

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (1/11)

BUTTER: Grade AA closed at \$2.2575. The weekly average for Grade AA is \$2.2375 (+.0037).

CHEESE: Barrels closed at \$1.2450 and 40# blocks at \$1.4100. The weekly average for barrels is \$1.2615 (-.0379) and blocks, \$1.3900 (-.0306).

NONFAT DRY MILK: Grade A closed at \$1.0300. The weekly average for Grade A is \$1.0045 (+.0476).

DRY WHEY: Extra grade dry whey closed at \$0.4950. The weekly average for dry whey is \$0.4870 (+.0020).

BUTTER HIGHLIGHTS: Higher post-holiday cream availability has butter makers actively churning throughout the country as producers work to build springtime inventories. In most cases, butter processors are shifting output schedules from print to bulk butter. Nevertheless, several processors suggest they have gotten significant print butter orders from retailers refilling the store shelves. Demand appears to be seasonal strong for both bulk and print butter. Bulk butter pricing varies among the regions: East, 5.0 cents to 8.0 cents over the market; Central, 5.0 cents to 7.0 cents above the market; West, 2.0 cents to 7.0 cents over the market, with various periods and averages used.

CHEESE HIGHLIGHTS: Post-holiday milk availability has kept cheese production apace in all regions nationally. That said, spot milk prices increased from last week: \$2 under to \$1 over Class III. Nationally, inventories are heavy. However, some individual cheese plants in the Midwest and Western regions report respective inventories are tight to balanced. Mozzarella demand is strong ahead of football playoffs/Super Bowl. Other types of cheese producers report steady to good demand, as well. That said, some expect it is a short-term upsurge as schools replenish their depleted stores following the holiday break. Cheese markets, particularly barrel markets, are struggling to regain some of the steam lost in the fourth quarter of 2018.

FLUID MILK: Across the nation, bottling demand is at a seasonal high with many educational institutions returning from winter breaks. School-based ordering is expected to be strong for two or three more weeks. As a result, some regions have fewer discounted spot loads available. Aside from pockets in the Mid-Atlantic, Southeast and New Mexico, milk production is largely growing throughout the country. Arizona and California milk production is heavy and stronger than expected. However, contacts in several regions suggest that longer term milk production increases may not prevail with so many dairy farmers selling out and leaving the dairy business due to financial stress. Cream supplies are readily available, and some plants are

behind schedules for clearing cream. Cream multiples for all Classes are 1.00 to 1.18 in the East, 1.13 to 1.25 in the Midwest, and 1.00 to 1.26 in the West.

DRY PRODUCTS: Nonfat dry milk prices shifted higher in all regions and for both low/medium heat and high heat. NDM stocks are highly committed thru contractual needs, and as a result, inventories are tighter than expected for the time of year. Dry buttermilk prices moved higher and stocks are generally lower. Dry whole milk prices are mixed on a wider range. Dry whey prices are steady to higher. Whey inventories seem balanced to a little tighter, but some end users suggest they are comfortable with their supplies and plan to wait out the current market bullishness. Aside from the bottom of the range moving higher, whey protein concentrate 34% prices are mostly unchanged. Industry contacts suggest the recent strengthening in other dry dairy markets may provide a lift to WPC34% prices. Although the lactose price is unchanged this week, the divide between market segments became more pronounced. Some contacts feel there are growing inventories within parts of the country. Prices for acid and rennet casein are steady.

ORGANIC DAIRY MARKET NEWS: The January 2019 farm gate organic milk pay price is \$32.42, with a twelve-month average price of \$31.30, based on a 12.9 percent representation of total solids. The organic pay price is the amount accepted by those organic dairy producers who contract with a large national organic cooperative, while based on the geographic area where the organic milk is produced and whether it is organic grassmilk. Coming off the holidays, total organic retail promotions decreased 17 percent. For organic milk, half gallon packages posted the largest volume of advertisements.

NATIONAL RETAIL REPORT (DMN): The total number of conventional dairy ads decreased 10 percent from last week, while organic dairy ads decreased 17 percent. Conventional milk ad numbers decreased 10 percent and organic milk ad numbers decreased 9 percent. The national weighted average advertised price for conventional milk half gallons is \$2.25, compared to \$3.84 for organic milk half gallons, an organic price premium of \$1.59. Conventional cheese ad numbers decreased 11 percent. There are over 61 times more ads for conventional than organic 8 oz shred. Conventional yogurt ad numbers decreased 12 percent. Organic yogurt ads decreased 56 percent.

-CONTINUED ON PAGE 1A-

TABLE OF CONTENTS

Product Highlights/CME/DMN at a Glance	1	Nonfat Dry Milk/Dry Buttermilk/Dry Whole Milk	5	Dairy Graphs	G1
Weekly CME Cash Trading/Butter Markets/NDPSR	2	Dry Whey/WPC 34%/Lactose/Casein	6	National Retail Report – Dairy	
Cheese Markets	3	U.S. Dairy Cow Slaughter / Class Milk Prices	7	Dairy Market News Contacts	
Fluid Milk and Cream	4	Organic Dairy Market News	8		

**DAIRY MARKET NEWS PRICE SUMMARY FOR JANUARY 7 - 11, 2019
PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES**

Commodity	Range	Mostly	Commodity	Range	Mostly	Commodity	Range	Mostly
NDM			BUTTERMILK			LACTOSE		
Central Low/Med. Heat	0.8900	1.0000	Central/East	0.9400	0.9900	Central/West	0.2900	0.4500
Change	0.0200	0.0500	Change	0.0200	0.0100	Change	N.C.	N.C.
Central High Heat	1.0400	1.1200	West	0.8650	0.9800	WPC 34%		
Change	0.0200	0.0800	Change	0.0200	0.0300	Central/West	0.8300	1.0450
West Low/Med. Heat	0.9300	1.0200	WHEY			Change	0.0225	N.C.
Change	0.0550	0.0300	Central	0.3800	0.5500	CASEIN		
West High Heat	1.0900	1.1500	Change	N.C.	0.0400	Rennet	2.3125	2.6900
Change	0.0900	0.0525	West	0.4000	0.5350	Change	N.C.	N.C.
DRY WHOLE MILK			Change	0.0225	N.C.	Acid	3.0150	3.1400
National	1.4800	1.6500	Northeast	0.4725	0.5050	Change	N.C.	N.C.
Change	-0.0200	0.0500	Change	N.C.	0.0075	ANIMAL FEED WHEY		
						Central	0.3000	0.3550
						Change	N.C.	N.C.

DAIRY MARKET NEWS AT A GLANCE

-CONTINUED FROM PAGE 1-

NOTICE: SURVEY: As we do every three years, USDA Market News is asking our users and stakeholders to take the AMS 2018 Market News Customer Satisfaction Survey. Market News uses the feedback from customers to identify areas of need and to define strategies to meet those information needs – as we have done for 103 years as the Eyes and Ears of American agriculture. Please help Market News help you with your information needs as you define them – take the 2018 Customer Satisfaction Survey. Your support and contribution to this effort serve to improve the products and services that we make available to the public.

Access the survey here:

<https://www.surveygizmo.com/s3/4499029/?STYPE=3>

COMMODITY	MONDAY JAN 7	TUESDAY JAN 8	WEDNESDAY JAN 9	THURSDAY JAN 10	FRIDAY JAN 11	WEEKLY CHANGE	WEEKLY AVERAGE
CHEESE							
BARRELS	\$1.2925 (-0.0100)	\$1.2775 (-0.0150)	\$1.2450 (-0.0325)	\$1.2475 (+0.0025)	\$1.2450 (-0.0025)	:: (-0.0575)	:: \$1.2615 (-0.0379)
40 POUND BLOCKS	\$1.4000 (-0.0175)	\$1.3800 (-0.0200)	\$1.3700 (-0.0100)	\$1.3900 (+0.0200)	\$1.4100 (+0.0200)	:: (-0.0075)	:: \$1.3900 (-0.0306)
NONFAT DRY MILK							
GRADE A	\$0.9750 (N.C.)	\$0.9900 (+0.0150)	\$1.0025 (+0.0125)	\$1.0250 (+0.0225)	\$1.0300 (+0.0050)	:: (+0.0550)	:: \$1.0045 (+0.0476)
BUTTER							
GRADE AA	\$2.2300 (-0.0200)	\$2.2300 (N.C.)	\$2.2350 (+0.0050)	\$2.2350 (N.C.)	\$2.2575 (+0.0225)	:: (+0.0075)	:: \$2.2375 (+0.0037)
DRY WHEY							
EXTRA GRADE	\$0.4825 (-0.0075)	\$0.4825 (N.C.)	\$0.4875 (+0.0050)	\$0.4875 (N.C.)	\$0.4950 (+0.0075)	:: (+0.0050)	:: \$0.4870 (+0.0020)

Prices shown are in U.S. dollars per lb. in carlot quantities. Carlot unit weights: CHEESE, 40,000-44,000 lbs.; NONFAT DRY MILK, 41,000-45,000 lbs.; BUTTER, 40,000-43,000 lbs.; DRY WHEY, 41,000-45,000 lbs. Weekly Change is the sum of Daily Price Changes. Weekly Average is the simple average of the Daily Cash Close prices for the calendar week. Weekly Average Change is the difference between current and previous Weekly Average. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY

NOTICE: As of July 30, 2018, Dairy Market News no longer publishes CME Group sale, bid, or offer trading activity. Five days of trading information can be found at www.cmegroup.com/trading/agricultural/spot-call-data.html

BUTTER MARKETS

NORTHEAST

The quantity of regional cream supplies continues to merit active butter production. However, schools are projected to begin next week and will likely impact butter churning outputs. Meanwhile, a major butter producing plant is down for maintenance, this week, which adds cream to the region's available supply. Cream multiples range in the low to upper teens, although, exchanges at market price have taken place. Stocks are building and are held with confidence. Buyers are looking to fill after-holiday-needs, as they keep a wary eye on developing trends that may impact upcoming summer seasonal purchases. Some indices are higher. The bulk butter price is reported 5 cents to 8 cents over the market of the CME Group, with various time frames and averages used. The market remains unsettled.

