holdings are mostly comfortable.

EAST: Dry buttermilk prices are lower on light trading. Dry buttermilk production is steady to lower due to limited churning by manufacturers. Those butter makers are not picking up the region's available surplus cream as they manage inventory buildup while butter prices are declining. However, some Class II plants are taking spot cream loads to complete production of holiday items. Most customers' dry buttermilk orders for the holiday have been filled. Supplies are moderate to light within the region. Offerings are limited in the spot market. The market undertone is steady to weak.

F.O.B. CENTRAL/EAST: .8100 - .8800

DRY BUTTERMILK - WEST

Dry buttermilk f.o.b. spot prices are lower. The market undertone is weaker. Some processors note lower sales in the spot market. Dry buttermilk demand from bakers and ice cream makers is declining. Drying schedules are active as cream clears to the churns. Inventories are unchanged to building.

F.O.B. WEST: .8200 - .9300 MOSTLY: .8300 - .8600

DRY WHOLE MILK - NATIONAL

F.O.B. spot prices for dry whole milk are unchanged to lower. The market undertone is steady to weaker. According to some processors, sales outside contracts are light. Production has been sporadic during this week. Inventories are steady to building.

F.O.B. PRODUCING PLANT: 1.3000 - 1.4500

WHEY, WPC 34%, LACTOSE & CASEIN

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

DRY WHEY - CENTRAL

Dry whey prices in the Central region are unchanged to higher on a mixed market. Some resellers and end users are coming forward to take some short to mid-term positions on dry whey as they judge the downside risk is minimal. However, some brokers/traders indicate they are content to wait before making commitments on 2016 volumes. Just the same, contracting for 2016 is moving forward. Some manufacturers are exploring different options for handling sales, including internal sales and using multiple outlets. Dry whey production is steady to higher as spot milk availability increased this week. Some plant operators have the cheese orders to support taking in milk, especially milk loads priced below Class. Animal feed dry whey prices are steady. Inventories are light and sellers feel they can hold with some confidence. Animal feed blenders report they are getting offers from a few suppliers, but a larger portion of their activity has been within the edible dry whey markets. With prices hovering in the low 20s, blenders are putting together some purchases ahead of the end of the year. Demand for blended feed is active across veal, beef, and dairy replacement accounts.

F.O.B. CENTRAL: .1800 - .2800 MOSTLY: .1900 - .2425
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .1500 - .1850

DRY WHEY - WEST

Western dry whey prices were steady to higher this week on limited spot market activity. While some industry contacts report dry whey inventories are a little tighter, a few end users state they have had no problems getting whey for their needs. Whey production remains steady.

NONHYGROSCOPIC: .2100 - .3100 MOSTLY: .2200 - .2600

DRY WHEY - NORTHEAST

Prices for Northeast dry whey are unchanged from last week, with little activity in the f.o.b spot market. Production is expected to be higher over the next few weeks, as heavier milk intakes roll into cheese manufacturing. Inventories are somewhat light. Negotiations are continuing for 2016 contracts, as some agreements occur. The market undertone is steady.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2200 - .2800

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices were mostly steady this week on limited spot market activity. However, several spot sales moved the bottom of the range price series lower. A few market participants note a little more activity in domestic markets than in export channels. Production is relatively steady. Some manufacturers report inventories being tight or committed through the end of the year. The market tone remains weak.

F.O.B. EXTRA GRADE 34% PROTEIN: .4200 - .6500 MOSTLY: .4900 - .5700

LACTOSE - CENTRAL AND WEST

Lactose prices are steady. Manufacturers' inventories are a little tight. A few processors say they are sold out until early 2016. Production remains steady, but overall demand is quiet. Some industry contacts report getting prices just slightly higher for Q1 contracts.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .1400 - .2650 MOSTLY: .1600 - .2200

CASEIN - NATIONAL

Casein prices are steady. Current spot market sales tend toward the lower end of the price ranges. The volumes of milk being produced in the EU have pressed the capacity limits of existing dryers and other dairy manufacturing options, and led to increased casein production, particularly in Ireland and France, as well as the Netherlands, Poland and Germany. At gDT Event 154 December 15, all contract Rennet casein pricing declined 9.5% to \$2.0598 per pound.

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: 2.6500 - 3.3500
ACID: 2.7000 - 3.5000

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

WEEK ENDING	2015 WEEKLY DAIRY COWS	2015 CUMULATIVE DAIRY COWS	2014 WEEKLY DAIRY COWS	2014 CUMULATIVE DAIRY COWS
11/28/2015	44.3	2,685.5	46.1	2,582.6

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
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
2014	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	17.82

