

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (6/7)

BUTTER: Grade AA closed at \$2.3975. The weekly average for Grade AA is \$2.3745 (+.0020).

CHEESE: Barrels closed at \$1.5350 and 40# blocks at \$1.7525. The weekly average for barrels is \$1.5110 (-.0303) and blocks, \$1.7330 (+.0424).

NONFAT DRY MILK: Grade A closed at \$1.0550. The weekly average for Grade A is \$1.0540 (+.0052).

DRY WHEY: Extra grade dry whey closed at \$.3650. The weekly average for dry whey is \$.3590 (+.0052).

CHEESE HIGHLIGHTS: Milk is available for cheese producers nationwide. In the West, loads have been discounted to as low as \$4 under Class, but in the Midwest, discounts reached only \$1.50 under Class. There is a marked shift in milk access in relation to the past five years. Some cheesemakers are being cautious regarding milk intakes as cheese markets, namely the large block to barrel price gap, have created some anxiety regarding the near future. Cheese inventories remain long nationwide. Demand is steady to improving in most parts of the nation, with the exception of food service orders. Those orders have quieted somewhat as summer breaks have begun, or will soon begin, in school districts across the country.

BUTTER HIGHLIGHTS: Although cream inventories are tightening due to strong pulls from ice cream makers and seasonally lower butterfat levels in the milk, cream is still available for churning across the nation. Furthermore, in order to capitalize on higher cream values, a few butter plant managers have opted to sell some of their cream loads in lieu of producing butter. Generally, domestic and international butter sales are unchanged from the previous week. Nationwide, the butter market tone is mixed as the economic dynamics of supply and demand vary in each region of the country.

FLUID MILK: Farm milk yields are generally steady in the nation. In the Eastern region and in the mountain states of Idaho, Utah and Colorado, output is growing. Midwestern farmers suggest cow-comfort

levels have been fairly good for steady production levels. Undoubtedly, Class I sales have slipped across the country as many school districts and colleges have begun to, or are preparing to, break for the summer. Some school lunch programs are continuing to maintain food service orders of fluid milk. However, in general, bottling is slower this week. Some market participants report milk loads are being transported to other neighboring states to keep volumes in good balance. Condensed skim is available to customers and some are seeing additional offers on the spot market. Many buyers are purchasing at class prices, yet some manufacturers are buying loads at a discount. Cream demand is mostly steady as supplies showed a little tightness in some areas. There is some concern regarding summer availability of cream supplies. Less cream skimmed off of milk headed into Class I, increased ice cream manufacturing, and lighter national milk production levels have some contacts expecting some strong cream multiples in the months ahead. F.O.B. cream multiples are **1.31-1.35** in the East, **1.20-1.32** in the Midwest, and **1.10-1.25** in the West.

DRY PRODUCTS: Low/medium nonfat dry milk (NDM) spot prices are mixed in the U.S. Most trading has found a comfort zone at or around the midway point between \$1.00 to \$1.10. Market conditions are steady to slightly bullish. High heat NDM prices are steady to slightly lower. The market tone is mostly even in the country. Dry buttermilk prices are unchanged. Domestic demand is somewhat quiet, but Mexican buyers continue actively. The market tone is strong and stable. Dry whole milk prices are somewhat mixed currently. Inventories are balanced to meet contractual wants, but remain tight for immediate needs of the national spot market. The tone is in a firm position. Whey powder spot prices are steady to lower. Trading activities are steady to slower. Market conditions are still reeling from the Swine Flu epidemic, along with other trade concerns. Whey protein

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DAIRY MARKET NEWS PRICE SUMMARY FOR JUNE 3 - 7, 2019 PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Mostly		Commodity	Range		Mostly		Commodity	Range		Mostly	
NDM														
Central Low/Med. Heat	1.0100	1.0900	1.0250	1.0700	Central/East	1.0000	1.0900			Central/West	0.2000	0.4800	0.2500	0.4000
Change	0.0100	N.C.	0.0050	0.0100	Change	N.C.	N.C.			Change	N.C.	N.C.	N.C.	N.C.
Central High Heat	1.1500	1.2000			West	0.9600	1.0650	1.0000	1.0400	WPC 34%				
Change	N.C.	N.C.			Change	N.C.	N.C.	N.C.	N.C.	Central/West	0.8000	1.0750	0.8500	0.9900
West Low/Med. Heat	0.9950	1.0975	1.0200	1.0600	WHEY					Change	0.0500	N.C.	N.C.	0.0125
Change	-0.0025	-0.0025	N.C.	N.C.	Central	0.3000	0.4000	0.3375	0.3800	CASEIN				
West High Heat	1.1500	1.2550			Change	N.C.	-0.0050	-0.0125	N.C.	Rennet	3.1225	3.5250		
Change	N.C.	-0.0025			West	0.2975	0.4250	0.3200	0.3900	Change	N.C.	0.2500		
DRY WHOLE MILK					Change	-0.0025	-0.0250	N.C.	-0.0100	Acid	3.1225	3.2550		
National	1.6700	1.7000			Northeast	0.3200	0.4125			Change	N.C.	0.0100		
Change	0.0200	-0.0100			Change	N.C.	-0.0025			ANIMAL FEED WHEY				
										Central	0.2500	0.2900		
										Change	N.C.	N.C.		

DAIRY MARKET NEWS PRICE SUMMARY FOR MAY 27 - JUNE 7, 2019 PRICES (\$/MT) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Commodity	Range		Commodity	Range	
SMP								
W. Europe	2275	2400	WHOLE MILK POWDER			BUTTER		
Change	25	25	W. Europe	3325	3425	W. Europe	4375	4675
Oceania	2375	2475	Change	N.C.	25	Change	-150	-50
Change	-150	-125	Oceania	3100	3175	Oceania	4825	5250
S. America	2375	2575	Change	-50	-25	Change	-600	-350
Change	-25	-25	S. America	2950	3350	BUTTEROIL		
WHEY			Change	-50	N.C.	W. Europe	5700	6025
W. Europe	825	1075				Change	-400	-425
Change	N.C.	N.C.				CHEDDAR CHEESE		
						Oceania	3925	4175
						Change	-1325	-1100

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

concentrate 34% prices are steady to higher. The demand is stable to active, with a few buyers seeking to assure coverage with additional loads. The market tone seems to be firmer presently. Lactose prices are unchanged this week. Some buyers and end users are eager to assure coverage, but prices may be slightly lower than Q2. Market conditions are unsettled. Acid and rennet casein prices have heightened. Recent sales in New Zealand have continued to push rennet casein prices higher. Also, lower availability is pressuring casein prices.

INTERNATIONAL DAIRY MARKET NEWS: EUROPE OVERVIEW: WESTERN: Western Europe overall continues to generate less milk production than many dairy processors would like. Weekly milk production in some of the main Western European milk producing countries in late May continued to not quite hit year earlier output. ZMB quick news coverage for Germany reports milk production through late May was 1.9 percent lower than the same period of 2018. Milk production in France late May was 1.0 percent below production one year ago. Many observers believe the seasonal peak has now passed in Germany and France. This is slightly earlier than typical. **EASTERN:** Poland ranks sixth in European milk production so far in 2019 and is the top producing Eastern European country. Production through March 2019 increased 3.6 percent, as did March YOY production, according to Eurolait. A number of other Eastern European countries also contrast with principal Western European milk producing countries in having increases over 2018 both January-March YTD, as well as March YOY. These include the Czech Republic, Estonia, Cyprus, Lithuania, Hungary, Malta, and Romania.

OCEANIA OVERVIEW: AUSTRALIA: Autumn is advancing throughout Australia. Cooler weather and frost have moved into some areas. This is encouraging accelerated activity among some dairy producers to secure hay and feed to last through the winter. Supplies still available are tight. This is resulting in higher cost and use of alternative feed. Available hay supplies are especially tight in Southern and Western Australia. **NEW ZEALAND:** April 2019 New Zealand milk production reported by DCANZ was 1.364 million MT, down 8.4 percent from April 2018 milk production, 1.489 million MT. April 2019 milk solids, 136.728 million kg, are down 7.7 percent from April 2018, 148.177 million kg.

SOUTH AMERICA OVERVIEW: So far this year, the adverse effects of El Niño have remained relatively minimal in the main dairy basins and crop areas of the continent. In fact, during the past two weeks, rain showers sustained favorable corn prospects in Brazil, while in Argentina and Uruguay, drier conditions allowed corn/soybean crop harvesting to resume. In Argentina, Uruguay and Brazil, raw farm milk output is seasonally improving as temperatures continue falling, boosting dairy herd comfort. Nonetheless, it is important to emphasize that the volume of milk produced so far this year is significantly lower than levels from the preceding year.

NATIONAL RETAIL REPORT (DMN): Although summer is not officially here, conventional ice cream marketers have yet to receive the memo. Ice cream, in 48 to 64 oz containers, remains the most advertised item in the country, more than doubling the amount of advertisements of the second most advertised item, Greek yogurt in 4 to 6 oz containers. Organic ads were led by half gallon milk ads and followed by 1-pound butter ads.

APRIL AGRICULTURAL PRICES HIGHLIGHTS (NASS): The All Milk price received by farmers was \$17.70 in April, up \$2.00 from April 2018. Milk Cows price was \$1,140 in April, down \$220 from April 2018. Alfalfa hay price was \$199.00 in April, up \$16.00 from April 2018. Corn price was \$3.52 in April, down \$.06 from April 2018. Soybean price was \$8.28 in April, down \$1.57 from April 2018. The milk-feed price ratio was 2.11 in April, up 0.22 from April 2018. The index of prices received by farmers for dairy products during the month of April 2019 was up 1 to 88.1. Compared to April 2018, the index was up 10 points (12.8 percent). The index of prices paid by

farmers for commodities and services, interest, taxes, and wage rates in April 2019 was up 0.5 to 111.1. Compared with April 2018, the index was up 2.5 points (+2.3 percent).

APRIL 2019 DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 167 million pounds, 4.8 percent below April 2018, and 3.9 percent below March 2019. American type cheese production totaled 432 million pounds, 2.8 percent below April 2018 and 1.9 percent below March 2019. Total cheese output (excluding cottage cheese) was 1.08 billion pounds, 0.2 percent above April 2018, but 3.6 percent below March 2019. Nonfat dry milk production, for human food, totaled 165 million pounds, 2.6 percent below April 2018, but 0.7 percent above March 2019. Dry whey production, for human food, was 73 million pounds, 13.8 percent below April 2018 and 3.0 percent below March 2019. Ice cream, regular hard production, totaled 63.2 million gallons, 0.6 percent above April 2018, but 3.5 percent below March 2019.

MAY CLASS AND COMPONENT PRICES (USDA, FMMO): The following are the May 2019 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$16.48 (+\$0.10), Class III: \$16.38 (+\$0.42), and Class IV: \$16.29 (+\$0.57). Under the Federal milk order pricing system, the butterfat price for May 2019 is \$2.5718 per pound. Thus, the Class II butterfat price is \$2.5788 per pound. The protein and other solids prices for May 2019 are \$2.1159 and \$0.1847 per pound, respectively. These component prices set the Class III skim milk price at \$7.65 per cwt. The May 2019 Class IV skim milk price is \$7.55, which is derived from the nonfat solids price of \$0.8386 per pound. The product price averages for May 2019 are: butter: \$2.2952, nonfat dry milk: \$1.0149, cheese: \$1.6974 and dry whey: \$0.3784.

COMMODITY	MONDAY JUN 3	TUESDAY JUN 4	WEDNESDAY JUN 5	THURSDAY JUN 6	FRIDAY JUN 7	WEEKLY CHANGE	WEEKLY AVERAGE
CHEESE BARRELS	\$1.5150 (-0.0250)	\$1.4850 (-0.0300)	\$1.5000 (+0.0150)	\$1.5200 (+0.0200)	\$1.5350 (+0.0150)	:: (-0.0050)	:: \$1.5110 (-0.0303)
40 POUND BLOCKS	\$1.7200 (+0.0050)	\$1.7200 (N.C.)	\$1.7250 (+0.0050)	\$1.7475 (+0.0225)	\$1.7525 (+0.0050)	:: (+0.0375)	:: \$1.7330 (+0.0424)
NONFAT DRY MILK GRADE A	\$1.0525 (-0.0025)	\$1.0525 (N.C.)	\$1.0550 (+0.0025)	\$1.0550 (N.C.)	\$1.0550 (N.C.)	:: (N.C.)	:: \$1.0540 (+0.0052)
BUTTER GRADE AA	\$2.3500 (-0.0100)	\$2.3500 (N.C.)	\$2.3875 (+0.0375)	\$2.3875 (N.C.)	\$2.3975 (+0.0100)	:: (+0.0375)	:: \$2.3745 (+0.0020)
DRY WHEY EXTRA GRADE	\$0.3525 (N.C.)	\$0.3525 (N.C.)	\$0.3575 (+0.0050)	\$0.3675 (+0.0100)	\$0.3650 (-0.0025)	:: (+0.0125)	:: \$0.3590 (+0.0052)

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: Five days of trading information can be found at www.cmegroup.com/trading/agricultural/spot-call-data.html

BUTTER MARKETS

NORTHEAST

Healthy butter prices are encouraged by reductions in milk output and fairly constricted cream supplies, expressly in southernmost areas of the region. The CME Group May 2019 monthly average AA butter price, \$2.3366, is above April 2019, \$2.2635, monthly average. Sources feel that butter prices, in general, have not shown the spikes and level of volatility butter markets typically observe over a period of time. Manufacturers are mixed in how they are responding to existing demand and available cream supplies. Churning is somewhat non-existent at some balancing facilities and stocks remain limited. Butter production is down, double digits, in the East compared to April 2018 levels. Other butter processors are microfixing as they build their print inventories. For the time being, butter demand is mostly steady, with good food service interest.

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:

CME GROUP

Grade AA butter prices on the CME Group were unchanged Tuesday, closing at \$2.3500, unchanged from the previous session, but down \$0.0575 from last Tuesday.

CENTRAL

Some Central region butter makers relay they are still taking on some cream while it remains financially viable. Therefore, butter churning and micro-fixing continue to share the stage. Expectations are generally leaning

to a tighter fall season than in previous years. The NASS Dairy Products report was released for April 2019, and some contacts suggest the production decreases, yearly and monthly, symbolize near-future trends. That said, other contacts relay an increasing amount of milkfat being imported will keep butter markets in check. Butter market tones are steady, seeing a little pushback from last week's (and this year's) high point of \$2.4075. Although late May saw 2018's peak, there are some contacts who expect 2019 will present a new, higher ceiling.

Secondary Sourced Information:

The CME Group monthly average price for Grade AA butter for May was \$2.3366, up from the \$2.2635 April average.

WEST

In the West, butter output is active with churning schedules booked from day to day. Although cream inventories are tightening, cream is still available to satisfy butter makers' needs. However, discounted prices are rare. A few butter plants have opted to sell some of their cream in lieu of producing butter, to take advantage of higher cream multiples. Class II intakes of cream are increasing. Generally, domestic and international butter sales are unchanged from the previous week. Production is well balanced with demand, keeping stocks from growing much. Bulk butter prices are stable compared to last week.

Prices for: Western U.S., All First Sales, F.O.B., Grade AA, Conventional, and Edible Butter

Bulk Basis Pricing - 80% Butterfat \$/LB: +0.0400 - +0.0750

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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
06/01/2019	2.3470 4,225,534	1.7092 11,139,315	1.6626 11,343,395	.3715 5,507,630	1.0328 21,907,993

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Secondary Sourced Information:

The CME Group May 2019 monthly average price for AA butter, \$2.3366, is down from the April 2019 monthly average of \$2.2635. One year ago the CME Group monthly average was \$2.3751.