Prices for: Eastern U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter
Bulk Basis Pricing - 80% Butterfat \$/LB: +0.0500 - +0.0800

Secondary Sourced Information:

Tuesday's CME Group butter price closed the day at \$2.2300, slightly down from the previous week's average.

CENTRAL

Post-holiday level cream availability has butter churns across the region fully engaged, as producers work to build springtime inventories. Some producers suggest the amount of cream clearing into plants this week is higher than it has been in three years. Butter sales are somewhat steady. Butter market analysts suggest butter prices were expected to be slightly lower than they currently are, as market prices hold in/around the low \$2.20s. Early year positivity has some contacts suggesting 2019 may be as bullish, if not more so, than 2018.

Prices for: Central U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter
Bulk Basis Pricing - 80% Butterfat \$/LB: +0.0500 - +0.0700

Secondary Sourced Information:

The CME Group monthly average price for Grade AA butter during December was \$2.2071, up from November's \$2.2480.

WEST

Western butter inventories are in build stage as the winter holiday season passes in the rearview mirror. Butter makers are shifting into more bulk butter production, but they also suggest they have gotten significant orders from retailers refilling the store shelves. Demand appears to be seasonal strong for both bulk and print butter. Milk handlers say milk components have remained strong and there is plenty of cream for churning.

Prices for: Western U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter
Bulk Basis Pricing - 80% Butterfat \$/LB: +0.0200 - +0.0700

Secondary Sourced Information:

CME Group Monthly Averages
The CME Group December 2018 monthly average price for AA butter, \$2.2071, is down from the November monthly average of \$2.2480. One year ago the CME Group monthly average was \$2.2078.

CME Closing price
The Grade AA butter price at the CME Group on Wednesday closed at \$2.2350, compared to the weekly average price of \$2.2338 from last week.

CONTINUED ON 2A

NATIONAL DAIRY PRODUCTS SALES REPORT
U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
01/05/2019	2,2168 4,980,755	1,4212 10,995,619	1,3263 10,640,443	.4843 3,501,555	.9165 17,412,501

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

CONTINUED FROM PAGE 2

National Retail Report Dairy – Butter Summary

Advertised Prices at Major Retail Supermarket Outlets ending during the period of 1/4/2019 to 1/10/2019

Butter 1#	<u>Weighted Average Price</u>		
	<u>This Period</u>	<u>Last Week</u>	<u>Last Year</u>
National			
Organic	\$5.63	\$5.39	n.a.
Conventional	\$3.67	\$3.31	\$3.89

Regional (Conventional)	<u>Prices This Period</u>		
	<u>Wtd. Ave.</u>	<u>Low</u>	<u>High</u>
Alaska	n.a.	n.a.	n.a.
Hawaii	n.a.	n.a.	n.a.
Midwest	n.a.	n.a.	n.a.
Northeast	\$3.45	\$2.88	\$4.99
Northwest	n.a.	n.a.	n.a.
South Central	\$3.86	\$2.99	\$4.79
Southeast	\$5.69	\$5.69	\$5.69
Southwest	n.a.	n.a.	n.a.

CHEESE MARKETS

NORTHEAST

Cheese production is active in the region, as milk continues to be readily accessible for cheese makers. Some operations are at full capacity currently. Supplies are stable to growing, as cheese production schedules have increased. Pizzerias' mozzarella orders are strong, as educational institutions are back from holiday break. Moreover, retail cheese demand is stable, as various grocers are revving up for the Super Bowl next month. Spot market trading activity is steady to a bit slower right now due to many market participants adjusting to Q1 2019 contracts. The DMN Northeast December 2018 monthly average price for cheddar blocks is \$1.9664, compared to \$2.1458, the 2018 yearly average. Processed 5# sliced average price is \$1.6513, compared to \$1.7991, the 2018 yearly average. Northeast wholesale cheese prices for cheddar and Muenster shifted up by \$0.0475, moreover the process cheese prices moved up by \$0.0125. The Grade A Swiss price declined \$0.0625 following the release of the December 2018 Announcement of Class and Component Prices. Additionally, the Class III skim milk price for December 2018 saw a 58 cents decline.

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

Cheddar 40 pound Block	1.8750-2.1600
Muenster	1.8600-2.2100
Process American 5 pound Sliced	1.4350-1.9150
Swiss 10-14 pound Cuts	3.1750-3.4975

Secondary Sourced Information:

The CME Group December 2018 monthly average price for barrels was \$1.2829, compared to \$1.4198, the 2018 yearly average; blocks' average price was \$1.3764, down from \$1.5460, the 2018 yearly average.

MIDWEST

Cheese production continues apace, as post-holiday milk loads make their way into the vats. That said, the milk price narrative has changed since week 1. This week's spot milk prices ranged from \$2 under to \$1 over, whereas last week they were wholly discounted. Cheese sales reports from most producers point to a bullish push. That said, some expect schools and restaurants are simply refilling their stocks, and the uptick may be short lived once establishments/schools are replenished. Cheese markets remain somewhat quiet. Regarding inventories, although some regional producers relay their inventories are balanced, nationally stores are heavy. Midwestern wholesale prices are down \$.0625 for Swiss Cuts, up \$.0125 for barrels and up \$.0475 for other types.

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

Blue 5 pounds	2.0500-3.1200
Brick 5 pounds	1.7825-2.2075
Cheddar 40 pound Block	1.5100-1.9050
Monterey Jack 10 pounds	1.7575-1.9625
Mozzarella 5-6 pounds	1.5825-2.5225
Muenster 5 pounds	1.7825-2.2075
Process American 5 pound Loaf	1.3900-1.7500
Swiss 6-9 pound Cuts	2.6900-2.8075

WEST

Western cheese inventories remain abundant for the most part, except for a few processors who report having tight inventories. Cheese sales are quiet to very active depending on the processors. More Mozzarella is clearing through the retail channels for pizza manufacturing. Cheese export sales to Asia are up while orders from Mexico are stable. Nevertheless, supplies exceed current orders. With higher components in farm milk and plenty of milk in the West, cheese productivity is boosting, adding more to current stocks. Outputs of cheese are likely to further increase in the near future, so market players hope to see livelier spot trading activities in the forthcoming football season. In the West, wholesale prices were up \$.0125 for process, and up \$.0475 for cheddar block, cuts and Monterey Jack. However, Swiss cut wholesale prices are down \$.0625 from the previous week.

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

Cheddar 10 pound Cuts	1.7225-1.9425
Cheddar 40 pound Block	1.5425-1.9850
Monterey Jack 10 pounds	1.7325-1.8925
Process American 5 pound Loaf	1.3775-1.6325
Swiss 6-9 pound Cuts	2.7725-3.2025

FOREIGN TYPE

In Germany, cheese production schedules are active. However, the expansion in volumes produced was somewhat restrained by limited milk accessibility. In the coming months, more milk is expected to go to the manufacturing of cheese. Current growing competition in the export market is affecting Germany international sales as cheese is the most important exported dairy product in the country. Nonetheless, global demand is still lively. Germany cheese imports from other countries have diminished due to their higher domestic supplies. In the U.S., the prices for wholesale blue, gorgonzola, parmesan Italy, and Romano increased \$.0475, but Swiss cheese prices declined \$.0625. All other prices are unchanged compared to the preceding week.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	2.6400-5.2300	1.9275-3.4150*
Gorgonzola	3.6900-5.7400	2.4350-3.1525*
Parmesan	-0-	3.3175-5.4075*
Romano	-0-	3.1175-5.2675*
Sardo Romano (Argentina)	2.8500-4.7800	-0-
Reggianito (Argentina)	3.2900-4.7800	-0-
Jarlsberg	2.9500-6.4500	-0-
Swiss	-0-	3.2125-3.5350*
Swiss (Finland)	2.6700-2.9300	-0-

* = Price change.

CONTINUED ON PAGE 3A

CHEESE MARKETS

CONTINUED FROM PAGE 3

National Retail Report Dairy – Cheese Summary

Advertised Prices at Major Retail Supermarket Outlets ending during the period of 1/4/2019 to 1/10/2019

Cheese 8 oz. Blocks	<u>Weighted Average Price</u>		
	<u>This Period</u>	<u>Last Week</u>	<u>Last Year</u>
National			
Organic	n.a.	n.a.	\$3.04
Conventional	\$2.27	\$1.92	\$2.27

Regional (Conventional)	<u>Wtd. Ave.</u>	<u>Low</u>	<u>High</u>
Alaska	n.a.	n.a.	n.a.
Hawaii	\$2.59	\$2.00	\$3.00
Midwest	\$2.31	\$1.99	\$3.00
Northeast	\$2.21	\$1.66	\$2.99
Northwest	\$2.37	\$1.67	\$3.00
South Central	\$1.99	\$1.98	\$2.00
Southeast	\$2.30	\$1.67	\$3.00
Southwest	\$2.38	\$1.67	\$3.00

Cheese 8 oz. Shred	<u>Weighted Average Price</u>		
	<u>This Period</u>	<u>Last Week</u>	<u>Last Year</u>
National			
Organic	n.a.	n.a.	\$3.00
Conventional	\$2.06	\$2.14	\$2.32