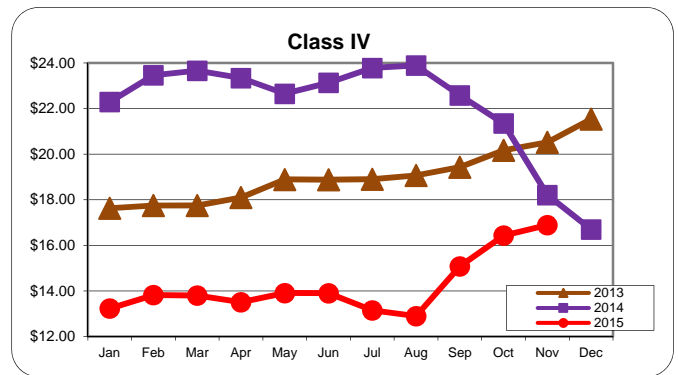
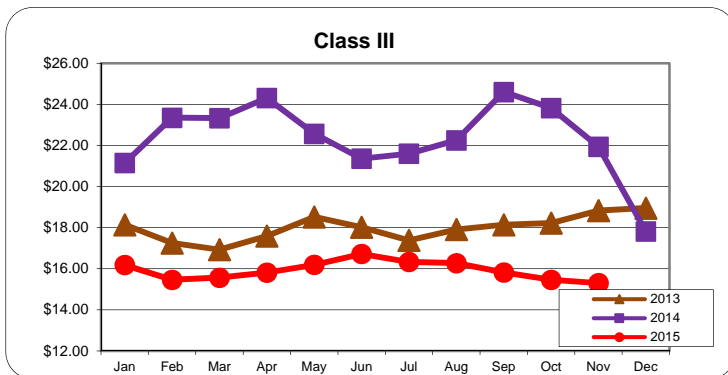
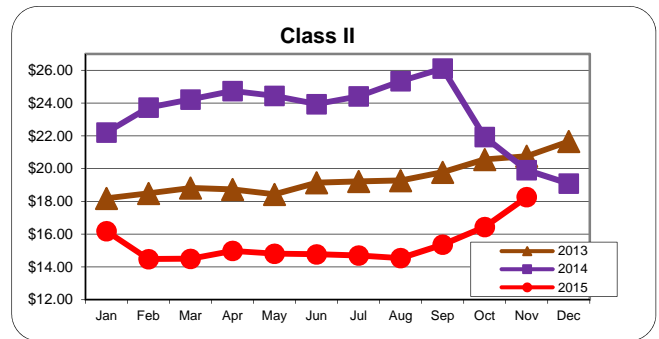
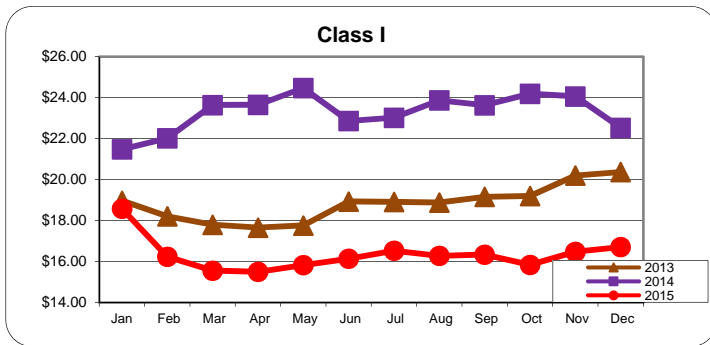
CLASS IV MILK PRICES (3.5%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2014	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58	21.35	18.21	16.70

FEDERAL MILK ORDER CLASS PRICES FOR 2015 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.58	16.24	15.56	15.50	15.83	16.14	16.53	16.28	16.34	15.84	16.48	16.71
II	16.18	14.48	14.50	14.98	14.81	14.77	14.70	14.54	15.36	16.44	18.26	
III	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46	15.30	
IV	13.23	13.82	13.80	13.51	13.91	13.90	13.15	12.90	15.08	16.43	16.89	

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 December 7 - 18, 2015

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales. AMS reports total organic milk products sales for October 2015, 204 million pounds, were down 8.5% from October last year and down 2.4% year to date through October this year compared with last year.

Total organic whole milk products sales for October 2015, 70 million pounds, were up 0.9% compared with October last year and up 9.1% January through October 2015 compared with the same months of 2014. With the exception of organic whole milk, all other fat and flavored categories of organic milk have lower sales January through October 2015 than 2014.

Representatives of organic dairy producers observe that organic milk volumes may be suffering, in part, due to lower production in the West resulting from dryness and pay prices, which limits ability to purchase organic feed. Diversion of fluid organic milk into manufacturing with higher margins is also reducing organic milk available for the retail fluid market.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, OCTOBER 2015, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	OCT Mil. Lbs.	Y-T-D	Prev Yr.	Y-T-D Percent

ORGANIC PRODUCTION PRACTICE

Whole Milk	70	671	0.9	9.1
Reduced Fat Milk (2%)	64	604	1.4	2.2
Low Fat Milk (1%)	36	370	-11.8	6.2
Fat-Free Milk (Skim)	27	291	-21.9	-14.5
Flavored Fat-Reduced Milk	7	86	-53.4	-16.4
Other Fluid Milk Products	0	2	--	--
Total Fat-Reduced Milk 3/	133	1,351	-12.7	-7.2
Tot. Organic Milk Products	204	2,024	-8.5	-2.4

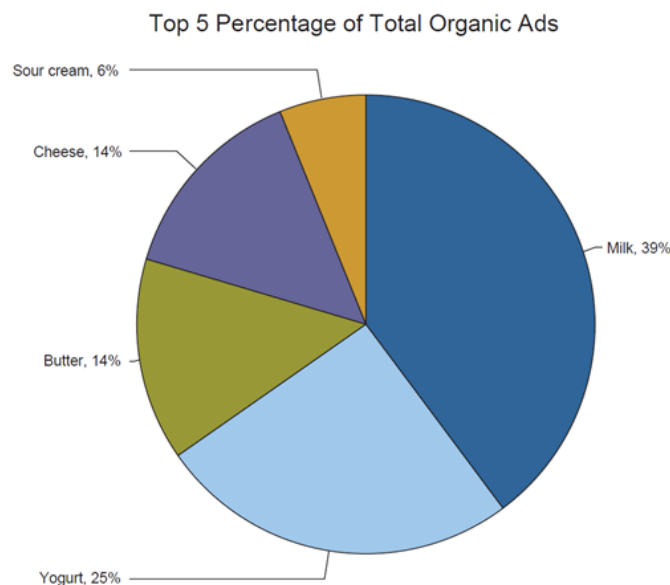
*Total Fluid Milk Products Adjusted for Calendar Composition will not be published until release of "An Overview of Calendar Composition of Fluid Milk Sales." 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account 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/ Organic fat-reduced milk categories are total of reduced fat, low-fat, skim, and flavored fat reduced milk composition.