The Grade AA butter price at the CME Group on Wednesday closed at \$2.3875, compared to the weekly average price of \$2.3725 from last week.

National Retail Report Dairy – Butter Summary

Advertised Prices at Major Retail Supermarket Outlets ending period of 5/31/2019 to 6/6/2019

Butter 1#	Weighted Average Price		
	This Period	Last Week	Last Year
National			
Organic	\$5.29	\$5.49	\$4.99
Conventional	\$3.48	\$3.33	\$3.33

Regional (Conventional)	Prices This Period		
	Wtd. Ave.	Low	High
Alaska	\$4.15	\$3.50	\$4.49
Hawaii	\$4.99	\$4.99	\$4.99
Midwest	\$2.49	\$2.49	\$2.49
Northeast	\$3.41	\$2.50	\$4.99
Northwest	\$3.75	\$1.99	\$4.39
South Central	\$3.45	\$3.19	\$3.77
Southeast	\$3.29	\$3.29	\$3.29
Southwest	\$3.38	\$2.88	\$3.99

Regional (Organic)	Prices This Period		
	Wtd. Ave.	Low	High
Northeast	\$5.29	\$5.29	\$5.29

Dairy Products Report – Butter Summary

Released June 4, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Butter Production – States and United States: April 2018 and 2019

Region	Monthly Production (1000 pounds)			Percent Change from	
	Apr. 2018	Mar. 2019	Apr. 2019	Apr. 2018	Mar. 2019
United States	175,216	173,558	166,740	-4.8	-3.9
Atlantic	19,059	17,189	16,219	-14.9	-5.6
Pennsylvania	8,583	7,653	7,323	-14.7	-4.3
Central	73,568	70,510	64,589	-12.2	-8.4
West	82,589	85,859	85,932	4.0	0.1
California	53,467	55,286	54,518	2.0	-1.4

Butter Production – Cumulative Production January - April

Report Month	Cumulative Production (1000 pounds)		Percent Change from
	2018	2019	2018
April	706,875	694,465	-1.8

CHEESE MARKETS

NORTHEAST

Northeastern cheese makers report milk production is still increasing in areas of the region. Cheddar cheese processing schedules are running fairly full. Mozzarella and provolone productions are generally steady as milk is readily available for manufacturers' needs. Inventories are growing currently. Cheese demand from grocers is fairly stable. Mozzarella orders are steady to slower as educational institutions are closing for the summer. Cheddar block spot prices are hanging around the low to mid \$1.70s, yet cheddar barrel prices have declined on various market exchanges. On the CME Group, cheddar barrel spot trades have been active at this time. The DMN Northeast May 2019 monthly average price for cheddar blocks is \$2.2793, compared to \$2.2647 one month ago. Processed 5# sliced average price is \$2.0141, compared to \$1.9580 one month ago. Northeast wholesale cheese prices for cheddar and Muenster increased, \$0.0100, however process cheese prices moved down, \$0.0625. The Grade A Swiss price is currently steady.

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

Cheddar 40 pound Block	2.1500-2.4350
Muenster	2.1350-2.4850
Process American 5 pound Sliced	1.6750-2.1550
Swiss 10-14 pound Cuts	2.9950-3.3175

Secondary Sourced Information:

The CME Group May 2019 monthly average price for barrels was \$1.6278, compared to \$1.5925 a month ago; blocks' average price was \$1.6799, up from \$1.6619 a month ago. This week, a cooperative export assistance program accepted requests for export assistance to sell 1,268 pounds (575 metric tons) of cheese and 264,555 (120 metric tons) of cream cheese.

MIDWEST

Cheese orders are picking up, from slightly to noticeably, according to producers of multiple varieties. Milk suppliers say some cheesemakers are looking to pick up more milk for the near term, into the fall. That said, milk supplies were comparatively snug. This week's reported spot milk prices ranged from Class III to \$1.50 under Class. From 2015 to 2018, during week 23, discounts averaged roughly \$3.75 under Class. Some cheesemakers attempted to sell extra milk loads back onto the market at overages, although no takers were reported. Cheese markets are beginning to give some producers pause looking ahead. As barrels and blocks show a wide margin on the CME, some plant managers are reporting the predicament of booking milk in the near term. They reported recent production upticks, some at seven-day workweeks, but question how long that will last.

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

Blue 5 pounds	2.3250-3.3950
Brick 5 pounds	2.0575-2.4825
Cheddar 40 pound Block	1.7800-2.1800
Monterey Jack 10 pounds	2.0325-2.2375
Mozzarella 5-6 pounds	1.8575-2.8025
Muenster 5 pounds	2.0575-2.4825
Process American 5 pound Loaf	1.6300-1.9900
Swiss 6-9 pound Cuts	2.5100-2.6275

WEST

Western cheese makers have mixed views on cheese demand. Specialty and value-added cheeses have strong buyer interest. And overall domestic retail demand is steady. However, shifts in consumer preferences from processed to natural cheeses continue to put pressure on barrel prices versus block prices within the cash market. The spread between daily block and barrel prices on the CME has gone from being equal on May 1st, to a \$0.2250 premium for blocks on June 5th. The price spread is creating some challenges for barrel makers to purchase affordable milk. A few Western contacts report some discounted milk is available at \$2 to \$4 under Class, but they are competing with butter powder plants for the milk loads. Higher prices are also creating some headwinds for block producers, as buyers shy away from making purchases at prices at or above the \$1.70 mark. Adding to the challenge are ongoing trade issues with our primary trade partners. International cheese demand seemingly ebbs and flows along with the perception of whether trade talks are going well or not. Market participants note that cheese production is steady. Cheese stocks are heavy, but end users say they are not getting inundated with offers.

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

Cheddar 10 pound Cuts	1.9975-2.2175
Cheddar 40 pound Block	1.8175-2.2600
Monterey Jack 10 pounds	2.0075-2.2800
Process American 5 pound Loaf	1.6475-1.9025
Swiss 6-9 pound Cuts	2.5925-3.0225

FOREIGN TYPE

Stability dominates the European cheese market this week. Although cheese manufacturers can fulfill cheese requests that are placed ahead of time, they are facing some challenges with honoring short-term demand because cheese inventories are low. Recent milk volumes off the dairy farms are not enough to significantly improve cheese output to the level that will increase inventories. Sales of cheese within the European Union and in the global market are good. Current U.S. prices for wholesale blue, gorgonzola, parmesan Italy, and Romano increased \$.0100, but the prices for other varieties of cheese remain the same as last 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	:	: 2.2025-3.6900*
Gorgonzola	: 3.6900-5.7400	:	: 2.7100-3.4275*
Parmesan	: -0-	:	: 3.5925-5.6825*
Romano	: -0-	:	: 3.3925-5.5475*
Sardo Romano (Argentina)	: 2.8500-4.7800	:	: -0-
Reggianito (Argentina)	: 3.2900-4.7800	:	: -0-
Jarlsberg	: 2.9500-6.4500	:	: -0-
Swiss	: -0-	:	: 3.0325-3.3550
Swiss (Finland)	: 2.6700-2.9300	:	: -0-

* = Price change.

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CHEESE MARKETS

Dairy Products Report – Cheese Summary

COLD STORAGE

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

	<u>BUTTER</u>	<u>CHEESE</u>
06/03/2019	: 38572	: 94437
06/01/2019	: 38572	: 94438
CHANGE	: 0	: -1
% CHANGE	: 0	: 0

National Retail Report Dairy – Cheese Summary

Advertised Prices at Major Retail Supermarket Outlets ending during the
period of 5/31/2019 to 6/6/2019

Cheese 8 oz. Blocks	<u>Weighted Average Price</u>		
	This Period	Last Week	Last Year
National			
Organic	n.a.	\$4.99	\$4.82
Conventional	\$2.29	\$1.90	\$2.39
<u>Regional (Conventional)</u>	<u>Wtd. Ave.</u>	<u>Low</u>	<u>High</u>
Hawaii	\$2.50	\$2.50	\$2.50
Midwest	\$2.21	\$1.29	\$2.99
Northeast	\$2.09	\$1.49	\$3.00
Northwest	\$1.99	\$1.99	\$2.00
South Central	\$2.13	\$1.99	\$2.50
Southeast	\$2.63	\$2.00	\$2.99
Southwest	\$2.40	\$1.77	\$2.99

Cheese 8 oz. Shred	<u>Weighted Average Price</u>		
	This Period	Last Week	Last Year
National			
Organic	\$3.50	\$3.50	\$3.99
Conventional	\$2.25	\$1.99	\$2.34
<u>Regional (Conventional)</u>	<u>Wtd. Ave.</u>	<u>Low</u>	<u>High</u>
Alaska	\$3.00	\$3.00	\$3.00
Hawaii	\$2.50	\$2.50	\$2.50
Midwest	\$2.01	\$1.39	\$2.49
Northeast	\$2.23	\$1.49	\$3.00
Northwest	\$1.95	\$1.79	\$2.00
South Central	\$2.89	\$2.50	\$2.99
Southeast	\$2.45	\$1.99	\$3.00
Southwest	\$2.24	\$1.77	\$2.99
<u>Regional (Organic)</u>	<u>Wtd. Ave.</u>	<u>Low</u>	<u>High</u>
Northwest	\$3.50	\$3.50	\$3.50

Released June 4, 2019, by the National Agricultural Statistics Service (NASS),
Agricultural Statistics Board, United States Department of Agriculture (USDA).

Cheese Production – United States: April 2018 and 2019

<u>Total Cheese</u> ¹	<u>Monthly Production (1000 pounds)</u>		<u>Percent Change from</u>	
	Apr. 2018	Mar. 2019	Apr. 2019	Mar. 2019
<u>Region</u>				
United States	1,078,148	1,120,525	1,080,298	0.2
Atlantic	127,164	139,130	126,766	-0.3
Central	495,336	509,479	491,804	-0.7
West	455,648	471,916	461,728	1.3

<u>American</u>	<u>Monthly Production (1000 pounds)</u>		<u>Percent Change from</u>	
	Apr. 2018	Mar. 2019	Apr. 2019	Mar. 2019
<u>Region</u>				
United States	444,287	440,262	431,877	-2.8
Atlantic	27,847	29,056	27,619	-0.8
Central	221,340	215,767	215,147	-2.8
West	195,100	195,439	189,111	-3.1

<u>Italian Cheese</u>	<u>Monthly Production (1000 pounds)</u>		<u>Percent Change from</u>	
	Apr. 2018	Mar. 2019	Apr. 2019	Mar. 2019
<u>Region</u>				
United States	460,768	494,933	474,298	2.9
Atlantic	56,260	61,610	57,164	1.6
Central	188,694	199,889	190,405	0.9
West	215,814	233,434	226,729	5.1

Cheese Production – Cumulative Production January - April

<u>Cheese Type</u>	<u>Cumulative Production (1000 pounds)</u>		<u>Percent Change from</u>
	2018	2019	2018
Total cheese ¹	4,277,664	4,290,522	0.3
American Cheese ²	1,741,785	1,702,449	-2.3
Italian Cheese	1,845,876	1,890,447	2.4

1/ Excludes cottage cheese.

2/ Includes cheddar, colby, washed curd, stirred curd, Monterey and jack.

EAST

Northeast milk output is slightly growing. Warmer temperatures have been making their way into areas of the region. Class I sales are flat for many bottlers. Many manufacturers are near or at capacity. Surplus milk is available for spot load and tolling requests. **Mid-Atlantic** milk production is increased. Balancing operations are near capacity. **Southeast** milk output is fairly level this week. There have been milk add-ons to many manufacturers in the region. Haulers' routes have had fewer milk cuts recently. **Florida** milk production is mixed. Market participants are forecasting a decline in production in the near future. Weather conditions have been in the upper 90s to 100, with a heat index over 100. Class I sales are down as educational institutions' milk orders have decreased. **Cream** demand is unchanged, as many market participants are willing to purchase regular loads at current price levels. Multiples range 1.31-1.35 this trading week. Some manufacturers are selling cream in lieu of processing. **Condensed skim** market conditions are fairly stable. There have been more offers on the spot market. Many buyers are purchasing at class prices, yet a few manufacturers are buying spot loads at a discount. The DMN May average for Northeast Class II cream was \$3.0084, compared to \$2.8091 a month ago. The DMN May monthly average for Northeast Class II condensed skim was \$0.8023, compared to \$0.8330 a month ago.

Northeastern U.S., F.O.B. Condensed Skim
 Price Range - Class II; \$/LB Solids: 0.75 - 0.80
 Price Range - Class III; \$/LB Solids: 0.70 - 0.75

Northeastern U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.3100 - 1.3500
 Price Range - Class II; \$/LB Butterfat: 3.1080 - 3.2029

MIDWEST

Weekly milk production is unchanged in the Midwest, as a number of contacts say weather remains cow-comfort friendly in the late spring. Weather, however, has been less than helpful for haying/fieldwork in the area. Farmers in large dairy production areas of the upper Midwest are facing wet, soggy field conditions, and dairy farmers are concerned about feed for the upcoming summer and also suggest longer-term concerns. **Northern Plains** area farmers have reportedly gotten most small grains planted, while corn planting in the Midwest is spotty at best. **Minnesota** continues to get hammered by rain, and most contacts suggest it is field by field. **Southern Central** wheat cutting has begun, slowly and later than grain coops would prefer. Farmers there suggest a few dry, windy days have helped the potentiality of harvest, but wet forecasts continue to keep all involved on edge. All that said, dairy farmer contacts suggest May components are registering higher than May of previous years. Class I sales are starting to drop and expected to continue the fall next week with fewer schools and colleges taking on bottled milk. Cheesemakers were a little more apt to take on spot milk this week, but discounts did not mirror previous late spring prices. Spot milk prices ranged from Class to \$1.50 under. Cheese plant managers relay wobbly cheese markets have them hesitant to take on extra milk too far into the summer. However, some milk suppliers suggest Southern-Central cheese producers are showing more interest than Midwestern cheesemakers. **Cream** saw a slight increase on price week over week. Likely, warmer and dryer weather has spurred on more ice cream production. Soft serve makers specifically have shown more interest in cream markets. Still, butter makers continue to find cream loads in their fiscal comfort zone. The DMN monthly average of the range price series for upper Midwest Class II cream during May 2019 was \$2.9634, compared to \$2.8389 in April.