Regional (Conventional)	<u>Wtd. Ave.</u>	<u>Low</u>	<u>High</u>
Alaska	\$2.49	\$2.49	\$2.49
Hawaii	\$3.00	\$3.00	\$3.00
Midwest	\$2.10	\$1.99	\$2.99
Northeast	\$2.12	\$1.49	\$2.99
Northwest	\$2.66	\$1.67	\$3.00
South Central	\$1.78	\$1.23	\$2.99
Southeast	\$1.95	\$1.23	\$2.99
Southwest	\$2.39	\$1.67	\$2.99

FLUID MILK AND CREAM

EAST

Northeast milk output is level to slightly increasing in some parts of the area. Class I sales are steady to improved, as schools are back in session from holiday break. Some balancing operations are running at capacity this week. There are reports of no milk being dumped during the holidays. **Mid-Atlantic** milk production is flat to somewhat lower. Manufacturers are receiving lower milk intakes this week. Southeast milk output is level currently. Class I sales have improved at this time. Manufacturers are not receiving as much milk this week, compared to recent weeks. There are reports of milk loads being transported into the **Southeast**, from other regions due to bottlers' immediate needs. **Florida** milk production is increasing at a steady rate. Class I sales are steady to increasing as schools are back in session. **Cream** demand is steady to weaker this week. Market participants are able to access available cream. Multiples range 1.00-1.18 currently. Some manufacturers who receive regular cream loads are shut down at this time. There are some anticipations of cream multiples increasing soon. The DMN December monthly average for Northeast Class II cream was \$2.6980, compared to \$2.8543, the 2018 yearly average. **Condensed skim** spot sales are steady to slower currently. Many market participants report trades are at decreased prices right now. There are some reports of condensed skim markets weakening in the near future. The DMN December monthly average for Northeast Class II condensed skim was \$0.8425, compared to \$0.7550, the 2018 yearly average.

Northeastern U.S., F.O.B. Condensed Skim
 Price Range - Class II; \$/LB Solids: 0.70 - 0.80
 Price Range - Class III; \$/LB Solids: 0.70 - 0.78

Northeastern U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.0000 - 1.1800
 Price Range - Class II; \$/LB Butterfat: 2.2338 - 2.6359

Secondary Sourced Information:

With last Wednesday's announcement of the Class and Component Prices, the Class III Skim Milk price decreased \$0.58, compared to the previous month.

MIDWEST

Mild, albeit chilly weather has been optimal for dairy cow comfort in the Midwest in the first weeks of winter. Recent production has picked up, but contacts relay a general resistance to suggest they expect longer-term increases with so many farmers selling out and/or shifting away from the dairy business altogether. Fluid milk contacts relay Monday was bottling's big return following holiday lulls. Schools, and some colleges, have begun to refill pipelines. School-based ordering is expected to be strong for two to three more weeks. Due to this, spot milk loads headed for cheese vats was, in some cases, at an overage when all reported prices last week were discounted. This week's prices ranged from \$2 under to \$1 over Class III. **Cream** also saw an uptick in prices and demand. Butter churning, in certain areas, is at its annual acme. Ice cream production is mixed according to variety. Contacts suggest cream cheese production will be somewhat strong, as a number of cream cheese producers entered 2019 light on inventories. Some contacts expected cream availability will continue to tighten into next week. The DMN monthly average of the range price series for Upper Midwest Class II cream during December 2018 was \$2.7251, compared to \$3.1088 in November.

Midwestern U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.1300 - 1.2500
 Price Range - Class II; \$/LB Butterfat: 2.5689 - 2.7923
 Multiples Range - Class II: 1.1500 - 1.2500

WEST

California milk output continues on an increasing tone. According to some industry contacts, production is stronger than usual. Fluid milk sales are back up with schools being back in session. Most manufacturing plants are running at full capacities, clearing as much milk as possible. **Arizona** bottled milk orders bounced back up after the holiday. Class II sales are very low as requests from customers have slowed down. This week, farm milk production is heavy, but remains below last year's volumes. Therefore, processing plants are running full time to ensure that all the milk is taken care of. Milk loads are manageable across the state. In **New Mexico**, milk production is down. Class II and III demands have decreased. However, Class I sales moved up as educational institutions reopened and are refilling their pipelines. More milk is moving to the Southeast this week; however, it has not reached the pre-holiday volumes. Milk production in the **Pacific Northwest** is strong. Bottling demand is steady, and there is plenty of milk available for processing. Manufacturers can find extra loads of milk and cream, but in some cases, trucks are harder to find. The balance between milk intakes and production ebbs and flows in the mountain states of **Idaho, Utah** and **Colorado**. Industry contacts say, currently production and demand are in good balance. Even amid strong seasonal milk production, manufacturers are taking in heavy volumes. In some cases, manufacturers are running 7 days per week. Although the boost in processing activity helps ease some of the stress within the regional dairy industry, there is still considerable financial stress prevalent within the farms of the region. **Cream** churning is very active in the West as many processors of cream-based products reduced their intakes, and cream availability is strong. Some handlers are looking for additional capacities to clear their cream, but many manufacturing facilities do not have the space to help. Due to heavy cream supplies during the holiday, a few plants are currently behind schedules on clearing their cream. Due to an urgent request for cream that needed to be fulfilled on a short notice, cream multiples for all Classes moved up, ranging 1.00 to 1.26. However, most sales are in the range of 1.00-1.15. According to some market players, **condensed skim** sales are strong. Loads are changing hands amongst some western states. However, prices seem to be a little higher than usual. Supplies are available to satisfy the needs of all customers.

Western U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.0000 - 1.2600

FLUID MILK AND CREAM

CONTINUED FROM PAGE 4

National Retail Report Dairy – Fluid Milk Summary

Advertised Prices at Major Retail Supermarket Outlets ending during
the period of 1/4/2019 to 1/10/2019

Half Gallon, All Fat Tests	<u>Weighted Average Price</u>		
	<u>This Period</u>	<u>Last Week</u>	<u>Last Year</u>
National			
Organic	\$3.91	\$3.88	\$3.79
Conventional	\$2.46	\$1.18	\$2.83

<u>Regional (Conventional)</u>	<u>Wtd. Ave.</u>	<u>Low</u>	<u>High</u>
Alaska	n.a.	n.a.	n.a.
Hawaii	n.a.	n.a.	n.a.
Midwest	n.a.	n.a.	n.a.
Northeast	\$2.50	\$2.50	\$2.50
Northwest	\$1.99	\$1.99	\$1.99
South Central	\$2.79	\$2.79	\$2.79
Southeast	\$1.99	\$1.99	\$1.99
Southwest	n.a.	n.a.	n.a.

<u>Regional (Organic)</u>	<u>Wtd. Ave.</u>	<u>Low</u>	<u>High</u>
Alaska	\$2.89	\$2.89	\$2.89
Hawaii	\$6.99	\$6.99	\$6.99
Midwest	\$2.92	\$2.79	\$3.29
Northeast	\$4.03	\$2.99	\$4.99
Northwest	\$3.99	\$3.99	\$3.99
South Central	\$3.03	\$2.79	\$3.49
Southeast	\$4.21	\$3.99	\$4.78
Southwest	\$4.99	\$4.99	\$4.99

Gallon, All Fat Tests	<u>Weighted Average Price</u>		
	<u>This Period</u>	<u>Last Week</u>	<u>Last Year</u>
National			
Organic	\$6.18	\$4.99	\$5.83
Conventional	\$2.50	\$2.43	\$3.01

<u>Regional (Conventional)</u>	<u>Wtd. Ave.</u>	<u>Low</u>	<u>High</u>
Alaska	\$2.99	\$2.99	\$2.99
Hawaii	n.a.	n.a.	n.a.
Midwest	\$2.55	\$1.98	\$2.99
Northeast	\$2.99	\$2.99	\$2.99
Northwest	\$1.99	\$1.99	\$1.99
South Central	\$2.89	\$2.89	\$2.89
Southeast	n.a.	n.a.	n.a.
Southwest	\$1.99	\$1.99	\$1.99

<u>Regional (Organic)</u>	<u>Wtd. Ave.</u>	<u>Low</u>	<u>High</u>
Alaska	n.a.	n.a.	n.a.
Hawaii	n.a.	n.a.	n.a.
Midwest	n.a.	n.a.	n.a.
Northeast	\$6.51	\$5.99	\$7.99
Northwest	n.a.	n.a.	n.a.
South Central	n.a.	n.a.	n.a.
Southeast	\$3.99	\$3.99	\$3.99
Southwest	n.a.	n.a.	n.a.

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: Regional low/medium heat nonfat dry milk (NDM) sales took off this week after an extended, seasonal quiescence. Low/medium heat NDM prices shifted up in all facets. Producers are maintaining a condensed skim drying push, as demand has picked up both domestically and from Mexico. Inventories are tighter than some contacts expected them to be. High heat NDM prices rose considerably, falling in line with low/medium heat prices. Demand for high heat NDM is steady, and inventories are balanced to tight. Although experiencing some marked weakness in 2018, contacts point out that NDM prices slowly moved up throughout the year, and year-end prices were roughly \$.20 to \$.30 higher than at the onset of the year. Current and near-term market tones are bullish.

EAST: Low/medium heat nonfat dry milk prices in the region have strengthened on all sides of the range and mostly prices series. Coming off the holidays, many buyers are back on the spot market and willing to purchase loads at current market prices. Spot load availability is steady to somewhat tight in the East, as some manufacturers are not offering on the spot market. Drying schedules have increased in many balancing operations due to more available milk in the area. However, inventories are fairly short and the majority of supplies are committed to contracts currently. The market undertone has firmed. High heat nonfat dry milk prices have increased this week. Spot trades are light, however some market participants are securing loads at heightened prices. There are some anticipations of prices continuing to increase in the near future. A few manufacturers are taking some time to dry high heat, however other operations are focused on drying low/medium heat currently. The DMN monthly average of the range price series for Central and East low/medium heat NDM during December 2018 was \$0.9125, compared to \$0.8094, the 2018 yearly average. The December 2018 monthly average of the range price series for Central and East high heat NDM was \$1.0278 compared to \$0.9701, the 2018 yearly average.