In New England, Federal Milk Market Order 1 reports utilization of types of organic milk by pool plants. During October, 2015, organic whole milk utilization totaled 12.7 million pounds, 7.0% higher than October 2014. The 2015 butterfat content was 3.28%, up from 3.26% in 2014. Organic reduced fat milk utilization for October this year, 20.6 million pounds, was 6.3% below October last year. Butterfat this October was 1.24% compared with 1.17% last year.

ORGANIC DAIRY RETAIL OVERVIEW

Organic Dairy Overview. With the yearend holidays only one week away, organic dairy survey reports show a substantial hike in ad numbers. Overall, organic dairy ad numbers increased 139% over the previous survey period. Combined organic dairy ads for specific dairy product groups saw cheese ads numbers rise 25%, with milk

ad numbers 3 times higher, and yogurt ad numbers 3 times higher than the previous period. Organic milk accounts for 39% of ads this period, organic yogurt 25%, organic butter 14%, organic cheese 14%, and organic sour cream 6%.



Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads with prices valid from December 18-24, 2015 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 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/market-news/retail-dairy-market-news>

Organic Eggnog Quarts. The U.S. weighted average advertised price of organic eggnog is \$4.50, up 55 cents from one year ago, and 28 cents from last week. Ad appeared in the Northeast and Hawaii regions.

Organic Milk Half Gallons. The U.S. weighted average advertised price of organic milk half gallons is \$3.78, down 10 cents from last week, but up 29 cents from last year. Ads appeared in the Northeast, Southeast, South Central, Southwest, and Northwest regions.

Organic 1 pound Butter. The U.S. weighted average price of 1 pound organic butter is \$5.13. That is, 38 cents lower than last week. Ads appeared in the Midwest, South Central, Southwest, Northwest, and Alaska.

32 Ounce Organic Greek Yogurt. The U.S. weighted average price of 32 ounce organic Greek yogurt is \$2.86, down \$3.63 from one year ago, and down \$2.54 from last week. The low price this week is because of a featured store brand. Ads appeared in the Northeast, Southeast, and South Central regions.

4-6 Ounce Organic Greek Yogurt. The U.S. weighted average price of 4-6 ounce organic Greek yogurt is \$1.25, up 7 cents from one year ago, but unchanged from last week. Ads appeared in the Northeast only.

ORGANIC DAIRY MARKET NEWS

Information gathered December 7 - 18, 2015

CONTINUED FROM PAGE -8 -

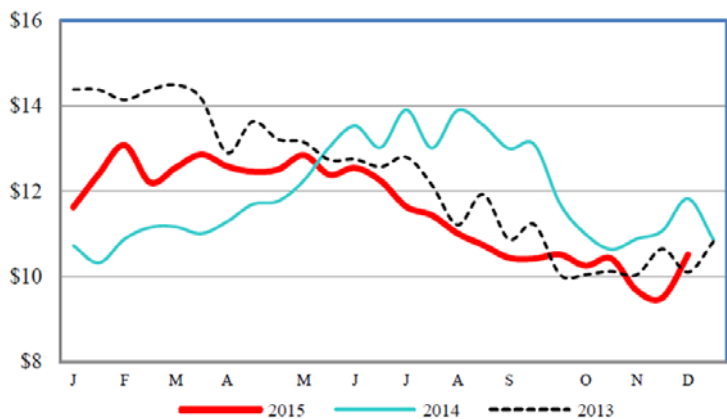
8 Ounce Block Organic Cheese. The U.S. weighted average price of 8 ounce cheese blocks is \$4.54, up \$1.05 from one year ago, and up 82 cents from last week. Ads appeared in the Southwest and Hawaii.

8 Ounce Shred Organic Cheese. The U.S. weighted average price of 8 ounce cheese shreds is \$4.11, up 51 cents from last week. Ads appeared in the Midwest, South Central, and Northwest regions.

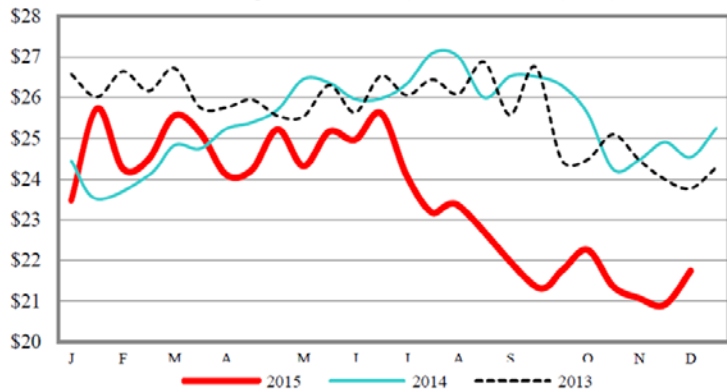
ORGANIC GRAIN AND FEEDSTUFF MARKETS:

Organic grains trade activity was moderate with good demand. Organic feed grains traded slightly higher than the prior trading period. Feed grade organic soybeans traded slightly higher with limited trades. Imported organic grains continue to affect domestic trade activity.

National Organic Feed Corn Prices (\$/bu)



National Organic Feed Soybean Prices (\$/bu)



Organic Spot Market Negotiated Grain Prices

<u>Organic Commodity</u>	<u>Price Range</u>	<u>Average**</u>
Corn*: Feed Yellow	8.50 – 11.05	10.51
Soybeans*: Feed Grade	21.70 – 22.75	21.74

*Prices quoted \$/bushel FOB the farm, except soybean meal (\$/ton and FOB the mill).