Price Range - Class III Milk; \$/CWT; Spot Basis: 0.00 - -1.50
 Trade Activity: Moderate

Midwestern U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.2000 - 1.3200
 Price Range - Class II; \$/LB Butterfat: 2.9894 - 3.1317
 Multiples Range - Class II: 1.2600 - 1.3200

MIDWEST

In **California**, milk volumes off the dairy farms are steady this week. Class I demand is down across most parts of the state, but Class III orders are improving. Contacts state that selling some loads of milk to neighboring states helped in keeping milk volumes in good balance. Milk production in **Arizona** is unchanged from a week ago. The weather has not lately impacted milk output. A few churns have stopped butter production in recent days and have opted to sell their cream. Bottled milk sales are almost at the same levels as a week ago. Milk volumes going to balancing plants are manageable. There is also a good stability between milk yield and supplies. **New Mexico** milk output is steady and in line with the normal seasonal production trend. Class I, II, and III sales have all declined this week, partly due to repair and maintenance works that induced slowdowns in the activities of a few plants. Class IV demand has increased a bit, helping with milk volume management. **Pacific Northwest** milk intakes remain heavy as much of the region is at or near the peak of spring flush. Pleasant weather has been conducive to cow comfort; however, some weather forecasts predict heat to build into the region next week. Industry contacts say there is plenty of milk available for processing needs. A few discounted loads are available, but manufacturers have what they need within their own milk sheds. Bottling demand is easing back as schools end their terms for the year, and the focus shifts from school lunch and milk programs to summer meal programs. Milk production in the mountain states of **Idaho, Utah** and **Colorado** is heavy. Manufacturers have the milk needed for most processing needs, even as a few loads move around the region at discounts of \$4 under Class. Industry contacts relay that production may be at the zenith for southern parts of the region, but flush is typically a few weeks later in Idaho. Western **condensed skim** is available to customers. However, most of it is contracted. Prices are steady. **Cream** supplies continue to tighten as the temperatures in most western locations increase. Cream is accessible to buyers, but they can't find it at cheaper prices. Ice cream production is taking on more cream. Cream multipliers for all Classes are 1.10-1.25.

Western U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.1000 - 1.2500

CONTINUED FROM PAGE 4

National Retail Report Dairy – Fluid Milk Summary

Advertised Prices at Major Retail Supermarket Outlets ending during the period of 5/31/2019 to 6/6/2019

Half Gallon, All Fat Tests	Weighted Average Price		
	This Period	Last Week	Last Year
National			
Organic	\$3.90	\$4.26	\$3.92
Conventional	\$1.54	\$2.86	\$1.47
Regional (Conventional)	Wtd. Ave.	Low	High
Midwest	\$1.63	\$0.88	\$4.49
South Central	\$1.19	\$1.19	\$1.19
Southeast	\$0.88	\$0.88	\$0.88
Regional (Organic)	Wtd. Ave.	Low	High
Midwest	\$3.20	\$2.99	\$3.99
Northeast	\$4.24	\$3.29	\$5.49
Northwest	\$3.99	\$3.99	\$3.99
South Central	\$3.85	\$3.48	\$4.79
Southeast	\$3.99	\$3.99	\$3.99
Southwest	\$2.79	\$2.79	\$2.79
Gallon, All Fat Tests	Weighted Average Price		
National	This Period	Last Week	Last Year
Organic	\$5.99	\$6.08	\$5.40
Conventional	\$2.38	\$2.80	\$3.01
Regional (Conventional)	Wtd. Ave.	Low	High
Alaska	\$2.99	\$2.99	\$2.99
Midwest	\$1.86	\$1.79	\$1.98
Northwest	\$1.99	\$1.99	\$1.99
South Central	\$2.58	\$1.77	\$2.89
Southwest	\$2.52	\$1.99	\$2.69
Regional (Organic)	Wtd. Ave.	Low	High

Dairy Products Report - Ice Cream, Regular, Hard

Released June 4, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Ice Cream, Regular (Hard) Production – States and United States: April 2018 and 2019

Region	Monthly Production (1000 lbs)			Percent Change from	
	April 2018	March 2019	April 2019	April 2018	March 2019
United States	62,821	65,449	63,180	0.6	-3.5
Atlantic	14,227	14,235	13,908	-2.2	-2.3
Pennsylvania	3,249	3,345	3,649	12.3	9.1
Central	36,640	39,757	37,381	2.0	-6.0
Missouri	3,193	3,403	3,020	-5.4	-11.3
Ohio	2,513	2,010	2,099	-16.5	4.4
West	11,954	11,457	11,891	-0.5	3.8
California	5,606	5,978	5,888	5.0	-1.5
Oregon	1,369	1,317	1,464	6.9	11.2
Utah	2,854	1,927	2,225	-22.0	15.5

Ice Cream, Regular (Hard) – Cumulative Production January - April

Report Month	Cumulative Production (1000 lbs)		Percent Change from
	2018	2019	2018
April	235,505	234,300	-0.5

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 region low/medium heat nonfat dry milk (NDM) trading continued at a steady pace week over week. Most trading has found a comfort zone at or around the midway point between \$1.00 to \$1.10. Regionally, contacts suggest buyer pushback once offers reach the upper edge of that range. NDM production is busy, as condensed skim has remained generally available and more milk is finding its way into balancing plants. Recently produced high heat NDM trading remained slow in the region. As blocks of NDM continue to find takers south of the border, and recently produced loads see steady domestic demand, NDM market tones are steady to slightly bullish.

EAST: The nonfat dry milk (NDM) market continues to show strength. Prices moved upward in both the range and mostly series in the East. With the spring flush being less evident with some milk producers as it is with others, the market finds support for current low/medium heat NDM cash prices. In general, pricing remains strong based on the market and product quality associated with buyer's preference. The DMN mostly price average during May 2019 was \$1.0361, compared to \$.9899 in April. While stocks are adequate for near term customer obligations, reports indicate a 14.7 percent drop off in regional NDM production, for April 2019, compared to April 2018 last year. Demand is steady, as buyers exercise a wait-and-see approach, hoping to out-guess the market. High heat nonfat dry milk prices are steady. Production is subject to customers' needs. Sources report heavy interest. High heat stocks are light. The DMN mostly price average during May 2019 was \$1.0361, compared to \$.9899 in April.

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: 1.0100 - 1.0900
Mostly Range - Low & Medium Heat; \$/LB: 1.0250 - 1.0700

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: 1.1500 - 1.2000

NONFAT DRY MILK - WEST

Both ends of the western low/medium heat nonfat dry milk price range declined \$.0025 this week, but the mostly series range was intact. According to contacts, low/medium heat nonfat dry prices have been close to stable in the past days. A strength in production continues to show from week to week. Supplies of low/medium heat nonfat dry milk are available to potential buyers. Sales are unchanged in the national and international markets. However, there is a concern about how current political issues with Mexico could impact the U.S. nonfat dry milk market. High heat nonfat dry milk market conditions are mostly even although the price at the top of the range declined \$.0025 from the previous week. Stocks are low while production is based on contracts. Sales of high heat nonfat dry milk remain contractually oriented with limited spot requests. The May 2019 Dairy Market News monthly average for the West low/medium heat nonfat dry milk mostly series is \$1.0370 compared to \$0.8242 a year ago. The average for Western high heat nonfat dry milk is \$1.1972 compared to \$0.9860 a year ago.

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: 0.9950 - 1.0975
Mostly Range - Low & Medium Heat; \$/LB: 1.0200 - 1.0600

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: 1.1500 - 1.2550

Dairy Products Report – Nonfat Dry Milk, Human Summary

Released June 4, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

**Nonfat Dry Milk, Human Production – States & United States:
April 2018 and 2019**

Region	Monthly Production (1000 pounds)			Percent Change from	
	April 2018	March 2019	April 2019	April 2018	March 2019
United States	169,428	163,944	165,041	-2.6	0.7
Atlantic	36,041	33,447	36,097	0.2	7.9
Pennsylvania	18,765	15,560	16,005	-14.7	2.9
Central	33,177	27,588	24,674	-25.6	-10.6
West	100,210	102,909	104,270	4.1	1.3
California	58,724	68,561	69,211	17.9	0.9
Other States 1/	91,939	79,823	79,825	-13.2	-

1/ States not shown when fewer than 3 plants reported or individual plant operations could be disclosed.

Nonfat Dry Milk, Human Production – Cumulative Production Jan - April

Report Month	Cumulative Production (1000 pounds)		Percent Change from
	2018	2019	2018
April	663,785	655,481	-1.3

Manufacturers' stocks end-of-month 3/

Product	End of month stocks (1000 pounds)			Percent Change from	
	April 2018	March 2019	April 2019	April 2018	March 2019
Nonfat Dry Milk, Human	273,346	289,965	277,620	1.6	-4.3

3/ Stocks held by manufacturers at all points and in transit.

Manufacturers' shipments 4/

Product	Shipments (1000 pounds)			Percent Change from	
	April 2018	March 2019	April 2019	April 2018	March 2019
Nonfat dry milk, human	181,206	173,109	170,851	-5.7	-1.3

4/ For dry products, shipments of bulk goods.

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk trading markets were steady to slower week over week, as prices were unchanged. Some brokers suggested domestic ordering is somewhat quiet, but Mexican buyers continue actively.

-CONTINUED ON PAGE 5A-

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

-CONTINUED FROM PAGE 5-**DRY WHOLE MILK - U.S.**

Producers suggest limited production and inventories have them less-than-rushed to offer up product at below the \$1.00 mark, and some large dairy powder producers have suggested that trend is beginning to take shape nationwide. Limited dried buttermilk supplies and regular demand are helping to maintain an assured market tone.

EAST: Dry buttermilk prices are steady this week. The dry buttermilk DMN average price for May 2019 was \$1.0440, compared to \$1.0259 in April. Regional supplies remain below market demand, with spot availability mostly non-existent, aside from less-than-truckloads. Traders looking to restock and/or fulfill contractual needs find it challenging to source dry buttermilk in the East. Overall, dry buttermilk production somewhat tracks seasonality. However, milk output levels in the region have curbed production and availability. April 2019 U.S. output trickles below the previous year's output, at this time. The market undertone is primarily firm.

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk
Price Range ; \$/LB: 1.0000 - 1.0900

This week, the national spot prices for dry whole milk are mixed on a narrower range. Most sales have been driven by Q2 contractual requirements, while a few negotiations have been completed for Q3. Currently, in the national spot market, there are some unfilled manufacturer offers priced at 1 to 5 cents above the top price of the range. For some manufacturers, the market is on a steady/firm position. According to some some processors, dry whole milk prices are likely to firm in the near term as butterfat values are expected to increase throughout the summer season. Dry whole milk production and inventories are irregular, while inventories are balanced to meet contractual wants, but remain tight for immediate needs within the national spot market.

Prices for: U.S., All First Sales, F.O.B., Conventional, and Edible Dry Whole Milk
Price Range - 26% Butterfat; \$/LB: 1.6700 - 1.7000

DRY BUTTERMILK - WEST

In the West, f.o.b. prices for dry buttermilk are unchanged on the range and the mostly price series. Production is limited because nonfat dry milk drying schedules are prioritized. In addition, substantial volumes of condensed buttermilk are going to ice cream and other Class II products manufacturing. Dry buttermilk spot trading activities are light, whereas contractual demand remains stable. Inventory levels are low and not always enough to satisfy the needs of the market. Overall, the market tone is strong and stable. The May 2019 Dairy Market News monthly average for the West dry buttermilk mostly series is \$1.0105 compared to \$0.7445 a year ago.

Prices for: Western U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk
Price Range ; \$/LB: 0.9600 - 1.0650
Mostly Range - ; \$/LB: 1.0000 - 1.0400

Dairy Products Report – Dry Buttermilk Summary

Released June 4, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Dry Buttermilk – United States: April 2018 and 2019

Region	Monthly Production (1000 pounds)			Percent Change from	
	April 2018	March 2019	April 2019	April 2018	March 2019
United	10,118	9,979	10,036	-0.8	0.6

Manufacturers' stocks end-of-month 3/

Product	End of month stocks (1000 pounds)			Percent Change from	
	April 2018	March 2019	April 2019	April 2018	March 2019
Dry buttermilk, total	23,177	17,860	16,354	-29.4	-8.4

3/ Stocks held by manufacturers at all points and in transit.

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 slipped on the top of the range and bottom of the mostly. For multiple weeks, reports of offers in the low \$.30s have been regularly relayed. This week, those offers are starting to find more takers. Although demand is somewhat steady, some end users have turned their sights onto higher protein blends, namely whey protein concentrate 34%, before those varieties price out of their comfort zone. Whey production is currently active, but cheese market slips have some plant managers wondering if they will continue to look for extra milk beyond the near term. Milk is available for Class III production, but not nearly at levels of previous years during the spring. Animal feed whey trades were sporadic/slow. No price changes were reported. As more dry whey remains in the U.S., dry whey market tones have lost and/or continue to lose firm footing. The DMN Central dry whey mostly average for May 2019 was \$.3651, compared to \$.3922 in April. The DMN average price for animal feed whey for May 2019 was \$.2718, compared to \$.2852 in April.

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: .2500 - .2900

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: .3000 - .4000
Mostly Range - Non-Hygroscopic; \$/LB: .3375 - .3800

DRY WHEY- NORTHEAST

Whey powder spot prices are steady on the bottom, but decreased on the top of the price range in the region. Some market participants are seeing additional offers on the spot market. However, trading activities are sluggish on various market exchanges. Some ice cream manufacturers are requesting more dry whey loads for current needs. Also, some operations relay contracts continue to receive weekly loads. Drying time is active in plants and inventories are growing. The African Swine Fever continues to be a concern for domestic markets. The May 2019 Dairy Market News monthly average for Northeast dry whey was \$0.3770 compared to \$0.3898 one month ago.

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: .3200 - .4125

DRY WHEY- WEST

Western whey prices are mostly lower in an unsettled market. Whey seems to be moving adequately through current contracts, but end users are hesitant to take on any extra loads. In addition, international demand, already weak due to the market impacts of the African swine fever in Southeast Asia, vacillates with every bit of good and bad news regarding trade issues with our prominent trade partners. Some industry contacts are concerned that ongoing trade issues open the door for competitors from the EU and other whey producing countries to take away market share in those regions. U.S. whey inventories are growing and production is steady. Monthly Averages The DMN monthly average of the mostly price series for West dry whey during May was \$0.3685 compared to \$0.3807 one month ago and \$0.3009 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: .2975 - .4250
Mostly Range - Non-Hygroscopic; \$/LB: .3200 - .3900

Dairy Products Report – Whey Summary

Released June 4, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Dry Whey (Human) Production – States and United States

State	Monthly Production (1000 pounds)			Percent Change from	
	Apr. 2018	Mar. 2019	Apr. 2019	Apr. 2018	Mar. 2019
United States	84,502	75,085	72,814	-13.8	-3.0
Atlantic	22,354	19,363	21,641	-3.2	11.8
Central Wisconsin	41,020	33,511	30,226	-26.3	-9.8
West	29,501	23,706	20,628	-30.1	-13.0
	21,128	22,211	20,947	-0.9	-5.7

Dry Whey – Cumulative Production January - April

Dry Whey	Cumulative Production (1000 pounds)		Percent Change from 2018
	2018	2019	
Total ¹	357,099	306,538	-14.2
Human ²	352,054	301,277	-14.4

1. Excludes all modified dry whey products.

2. Values are calculated from Dairy Products report data.

Manufacturers' stocks end of month³

Dry Whey	End of month stocks (1000 pounds)			Percent Change from	
	Apr. 2018	Mar. 2019	Apr. 2019	Apr. 2018	Mar. 2019
Human	66,466	82,581	73,750	11.0	-10.7
Animal	2,277	1,087	1,097	-51.8	0.9
Total	68,743	83,668	74,847	8.9	-10.5

3. Stocks held by manufacturers at all points and in transit.

WHEY PROTEIN CONCENTRATE

Whey protein concentrate 34% prices moved higher at the bottom of the range and top of the mostly price series. Inventories are generally tighter, and some end users say it has gotten more difficult to find lower priced WPC34% in the marketplace. A few feed buyers suggest they have had to make buys well within the range of the price series, and a few other contacts report infant formula sales well above published prices. WPC34% demand is steady and some international buyers are eager to assure coverage. Production is a bit stronger. The market tone for WPC34% seems to be firmer presently, however some industry contacts are more circumspect of their view of the WPC34% market. Current demand and prices for higher whey protein concentrations have fallen back quickly in the last month, and there is some concern those conditions could find their way back into the WPC34% market. The May 2019 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$0.9074, compared to \$0.9025 one month ago and \$0.7502 one year ago.