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk
Price Range - Low & Medium Heat; \$/LB: .8900 - 1.0000
Mostly Range - Low & Medium Heat; \$/LB: .9400 - 0.9750

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk
Price Range - High Heat; \$/LB: 1.0400 - 1.1200

Secondary Sourced Information:

The December 2018 NDM monthly average price, at the CME Group, is \$0.9241 compared to \$0.8053, the 2018 yearly average.

Wednesday at the CME Group Grade A NDM closed at \$1.0025, up \$0.0525 compared to last Wednesday.

NONFAT DRY MILK - WEST

In the western region, free on board spot prices for low/medium heat nonfat dry milk (NDM) shifted sharply up on moderate to strong trading. NDM futures values for the first two quarters of the year inched up, too. The main question this week, among the dairy industry, is whether NDM cash values bounced too quickly during the past few days. There are some main reasons according to several market participants. First, the United States dollar continues to decrease, particularly, compared to Mexican currency (pesos), therefore, in theory, it is cheaper for Mexican buyers to acquire NDM/SMP from western United States. However, knowing this, some NDM processors are taking advantage of this opportunity, increasing their prices to maximize profits. Second, with the new year starting, NDM stocks are pretty committed thru contractual needs for Q1 and Q2, thus, supplies are less available in the spot market. Finally, some manufacturers are holding several NDM loads in order to sell it at higher prices in the near future, creating an apparent lower supply in the regional market. Meanwhile, large skim milk volumes continue clearing into dryers. At this point, NDM inventories vary from plant to plant. High heat NDM price are up this week, following low/medium heat price trends. Production is sporadic, based on contractual requirements. Inventories are reported as tight throughout the region.

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk
Price Range - Low & Medium Heat; \$/LB: .9300 - 1.0200
Mostly Range - Low & Medium Heat; \$/LB: .9400 - 1.0000

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk
Price Range - High Heat; \$/LB: 1.0900 - 1.1500

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk markets picked up, both in activity and in price this week. Undoubtedly, buttermilk is currently being sought by end users ahead of springtime bakery and confectionary production pushes. Producers suggest they are trying to keep up with contracts and have only the occasional spot offering. Nevertheless, more spots were reported this week than in any week during the holiday lull. Currently, copious cream loads are making their way into butter churns across the region. The outcome could be more dry buttermilk availability in the near term. All said, buttermilk powder markets are steadily bullish.

EAST: Dry buttermilk prices increased on both sides of the price series. Spot offers are limited on the market currently. When there is availability, market participants are purchasing at higher prices at this time. However, some buyers are not participating on the spot market right now. Drying time has increased in some operations. Some inventory levels are growing a bit. However, stocks are generally lower, and many loads are clearing to regular contracts. Current market conditions are steady to showing some signs of strength. The December 2018 Dairy Market News monthly average price for the Central and East dry buttermilk is \$0.9472, compared to \$0.8080, the 2018 yearly average.

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk
Price Range ; \$/LB: .9400 - .9900

DRY BUTTERMILK - WEST

During the current week, free on board (f.o.b.) spot prices for western dry buttermilk moved higher, shadowing current bullish NDM pricing trends. Compared to a few weeks ago, the dry buttermilk market is firming as buyers' demands appear to be greater than current manufacturers' supply. Requests for dry buttermilk from salad dressing and pancake dry mix manufacturers are strong, according to some industry participants. Drying schedules for condensed buttermilk are limited as most balancing plant managers are focusing on NDM/SMP production. In this way, regional dry buttermilk inventories are steady to lower.

Prices for: Western U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk
Price Range ; \$/LB: .8650 - .9800
Mostly Range - ; \$/LB: .9000 - .9600

DRY WHOLE MILK - U.S.

National dry whole milk f.o.b. spot prices are mixed on a wider range. While some sales of specific brands pulled up the top price of the range, some trades of aged product, within the parameters for human consumption, pushed down the bottom value of the range. The market tone for dry whole milk is transitioning from balanced to somewhat unsteady. Nevertheless, demands from bakers, confectioners, and hot chocolate dry mix manufacturers are active. Meanwhile, some processors are increasing dry whole milk production in order to clear large milk/cream intakes across the country. However, dry whole milk processing is limited in other plants as managers continue converting large condensed skim volumes into NDM/SMP. Therefore, currently, dry whole milk inventories are mixed throughout the country.

Prices for: U.S., All First Sales, F.O.B., Conventional, and Edible Dry Whole Milk
Price Range - 26% Butterfat; \$/LB: 1.4800 - 1.6500

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, like most powder markets in the region saw higher prices this week. After some time off, both buyers and sellers reported a higher amount of offers and bids. Although prices firmed, some end users suggest they are in a comfortable place regarding inventories and plan to wait out current market bullishness, which they expect to be short-term. Other contacts have a more long-term bullish outlook, pointing to multiple Midwestern drying facilities either closed on temporary or permanent bases in 2018 and into this year. Animal feed whey prices are unchanged, as contacts report offers/bids remain quiet. Generally, whey markets are still quieter than other powders, and tones are mixed. The DMN monthly average of the mostly price series for Central dry whey during December was \$0.4550, unchanged from November. The monthly average of the range price series for Central animal feed whey during December was \$0.3275, compared to \$0.3263 in November.

Prices for: Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey
 Price Range - Animal Feed; \$/LB: .3000 - .3550

Prices for: Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey
 Price Range - Non-Hygroscopic; \$/LB: .3800 - .5500
 Mostly Range - Non-Hygroscopic; \$/LB: .4400 - .5000

DRY WHEY- NORTHEAST

Dry whey prices in the East region are steady to higher. Spot load prices have increased on various pricing indices. Trading activity is steady to active as buyers are purchasing more loads this week than in recent weeks. Dry whey production is steady to increased as some cheese plants are receiving higher milk volumes currently. Although production schedules have increased, inventories are balanced to limited on the spot market at this time. The majority of supplies are clearing to contract needs. A few buyers are purchasing dry whey from resellers at premium prices. Drying schedules have increased, as higher milk volumes are clearing into Class III production. The market undertone is stable. The December 2018 Dairy Market News monthly average for Northeast dry whey was \$0.4804 compared to \$0.3639, the 2018 yearly average.

Prices for: Eastern U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey
 Price Range - Non-Hygroscopic; \$/LB: .4725 - .5050

DRY WHEY- WEST

Western sales of dry whey are increasing this week, along with the increase in prices. Chinese purchasers are still careful when buying U.S. dry whey as they await to see what happens with trade agreements between the two countries. Contractual volumes of dry whey are moving on planned schedules, but spot trades are facing the hurdle of limited supplies. Inventories seem balanced to a little tighter for current demand. F.O.B. prices for dry whey moved up at the bottom of the range and on both ends of the mostly price series. Altogether, the market undertone is strengthening, and industry participants are eager to see if this will be sustainable in the long run. The DMN monthly average of the mostly price series for West dry whey during December was \$0.4456 compared to \$0.4530 one month ago and \$0.2878 a year ago.

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Dry Whey
 Price Range - Non-Hygroscopic; \$/LB: .4000 - .5350
 Mostly Range - Non-Hygroscopic; \$/LB: .4350 - .4900

WHEY PROTEIN CONCENTRATE

Aside from the bottom of the range moving higher, whey protein concentrate 34% prices are unchanged. Many manufacturers report steady demand and customers are generally willing to pay current prices. Industry contacts suggest the recent strengthening in nonfat and other whey protein concentrate prices are providing some support to the WPC 34% price. WPC 34% inventories across the industry remain somewhat tight, especially for favorite brands. Production is steady. The December 2018 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$0.8851, compared to \$0.8817 one month ago and \$0.7490 one year ago. The whey protein concentrate 34% mostly price series averaged \$0.7910 for the year of 2018.

Prices for: Central and Western U.S., All First Sales, F.O.B., Extra Grade, Conventional, and Edible Whey Protein Concentrate
 Price Range - 34% Protein; \$/LB: .8300 - 1.0450
 Mostly Range - 34% Protein; \$/LB: .8375 - .9350

LACTOSE

Although the lactose price is unchanged this week, the divide between market segments became more pronounced. Favorite brands of lactose, 200 mesh and infant formula lactose have strong demand and continue to bump at the top of the range and mostly price series. However, standard lactose that can be more readily swapped out is facing some market headwinds and languishing at the bottom of the range and mostly price series. Lactose inventories may be building, especially in the Midwest and for those dependent on moving quantities of lactose into some Chinese markets. Industry contacts suggest the whey permeate market in China is starting to place considerable pressure on other carbohydrates, like lactose. Others suggest buyers are sitting on stockpiles of lactose and permeate and would rather take a hiatus from buying through the first quarter and the Chinese New Year. In either case, buyers have been slow to respond, unless there is a bargain price. The December 2018 Dairy Market News average of the mostly price series for Central and West lactose was \$0.3580, compared to \$0.3510 one month ago and \$0.2208 one year ago. The lactose mostly price series averaged \$0.2874 for the year of 2018.

Prices for: Central and Western U.S., Spot Sales And Up to 3 Month Contracts, F.O.B., Conventional, and Edible Lactose
 Price Range - Non Pharmaceutical; \$/LB: .2900 - .4500
 Mostly Range - Non Pharmaceutical; \$/LB: .3200 - .4200

CASEIN

Prices for acid and rennet casein are steady. Buyers and sellers are assessing expectations for casein production in coming months. Indications from Western Europe are that 2019 milk production may be lower than during 2018. Reduced feed availability as well as a reduced dairy herd are concerns. That is resulting in consideration as to whether casein production will take a hit as this plays out. While New Zealand production remains higher than year earlier, it is the downward slope of the production season with a number of months to go. So far, expectations for milk output are favorable. An uncertainty is that there is always an underlying concern that changed weather patterns might develop. This is leading to a cautious but steady market this week as participants weigh the factors going into 2019.