**Weighted average price.

Additional livestock and grain market news information is available at: www.ams.usda.gov/LSMarketNews

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, NOVEMBER 2015

Highlights. Handler reports of receipts and utilization under the Federal milk order system for November 2015 have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During November, 10.936 billion pounds of milk were received from Federally pooled producers. This volume of milk is 13.8 percent higher than the November 2014 volume. Regulated handlers pooled 3.475 billion pounds of producer milk as Class I products, up 0.9 percent when compared to the previous year. Class I utilization increased from last year in 8 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 32%, Class II = 10%, Class III = 48%, and Class IV = 10%. The weighted average statistical uniform price was \$17.25 per cwt, up \$0.38 from last month but down \$4.80 from last year.

Price and Pool Statistics for Federal Milk Order Marketing Areas for the Month of November 2015

Federal Milk Order Marketing Area ¹	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I		Utilization of Producer Milk in All Classes ³				Uniform Price ²
		Total	Change from Prev. Year	Total	Change from Prev. Year	Class I	Class II	Class III	Class IV	
		<i>(million lbs)</i>	<i>(percent)</i>	<i>(million lbs)</i>	<i>(percent)</i>	<i>(percent)</i> ³				<i>(\$ per cwt)</i>
Northeast (Boston)	001	2,081.9	0.3	755.2	0.2	36	23	26	15	18.32
Appalachian (Charlotte)	005	458.4	1.0	328.5	2.5	72	17	7	5	19.65
Florida (Tampa)	006	231.0	1.7	193.8	0.9	84	12	2	2	21.59
Southeast (Atlanta)	007	410.9	-3.3	323.1	1.2	79	13	5	3	20.21
Upper Midwest (Chicago)	030	2,847.7	18.8	294.0	-1.1	10	2	87	1	15.75
Central (Kansas City)	032	1,247.2	12.5	404.3	-1.0	32	8	53	7	16.60
Mideast (Cleveland)	033	1,492.4	3.2	538.6	2.9	36	12	34	18	17.15
Pacific Northwest (Seattle)	124	711.7	63.5	166.8	0.9	23	7	42	28	16.68
Southwest (Dallas)	126	1,073.3	61.5	361.8	0.3	34	5	60	1	17.31
Arizona (Phoenix)	131	381.3	2.4	108.4	4.4	28	10	29	32	17.28
ALL MARKET AVERAGE OR TOTAL³		10,936.0	13.8	3,474.5	0.9	32	10	48	10	17.25

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

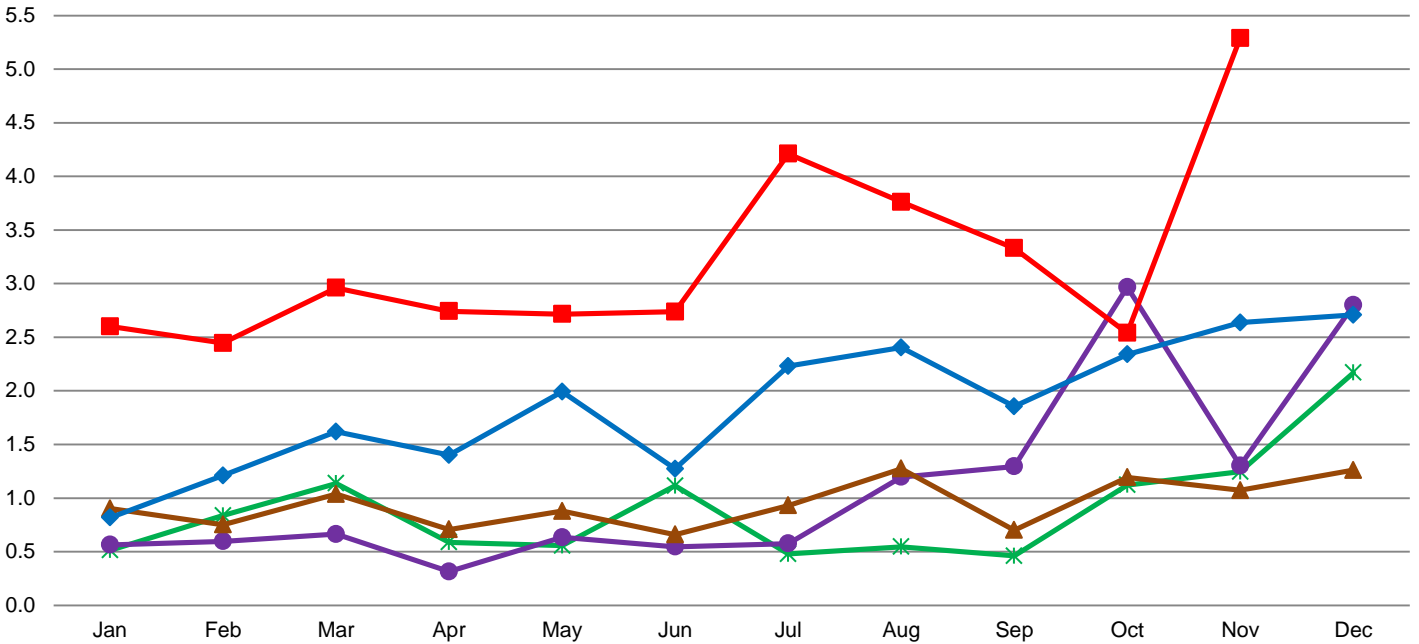
² Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

³ Totals may not add to 100 percent due to rounding.