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: .8000 - 1.0750
Mostly Range - 34% Protein; \$/LB: .8500 - .9900

WHEY, WPC 34%, LACTOSE & CASEIN

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

-CONTINUED FROM PAGE 6-**Dairy Products Report – Whey Derivatives Summary**

Released June 4, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Selected Whey Derivatives Production – United States

Product	Monthly Production (1000 pounds)			Percent Change from	
	Apr.	Mar.	Apr.	Apr.	Mar.
	2018	2019	2019	2018	2019
Whey Protein Concentrate, human and animal					
25.0-49.9 percent	15,321	15,177	16,500	7.7	8.7
50.0-89.9 percent	26,566	27,592	24,913	-6.2	-9.7
Whey protein isolates, 90.0 percent or greater					
	10,034	9,341	8,943	-10.9	-4.3
Lactose, human and animal					
	93,472	114,527	108,326	15.9	-5.4

Selected Whey Derivatives – Cumulative Production April - April

Product	Cumulative Production		Percent Change
	(1000 pounds)		from
	2018	2019	2018
Whey Protein Concentrate, human and animal ¹			
25.0-49.9 percent	68,328	64,660	-5.4
50.0-89.9 percent	109,461	101,987	-6.8
Whey protein isolates, 90.0 percent or greater ¹			
	39,009	38,905	-0.3
Lactose, human and animal			
	375,387	432,519	15.2

1. Values are calculated from Dairy Products report data.

Manufacturers' stocks end of month ²

Product	End of month stocks (1000 pounds)			Percent Change from	
	Apr.	Mar.	Apr.	Apr.	Mar.
	2018	2019	2019	2018	2019
Whey Protein Concentrate, human and animal					
25.0-49.9 percent	24,046	26,817	24,541	2.1	-8.5
50.0-89.9 percent	51,674	35,077	34,367	-33.5	-2.0
Whey protein isolates, 90.0 percent or greater					
	25,270	20,049	19,458	-23.0	-2.9
Lactose, human and animal					
	104,950	106,071	114,314	8.9	7.8

2. Stocks held by manufacturers at all points and in transit.

LACTOSE

Lactose prices are unchanged, but the market tone remains tenuous, sensitive to the nuances of the marketplace. The ongoing saga of the African swine fever in Southeast Asia and issues with our largest trade partners weigh heavily on the lactose market. Industry views of U.S. lactose are hardly amalgamated into a single interpretation. Industry contacts suggest that prices are all over the place, and manufacturers' positions are hit or miss depending on the brand and sales arena. In a general sense, prices are typically in the \$.20s for lactose moving into Southeast Asia, but are in the \$.30s, or even \$.40s, for lactose destined for domestic markets or higher value uses. Inventories also vary by brand. Some manufacturers report heavy inventories, while others have committed stocks. Quarter 3 contracting is in process. Preliminary indications suggest that buyers and end users are eager to assure coverage, but prices may be slightly lower than Q2. Production has been stronger than last year. According to the NASS Dairy Products Report, U.S. lactose production is up approximately 15 percent through the first 4 months of 2019. Industry contacts suggest the increase stems from increased production capacity and possibly a shift away from permeate production, but the full reason is not entirely clear at this point in time. The May 2019 Dairy Market News average of the mostly price series for Central and West lactose was \$0.3339, compared to \$0.3525 one month ago and \$0.2573 one year ago.

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:

.2000 - .4800

Mostly Range - Non Pharmaceutical; \$/LB:

.2500 - .4000

CASEIN

Rennet and acid casein prices are steady to higher. Recent sales in New Zealand have continued to push rennet casein prices higher, even as other regional dairy product prices are weaker. Some observers do not believe that unexpected additional late season casein offerings have currently been made available, as has happened with other New Zealand dairy products. Lower availability is pressuring casein prices. Casein production in the EU has not been as strong as had been expected. Milk production in some casein producing countries has been disappointing, which restrains milk availability for casein production. European manufacturers continue to talk about a milk rebound in the second half of 2019. Casein manufacturers and buyers are still assessing that potential in terms of anticipated casein production and hence, contract pricing they are comfortable with now.

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:

3.1225-3.2550

Rennet; Price Range - \$/LB:

3.1225-3.5250

Secondary Sourced Information:

At GDT event 237 on June 4, the rennet casein all contracts price, \$3.2664, increased 4.2 percent. The August contract, \$3.5235, increased 6.3 percent.

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

WEEK ENDING	2019 WEEKLY DAIRY COWS	2019 CUMULATIVE DAIRY COWS	2018 WEEKLY DAIRY COWS	2018 CUMULATIVE DAIRY COWS
05/18/2019	58.2	1,308.2	54.5	1,245.0

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

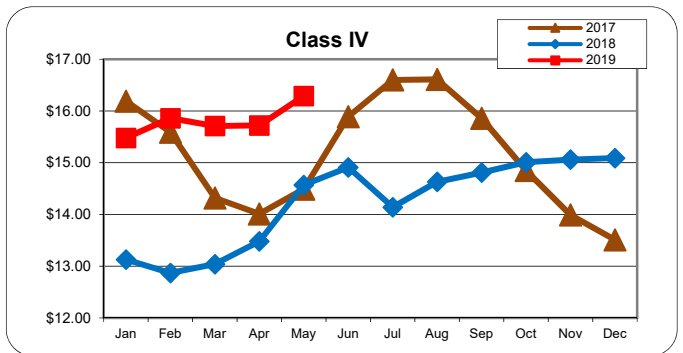
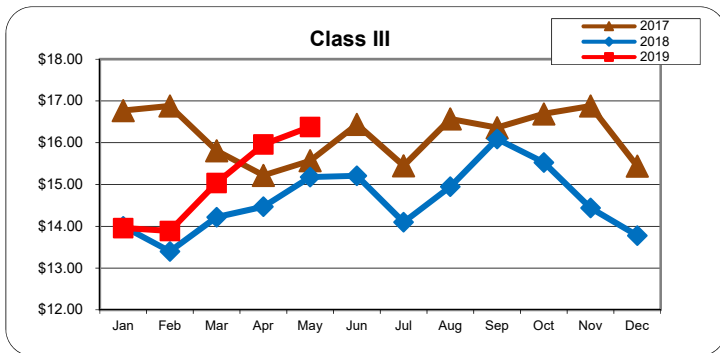
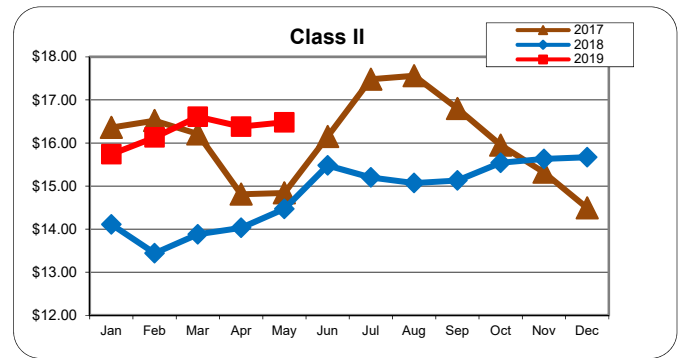
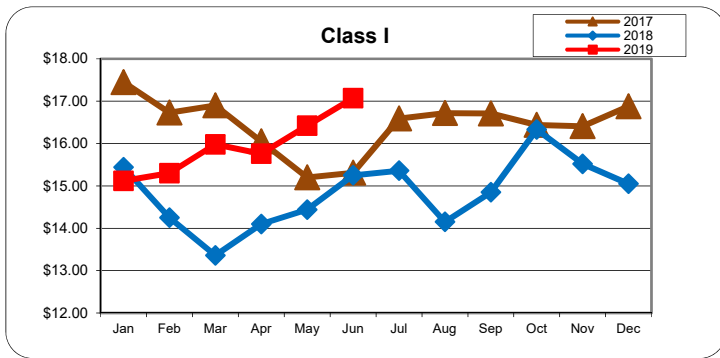
CLASS IV MILK PRICES (3.5% Butterfat)

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	15.30	15.98	15.76	16.42	17.07						
II	15.74	16.13	16.61	16.38	16.48							
III	13.96	13.89	15.04	15.96	16.38							
IV	15.48	15.86	15.71	15.72	16.29							

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



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered May 27 - June 7, 2019

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

WESTERN OVERVIEW

Western Europe overall continues to generate less milk production than many dairy processors would like. Weekly milk production in some of the main Western European milk producing countries in late May continued to not quite hit year earlier output. ZMB quick news coverage for Germany reports milk production through late May was 1.9 percent lower than the same period of 2018. Milk production in France late May was 1.0 percent below production one year ago. Many observers believe the seasonal peak has now passed in Germany and France. This is slightly earlier than typical.

More detail is now available about official EU milk production January - March 2019. Among the top two Western European milk producing nations, Germany and France, 2019 YTD production through March did not show positive outcomes. Germany was about even with last year January-March. A bright spot for Germany was that March 2019 YOY was up 1.2 percent. In France, January-March 2019 was -2.1 percent YTD compared with 2018. March 2019 was -0.8 percent YOY.

Better results were delivered in other countries. Milk production was up January-March YTD and March YOY in Belgium, Denmark, Ireland, Luxemburg, and the UK.

EU cheese production January-March 2019 was 0.3 percent lower than the same period of 2018, according to Eurostat. This continues to result in aging stocks being drawn down. Early June stocks are said to be at a lower than desirable level. The primacy of continuing to meet export demand to keep good relationships with contracting parties leads to drawing down aging stocks. Cheese exporters also continue to seek new export opportunities, believing that cheese production volumes will be able to be increased later in 2019 as expected milk production rises above 2018 levels.

EASTERN OVERVIEW

Poland ranks sixth in European milk production so far in 2019 and is the top producing Eastern European country. Production through March 2019 increased 3.6 percent, as did March YOY production, according to Eucolait. A number of other Eastern European countries also contrast with principal Western European milk producing countries in having increases over 2018 both January-March YTD, as well as March YOY. These include the Czech Republic, Estonia, Cyprus, Lithuania, Hungary, Malta, and Romania.

BUTTER/BUTTEROIL

In Western Europe butter prices are weaker. Among large butter producing countries, the highest prices are in France. Germany and Netherlands follow. Butteroil prices are lower.

Butter manufacturers are facing the reality of demand softening with some price reductions. Cold storage capacity is considered pretty full. Packaged butter demand from retail outlets has not been as strong as is desired. Buyers for near term delivery have more sourcing options and hence, some bargaining leverage. That is less true in finalizing contracts for Q3 and Q4.

However, on balance, many buyers are still posturing a wait and see attitude in bargaining for the second half of the year. Ultimately buyers believe butter will be available, so, while playing hard to get, ultimately, they prefer to nail down some deals.

Western Europe, 82% Butterfat, Free on Board - Port Butter
Price Range - \$/MT: 4,375 - 4,675

Western Europe, 99% Butterfat, Free on Board - Port Butteroil
Price Range - \$/MT: 5,700 - 6,025

SKIM MILK POWDER

Western European skim milk powder prices firmed. The highest prices are for German SMP. Prices are lower in France and Netherlands.

SMP markets are dealing with tighter conditions for near term delivery. Not much new Western European production is available to spot buyers. Most current production was committed some time ago. This has led to firming prices.

To the extent that processors with drying capacity have output options, SMP is often the current priority. Some brokers or traders are making spot sales. Current demand within the EU from commercial customers is strong and continuous. This merges with good export demand from outside the EU to additionally support pricing. Some buyers who have not been able to find SMP in Oceania have turned to Western Europe.

Some manufacturers are beginning to be cautious as to how much increased contracting they will commit to for late 2019 deliveries. The concern is not to over commit in case increased milk production expectations are not fully realized.

The last tender for intervention SMP on May 21 offered the remaining 1,106 MT. All but 162 MT were sold, at a minimum price of 1,675 euros/MT. The remaining unsold SMP is all in Slovakia. It will be offered in the next tender, closing June 18.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,275 - 2,400

Secondary Sourced Information:

EU SMP production January-March 2019 was 2.8 percent lower than the same period of 2018, according to Eurostat.

WHEY

Whey powder prices in Western Europe are steady. Prices in Germany are higher than in Netherlands. There is some price movement within the steady range among producers and countries.

Whey markets are very quiet. Some processors have notched back making dry whey in favor of other dry dairy powders which are more profitable.

Prices for: Western Europe, All First Sales, Free on Board - Port, Conventional, and Edible Dry Whey
Price Range - Non-Hygroscopic; \$/MT: 825 - 1,075

CONTINUED ON PAGE 8A

INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered May 27 - June 7, 2019

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

CONTINUED FROM PAGE 8**WHOLE MILK POWDER**

Western European whole milk powder prices are steady at the low end of the price range, but slightly higher at the top of the price range.

Stability continues to define WMP markets in Western Europe. Contracting is moving ahead continuously deal by deal. Buyers and sellers have similar price expectations. To the extent that buyers are selective, more often it relates to source than price in the current market.

There has been more recent interest expressed by export customers. This is welcome, but some manufacturers are working to schedule deliveries a bit later rather than sooner so as to continue to comfortable supply internal European customers.

Prices for: Europe, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 3,325 - 3,425

Secondary Sourced Information:

EU WMP production January-March 2019 was 10.8 percent lower than the same period of 2018, according to Eurostat.

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered May 27 - June 7, 2019

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

OCEANIA DAIRY MARKET OVERVIEW

AUSTRALIA: Seasonal milk production in Australia, July 2018 through April 2019, is 7.3 percent lower than last year. April 2019 is 13.7 percent lower than April 2018. This table displays Dairy Australia data July through April.

AUSTRALIA MILK PRODUCTION, MILKFAT and PROTEIN

State	July 2018-April 2019		April 2019	
	Million Liters	Percent Change From 1 Year Ago	Percentage Milkfat	Protein
New South Wales	852.4	-10.4	4.07	3.31
Victoria	4,687.3	- 8.7	4.60	3.50
Queensland	304.6	-10.3	4.10	3.36
South Australia	424.4	0.0	4.11	3.34
Western Australia	316.7	- 2.6	4.17	3.26
Tasmania	799.6	+ 1.6	4.88	3.73
Australia (Total)	7,385.0	- 7.3	4.49*	3.47**

- +2.1 percent from prior year period
- ** 0.0 percent from prior year period

Data from Dairy Australia

Autumn is advancing throughout Australia. Cooler weather and frost have moved into some areas. This is encouraging accelerated activity among some dairy producers to secure hay and feed to last through the winter. Supplies still available are tight. This is resulting in higher cost and use of alternative feed. Available hay supplies are especially tight in Southern and Western Australia.

NEW ZEALAND: April 2019 New Zealand milk production reported by DCANZ was 1.364 million MT, down 8.4 percent from April 2018 milk production, 1.489 million MT. April 2019 milk solids, 136.728 million kg, are down 7.7 percent from April 2018, 148.177 million kg.

Especially with late season lower milk production, every drop counts. Continued dryness across the North Island and parts of the South Island are of continuing concern among dairy producers.

Better returns for many New Zealand dairy producers during the current season are believed to have led to increased spending on deferred repairs and capital expenditures on many dairy farms. Analysts view this as a positive factor moving forward into the next season.