Prices for: Spot Sales And Up to 3 Month Contracts, Free on Board - Warehouse, Non-Restricted, All Mesh Sizes, Conventional, and Edible Casein
 Acid; Price Range - \$/LB: 3.0150-3.1400
 Rennet; Price Range - \$/LB: 2.3125-2.6900

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

WEEK ENDING 2018 WEEKLY 2018 2017 WEEKLY 2017
 DAIRY COWS CUMULATIVE DAIRY COWS DAIRY COWS CUMULATIVE DAIRY COWS

Due to a lapse in federal funding, the USDA-NASS data used to populate this report is not available.

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% Butterfat)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2014	21.15	23.35	23.33	24.31	22.57	21.36	21.60	22.25	24.60	23.82	21.94	17.82
2015	16.18	15.46	15.56	15.81	16.19	16.72	16.33	16.27	15.82	15.46	15.30	14.44
2016	13.72	13.80	13.74	13.63	12.76	13.22	15.24	16.91	16.39	14.82	16.76	17.40
2017	16.77	16.88	15.81	15.22	15.57	16.44	15.45	16.57	16.36	16.69	16.88	15.44
2018	14.00	13.40	14.22	14.47	15.18	15.21	14.10	14.95	16.09	15.53	14.44	13.78

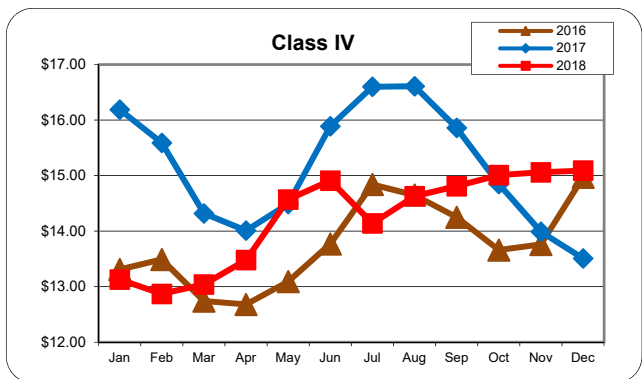
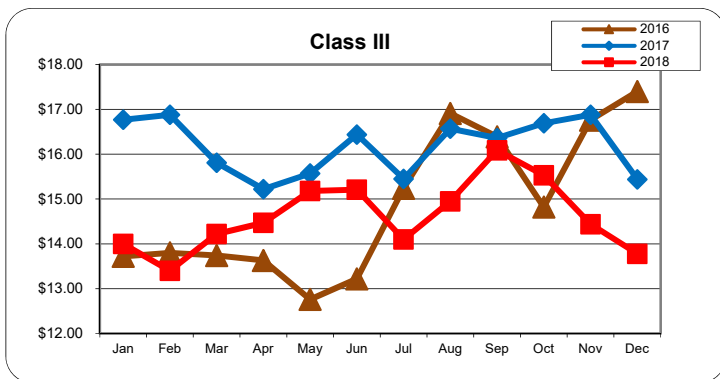
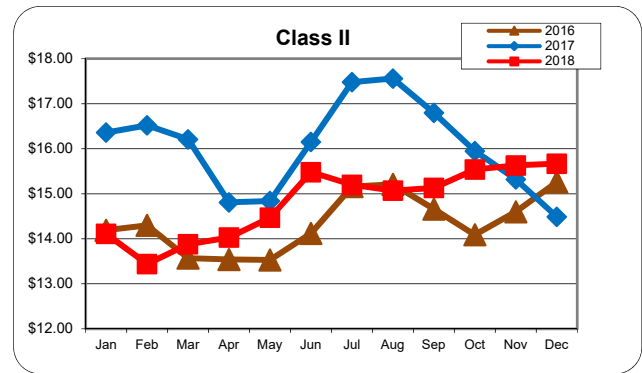
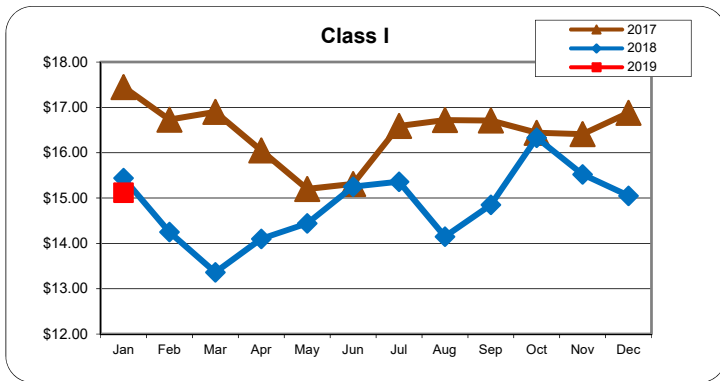
CLASS IV MILK PRICES (3.5% Butterfat)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2014	22.29	23.46	23.66	23.34	22.65	23.13	23.78	23.89	22.58	21.35	18.21	16.70
2015	13.23	13.82	13.80	13.51	13.91	13.90	13.15	12.90	15.08	16.43	16.89	15.52
2016	13.31	13.49	12.74	12.68	13.09	13.77	14.84	14.65	14.25	13.66	13.76	14.97
2017	16.19	15.59	14.32	14.01	14.49	15.89	16.60	16.61	15.86	14.85	13.99	13.51
2018	13.13	12.87	13.04	13.48	14.57	14.91	14.14	14.63	14.81	15.01	15.06	15.09

FEDERAL MILK ORDER CLASS PRICES FOR 2019 (3.5% Butterfat)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	15.12											
II												
III												
IV												

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 31, 2018 - January 11, 2019

ORGANIC DAIRY FLUID OVERVIEW

U.S. Organic Milk Pay Prices. The January 2019 farm gate organic milk pay price is \$32.42, with a twelve-month average price of \$31.30, based on a 12.9 percent representation of total solids. The organic pay price is the amount accepted by those organic dairy producers who contract with a large national organic cooperative, while based on the geographic area where the organic milk is produced and whether it is organic grassmilk.

Organic Milk Pay Prices in Europe. According to CLAL, the most recent organic monthly milk pay price information notes advances for October 2018 in Germany and Austria, but saw a decrease in France. The organic milk farm price in **Germany** averaged 47.71 euros/100lt (\$54.99 USD), 3.05 percent lower than a year ago, but up 0.78 percent from a month earlier. In Bavaria, an important milk producing region of Germany, the average price is 48.05 euros/100lt (\$55.38 USD), 3.86 percent lower than one year earlier, but 1.20 percent above the previous month. In **Austria**, October 2018, average organic milk farm prices, 44.21 euros/100lt (\$50.96 USD), is reported 10.58 percent lower than a year ago, but up 1.10 percent from September 2018. **France's** average organic milk farm price for October 2018, 47.76 euros/100lt (\$55.05 USD), is 0.14 percent higher than October 2017, but 1.07 percent less than September 2018.

ORGANIC GRAIN FEEDSTUFF OVERVIEW

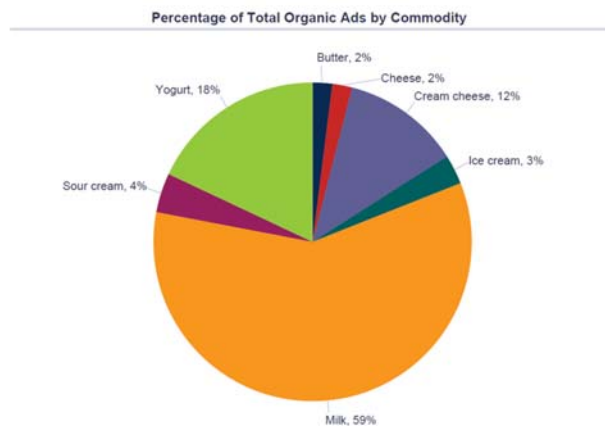
Organic Grain and Feed Market Trend. Activity is fairly limited this first reporting period of the new year. However, a few anecdotal comments from market sources suggest some softness in the organic corn price, while the organic soybean price conveys a slight firmness.

Organic Grain				
Commodity	Specifications	Units	Price Range	Average Price
Yellow Corn	Feed Grade #2	\$/bushel	8.75 - 10.50	9.36
	Food Grade #2	\$/bushel	NA - NA	NA
Yellow Soybeans	Feed Grade #1	\$/bushel	18.00 - 18.60	17.14
	Food Grade #1	\$/bushel	NA - NA	NA

ORGANIC DAIRY RETAIL OVERVIEW

Coming off the holidays, total organic retail promotions decreased 17 percent. Organic cream cheese displayed the biggest increase in ads, 318 percent. As well, prices dropped 33 percent for the 8 oz pack size from the previous survey period. For organic milk, half gallon packages posted the largest volume of advertisements. The current retail milk price spread between organic and conventional half gallon milk is an organic premium of \$1.59. The price spread bumped up 14 cents compared to the previous retail survey.

At this time, organic milk ads surpass all other organic dairy commodities, reporting 59 percent of the total organic dairy advertisements. New January promotions, for organic yogurt and cream cheese, represent 18 and 12 percent of the total organic ads by commodity, respectively. The pie chart below displays percentages of all organic dairy commodities detailed in the ad survey.



Data Source: USDA Dairy Market News

Complete results of this bi-weekly survey providing additional graphs, tables, can be accessed at: <https://www.ams.usda.gov/mnreports/dybdairyorganic.pdf>. Advertising information presented is compiled from nearly 23,000 surveyed newspaper supermarket ads. Prices are valid from January 11-17, 2019. Retail survey ads reflect “advertised specials” and not the range of non-advertised supermarket cooler prices.

