

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (7/11)

BUTTER: Grade AA closed at \$2.3725. The weekly average for Grade AA is \$2.3845 (-.0505).

CHEESE: Barrels closed at \$1.9875 and 40# blocks at \$1.9700. The weekly average for barrels is \$1.9645 (-.0261) and blocks, \$1.9555 (-.0264).

BUTTER HIGHLIGHTS: Demand from ice cream and cream cheese accounts for cream supplies continues to restrict butter churn activity. Some butter manufacturers are supplementing production rates by microfixing additional volumes of bulk supplies to fill immediate needs. Domestic buyer interest is active. International demand is light. Inventories are steady to generally lower. Bulk butter prices ranged from 4 to 6 cents over the market in the Northeast, market to 6 cents over in the Central, and 3 cents under to 2 cents over in the West, based on the CME Group with various time frames and averages used. Friday at the CME Group, Grade AA butter closed at \$2.3725, 1.75 cents lower than last week's close. The CME Group monthly average price for Grade AA butter during June was \$2.2630, compared to \$1.5105 a year ago. The DMN National Dairy Retail Report noted the surveyed national weighted average price for a 1 pound package of butter was \$3.04, 47 cents below two weeks ago, but 50 cents above a year ago. Advertised prices ranged from \$1.98 to \$3.99. The NASS Dairy Products report noted U.S. butter production during May totals 164.6 million pounds, down 0.7% from a month ago, but 0.5% above last year. January – May 2014, U.S. butter output totals 842.1 million pounds, 3.6% behind the same time span during 2013. This week, a cooperative export assistance program accepted requests for 1.246 million pounds of butter.

CHEESE HIGHLIGHTS: Extra holiday milk found its way to cheese vats last weekend in much of the country. This week, milk availability and thus cheese production, varies. Western cheese production is active, with steady milk supplies, except in the Southwest where milk availability is variable.

Midwest production is steady to slightly lower, due to tighter milk supplies. Northeast production is steady to higher. Advertised U.S. cheese prices as reported in the *National Dairy Retail Report* showed higher weighted average prices from two weeks ago for packages of 8 oz. block (\$2.57, +.13), 8 oz. shred (\$2.58, +\$.28), and 2 lb. block (\$8.15, +.31). Retail prices were lower for the 1 lb. block (\$3.99, -.44), and 1 lb. shred (\$3.23, -1.49). NASS *Dairy Products* reports total cheese production in the U.S. in May reached 965.0 million pounds, up 2.2% (21.2 million pounds) from May 2013. Cumulative 2014 total cheese output for the U.S. is 4.685 billion pounds, up 1.7% (77.7 million pounds) from 2013. According to FAS, U.S. exports of cheese and curd for January-May 2014 total 363.9 million pounds, up 34% from 2013. Exports for May 2014 are 70.1 million pounds, up 15% from May 2013. At the CME Group, barrels closed the week at \$1.9875, up \$.0025 from last week's close and blocks closed at \$1.9700, up \$.0025 from last week's close.

DRY PRODUCTS: F.O.B spot loads of low/medium heat NDM are trading steady to lower, while price basing points moved higher. Supplies are generally growing as buyer interest is mostly restricted to immediate needs. High heat NDM prices are mixed. Prices of dry buttermilk are unchanged to lower on a weaker market. Dry whey prices vary, while demand is steady to declining between domestic and international buyers. Prices of whey protein concentrate 34% are steady to lower on a varying market. Production levels are steady to lower for those taking risk management actions. Lactose prices are mixed on a weakening market. Rennet casein prices shifted lower, while acid casein remained steady.

ORGANIC DAIRY MARKET NEWS (DMN): AMS reports total organic milk products sales for April 2014, 205 million pounds, were up 7.4% from April last year and up 13.4% year to date compared with last year.

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*****SPECIALS THIS ISSUE*****

ORGANIC DAIRY MARKET NEWS (PAGES 8-8B)
MAY DAIRY PRODUCTS (PAGE 9)DAIRY GRAPHS (G1-G3)
NATIONAL DAIRY RETAIL REPORT (ATTACHED)**CME GROUP CASH TRADING**

COMMODITY	MONDAY JUL 07	TUESDAY JUL 08	WEDNESDAY JUL 09	THURSDAY JUL 10	FRIDAY JUL 11	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE BARRELS	\$1.9850 (N.C.)	\$1.9450 (-.0400)	\$1.9450 (N.C.)	\$1.9600 (+.0150)	\$1.9875 (+.0275)	:: (+.0025)	:: \$1.9645 (-.0261)
40# BLOCKS	\$1.9550 (-.0125)	\$1.9550 (N.C.)	\$1.9475 (-.0075)	\$1.9500 (+.0025)	\$1.9700 (+.0200)	:: (+.0025)	:: \$1.9555 (-.0264)
NONFAT DRY MILK GRADE A	\$1.7725 (N.C.)	\$1.7725 (N.C.)	\$1.7725 (N.C.)	\$1.7350 (-.0375)	\$1.7350 (N.C.)	:: (-.0375)	:: \$1.7575 (-.0163)
BUTTER GRADE AA	\$2.3950 (+.0050)	\$2.3850 (-.0100)	\$2.3850 (N.C.)	\$2.3850 (N.C.)	\$2.3725 (-.0125)	:: (-.0175)	:: \$2.3845 (-.0505)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.
Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/DAIRYMARKETNEWS.