

## CASH DAIRY PRODUCT MARKETS

For Week Ending:	Weekly Average for Week Ending:							Friday's
	01/05/18	01/12/18	01/19/18	01/26/18	02/02/18	02/09/18	02/16/18	Close
CME Cheddar 40# Blocks	\$ 1.5056	\$ 1.4555	\$ 1.5263	\$ 1.5145	\$ 1.4635	\$ 1.5170	\$ 1.5175	\$ 1.5400
CME Cheddar Barrels	\$ 1.4038	\$ 1.2855	\$ 1.3231	\$ 1.3460	\$ 1.3215	\$ 1.3590	\$ 1.4025	\$ 1.4900
CME Grade "AA" Butter	\$ 2.2238	\$ 2.1705	\$ 2.1406	\$ 2.1215	\$ 2.1305	\$ 2.0675	\$ 2.0955	\$ 2.1000
USDA Western NFDM (Mostly)	\$ 0.6900	\$ 0.6850	\$ 0.6950	\$ 0.7050	\$ 0.7050	\$ 0.7250	\$ 0.7250	
USDA Western Whey (Mostly)	\$ 0.2650	\$ 0.2625	\$ 0.2600	\$ 0.2600	\$ 0.2400	\$ 0.2400	\$ 0.2400	
USDA Central Whey (Mostly)	\$ 0.2575	\$ 0.2488	\$ 0.2425	\$ 0.2425	\$ 0.2400	\$ 0.2400	\$ 0.2400	
<b>NDPSR Survey For Week Ending:</b>	<b>12/23/17</b>	<b>12/30/17</b>	<b>01/06/18</b>	<b>01/13/18</b>	<b>01/20/18</b>	<b>01/27/18</b>	<b>02/03/18</b>	<b>02/10/18</b>
Cheddar 40# Blocks:	\$ 1.5538	\$ 1.5208	\$ 1.5162	\$ 1.5221	\$ 1.5278	\$ 1.5301	\$ 1.5283	\$ 1.5357
Cheddar Barrels (38% Moisture):	\$ 1.6489	\$ 1.6156	\$ 1.5536	\$ 1.4962	\$ 1.4201	\$ 1.3964	\$ 1.3780	\$ 1.3720
Butter	\$ 2.2288	\$ 2.2244	\$ 2.2373	\$ 2.2312	\$ 2.1822	\$ 2.1550	\$ 2.1524	\$ 2.1302
Nonfat Dry Milk	\$ 0.7080	\$ 0.7064	\$ 0.6974	\$ 0.6904	\$ 0.6950	\$ 0.7037	\$ 0.6981	\$ 0.7130
Whey	\$ 0.3008	\$ 0.2812	\$ 0.2796	\$ 0.2809	\$ 0.2696	\$ 0.2709	\$ 0.2524	\$ 0.2528
Class III Estimator	\$ 14.97	\$ 14.54	\$ 14.21	\$ 13.97	\$ 13.54	\$ 13.44	\$ 13.23	\$ 13.23
Class IV Estimator	\$ 13.36	\$ 13.33	\$ 13.31	\$ 13.22	\$ 13.06	\$ 13.01	\$ 12.96	\$ 12.99

## MONTHLY MILK AND MILK COMPONENT PRICES

For Month:	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	DEC-17	JAN-18
<b>FMMO Prices, 3.5% Fat, 2.99% True Protein</b>								
FMMO Class I Base Price	\$ 15.31	\$ 16.59	\$ 16.72	\$ 16.71	\$ 16.44	\$ 16.41	\$ 16.88	\$15.44
FMMO Class II Price	\$ 16.15	\$ 17.48	\$ 17.56	\$ 16.80	\$ 15.95	\$ 15.32	\$ 14.49	\$14.11
FMMO Class III	\$ 16.44	\$ 15.45	\$ 16.57	\$ 16.36	\$ 16.69	\$ 16.88	\$ 15.44	\$14.00
FMMO Class IV	\$ 15.89	\$ 16.60	\$ 16.61	\$ 15.86	\$ 14.85	\$ 13.99	\$ 13.51	\$13.13
<b>FMMO Producer Component Prices Per Pound</b>								
Milkfat	\$ 2.7066	\$ 2.9456	\$ 3.0109	\$ 2.8559	\$ 2.6646	\$ 2.5546	\$ 2.4951	\$ 2.4531
True Protein	\$ 1.7545	\$ 1.2248	\$ 1.5536	\$ 1.6988	\$ 2.1084	\$ 2.3412	\$ 2.0378	\$ 1.6612
Other Solids	\$ 0.3014	\$ 0.2599	\$ 0.2425	\$ 0.2241	\$ 0.1853	\$ 0.1644	\$ 0.1070	\$ 0.0787
California Overbase Fat	\$ 2.6920	\$ 2.7920	\$ 2.9300	\$ 2.7540	\$ 2.6190	\$ 2.5000	\$ 2.4170	
California Overbase SNF	\$ 0.6850	\$ 0.6490	\$ 0.6850	\$ 0.6450	\$ 0.7280	\$ 0.7210	\$ 0.6020	

## CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

Closing Prices	FEB18	MAR18	APR18	MAY18	JUN18	JUL18	AUG18	SEP18
Cash Settled Butter (¢ / lb.):	212.125	218.025	220.975	223.500	224.250	226.000	228.050	228.525
Change from last week (¢ / lb.):	1.275	8.500	9.350	8.500	7.250	6.550	6.175	5.025
Cash Settled Cheese (\$ / lb.):	\$ 1.4790	\$ 1.5420	\$ 1.5320	\$ 1.5550	\$ 1.5950	\$ 1.6440	\$ 1.6760	\$ 1.6950
Change from last week:	\$ (0.002)	\$ 0.041	\$ 0.027	\$ 0.019	\$ 0.024	\$ 0.024	\$ 0.016	\$ 0.009
Class III Milk Contract, 3.5% Fat	\$ 13.49	\$ 14.10	\$ 14.06	\$ 14.34	\$ 14.75	\$ 15.31	\$ 15.69	\$ 15.87
Change from last week:	\$ 0.02	\$ 0.47	\$ 0.29	\$ 0.20	\$ 0.19	\$ 0.25	\$ 0.21	\$ 0.13
Open Interest	3246	4761	3050	2512	2158	1600	1476	1612
Change from last week:	(35)	54	169	136	56	59	6	35

## DAIRY NEWS OF INTEREST

### Market Update

CME cash markets were active this week with butter changing hands 72 times. Butter rebounded from its recent decline to finish the week with a 7.25 cent increase. Barrel cheese finished at \$1.48/lb. after 38 trades, an impressive 12 cent jump. Block cheese was traded 13 times and gained 3 cents. Non-fat dry milk decreased by 3 cents after 13 trades.

Class III futures average \$14.34/cwt. for the next six months, while Class IV futures average \$13.67/cwt.

### Domestic Fluid Milk Sales

U.S. fluid milk sales report by USDA showed that December milk sales were down across all categories when compared to December 2016. Fat-free milk led the decline, decreasing by 11.7% from 2016. Whole milk sales dropped slightly for the first time in 7 months when comparing to the prior year. Sales totaled 1.3 billion pounds. Year-to-date whole milk finished 2017 with sales 2.5% greater than 2016. Total fluid sales decreased in 2017 by 1.9% when compared to 2016.

### Domestic Dairy Consumption

USDA's Economic Research Service reported that American cheese consumption for December totaled 409.8 million pounds, up 2.1% from the previous year and 2.8% year-to-date. Total cheese consumption increased 1.2% for 2017 when compared to 2016. December butter consumption was down 0.8% from the prior December but was still 0.5% higher year-to-date than 2016. Dry whey consumption totaled 39.9 million pounds, an increase of 24.5% from 2016. However, nonfat dry milk and skim milk powder consumption lowered to 67 million pounds, a sharp decrease of 30.2% from December 2016.

### Top Dairy Exporting Regions Update

According to the U.S. Dairy Export Council and the USDA December milk production in the top-four global dairy exporting regions, (United States, European Union, New Zealand, Australia), increased 1.2 billion pounds, or 2.3% when compared to 2016. Total milk production in these top dairy regions was 1.9% higher in 2017 than in 2016. Combined these regions produced 626.1 billion pounds of milk in 2017.