Product pricing information of selected organic dairy commodities, from the current weekly retail survey, is presented in the following table:

**NATIONAL RETAIL ORGANIC DAIRY
WEIGHTED AVERAGE ADVERTISED PRICE
(Dollars)**

Commodity	This Week	Last Week	Last Year
Butter	5.29	5.63	n.a.
Milk			
Half Gal.	3.84	3.91	3.88
Gal.	5.65	6.18	5.53
8 oz.	0.83	n.a.	1.00
Yogurt			
4-6 oz. Greek	n.a.	1.25	n.a.
32 oz. Greek	3.12	4.48	4.59
4-6 oz. Yogurt	1.50	0.73	1.29
32 oz. Yogurt	2.62	3.01	3.30

Complete results of the “National Retail Report-Dairy” and “Weekly National Organic Summary” are accessible using the following links:

1 <https://www.ams.usda.gov/mnreports/dybretil.pdf>

2 <https://www.ams.usda.gov/mnreports/lswnos.pdf>

Organic High-Protein Milk Launched. A major organic milk retailer has expanded its line of organic products to include organic high-protein milk. Protein is popular among body builders, baby boomers, and athletes. In the U.S., 55 percent of consumers say high protein is an important attribute to consider when buying food for their households. Studies also reveal that 58 percent of consumers prefer traditional dairy protein. Consequently, the organic higher protein milk option, which beforehand was absent, looks to collar that demand.

ORGANIC DAIRY MARKET NEWS
Information gathered December 31, 2018 - January 11, 2019

-CONTINUED FROM PAGE 8-

DIRECT TO CONSUMER ORGANIC DAIRY PRODUCTS PRICES

The following tables identify U.S. price range results from a Dairy Market News national survey of publicly available prices of organic dairy products, available from farmstead outlets and online. There may be prices offered outside of the price range which were not identified by the survey. These are cows' milk products.

BUTTER

<u>Commodity</u>	<u>Type</u>	<u>Pack Size</u>	<u>Organic Price Range \$</u>
Organic Butter		1 lb	9.50 - 13.45
Organic Butter		8 oz	4.75 - 10.00

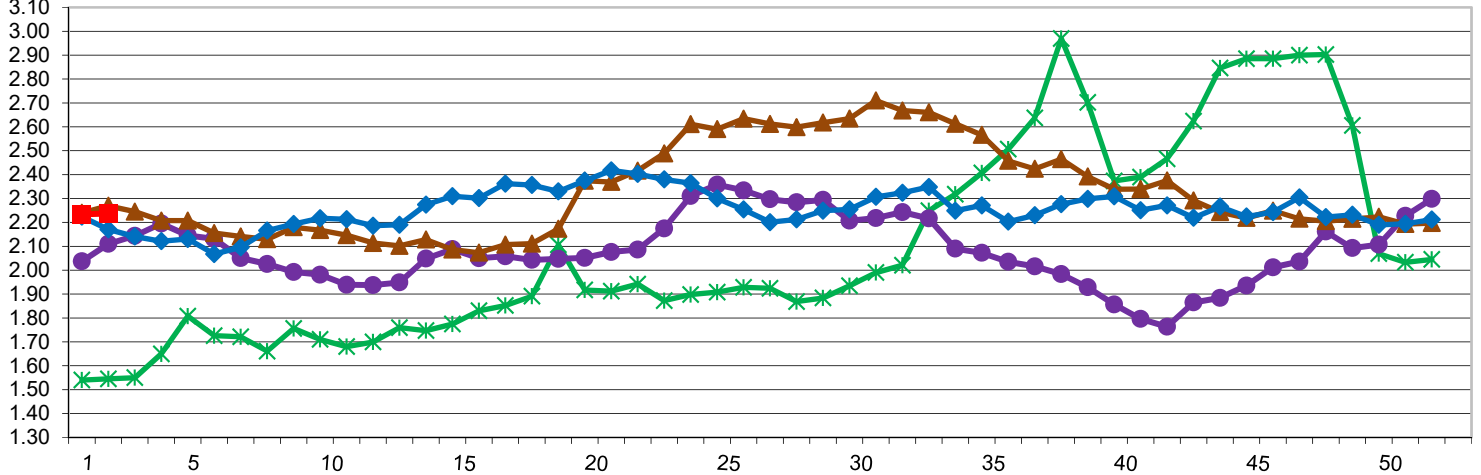
CHEESE

<u>Commodity</u>	<u>Type</u>	<u>Pack Size</u>	<u>Organic Price Range \$</u>
Organic Cheese	Cheddar - 10 year	8 oz	11.00 -
Organic Cheese	Cheddar - 2-4 year	8 oz	5.73 - 6.93
Organic Cheese	Cheddar - 5-9 year	8 oz	8.50 -
Organic Cheese	Cheddar - Medium	8 oz	4.52 - 8.00
Organic Cheese	Cheddar - Mild	8 oz	4.14 - 8.50
Organic Cheese	Cheddar - Sharp	8 oz	4.95 - 6.00
Organic Cheese	Colby	8 oz	5.25 - 8.00
Organic Cheese	Farmers	8 oz	4.00 - 6.00
Organic Cheese	Gouda	8 oz	12.00 -
Organic Cheese	Monterey Jack	8 oz	5.25 - 8.00
Organic Cheese	Mozzarella	8 oz	5.50 - 12.50
Organic Cheese	Muenster	8 oz	6.00 -
Organic Cheese	Pepper Jack	8 oz	12.50 -
Organic Cheese	Curds	Per Lb	6.80 - 12.00