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

Total U.S. Butter Imports High Tier and Quota Volumes Combined

MILLION POUNDS

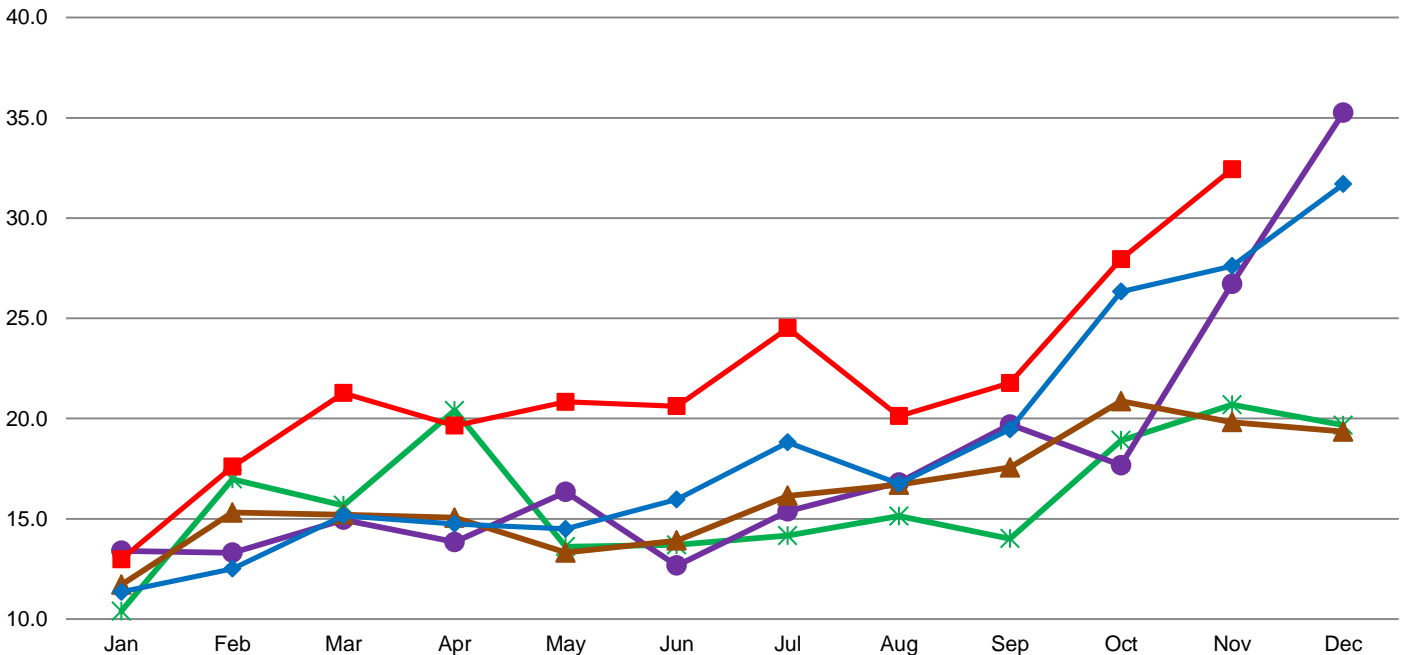


DATA SOURCE, USDA, FAS; GRAPH, USDA, DMN

—*— 2011 —●— 2012 —▲— 2013 —◆— 2014 —■— 2015

Total U.S. Cheese Imports High Tier and Quota Volumes Combined

MILLION POUNDS



DATA SOURCE USDA, FAS GRAPH USDA, DMN

—*— 2011 —●— 2012 —▲— 2013 —◆— 2014 —■— 2015



Dairy Market News Branch

Agricultural
Marketing
Service

National Retail Report - Dairy

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

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Issued Weekly

Friday, December 18, 2015

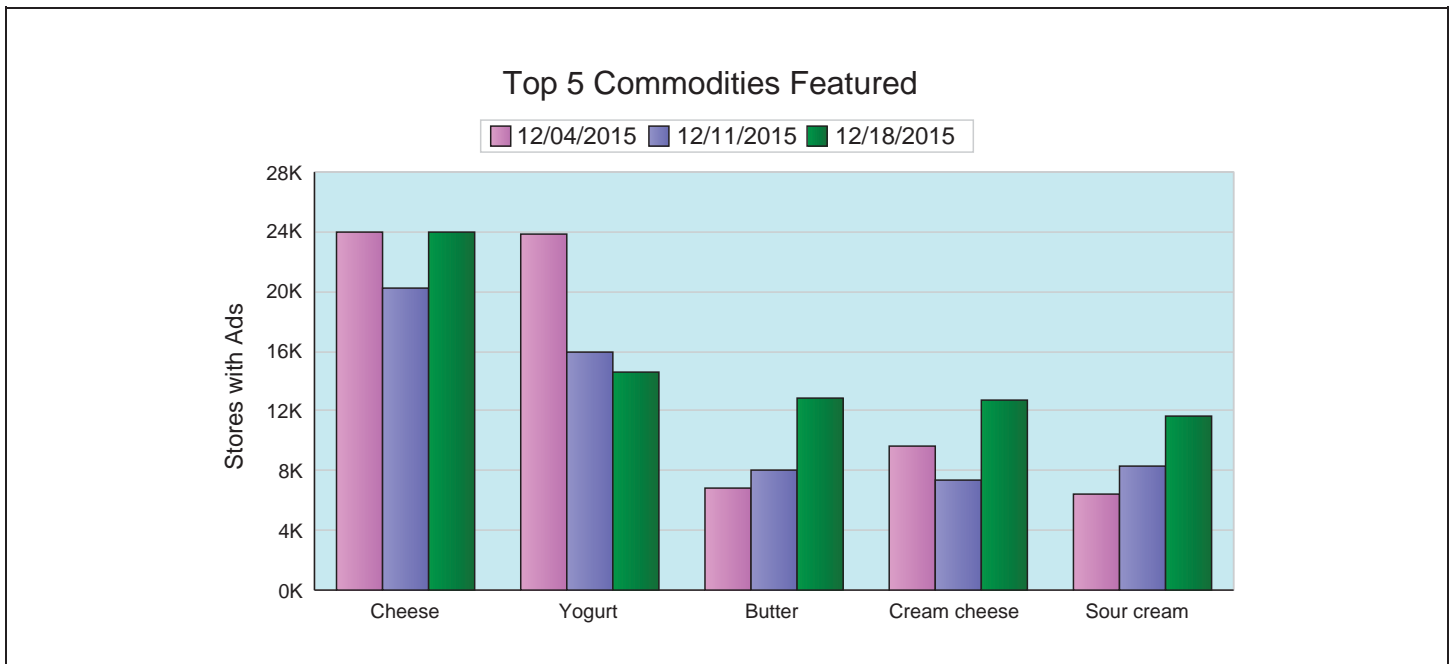
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 12/18/2015 to 12/24/2015