BUTTER/BUTTEROIL

Oceania butter prices moved lower. At first blush, the price weakness this late in the milk season seemed curious to some observers. Further reflection and discussion led to noting that recent milk availability has been better than initially had been expected in some quarters.

This also moves Oceania butter pricing closer to European pricing, where there is good butter availability for export markets. Also, current spot sales in Oceania are more often from traders or brokers than from manufacturers, so stocks available are not derived from current production. Current butter production volumes are quite light at this time of year.

Oceania, 82% Butterfat, Free on Board - Port Butter

Price Range - \$/MT: 4,825 - 5,250

Secondary Sourced Information:

Australia butter production data July 2018-March 2019 is now available. Seasonal production through March decreased 28.0 percent according to Dairy Australia.

At GDT event 237 on June 4, the butter all contracts price, \$4,805, decreased 10.3 percent. The July contract, \$5,230, decreased 6.6 percent.

SKIM MILK POWDER

Oceania skim milk powder prices are lower. There are not many buyers who need new orders filled for the near term. Experienced buyers have planned ahead, not counting on the uncertainty of seeking Oceania SMP through spot sales in June. This has resulted in a calmer market tone. It also seems that more SMP has become available in the recent week or so.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder

Price Range - 1.25% Butterfat; \$/MT: 2,375 - 2,475

Secondary Sourced Information:

Australia SMP production data July 2018-March 2019 is now available. Seasonal production through March increased 4.2 percent according to Dairy Australia. March 2019 production increased 15.7 percent from March 2018.

At GDT event 237 on June 4, the SMP all contracts price, \$2,436, decreased 4.0 percent. The July contract, \$2,479, decreased 2.4 percent.

CHEESE

Oceania cheddar prices are weaker. Some of the weakness is attributed to being a correction to relatively steep increases two weeks ago. The current market tone is unsettled.

Buyers and sellers are now far more cautious in price negotiating following the recent volatility. Future contracting activity is slowing because looking ahead, many participants are price risk adverse. Few are comfortable with committing to a price months out at this time, until markets become more sorted out.

Prices for: Oceania Cheese, Cheddar, 39% Maximum Moisture, Free on Board - Port,

Price Range - \$/MT: 3,925 - 4,175

Secondary Sourced Information:

Australia cheese production data July 2018-March 2019 is now available. Seasonal production through March increased 2.5 percent according to Dairy Australia.

At GDT event 237 on June 4, the cheddar all contracts price, \$3,950, decreased 14.0 percent.

CONTINUED ON PAGE 8C

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered May 27 - June 7, 2019

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CONTINUED FROM PAGE 8B

WHOLE MILK POWDER

Prices for whole milk powder in Oceania are slightly weaker. Even with seasonal production decreasing and near a seasonal low, more WMP has become available on spot markets. This is WMP which has been released from some manufacturers, as well as WMP being offered by traders.

An additional factor is that most buyers seem decently stocked so the pressure to secure current delivery is low. Market activity is slower. Finally, there is some WMP available from other countries for importing into Oceania. The combination of these factors has slightly decreased pricing in Oceania. Even at this low point in the annual cycle, contracts are being filled on time.

Prices for: Oceania, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder

Price Range - 26% Butterfat; \$/MT: 3,100 - 3,175

Secondary Sourced Information:

Australia WMP production data July 2018-March 2019 is now available. Seasonal production through March decreased 44.5 percent according to Dairy Australia.

At GDT event 237 on June 4, the WMP all contracts price, \$3,138, decreased 1.5 percent. The July contract, \$3,148, decreased 1.0 percent.

Exchange rates for selected foreign currencies:

June 3, 2019

.0223 Argentina Peso	.0145 India Rupee
.6976 Australian Dollar	.0093 Japan yen
.2573 Brazil Real	.0506 Mexican Peso
.7441 Canadian Dollar	.6598 New Zealand Dollar
.0014 Chile Peso	.2627 Poland Zloty
1.1243 Euro	.0284 Uruguay Peso

Conversion example: To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0506) = 19.7628$ Mexican Pesos. Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - SOUTH AMERICA

Information gathered May 27 - June 7, 2019

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

SOUTH AMERICA OVERVIEW

So far this year, the adverse effects of El Niño have remained relatively minimal in the main dairy basins and crop areas of the continent. In fact, during the past two weeks, rain showers sustained favorable corn prospects in Brazil, while in Argentina and Uruguay, drier conditions allowed corn/soybean crop harvesting to resume.

In **Argentina, Uruguay** and **Brazil**, raw farm milk output is seasonally improving as temperatures continue falling, boosting dairy herd comfort. Nonetheless, it is important to emphasize that the volume of milk produced so far this year is significantly lower than levels from the preceding year. Having said this, dairy processors, especially cheese makers, are paying higher milk prices to dairy farmers as milk intakes remain less than plenty to satisfy all manufacturing needs. The competition for milk among dairy processors is active right now. With higher farm gate prices and relatively fair operating costs, many dairy farmers have begun to recover business profitability, or at least reach the breakeven point. The sales of fluid/bottled milk have been hurt by the lack of raw milk to process. At this point, several plants are running at below full capacity.

Secondary Sourced Information:

At the GDT Event 237 on June 4, whole milk powder (WMP) prices across all contract periods averaged \$3,138 per metric ton, down 1.5 percent from the last event.

SKIM MILK POWDER

In the South American Southern Cone region, free on board export prices for whole milk powder (WMP) are mixed as the bottom price of the range adjusted down, but the top price remained steady. Generally, regional drying schedules for condensed whole milk are more active compared to a month ago as farm milk intakes are steadily improving. Consequently, WMP inventories are becoming more accessible to cover most customer needs. The low end of the pricing range is reflecting exports mainly to Algeria, while the high end is mirroring active Brazilian imports mainly from Argentina and Uruguay.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Skim Milk Powder
Price Range - 1.25% Butterfat; \$/MT: 2,375 - 2,575

Secondary Sourced Information:

At the GDT Event 237 on June 4, skim milk powder (SMP) prices across all contract periods averaged \$2,436 per metric ton, down 4.0 percent from the last event.

WHOLE MILK POWDER

In the South American Southern Cone region, free on board export prices for whole milk powder (WMP) are mixed as the bottom price of the range adjusted down, but the top price remained steady. Generally, regional drying schedules for condensed whole milk are more active compared to a month ago as farm milk intakes are steadily improving. Consequently, WMP inventories are becoming more accessible to cover most customer needs. The low end of the pricing range is reflecting exports mainly to Algeria, while the high end is mirroring active Brazilian imports mainly from Argentina and Uruguay.

Prices for: South America, All First Sales, Free on Board - Port, Conventional, and Edible Whole Milk Powder
Price Range - 26% Butterfat; \$/MT: 2,950 - 3,350

CME GROUP, INC FUTURES

Selected settling prices

Month	05/24	05/27	05/28	05/29	05/30	05/31	06/03	06/04	06/05	06/06
III MILK FUTURES (Pit-Traded) (\$/cwt)										
MAY 19	16.38	Holiday	16.38	16.38	16.38	16.38	16.37	16.39	Not	
JUN 19	16.31		16.08	16.07	16.18	16.20	16.04	15.92		16.22
JUL 19	16.52	No	16.40	16.46	16.60	16.63	16.47	16.31	Available	16.55
AUG 19	16.80		16.70	16.81	16.92	16.95	16.89	16.78		16.94
SEP 19	17.04	Trading	16.95	17.08	17.19	17.22	17.20	17.09		17.24
OCT 19	16.97		16.92	17.05	17.17	17.18	17.19	17.10		17.24
NOV 19	16.85		16.78	16.92	17.03	17.05	17.07	17.00		17.10
DEC 19	16.55		16.50	16.60	16.70	16.74	16.72	16.65		16.68
JAN 20	16.30		16.25	16.30	16.39	16.39	16.39	16.36		16.37
CLASS IV MILK FUTURES (Pit-Traded) (\$/cwt)										
MAY 19	16.26		16.26	16.26	16.26	16.26	16.26	16.29		
JUN 19	16.96		16.95	16.90	16.90	16.88	16.86	16.80		16.80
JUL 19	17.12		17.12	17.02	17.02	17.02	17.02	16.95		17.08
AUG 19	17.30		17.30	17.24	17.24	17.24	17.13	17.11		17.26
CASH SETTLED BUTTER FUTURES (Electronic-Traded) (¢/lb)										
MAY 19	229.48		229.48	229.48	229.48	229.48	229.48	229.25		
JUN 19	238.50		239.75	238.50	237.00	237.50	237.50	237.00		237.03
JUL 19	241.95		242.20	240.70	239.50	240.25	239.95	239.75		242.53
AUG 19	243.30		243.80	242.50	242.00	242.50	241.00	241.05		243.93
NONFAT DRY MILK FUTURES (Pit-Traded) (¢/lb)										
MAY 19	101.50		101.50	101.50	101.50	101.40	101.40	101.40		
JUN 19	103.80		103.93	103.75	103.90	104.00	103.55	103.40		103.75
JUL 19	104.75		104.20	104.20	104.48	105.00	104.98	104.50		104.73
AUG 19	106.00		105.58	105.63	106.25	106.53	106.15	105.70		106.13
WHEY (Electronic-Traded) (¢/lb)										
MAY 19	38.25		38.38	38.38	38.55	38.30	38.30	38.15		
JUN 19	37.50		36.93	37.20	37.50	37.35	37.25	37.25		37.90
JUL 19	35.95		35.90	36.50	37.13	36.50	36.00	36.00		36.63
AUG 19	35.50		35.15	35.40	35.83	35.88	35.88	35.88		36.28
CHEESE CSC (Electronic-Traded) (\$/lb)										
MAY 19	1.69		1.69	1.69	1.69	1.70	1.69	1.69		
JUN 19	1.69		1.67	1.66	1.67	1.68	1.66	1.65		1.68
JUL 19	1.72		1.70	1.71	1.72	1.73	1.71	1.70		1.71
AUG 19	1.75		1.74	1.75	1.76	1.76	1.76	1.75		1.75

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

2019 MONTHLY AVERAGES

AREA and PRODUCT	: JAN	: FEB	: MAR	: APR	: MAY
CME Group ¹					
BUTTER - DAILY TRADING					
GRADE AA	2.2481	2.2659	2.2773	2.2635	2.3366
CHEESE - DAILY TRADING					
BARRELS					
40 POUND BLOCKS	1.2379	1.3867	1.4910	1.5925	1.6278
1.4087	1.5589	1.5908	1.6619	1.6799	
NONFAT DRY MILK - DAILY TRADING					
GRADE A	1.0075	0.9916	0.9671	0.9986	1.0513
WHEY - DAILY TRADING					
EXTRA GRADE	0.4640	0.3559	0.3304	0.3420	0.3499
DAIRY MARKET NEWS ²					
CHEESE					
WISCONSIN					
PROCESS AMERICAN 5 POUND LOAF					
1.5164	1.6126	1.7158	1.8530	1.9091	
BRICK AND/OR MJENSTER 5 POUNDS					
1.9720	2.0908	2.1480	2.2422	2.2568	
CHEDDAR 40 POUND BLOCK					
1.6845	1.8016	1.8580	1.9522	1.9668	
MONTEREY JACK 10 POUNDS					
1.8370	1.9558	2.0130	2.1072	2.1218	
BLUE 5 POUNDS					
2.5620	2.6808	2.7380	2.8322	2.8468	
MOZZARELLA 5-6 POUNDS					
2.0295	2.1483	2.2055	2.2997	2.3153	
SWISS 6-9 POUND CUTS					
2.7577	2.6351	2.5597	2.5717	2.5698	
NORTHEAST					
CHEDDAR 40 POUND BLOCK					
1.9945	2.1133	2.1705	2.2647	2.2793	
PROCESS AMERICAN 5 POUND SLICED					
1.6214	1.7176	1.8208	1.9580	2.0141	
MJENSTER					
2.0120	2.1308	2.1880	2.2822	2.2968	
SWISS 10-14 POUND CUTS					
3.3452	3.2226	3.1472	3.1592	3.1573	
WEST					
PROCESS AMERICAN 5 POUND LOAF					
1.4514	1.5476	1.6508	1.7880	1.8495	
CHEDDAR 40 POUND BLOCK					
1.7408	1.8595	1.9167	2.0109	2.0256	
CHEDDAR 10 POUND CUTS					
1.8095	1.9283	1.9855	2.0797	2.0943	
MONTEREY JACK 10 POUNDS					
1.7895	1.9083	1.9655	2.0776	2.1306	
SWISS 6-9 POUND CUTS					
2.9964	2.8738	2.7985	2.8105	2.8085	
FLUID PRODUCTS					
CLASS II CREAM					
NORTHEAST - F.O.B.					
2.4925	2.5644	2.6702	2.8091	3.0084	
UPPER MIDWEST - F.O.B.					
2.6433	2.6582	2.7342	2.8389	2.9634	
CONDENSED SKIM - NORTHEAST - F.O.B.					
CLASS II					
0.7567	0.7342	0.7679	0.8330	0.8023	
CLASS III					
0.7357	0.7250	0.7060	0.7386	0.7455	

¹ Monthly averages are a simple average of all the closes during the month.

² Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded.

2019 MONTHLY AVERAGES

AREA and PRODUCT	: JAN	: FEB	: MAR	: APR	: MAY
DAIRY MARKET NEWS, CONTINUED ²					
DRY PRODUCTS					
NONFAT DRY MILK					
CENTRAL/EAST - LOW/MEDIUM HEAT	0.9669	0.9922	0.9766	0.9935	1.0414
--MOSTLY	0.9821	0.9976	0.9849	0.9899	1.0361
CENTRAL/EAST - HIGH HEAT	1.0769	1.0995	1.0899	1.1160	1.1661
WEST - LOW/MEDIUM HEAT	0.9848	0.9841	0.9680	0.9868	1.0411
--MOSTLY	0.9807	0.9892	0.9660	0.9873	1.0370
WEST - HIGH HEAT	1.1199	1.1320	1.1060	1.1297	1.1972
WHEY POWDER					
CENTRAL -	0.4488	0.4271	0.4027	0.3987	0.3574
--MOSTLY	0.4676	0.4416	0.4163	0.3922	0.3651
WEST -	0.4645	0.4136	0.3830	0.3709	0.3714
--MOSTLY	0.4689	0.4405	0.3976	0.3807	0.3685
NORTHEAST - EXTRA AND GRADE A	0.4924	0.4501	0.4042	0.3898	0.3770
WHEY PROTEIN CONCENTRATE 34%					
CENTRAL AND WEST	0.9293	0.9101	0.8993	0.8938	0.8994
-- MOSTLY	0.8929	0.8995	0.9025	0.9025	0.9074
ANIMAL FEED					
CENTRAL - MILK REPLACER	0.3655	0.3376	0.3105	0.2852	0.2718
DRY BUTTERMILK					
CENTRAL/EAST	0.9780	0.9986	0.9990	1.0259	1.0440
WEST	0.9250	0.9592	0.9481	0.9610	1.0015
--MOSTLY	0.9286	0.9592	0.9600	0.9807	1.0105
DRY WHOLE MILK					
NATIONAL	1.5750	1.6018	1.6221	1.6457	1.6586
LACTOSE					
CENTRAL AND WEST	0.3652	0.3250	0.3345	0.3449	0.3380
-- MOSTLY	0.3700	0.3639	0.3650	0.3525	0.3339
CASEIN					
RENNET	2.4540	2.5699	2.7336	3.0466	3.1151
ACID	3.0651	3.0835	3.1051	3.1570	3.1681

² Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded.