Information for the period December 31, 2018 - January 11, 2019, issued monthly

U.S. \$ PER POUND

CME Weekly Average Cash Grade AA Butter Prices

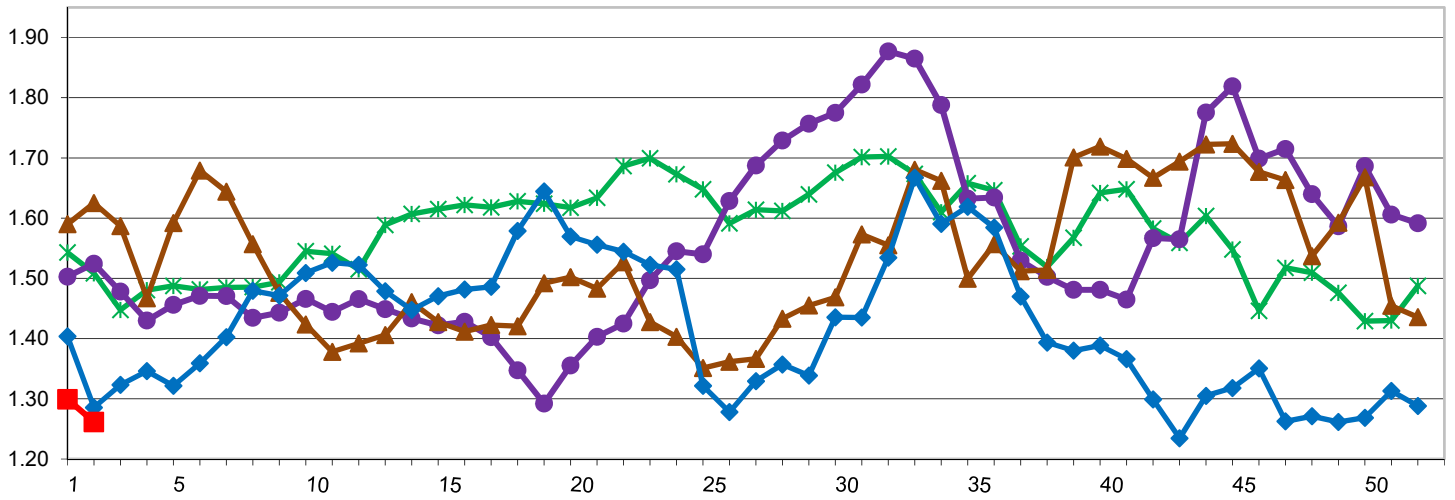


GRAPH USDA, DMN; SOURCE CME GROUP

2015 2016 2017 2018 2019

U.S. \$ PER POUND

CME Weekly Average Cash Barrel Prices

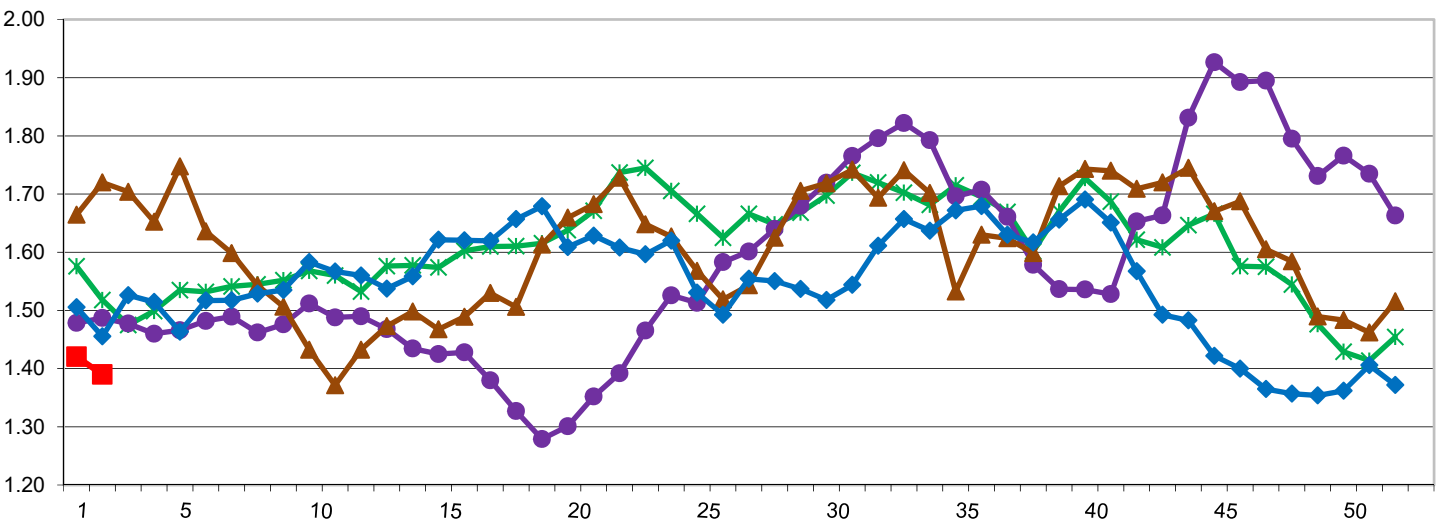


GRAPH USDA, DMN; SOURCE CME GROUP

2015 2016 2017 2018 2019

U.S. \$ PER POUND

CME Weekly Average Cash Cheddar Block Prices



GRAPH USDA, DMN; SOURCE CME GROUP

2015 2016 2017 2018 2019



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/dybretil.pdf>

Volume 86- Number 2

Issued Weekly

Friday, January 11, 2019

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 01/11/2019 to 01/17/2019

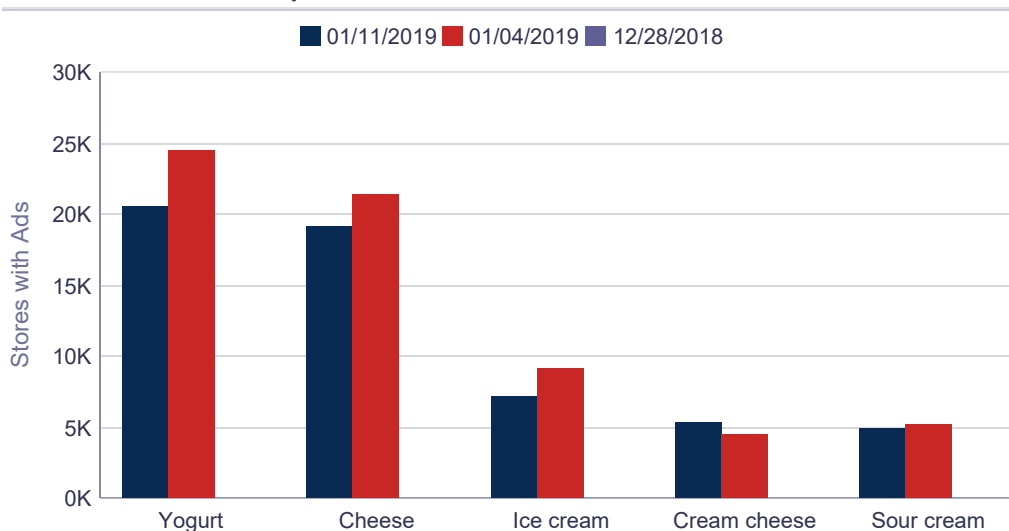
Early January ad numbers for conventional 48-64 oz ice cream declined 23 percent. The weighted average advertised price, \$3.05, decreased 21 cents from last week. Organic 48-64 oz. ice cream averages \$5.99, a \$2.94 organic price premium. The total number of conventional dairy ads decreased 10 percent from last week. Organic dairy ads decreased 17 percent.

The national weighted average advertised price for conventional milk half gallons is \$2.25, compared to \$3.84 for organic milk half gallons, an organic price premium of \$1.59. Conventional milk ad numbers decreased 10 percent. Organic milk ad numbers decreased 9 percent.

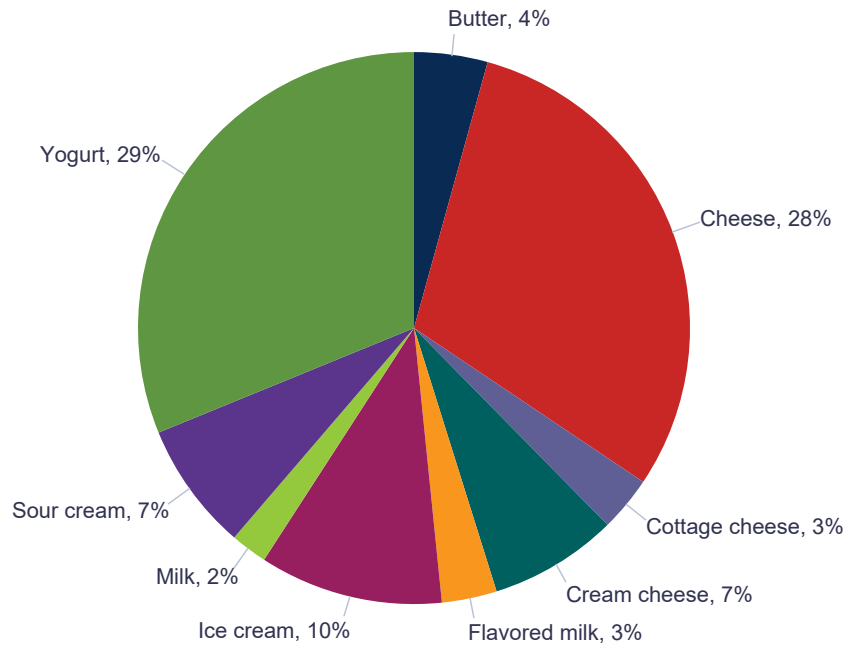
Conventional cheese ad numbers decreased 11 percent. The weighted average price for conventional 8 oz shred cheese is \$2.32 The weighted average price for organic 8 oz shred cheese is \$2.49, a 17 cent organic price premium. There are over 61 times more ads for conventional than organic 8 oz shred. This size of shred cheese was the second most advertised category/size this week. Ad numbers for conventional 8 oz block cheese increased 25 percent, with a weighted average advertised price of \$1.91. This size of block cheese registered more ads than any other category/size this week.

Conventional yogurt ad numbers decreased 12 percent. Organic yogurt ads decreased 56 percent. The weighted average advertised price for conventional plain yogurt in 4 to 6 oz. containers is \$0.48, down 1 cent from last week. The weighted average price for conventional Greek yogurt in 4 to 6 oz. containers, \$0.98, is up 5 cents from last week. The greatest number of organic yogurt ads is for 32 oz organic yogurt, even being down 66 percent from last week. The average price is \$2.62, down 39 cents.

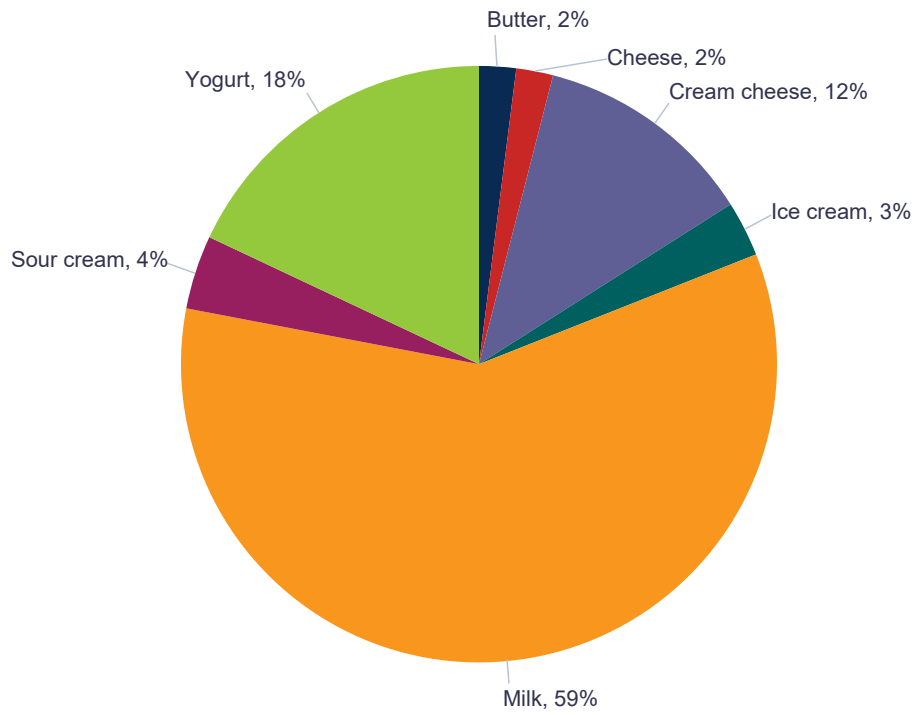
Top 5 Commodities Featured This Week



Percentage of Total Conventional Ads by Commodity



Percentage of Total Organic Ads by Commodity





NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD		LAST WEEK		LAST YEAR	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	2408	3.47	1340	3.67	3956	3.36
Cheese	Natural Varieties	8 oz block	8647	1.91	6910	2.27	6275	2.03
Cheese	Natural Varieties	1 # block	1443	3.94	1068	4.09	638	3.73
Cheese	Natural Varieties	2 # block	83	6.60	1228	5.21	536	5.45
Cheese	Natural Varieties	8 oz shred	8424	2.32	11711	2.06	8852	2.18
Cheese	Natural Varieties	1 # shred	398	3.83	425	3.64	443	3.60
Cottage cheese		16 oz	1936	2.04	3620	1.98	2731	2.02
Cream cheese		8 oz	4746	2.19	4403	1.75	3664	1.86
Flavored milk	All fat tests	half gallon	1398	2.26	503	2.21	1054	2.31
Flavored milk	All fat tests	gallon	305	3.41	318	2.66	440	2.11
Ice cream		48-64oz	7045	3.05	9171	3.26	10945	2.87
Milk	All fat tests	half gallon	242	2.25	270	2.46	988	2.25
Milk	All fat tests	gallon	775	2.95	864	2.50	1855	2.67
Sour cream		16 oz	4709	1.72	5083	1.89	6193	1.88
Yogurt	Greek	4-6 oz	8489	.98	12004	.93	11011	.94
Yogurt	Greek	32 oz	2144	4.44	2150	3.91	1548	4.43
Yogurt	Yogurt	4-6 oz	7907	.48	6020	.49	5613	.46
Yogurt	Yogurt	32 oz	929	2.35	1857	2.44	2167	2.34