The volume of conventional dairy ads increased by 22% compared to the previous week. The most advertised items this period were 8 ounce packages of cream cheese, one pound butter, and 16 ounce packages of sour cream. Cream cheese ads increased 73% from the week before, with an average price of \$1.43. Butter ads were up 60%. The average price of butter was \$3.10, down 9 cents from last week. Sour cream ads increased 36%. Another popular holiday favorite, egg nog, had the largest percentage increase in ad volume. Advertisements for quart containers of egg nog increased by 130%, with an average price of \$2.98. Ads for half gallon egg nog went up 106%, with an average price of \$3.54.

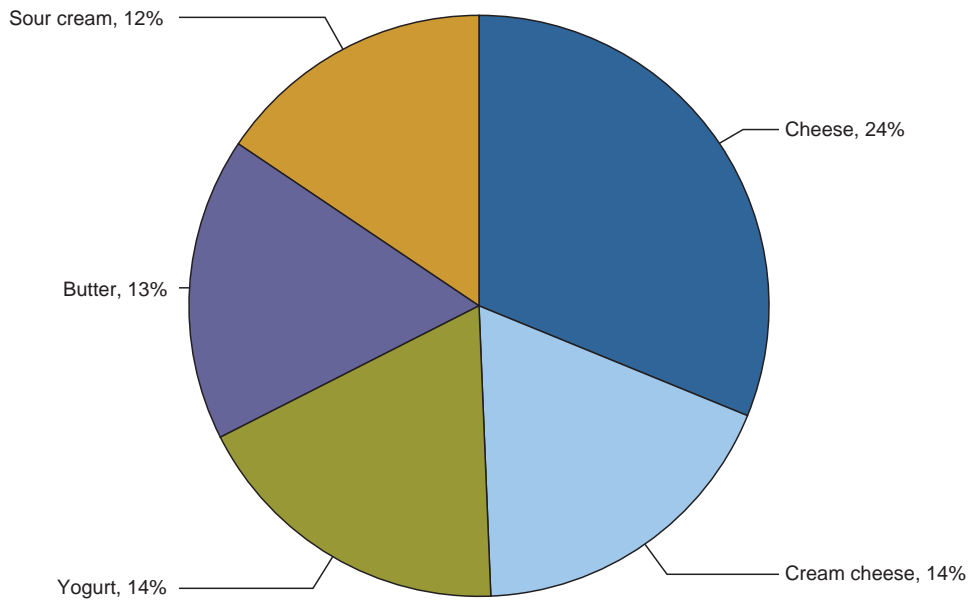
The U.S. advertised price for 8 ounce conventional cheese blocks averaged \$2.22, down 7 cents from last week and 40 cents below a year ago; 8 ounce shred cheese averaged \$2.27, up 7 cents from last week, but 18 cents below one year ago. Ads for conventional cheese increased 19% from last week, and organic cheese ads increased 25%.

Conventional yogurt in 4-6 ounce packages averaged 51 cents, up 3 cents from last week and unchanged from a year ago. The average price of 4-6 ounce conventional Greek yogurt is \$.94, unchanged from last week, but down 4 cents from a year ago. Conventional yogurt ad numbers decreased 17% from last week. Organic yogurt ads increased 209%.

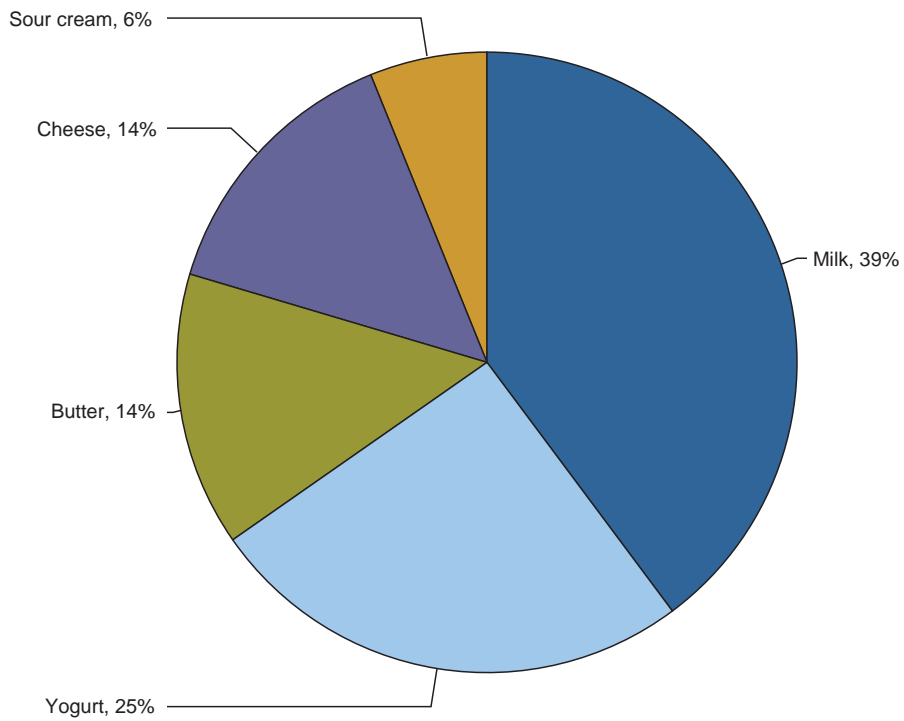
The price spread between organic and conventional half gallon milk is \$.08. Last week, the spread was \$2.68. The price spread is the difference between national weighted average prices for organic, \$3.78, and conventional, \$3.70. The only region with reported conventional half gallon milk ads this period was Hawaii.