2019 INTERNATIONAL MONTHLY AVERAGES

AREA and PRODUCT	: JAN	: FEB	: MAR	: APR	: MAY
DAIRY MARKET NEWS ²					
BUTTER (82% BUTTERFAT)					
-- OCEANIA	4215	4442	4919	5619	5492
-- WEST EUROPE	5060	4998	4761	4686	4642
BUTTEROIL (99% BUTTERFAT)					
-- WEST EUROPE	6842	6347	6098	6072	6103
CHEDDAR CHEESE (39% MAXIMUM MOISTURE)					
-- OCEANIA	3484	3660	4008	4280	4629
SKIM MILK POWDER (1.25% BUTTERFAT)					
-- OCEANIA	2451	2612	2578	2551	2533
-- SOUTH AMERICA	2651	2514	2493	2480	2503
-- WEST EUROPE	2125	2254	2208	2181	2292
WHEY POWDER (NONHYGROSCOPIC)					
-- WEST EUROPE	1006	1032	1007	984	950
WHOLE MILK POWDER (26% BUTTERFAT)					
-- OCEANIA	2768	3020	3257	3316	3206
-- SOUTH AMERICA	2842	2941	3217	3250	3196
-- WEST EUROPE	3199	3293	3276	3340	3365

2 Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays and Sundays excluded.

April Agricultural Prices Highlights

The All Milk price received by farmers was \$17.70 in April, up \$2.00 from April 2018. Milk Cows price was \$1,140 in April, down \$220 from April 2018. Alfalfa hay price was \$199.00 in April, up \$16.00 from April 2018. Corn price was \$3.52 in April, down \$.06 from April 2018. Soybean price was \$8.28 in April, down \$1.57 from April 2018. The milk-feed price ratio was 2.11 in April, up 0.22 from April 2018.

The index of prices received by farmers for dairy products during the month of April 2019 was up 1 to 88.1. Compared to April 2018, the index was up 10 points (12.8 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in April 2019 was up 0.5 to 111.1. Compared with April 2018, the index was up 2.5 points (+2.3 percent).

Selected Milk Prices, Milk Cows, and Feed Prices, Selected States and U.S., April 2019 with Comparisons

State	All-Milk price ^{1,2}		Milk cows ³		Alfalfa hay, baled		Corn for Grain		Soybeans	
	Apr		Apr		Apr		Apr		Apr	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
	<i>(dollars per cwt)</i>		<i>(dollars per head)</i>		<i>(dollars per ton)</i>		<i>(dollars per bushel)</i>		<i>(dollars per bushel)</i>	
AZ	14.80	16.90	1,550	1,300	210.00	220.00	(D)	(D)	---	---
CA	14.68	17.40	1,300	1,100	205.00	230.00	(S)	(D)	---	---
CO	16.20	18.00	1,550	1,200	190.00	230.00	3.56	3.58	---	---
ID	15.30	17.20	1,500	1,200	140.00	155.00	4.33	4.24	---	---
IN	15.30	17.30	1,300	1,100	---	---	3.80	3.69	10.30	8.57
IA	16.30	18.30	1,310	1,090	142.00	155.00	3.52	3.51	9.75	8.25
MI	14.50	16.40	1,300	1,180	200.00	185.00	3.74	3.61	10.00	8.22
MN	16.60	18.10	1,340	1,060	156.00	186.00	3.38	3.36	9.47	8.11
NM	14.30	16.10	1,550	1,200	210.00	245.00	(D)	(D)	---	---
NY	16.10	18.20	1,230	1,090	190.00	186.00	4.13	4.13	---	---
OH	16.10	17.70	1,200	1,000	210.00	185.00	3.83	3.64	10.30	8.51
PA	16.40	18.30	1,250	1,090	174.00	230.00	4.07	4.19	---	---
TX	16.50	18.10	1,500	1,250	211.00	210.00	3.86	3.91	---	---
WA	16.10	18.00	1,400	1,150	170.00	190.00	4.13	(D)	---	---
WI	16.50	17.90	1,320	1,130	165.00	183.00	3.52	3.46	9.77	8.23
U.S.	15.70	17.70	1,360	1,140	183.00	199.00	3.58	3.52	9.85	8.28

¹ Prices are shown at reported butterfat test. ² Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies.

³ Animals sold for dairy herd replacement only. Quarterly United States milk cow prices are based on revised milk cow inventory.

Milk-Feed Price Ratio, Selected States and U.S., April 2019 with Comparisons

Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk¹

State ²	Apr 2018	Mar 2019	Apr 2019
IA	2.20	2.37	2.45
MI	1.70	2.05	2.01
MN	2.20	2.19	2.28
OH	2.01	2.37	2.29
WI	2.09	2.03	2.24
U.S.	1.89	2.14	2.11

¹ The price of commercial prepared dairy feed is based on current United States prices received for corn, soybeans, and alfalfa. The modeled feed uses 51 percent corn, 8 percent soybeans, and 41 percent alfalfa hay. ² Available states that provided all necessary data to compute milk feed price ratios.

General Price Measures, U.S., April 2019 with Comparisons

Item	Apr 2018	Mar 2019	Apr 2019
Index Numbers (1990-92=100):			
Prices received by farmers for dairy production	78.1	87.1	88.1
Prices paid by farmers for commodities and services, interest taxes, and wage rates	108.6	110.6	111.1

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Agricultural Prices, May 2019.*

April 2019 Dairy Products Highlights

Butter production was 167 million pounds, 4.8 percent below April 2018, and 3.9 percent below March 2019. **American type cheese** production totaled 432 million pounds, 2.8 percent below April 2018 and 1.9 percent below March 2019. **Total cheese** output (excluding cottage cheese) was 1.08 billion pounds, 0.2 percent above April 2018, but 3.6 percent below March 2019. **Nonfat dry milk** production, for human food, totaled 165 million pounds, 2.6 percent below April 2018, but 0.7 percent above March 2019. **Dry whey** production, for human food, was 73 million pounds, 13.8 percent below April 2018 and 3.0 percent below March 2019. **Ice cream, regular hard** production, totaled 63.2 million gallons, 0.6 percent above April 2018, but 3.5 percent below March 2019.

Production of Dairy Products

Product	April 2019	Change from			Product	April 2019	Change from		
		Apr 2018	Mar 2019	Year to Date ¹			Apr 2018	Mar 2019	Year to Date ¹
	<i>(1,000 lbs)</i>	<i>(percent)</i>				<i>(1,000 lbs)</i>	<i>(percent)</i>		
Butter	166,740	-4.8	-3.9	-1.8	Yogurt (plain and flavored)	367,090	2.5	-6.0	-0.9
Cheese					Dry whey, human food	72,814	-13.8	-3.0	---
American types ²	431,877	-2.8	-1.9	-2.3	Dry whey, animal feed	1,202	-2.2	-6.6	---
Cheddar	308,492	-3.3	-1.3	-3.7	Dry whey, total ⁸	74,016	-13.7	-3.1	-14.2
Other American	123,385	-1.4	-3.4	---	Reduced lactose & minerals				
Brick & Muenster	16,797	4.1	12.6	---	Human food	2,030	-10.1	20.3	---
Cream & Neufchatel	67,668	-1.1	-12.9	---	Animal feed	2,785	-11.5	-9.4	---
Hispanic	27,189	12.7	-5.7	---	Lactose, human food & animal feed	108,326	15.9	-5.4	15.2
Total Italian types	474,298	2.9	-4.2	2.4	Whey protein concentrate				
Mozzarella	372,742	4.0	-4.9	4.7	Human food ⁹	40,493	-2.5	-2.6	---
Other Italian	101,556	-0.9	-1.3	---	Animal feed ⁹	920	149.3	-21.7	---
Swiss	27,504	2.5	-0.7	---	Total ⁹	41,413	-1.1	-3.2	-6.3
All other types	34,965	-7.0	-3.5	---	25.0-49.9 percent ¹⁰	16,500	7.7	8.7	---
Total	1,080,298	0.2	-3.6	0.3	50.0-89.9 percent ¹⁰	24,913	-6.2	-9.7	---
Cottage cheese, curd ³	33,242	-0.3	-0.9	---	Whey protein isolates ¹¹	8,943	-10.9	-4.3	---
Cottage cheese, cream ⁴	29,896	1.7	-1.1	-2.3					
Cottage cheese, lowfat ⁵	28,258	-5.8	0.5	-7.0					
Dry buttermilk	10,036	-0.8	0.6	---	Frozen products				
Dry whole milk	24,771	78.1	1.2	---	Ice cream, regular hard	63,180	0.6	-3.5	-0.5
Milk protein conc. (MPC), total ⁶	15,766	-0.6	9.6	---	Ice cream, lowfat, hard	21,814	17.6	1.8	---
Nonfat dry milk (NDM), human	165,041	-2.6	0.7	-1.3	Ice cream, lowfat, soft	21,648	-2.7	7.2	---
Skim milk powders (SMP) ⁷	45,014	-9.0	-3.6	-3.7	Ice cream, lowfat, total	43,462	6.5	4.4	-0.3
Sour cream	117,055	5.1	7.6	0.2	Sherbet, hard	3,258	-8.9	-7.0	-7.4
					Frozen yogurt, total	4,888	-6.2	2.9	2.3

Manufacturers' Stocks, End of Month ¹²

Product	April 2019	April 2018	March 2019	Product	April 2019	April 2018	March 2019
	<i>(1,000 lbs)</i>	<i>(percent)</i>			<i>(1,000 lbs)</i>	<i>(percent)</i>	
Dry whey, human food	73,750	11.0	-10.7	Whey protein concentrate			
Dry whey, animal feed	1,097	-51.8	0.9	Human food ⁹	57,799	-22.9	-5.1
Reduced lactose & minerals—human & animal ¹³	5,418	19.4	5.0	Animal feed ⁹	1,109	40.0	9.4
Lactose, human food & animal feed	114,314	8.9	7.8	Total ⁹	58,908	-22.2	-4.8
Dry buttermilk	16,354	-29.4	-8.4	25.0-49.9 percent ¹⁰	24,541	2.1	-8.5
Nonfat dry milk, human food	277,620	1.6	-4.3	50.0-89.9 percent ¹⁰	34,367	-33.5	-2.0
				Whey protein isolates ¹¹	19,458	-23.0	-2.9

¹ 2019 cumulative as percent change of 2018 cumulative. ² Includes Cheddar, Colby, Monterey and Jack. ³ Mostly used for processing into cream or lowfat cottage cheese. ⁴ Fat content 4 percent or more. ⁵ Fat content less than 4 percent. ⁶ Dry milk protein concentrate, 40-89.9 percent. ⁷ Includes protein standardized and blends. ⁸ Excludes all modified dry whey products. ⁹ Whey protein concentrate, 25.0 to 89.9 percent. ¹⁰ Whey protein concentrate, human and animal. ¹¹ Whey protein isolates, 90.0 percent or greater. ¹² Stocks held by manufacturers at all points and in transit. ¹³ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. **Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Dairy Products, June 2019.*

Final Class Prices by Order, May 2019

May 2019 Highlights

Class Prices: The following are the May 2019 class prices under the Federal milk order pricing system and changes from the previous month: Class II: \$16.48 (+\$0.10), Class III: \$16.38 (+\$0.42), and Class IV: \$16.29 (+\$0.57).

Component Price Information: Under the Federal milk order pricing system, the butterfat price for May 2019 is \$2.5718 per pound. Thus, the Class II butterfat price is \$2.5788 per pound. The protein and other solids prices for May 2019 are \$2.1159 and \$0.1847 per pound, respectively. These component prices set the Class III skim milk price at \$7.65 per cwt. The May 2019 Class IV skim milk price is \$7.55, which is derived from the nonfat solids price of \$0.8386 per pound.