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.99-4.99	791	3.67	3.50-3.99	564	3.94	2.99	53	2.99
Cheese	Natural Varieties	8 oz block	1.66-2.50	1559	2.16	1.23-2.99	3220	1.86	0.99-1.88	1325	1.78
Cheese	Natural Varieties	1 # block	3.99	243	3.99	2.99-3.99	572	3.88	3.79	69	3.79
Cheese	Natural Varieties	8 oz shred	1.66-3.49	1930	2.55	1.88-3.00	3287	2.28	1.66-3.49	1457	2.08
Cheese	Natural Varieties	1 # shred				2.99	64	2.99			
Cottage cheese		16 oz	1.89-2.50	643	2.09	2.50	214	2.50	1.50-2.50	413	1.95
Cream cheese		8 oz	1.50-2.99	1116	2.15	1.50-2.99	2427	2.37	1.66-1.99	616	1.79
Flavored milk	All fat tests	half gallon	1.99	161	1.99	2.50	735	2.50	1.99	213	1.99
Flavored milk	All fat tests	gallon				5.00	84	5.00			
Ice cream		48-64oz	2.50-3.88	2395	2.78	2.50-3.00	1938	2.72	2.77-3.33	541	3.04
Milk	All fat tests	gallon	3.49	137	3.49				2.50	69	2.50
Sour cream		16 oz	1.49-2.19	1698	1.85	1.50-2.00	1280	1.55	0.99-1.99	634	1.50
Yogurt	Greek	4-6 oz	0.80-1.25	2255	.98	0.88-1.20	2908	1.00	0.90-1.00	1248	.98
Yogurt	Greek	32 oz	3.99-4.99	427	4.40	4.49-5.00	949	4.61	3.99-4.99	360	4.49
Yogurt	Yogurt	4-6 oz	0.39-0.69	3082	.51	0.40-0.50	2102	.48	0.39-0.66	646	.53
Yogurt	Yogurt	32 oz	1.99-2.99	167	2.34	2.99	214	2.99	1.67	69	1.67

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.99-4.79	615	3.33	2.50	63	2.50	2.50	289	2.50
Cheese	Natural Varieties	8 oz block	1.23-2.50	1653	1.61	1.49-2.99	670	2.30	1.88-2.99	135	2.42
Cheese	Natural Varieties	1 # block	3.99	133	3.99	3.99	137	3.99	3.99	289	3.99
Cheese	Natural Varieties	2 # block							5.99	61	5.99
Cheese	Natural Varieties	8 oz shred	1.98-2.50	625	2.25	1.49-2.99	543	2.14	1.88-3.00	524	2.65
Cheese	Natural Varieties	1 # shred	3.99	334	3.99						
Cottage cheese		16 oz	1.25-2.00	290	1.68	1.99	63	1.99	1.99	289	1.99
Cream cheese		8 oz	1.67-2.00	192	1.87	1.67-2.50	239	2.09	1.99	121	1.99
Flavored milk	All fat tests	half gallon							1.99	289	1.99
Flavored milk	All fat tests	gallon							2.50-2.99	210	2.75
Ice cream		48-64oz	2.99-5.50	798	4.30	2.50-4.88	852	3.22	2.50-3.50	463	3.21
Milk	All fat tests	half gallon	1.50-1.99	203	1.84						
Milk	All fat tests	gallon	2.89-3.99	287	3.13				1.99-2.99	271	2.58
Sour cream		16 oz	1.25-2.00	328	1.56	1.99-2.00	378	1.99	1.49-1.99	358	1.89
Yogurt	Greek	4-6 oz	0.79-1.00	702	.95	0.75-1.00	903	.89	0.83-1.00	384	.93
Yogurt	Greek	32 oz	3.98-4.00	285	3.99	4.99	62	4.99	3.50	61	3.50
Yogurt	Yogurt	4-6 oz	0.30-0.49	525	.41	0.33-0.60	1089	.41	0.45-0.50	463	.47
Yogurt	Yogurt	32 oz	1.98-3.49	190	2.92				1.67	289	1.67

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 #	3.79-5.97	33	4.75			
Cheese	Natural Varieties	8 oz block				2.50-2.99	85	2.66
Cheese	Natural Varieties	2 # block	7.79-8.79	22	8.29			
Cheese	Natural Varieties	8 oz shred				2.50	58	2.50
Cottage cheese		16 oz				3.00	24	3.00
Cream cheese		8 oz	2.50	11	2.50	1.00	24	1.00
Flavored milk	All fat tests	gallon	3.99	11	3.99			
Ice cream		48-64oz				3.69-4.00	58	3.82
Milk	All fat tests	half gallon	2.79-4.99	39	4.37			
Milk	All fat tests	gallon	3.89	11	3.89			
Sour cream		16 oz	2.11-2.69	33	2.40			
Yogurt	Greek	4-6 oz	1.50	28	1.50	1.25	61	1.25

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS PERIOD	LAST WEEK	LAST YEAR
-----------	------	-----------	-------------	-----------	-----------

Wtd Avg - Simple weighted average



			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	121	5.29	190	5.63		
Cheese	Natural Varieties	8 oz block					548	2.99
Cheese	Natural Varieties	8 oz shred	137	2.49			970	2.99
Cheese	Natural Varieties	1 # shred					80	7.49
Cottage cheese		16 oz			161	3.99	1060	3.23
Cream cheese		8 oz	673	1.99	161	2.99	341	2.50
Flavored milk	All fat tests	half gallon			123	2.79		
Ice cream		48-64oz	189	5.99				
Milk	All fat tests	half gallon	3092	3.84	3125	3.91	2720	3.88
Milk	All fat tests	gallon	284	5.65	653	6.18	465	5.53
Milk	All fat tests	8 oz UHT	61	.83			214	1.00
Sour cream		16 oz	214	2.50	161	2.99	623	3.19
Yogurt	Greek	4-6 oz			108	1.25		
Yogurt	Greek	32 oz	315	3.12	218	4.48	381	4.59
Yogurt	Yogurt	4-6 oz	147	1.50	381	.73	188	1.29
Yogurt	Yogurt	32 oz	584	2.62	1693	3.01	711	3.30

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
Cheese	Natural Varieties	8 oz shred							2.49	137	2.49
Cream cheese		8 oz							1.99	595	1.99
Milk	All fat tests	half gallon	3.89-4.99	413	4.28	3.88-4.48	1473	4.04	2.79-3.29	489	2.91
Milk	All fat tests	gallon	7.99	59	7.99	4.99	214	4.99			
Milk	All fat tests	8 oz UHT				0.83	61	.83			
Sour cream		16 oz				2.50	214	2.50			
Yogurt	Greek	32 oz							1.99	137	1.99
Yogurt	Yogurt	4-6 oz	1.50	147	1.50						
Yogurt	Yogurt	32 oz	3.50	108	3.50	3.50	61	3.50	1.99	360	1.99

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	5.29	121	5.29						
Cream cheese		8 oz	1.99	78	1.99						

Wtd Avg - Simple weighted average



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
Ice cream		48-64oz	5.99	72	5.99	5.99	117	5.99			
Milk	All fat tests	half gallon				3.99-4.99	254	4.53	2.50-3.99	463	3.43
Yogurt	Greek	32 oz				3.99	178	3.99			
Yogurt	Yogurt	32 oz	3.99	55	3.99						

Commodity	Type	Pack Size	ALASKA U.S.			HAWAII U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Milk	All fat tests	gallon	5.99	11	5.99			

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



Dairy Market News

United States Department of Agriculture

Agricultural Marketing Service

Dairy Programs

Market Information Branch

Volume 86, Report 2

January 11, 2019

GENERAL NUMBER

(608) 422-8587

Elizabeth Frederick

(608) 422-8587

Elizabeth.Frederick@AMS.USDA.GOV

ORGANIC/ EAST

Daniel Johnson

(608) 422-8605

Daniel.Johnson@AMS.USDA.GOV

EAST

Jessica Mueller

(608) 422-8589

Jessica.Mueller@AMS.USDA.GOV

CENTRAL

Israel Weber

(608) 422-8601

Israel.Weber@AMS.USDA.GOV

SOUTHWEST/SOUTH AMERICA

AJ (Angel José) Terán

(608) 422-8593

Angel.Teran@AMS.USDA.GOV

SOUTHWEST

Florence Kone-Gonzalez

(608) 422-8594

Florence.KoneGonzalez@AMS.USDA.GOV

NORTHWEST/MOUNTAIN

Mike Bandli

(608) 422-8592

Mike.Bandli@AMS.USDA.GOV

EUROPE & OCEANIA/ ORGANIC

Eric Graf

(608) 422-8590

Eric.Graf@AMS.USDA.GOV

NATIONAL SUPERVISOR

Janet Linder

(608) 422-8588

Janet.Linder@AMS.USDA.GOV

BRANCH CHIEF

Butch Speth

(608) 422-8586

Butch.Speth@AMS.USDA.GOV

INTERNET ADDRESS

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

MARKET NEWS PORTAL

www.marketnews.usda.gov/mnp/da-home

RECORDED INFORMATION SYSTEM

(608) 422-8602

FAX

(608) 240-6689

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