Top 5 Percentage of Total Conventional Ads



Top 5 Percentage of Total Organic Ads





NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	11834	3.10	7411	3.19	5489	3.32
Cheese	Natural Varieties	8 oz block	10789	2.22	6858	2.29	7724	2.62
Cheese	Natural Varieties	1 # block	928	4.08	2733	3.59	1617	4.24
Cheese	Natural Varieties	2 # block	835	6.36	943	5.57	2820	7.93
Cheese	Natural Varieties	8 oz shred	9800	2.27	6719	2.20	7825	2.45
Cheese	Natural Varieties	1 # shred	579	4.36	2066	3.39	2126	3.99
Cottage cheese		16 oz	4359	1.87	3372	1.73	2659	2.35
Cream cheese		8 oz	12723	1.43	7371	1.56	9770	1.68
Egg nog		quart	1623	2.98	706	3.00	1646	2.48
Egg nog		half gallon	2113	3.54	1028	4.10	1084	4.40
Flavored milk	All fat tests	half gallon	213	2.94	425	2.37	1202	2.46
Flavored milk	All fat tests	gallon	276	3.44	945	2.96	142	4.49
Ice cream		48-64oz	9441	3.01	6726	2.82	10624	3.34
Milk	All fat tests	half gallon	27	3.70	522	1.20	542	2.40
Milk	All fat tests	gallon	1064	2.72	2884	2.64	2996	3.40
Sour cream		16 oz	11215	1.65	8262	1.52	6764	1.91
Yogurt	Greek	4-6 oz	9230	.94	9133	.94	14258	.98
Yogurt	Greek	32 oz	677	4.14	1043	5.04	839	5.68
Yogurt	Yogurt	4-6 oz	2249	.51	4546	.48	6445	.51
Yogurt	Yogurt	32 oz	556	2.37	606	2.04	53	2.49

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.50-4.49	2034	3.32	2.49-3.50	3488	3.13	1.97-3.49	1339	2.59
Cheese	Natural Varieties	8 oz block	1.99-2.99	1736	2.38	1.66-2.50	1924	2.34	0.98-2.25	2516	1.86
Cheese	Natural Varieties	1 # block	1.99-3.99	325	3.66				4.99	213	4.99
Cheese	Natural Varieties	8 oz shred	1.88-3.00	2391	2.39	1.66-2.50	1744	2.39	0.98-2.50	1244	1.94
Cheese	Natural Varieties	1 # shred	3.99	135	3.99				4.99	213	4.99
Cottage cheese		16 oz	2.00-2.50	526	2.39	1.00-2.00	1186	1.84	1.00-1.69	467	1.18
Cream cheese		8 oz	0.89-2.00	2414	1.39	0.89-2.00	3229	1.45	0.89-2.00	2255	1.21
Egg nog		quart	2.50-3.99	633	3.68				2.39-2.99	279	2.69
Egg nog		half gallon	2.79-4.99	1140	3.88	2.99	394	2.99	2.99	137	2.99
Flavored milk	All fat tests	half gallon	2.00	84	2.00						
Flavored milk	All fat tests	gallon	3.99	167	3.99				2.49	98	2.49
Ice cream		48-64oz	1.99-4.99	3640	2.81	2.49-3.00	368	2.83	2.50-3.99	978	2.84
Milk	All fat tests	gallon	3.49	137	3.49				2.49-2.50	278	2.49
Sour cream		16 oz	0.99-2.00	2021	1.60	0.99-2.50	3330	1.82	0.99-1.99	1859	1.29

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	Greek	4-6 oz	0.75-1.25	3454	.99	0.70-1.00	2631	.94	0.70-1.00	810	.95
Yogurt	Greek	32 oz	3.99	314	3.99				3.99	180	3.99
Yogurt	Yogurt	4-6 oz	0.50-0.59	1204	.50	0.50	64	.50	0.50	237	.50
Yogurt	Yogurt	32 oz	1.50-2.69	397	2.35						

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99-3.99	1829	2.70	1.97-3.99	2366	3.34	2.50-4.00	620	3.22
Cheese	Natural Varieties	8 oz block	0.98-2.50	1970	2.17	1.49-3.00	1876	2.37	1.99-2.50	589	2.38
Cheese	Natural Varieties	1 # block	3.99	162	3.99				2.99-3.99	174	3.39
Cheese	Natural Varieties	2 # block	5.99	121	5.99	5.99-7.99	313	7.04	4.99-6.99	361	5.75
Cheese	Natural Varieties	8 oz shred	0.98-2.88	1792	2.05	1.49-3.00	1716	2.31	1.89-3.00	824	2.38
Cheese	Natural Varieties	1 # shred	3.99	162	3.99				3.99	69	3.99
Cottage cheese		16 oz	1.25-2.28	768	1.58	0.99-2.49	965	2.00	1.89-2.50	445	2.24
Cream cheese		8 oz	0.88-2.00	1902	1.43	0.99-2.49	1911	1.53	0.99-2.99	909	1.75
Egg nog		quart	2.50	121	2.50	1.99-2.49	497	2.35	2.99	66	2.99
Egg nog		half gallon	2.99	288	2.99				2.99	121	2.99
Flavored milk	All fat tests	half gallon							3.49	105	3.49
Ice cream		48-64oz	1.99-5.99	1807	3.47	2.49-3.33	1815	2.86	2.97-3.00	606	2.99
Milk	All fat tests	gallon	1.99-3.99	611	2.54						
Sour cream		16 oz	0.99-2.00	1803	1.53	0.99-2.00	1629	1.73	2.00-2.50	463	2.07
Yogurt	Greek	4-6 oz	0.70-1.00	1165	.83	0.70-1.00	1004	.93	0.70-0.88	135	.79
Yogurt	Greek	32 oz							3.99	105	3.99
Yogurt	Yogurt	4-6 oz	0.50	129	.50	0.50	422	.50	0.50-0.60	166	.56
Yogurt	Yogurt	32 oz	2.29	51	2.29				2.50	105	2.50