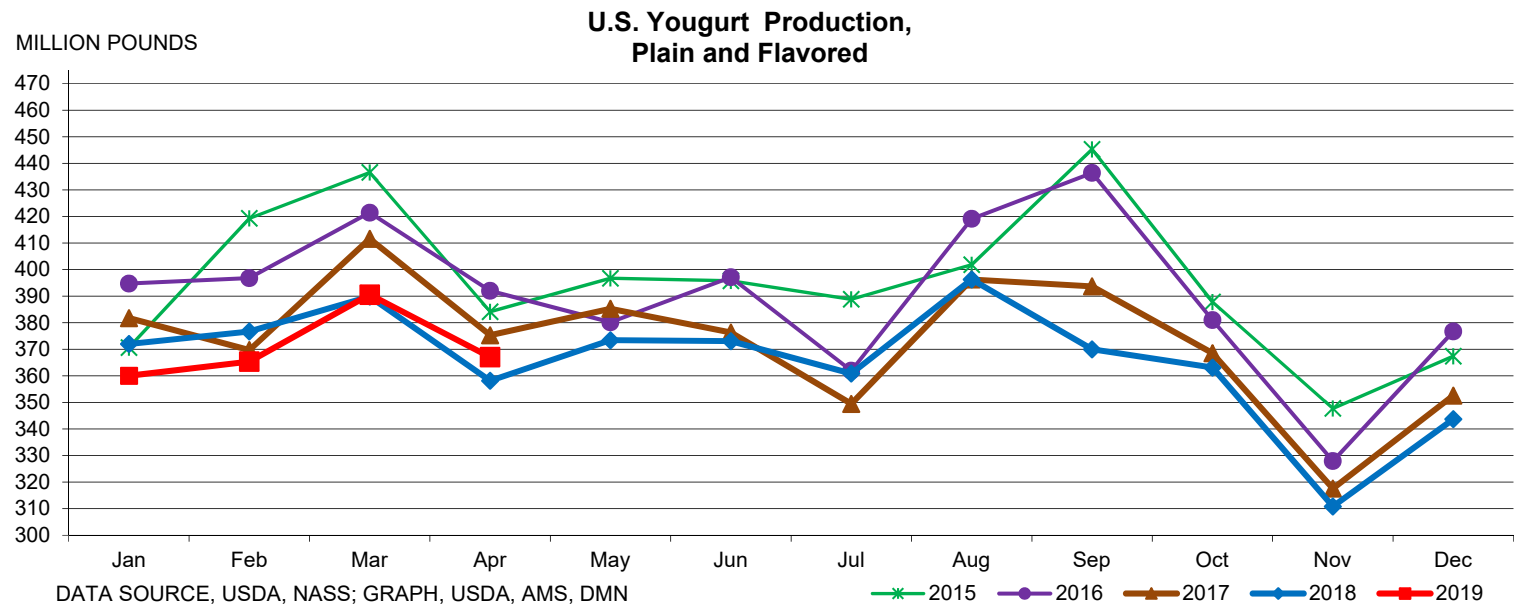
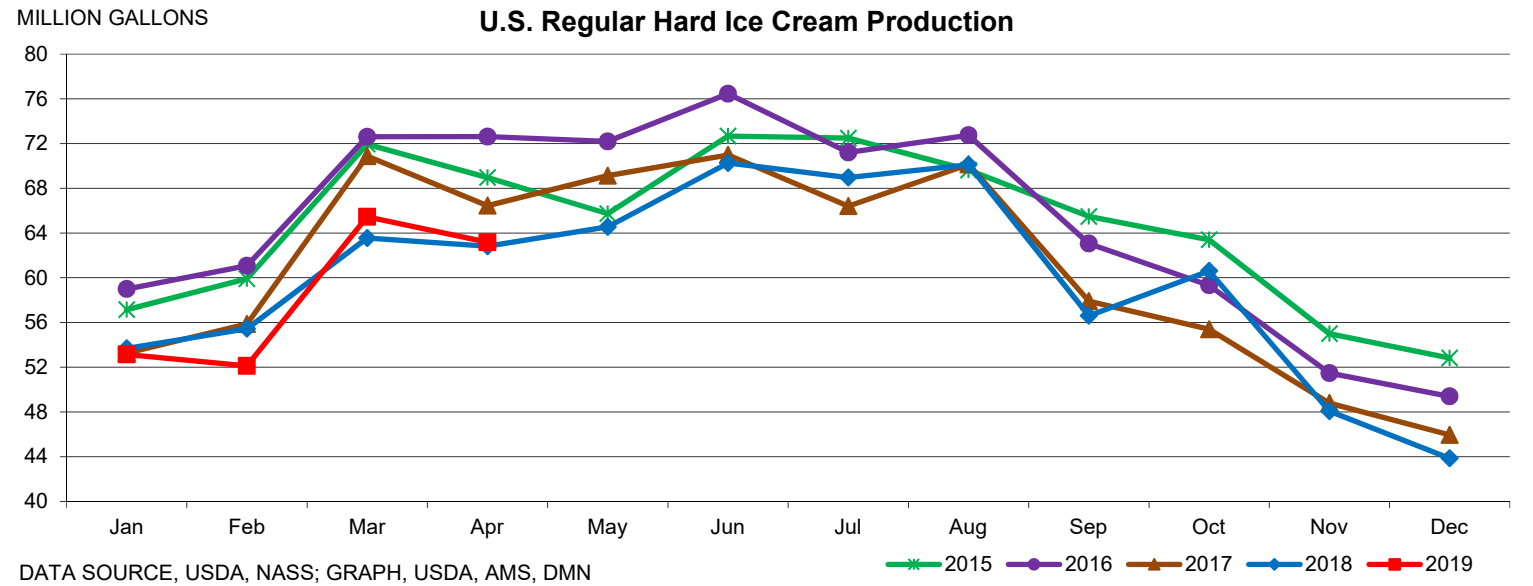
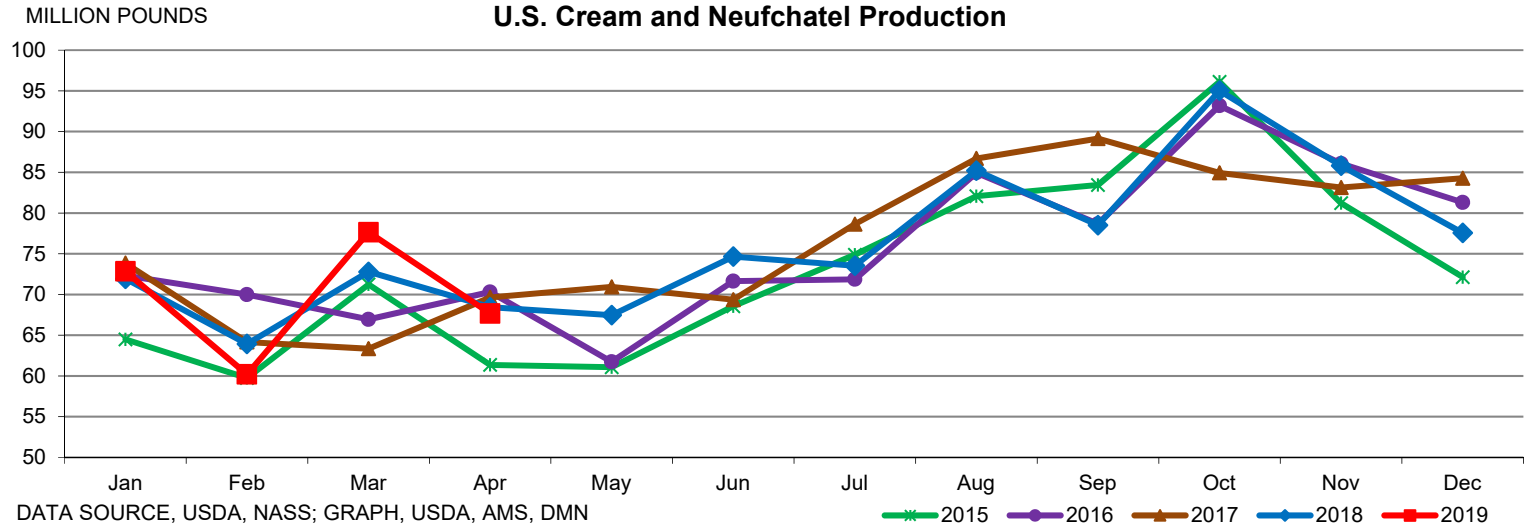
Product Price Averages: The product price averages for May 2019 are: butter: \$2.2952, nonfat dry milk: \$1.0149, cheese: \$1.6974 and dry whey: \$0.3784.

Final Class Prices for May 2019

Federal Milk Order Minimum Class Prices for Milk of 3.5 Percent Butterfat^{1, 2}

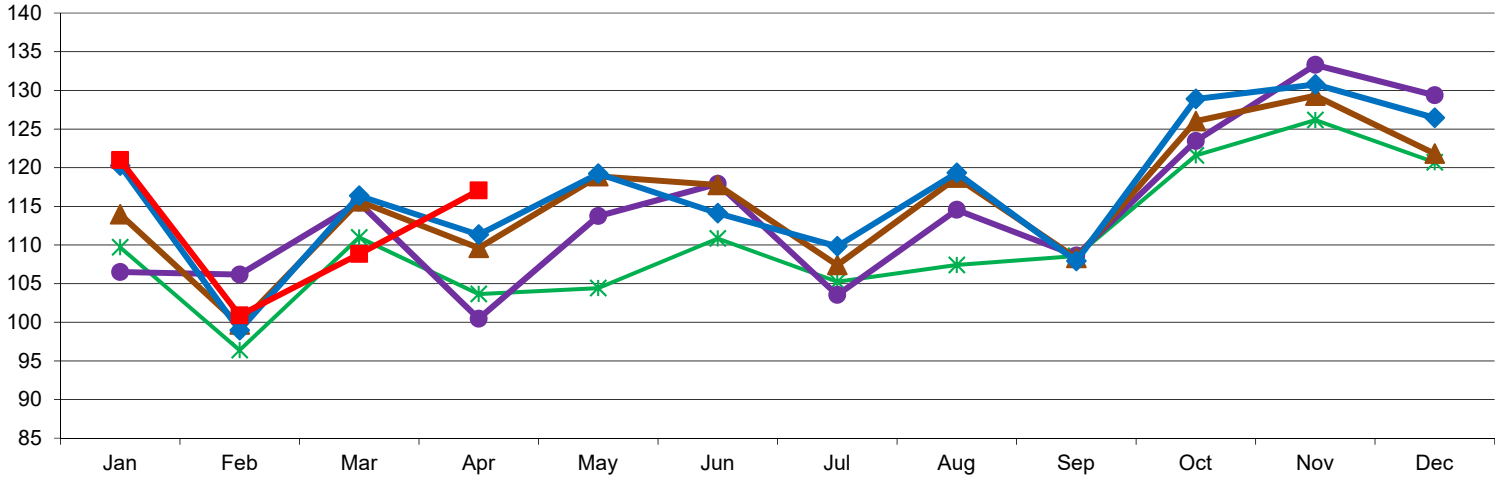
Federal Milk Order Marketing Area ³	Order Number	May 2019				Jun 2019
		Class I	Class II	Class III	Class IV	Class I
<i>(dollars per cwt)</i>						
Northeast (Boston)	001	19.67	16.48	16.38	16.29	20.32
Appalachian (Charlotte)	005	19.82	16.48	16.38	16.29	20.47
Florida (Tampa)	006	21.82	16.48	16.38	16.29	22.47
Southeast (Atlanta)	007	20.22	16.48	16.38	16.29	20.87
Upper Midwest (Chicago)	030	18.22	16.48	16.38	16.29	18.87
Central (Kansas City)	032	18.42	16.48	16.38	16.29	19.07
Mideast (Cleveland)	033	18.42	16.48	16.38	16.29	19.07
California (Los Angeles)	051	18.52	16.48	16.38	16.29	19.17
Pacific Northwest (Seattle)	124	18.32	16.48	16.38	16.29	18.97
Southwest (Dallas)	126	19.42	16.48	16.38	16.29	20.07
Arizona (Phoenix)	131	18.77	16.48	16.38	16.29	19.42
All-Market Average		19.24	16.48	16.38	16.29	19.89

¹ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk. ² The mandatory \$0.20 per cwt processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. ³ Names in parentheses are the major city in the principal pricing point of the markets. Class I prices at other cities are: Northeast (Boston): New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25, and Washington, DC, minus \$0.25; Appalachian (Charlotte): Knoxville, minus \$0.20; and Louisville, minus \$1.10; Florida (Tampa): Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40; Southeast (Atlanta): New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40; Upper Midwest (Chicago): Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10; Central (Kansas City): Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55; Mideast (Cleveland): Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20; California (Los Angeles): San Francisco, minus \$0.30; Sacramento, minus \$0.40; Tulare, minus \$0.50. Pacific Northwest (Seattle): Portland, same; and Spokane, same; Southwest (Dallas): Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. Report Contact: Randal Stoker, randal.stoker@usda.gov



MILLION POUNDS

U.S. Sour Cream Production

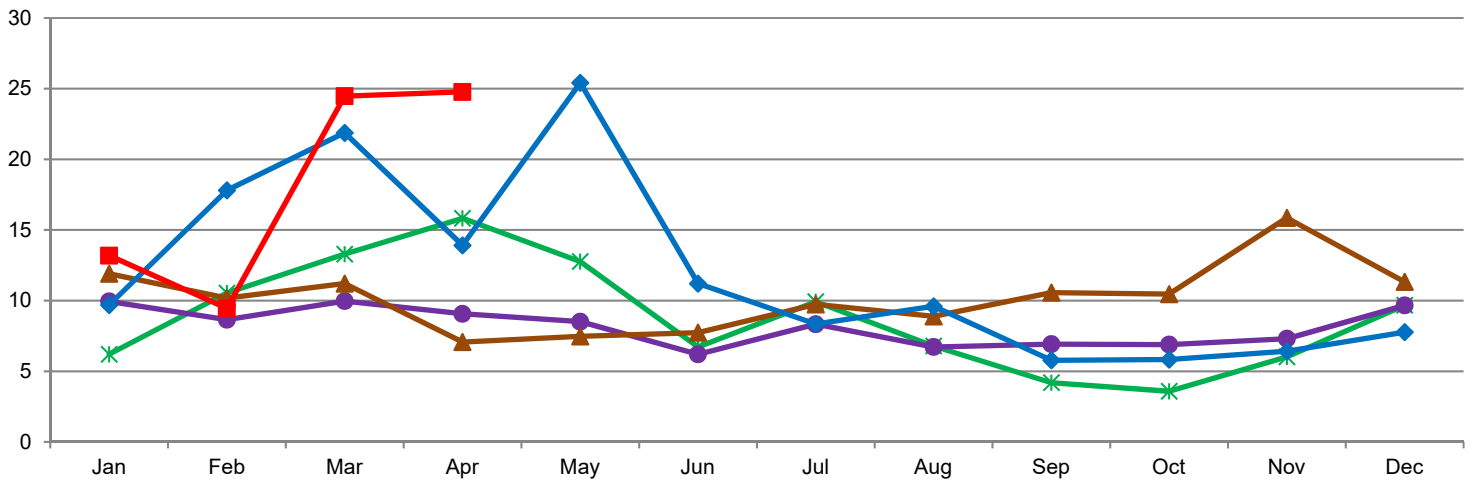


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2015 2016 2017 2018 2019

MILLION POUNDS

U.S. Dry Whole Milk Production

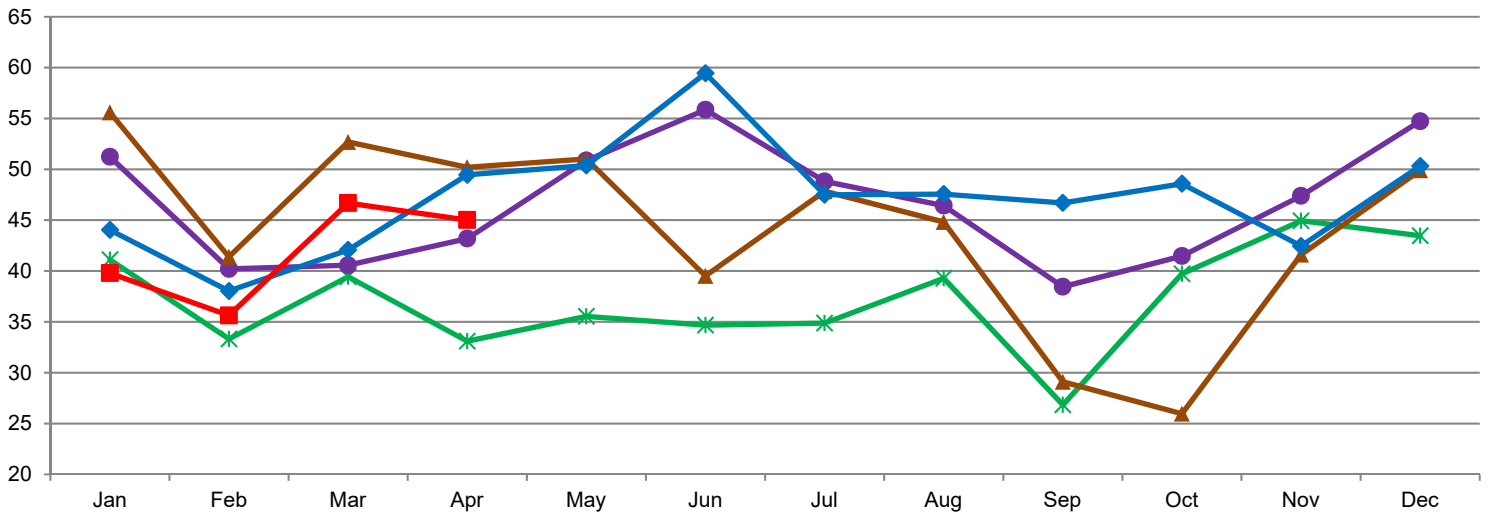


DATA SOURCE, USDA, NASS; GRAPH, USDA, AMS, DMN

2015 2016 2017 2018 2019

MILLION POUNDS

U.S. Skim Milk Powder Production



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

2015 2016 2017 2018 2019



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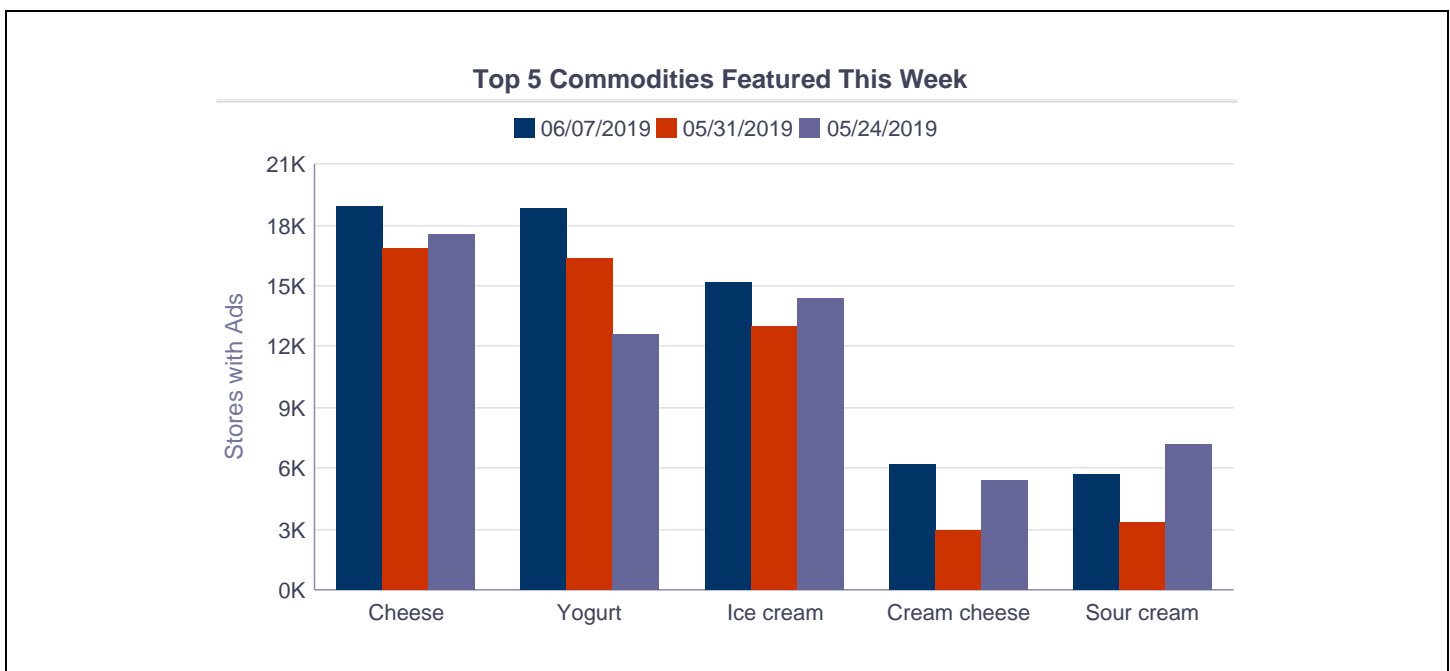
Advertised Prices for Dairy Products at Major Retail Supermarket Outlets ending during the period of 06/07/2019 to 06/13/2019