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.48-5.50	66	4.47	2.99-4.99	92	3.98
Cheese	Natural Varieties	8 oz block	2.50-3.69	25	2.83	2.49-3.49	153	3.14
Cheese	Natural Varieties	1 # block				4.99-5.99	54	5.49
Cheese	Natural Varieties	2 # block	5.99-9.99	13	6.53	7.99	27	7.99
Cheese	Natural Varieties	8 oz shred	2.50-5.48	55	4.23	2.50-3.00	34	2.94
Cottage cheese		16 oz	2.50	2	2.50			
Cream cheese		8 oz	1.50-2.88	38	2.22	1.50-2.50	65	2.00
Egg nog		quart				3.49	27	3.49
Egg nog		half gallon	3.98-7.98	33	7.44			
Flavored milk	All fat tests	half gallon				3.79	24	3.79
Flavored milk	All fat tests	gallon	3.59	11	3.59			
Ice cream		48-64oz	3.00-6.99	63	5.29	3.25-7.99	164	4.86



Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon				2.98-3.79	27	3.70
Milk	All fat tests	gallon	3.59	11	3.59	4.99	27	4.99
Sour cream		16 oz	1.98-3.50	32	3.33	1.77-2.29	78	2.01
Yogurt	Greek	4-6 oz	1.25	1	1.25	1.07-1.25	30	1.23
Yogurt	Greek	32 oz				3.99-6.49	78	5.32
Yogurt	Yogurt	4-6 oz				0.60	27	.60
Yogurt	Yogurt	32 oz				2.50	3	2.50

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	1080	5.13	580	5.51		
Cheese	Natural Varieties	8 oz block	631	4.54	339	3.72	235	3.49
Cheese	Natural Varieties	8 oz shred	432	4.11	511	3.60		
Egg nog		quart	100	4.50	230	4.22	1844	3.95
Ice cream		48-64oz	117	4.99				
Milk	All fat tests	half gallon	2669	3.78	755	3.88	58	3.49
Milk	All fat tests	gallon	347	5.99	215	6.51	1127	6.15
Sour cream		16 oz	474	2.37	2	2.00		
Yogurt	Greek	4-6 oz	137	1.25	147	1.25	152	1.18
Yogurt	Greek	32 oz	692	2.86	483	5.40	71	6.49
Yogurt	Yogurt	4-6 oz	137	1.00			58	.69
Yogurt	Yogurt	32 oz	983	2.50			430	3.04

REGIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #							5.49	180	5.49
Cheese	Natural Varieties	8 oz shred							4.50	213	4.50

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	half gallon	3.89	108	3.89	2.99-3.89	1267	3.76			
Milk	All fat tests	gallon				5.99	210	5.99	5.99	137	5.99
Yogurt	Greek	4-6 oz	1.25	137	1.25						
Yogurt	Greek	32 oz	5.49	84	5.49	2.50	398	2.50			
Yogurt	Yogurt	32 oz				2.50	210	2.50	2.50	247	2.50

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	3.99-4.99	186	4.60	4.49-5.49	477	5.24	4.99-5.00	226	4.99
Cheese	Natural Varieties	8 oz block				3.99-4.99	604	4.59			
Cheese	Natural Varieties	8 oz shred	3.50	114	3.50				3.99	105	3.99
Egg nog		quart							3.99	66	3.99
Ice cream		48-64oz				4.99	117	4.99			
Milk	All fat tests	half gallon	2.99-3.79	527	3.43	2.99-4.49	707	4.04	3.79	60	3.79
Sour cream		16 oz	1.99	114	1.99	2.49	360	2.49			
Yogurt	Greek	32 oz	2.50	210	2.50						
Yogurt	Yogurt	4-6 oz				1.00	137	1.00			
Yogurt	Yogurt	32 oz	2.50	219	2.50	2.49	241	2.49	2.50	66	2.50

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	5.49	11	5.49			
Cheese	Natural Varieties	8 oz block				3.49	27	3.49
Egg nog		quart				5.49	34	5.49

REGIONAL DEFINITIONS

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

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



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GENERAL NUMBER

(608)557-7000

Elizabeth Frederick

(608) 557-7002

Elizabeth.Frederick@AMS.USDA.GOV

EAST

Daniel Johnson

(608) 557-7006

Daniel.Johnson@AMS.USDA.GOV

CENTRAL

Janet Linder

(608) 557-7003

Janet.Linder@AMS.USDA.GOV

SOUTHWEST

Angel Teran

(608) 557-7011

Angel.Teran@AMS.USDA.GOV

NORTHWEST/MOUNTAIN

Mike Bandli

(608) 557-7010

Mike.Bandli@AMS.USDA.GOV

NATIONAL SUPERVISOR

Butch Speth

(608) 557-7001

Butch.Speth@AMS.USDA.GOV

ORGANIC/INTERNATIONAL

Eric Graf

(608) 557-7005

Eric.Graf@AMS.USDA.GOV

INTERNET ADDRESS

www.ams.usda.gov/market-news/dairy

MARKET NEWS PORTAL

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RECORDED INFORMATION SYSTEM

(608) 557-7000

FAX

(608) 819-0629

USDA, Dairy Market News
4600 American Parkway, STE 106
Madison, WI 53718-8334