Although summer is not officially here, conventional ice cream marketers have yet to receive the memo. Ice cream, in 48 to 64 oz containers, remains the most advertised item in the country, more than doubling the amount of advertisements of the second most advertised item, Greek yogurt in 4 to 6 oz containers. Organic ads were led by half gallon milk ads and followed by 1-pound butter ads.

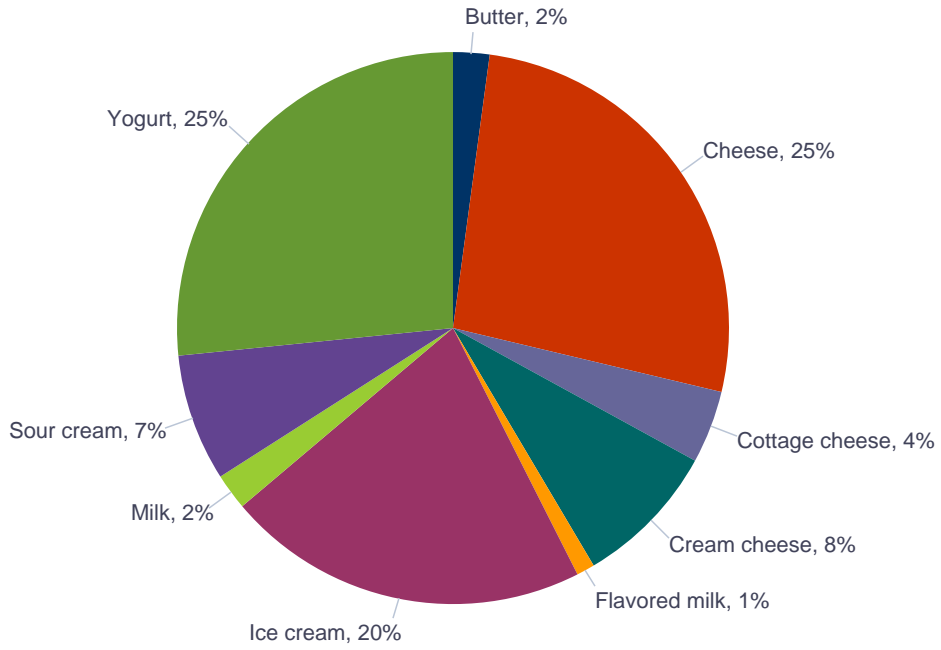
The total number of ads for conventional cheese gained 12 percent week over week, as organic cheese ads were unchanged. The promotional price for conventional shredded cheese in 8-ounce packages is \$2.17, while for organic is \$3.50, representing an organic premium of \$1.33.

Conventional yogurt ad numbers increased 28 percent week over week, while organic yogurt ads dropped by 87 percent. On the conventional side, the weighted average price for plain yogurt in 4-6 oz containers is \$.51, while for organic is \$.69, an organic premium of 18 cents.

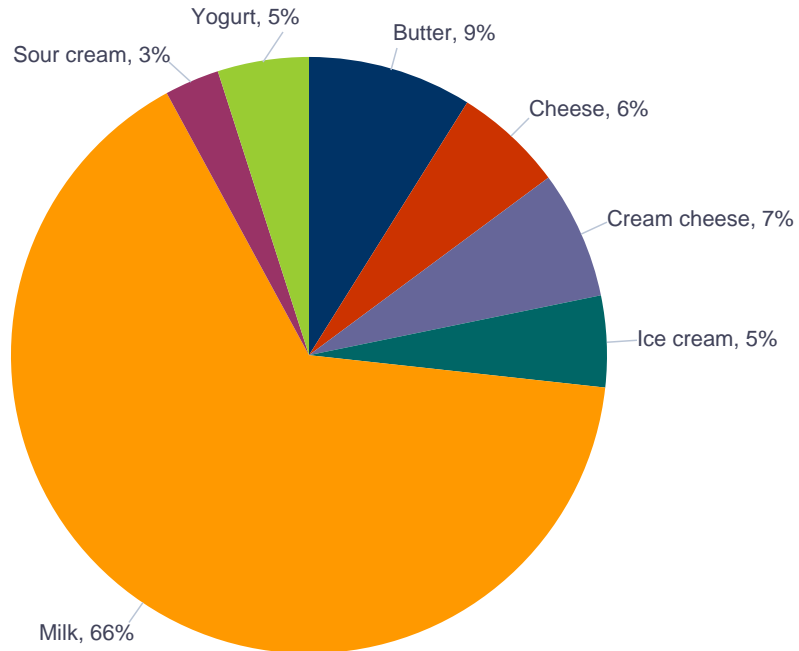
Conventional milk ads decreased 45 percent, while organic milk ads increased 20 percent. Conventional half gallon milk has a weighted average price of \$1.26, while organic half gallons averaged \$4.09, an organic premium of \$2.83.



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 #	1586	3.25	2537	3.48	2809	3.59
Cheese	Natural Varieties	8 oz block	4683	2.08	5673	2.29	7027	2.13
Cheese	Natural Varieties	1 # block	4104	3.45	1668	3.59	1518	3.46
Cheese	Natural Varieties	2 # block	1414	5.99	2042	5.53	2389	6.14
Cheese	Natural Varieties	8 oz shred	5579	2.17	6208	2.25	10971	2.33
Cheese	Natural Varieties	1 # shred	2853	3.71	976	3.90	1153	3.42
Cottage cheese		16 oz	2771	1.99	3373	1.94	3550	2.05
Cream cheese		8 oz	5882	1.76	2947	1.74	5022	1.98
Flavored milk	All fat tests	half gallon	106	.99	161	1.99	575	2.56
Flavored milk	All fat tests	gallon	285	3.25	349	2.48	507	3.34
Ice cream		48-64oz	14904	2.71	12886	2.71	17710	3.00
Milk	All fat tests	half gallon	579	1.26	1257	1.54	1063	2.10
Milk	All fat tests	gallon	674	2.78	1016	2.38	1973	2.95
Sour cream		16 oz	5541	1.71	3354	1.76	5602	1.67
Yogurt	Greek	4-6 oz	7344	.92	4775	.92	11530	.94
Yogurt	Greek	32 oz	6370	3.91	5698	3.96	1528	4.53
Yogurt	Yogurt	4-6 oz	4234	.51	3898	.47	5202	.49
Yogurt	Yogurt	32 oz	625	2.86	133	2.44	1210	2.76

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	2.50-5.99	910	3.30	3.99	53	3.99	2.39-2.79	372	2.65
Cheese	Natural Varieties	8 oz block	1.50-2.99	2236	2.03	1.99-2.99	680	2.46	1.28-2.69	957	2.00
Cheese	Natural Varieties	1 # block	2.50-3.99	924	3.12	2.99-4.99	1854	3.80	2.49-3.19	468	2.84
Cheese	Natural Varieties	2 # block							5.49-6.88	693	5.70
Cheese	Natural Varieties	8 oz shred	1.88-3.00	2358	2.34	1.29-2.69	1159	2.01	1.39-2.69	634	2.09
Cheese	Natural Varieties	1 # shred	3.00-4.47	498	3.93	2.99-4.99	1854	3.80	2.69-3.99	439	3.10
Cottage cheese		16 oz	1.99-2.99	1528	2.26	1.00-2.00	470	1.36	1.28-1.99	413	1.72
Cream cheese		8 oz	1.50-2.00	696	1.68	1.49-2.00	2359	1.72	1.39-2.00	914	1.63
Flavored milk	All fat tests	half gallon							0.99	106	.99
Flavored milk	All fat tests	gallon							3.98	180	3.98
Ice cream		48-64oz	1.88-3.99	3407	2.67	1.88-5.00	4537	2.87	1.99-3.99	3216	2.67
Milk	All fat tests	half gallon	0.98-0.99	261	.99				0.98-1.59	185	1.21
Milk	All fat tests	gallon	2.99-3.49	134	3.22				1.99-3.00	175	2.39
Sour cream		16 oz	1.50-2.29	2046	1.89	0.99-2.00	1838	1.38	1.50-1.99	438	1.75
Yogurt	Greek	4-6 oz	0.75-1.00	2813	.92	0.75-1.00	984	.86	0.63-1.15	1069	.95
Yogurt	Greek	32 oz	3.47-6.99	1096	4.33	3.47-4.99	1253	3.64	3.47-4.99	1737	4.10

Wtd Avg - Simple weighted average



Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	4-6 oz	0.42-0.62	1501	.53	0.40-0.50	1311	.49	0.29-0.66	722	.49
Yogurt	Yogurt	32 oz	2.79-3.50	227	3.31						

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 #	4.49	121	4.49				2.49-3.99	130	3.19
Cheese	Natural Varieties	8 oz block	1.89-2.99	436	2.11	1.99	178	1.99	1.50-1.69	174	1.58
Cheese	Natural Varieties	1 # block	2.69-3.99	352	3.30	2.99-3.99	445	3.21	4.99	61	4.99
Cheese	Natural Varieties	2 # block	5.49	169	5.49	4.99-7.99	483	6.71	4.99	69	4.99
Cheese	Natural Varieties	8 oz shred	1.89-2.29	279	2.13	1.99-3.00	559	2.24	1.50-1.99	568	1.83
Cheese	Natural Varieties	1 # shred				3.50	62	3.50			
Cottage cheese		16 oz				1.99	244	1.99	1.99	105	1.99
Cream cheese		8 oz	1.49-2.50	835	1.81	1.49-2.49	788	2.07	1.50-1.79	279	1.66
Flavored milk	All fat tests	gallon							1.99	105	1.99
Ice cream		48-64oz	1.98-4.49	1778	2.37	1.99-2.99	1272	2.59	1.99-2.99	593	2.75
Milk	All fat tests	half gallon	1.89	133	1.89						
Milk	All fat tests	gallon	2.99-3.49	120	3.24	2.98	137	2.98	1.99	105	1.99
Sour cream		16 oz	1.50-1.68	294	1.56	1.99	782	1.99	1.99	105	1.99
Yogurt	Greek	4-6 oz	0.99-1.00	565	1.00	0.79-1.00	1184	.94	0.59-1.00	698	.86
Yogurt	Greek	32 oz	3.47-6.99	1247	3.89	2.99-4.99	607	3.47	3.47-3.50	419	3.49
Yogurt	Yogurt	4-6 oz	0.50	171	.50	0.49-0.50	378	.49	0.49-0.67	127	.58
Yogurt	Yogurt	32 oz	2.50	193	2.50	2.50	117	2.50	2.50	61	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
Cheese	Natural Varieties	8 oz block	2.49-2.99	22	2.74			
Cheese	Natural Varieties	8 oz shred	2.49-2.99	22	2.74			
Cottage cheese		16 oz	2.50	11	2.50			
Cream cheese		8 oz	1.49	11	1.49			
Ice cream		48-64oz	3.99-6.99	50	5.89	3.00-4.25	51	4.05
Milk	All fat tests	gallon				4.95	3	4.95
Sour cream		16 oz	2.50	11	2.50	1.99-2.25	27	2.22
Yogurt	Greek	4-6 oz	2.00	28	2.00	1.00	3	1.00
Yogurt	Greek	32 oz	5.99	11	5.99			
Yogurt	Yogurt	4-6 oz				0.80	24	.80
Yogurt	Yogurt	32 oz				3.79-3.99	27	3.97

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 #	428	5.99	108	5.29	597	5.03
Cheese	Natural Varieties	8 oz block					289	3.79
Cheese	Natural Varieties	8 oz shred	289	3.50	289	3.50		
Cottage cheese		16 oz			51	2.99		
Cream cheese		8 oz	348	2.50				
Ice cream		48-64oz	225	5.99	61	5.99		
Milk	All fat tests	half gallon	2480	4.09	2419	3.90	2954	3.61
Milk	All fat tests	gallon	321	6.02	61	5.99	569	5.42
Milk	All fat tests	8 oz UHT	345	1.11	137	1.00	147	1.25
Sour cream		16 oz	134	2.73				
Yogurt	Greek	32 oz	149	3.91	1275	3.60	221	3.07
Yogurt	Yogurt	4-6 oz	72	.69	61	.58	1056	1.01
Yogurt	Yogurt	32 oz	11	2.99	469	3.12	110	2.50

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 #				5.49-6.49	428	5.99			
Cream cheese		8 oz	2.49-2.50	134	2.50	2.50	214	2.50			
Ice cream		48-64oz				5.99	214	5.99			
Milk	All fat tests	half gallon	3.69-5.99	1315	4.62	3.99	214	3.99	2.99-3.99	590	3.19
Milk	All fat tests	gallon	6.99	147	6.99				5.49	69	5.49
Milk	All fat tests	8 oz UHT	1.25	147	1.25	1.00	61	1.00			
Sour cream		16 oz	2.50-2.99	134	2.73						
Yogurt	Greek	32 oz	3.79	62	3.79	3.99	87	3.99			
Yogurt	Yogurt	4-6 oz	0.69	72	.69						

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
Cheese	Natural Varieties	8 oz shred							3.50	289	3.50
Milk	All fat tests	half gallon							2.49-3.99	358	3.70
Milk	All fat tests	gallon							5.00	105	5.00

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
Milk	All fat tests	8 oz UHT				1.00	137	1.00			

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
Ice cream		48-64oz	5.99	11	5.99			
Milk	All fat tests	half gallon				5.29	3	5.29
Yogurt	Yogurt	32 oz	2.99	11	2.99			

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



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