

## CASH DAIRY PRODUCT MARKETS

For Week Ending:	Weekly Average for Week Ending:							Friday's
	01/04/19	01/11/19	01/18/19	01/25/19	02/01/19	02/08/19	02/15/19	Close
CME Cheddar 40# Blocks	\$ 1.4206	\$ 1.3900	\$ 1.4090	\$ 1.3825	\$ 1.4610	\$ 1.4880	\$ 1.5745	\$ 1.5800
CME Cheddar Barrels	\$ 1.2994	\$ 1.2615	\$ 1.2050	\$ 1.1694	\$ 1.2755	\$ 1.3255	\$ 1.4240	\$ 1.4350
CME Grade "AA" Butter	\$ 2.2338	\$ 2.2375	\$ 2.2515	\$ 2.2300	\$ 2.2835	\$ 2.2850	\$ 2.2525	\$ 2.2500
USDA Western NFDN (Mostly)	\$ 0.9250	\$ 0.9700	\$ 0.9938	\$ 1.0000	\$ 1.0000	\$ 0.9950	\$ 0.9800	
USDA Western Whey (Mostly)	\$ 0.4563	\$ 0.4625	\$ 0.4750	\$ 0.4750	\$ 0.4725	\$ 0.4625	\$ 0.4350	
USDA Central Whey (Mostly)	\$ 0.4550	\$ 0.4700	\$ 0.4700	\$ 0.4700	\$ 0.4688	\$ 0.4563	\$ 0.4400	
<b>NDPSR Survey For Week Ending:</b>	<b>12/22/18</b>	<b>12/29/18</b>	<b>01/05/19</b>	<b>01/12/19</b>	<b>01/19/19</b>	<b>01/26/19</b>	<b>02/02/19</b>	<b>02/09/19</b>
Cheddar 40# Blocks:	\$ 1.3947	\$ 1.3979	\$ 1.4216	\$ 1.4272	\$ 1.4313	\$ 1.4338	\$ 1.4310	\$ 1.4337
Cheddar Barrels (38% Moisture):	\$ 1.3080	\$ 1.3228	\$ 1.3266	\$ 1.3279	\$ 1.3152	\$ 1.2875	\$ 1.2492	\$ 1.2639
Butter	\$ 2.2567	\$ 2.2171	\$ 2.2153	\$ 2.2477	\$ 2.2282	\$ 2.2680	\$ 2.2320	\$ 2.2855
Nonfat Dry Milk	\$ 0.9053	\$ 0.9010	\$ 0.9183	\$ 0.9479	\$ 0.9663	\$ 0.9691	\$ 0.9766	\$ 0.9811
Whey	\$ 0.4727	\$ 0.4698	\$ 0.4829	\$ 0.4764	\$ 0.4830	\$ 0.4790	\$ 0.4669	\$ 0.4682
Class III Estimator	\$ 13.58	\$ 13.64	\$ 13.85	\$ 13.85	\$ 13.84	\$ 13.71	\$ 13.43	\$ 13.54
Class IV Estimator	\$ 15.18	\$ 14.97	\$ 15.12	\$ 15.51	\$ 15.58	\$ 15.78	\$ 15.69	\$ 15.95

## MONTHLY MILK AND MILK COMPONENT PRICES

For Month:	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
<b>FMMO Prices, 3.5% Fat, 2.99% True Protein</b>								
FMMO Class I Base Price	\$ 14.44	\$ 15.25	\$ 15.36	\$ 14.85	\$ 16.33	\$ 15.52	\$ 15.05	\$15.12
FMMO Class II Price	\$ 14.47	\$ 15.48	\$ 15.20	\$ 15.13	\$ 15.54	\$ 15.63	\$ 15.67	\$15.74
FMMO Class III	\$ 15.18	\$ 15.21	\$ 14.10	\$ 16.09	\$ 15.53	\$ 14.44	\$ 13.78	\$13.96
FMMO Class IV	\$ 14.57	\$ 14.91	\$ 14.14	\$ 14.81	\$ 15.01	\$ 15.06	\$ 15.09	\$15.48
<b>FMMO Producer Component Prices Per Pound</b>								
Milkfat	\$ 2.6239	\$ 2.6692	\$ 2.5287	\$ 2.5442	\$ 2.5551	\$ 2.5385	\$ 2.5080	\$ 2.4981
True Protein	\$ 1.8609	\$ 1.7478	\$ 1.4827	\$ 2.0029	\$ 1.7185	\$ 1.3419	\$ 1.1417	\$ 1.1927
Other Solids	\$ 0.0742	\$ 0.1128	\$ 0.1422	\$ 0.2098	\$ 0.2553	\$ 0.2714	\$ 0.2775	\$ 0.2898
California Overbase Fat	\$ 2.5590	\$ 2.5780	\$ 2.4630	\$ 2.4630	\$ 2.4780			
California Overbase SNF	\$ 0.6060	\$ 0.6000	\$ 0.6030	\$ 0.7040	\$ 0.7290			

## CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

Closing Prices	FEB19	MAR19	APR19	MAY19	JUN19	JUL19	AUG19	SEP19
Cash Settled Butter (¢ / lb.):	226.000	225.975	227.500	227.500	229.675	230.450	231.525	232.550
Change from last week (¢ / lb.):	(0.250)	(1.525)	(0.800)	(1.500)	0.600	(0.300)	(0.475)	0.075
Cash Settled Cheese (\$ / lb.):	\$ 1.4000	\$ 1.4840	\$ 1.4850	\$ 1.5280	\$ 1.5820	\$ 1.6280	\$ 1.6600	\$ 1.6820
Change from last week:	\$ -	\$ 0.004	\$ (0.029)	\$ (0.034)	\$ (0.021)	\$ (0.017)	\$ (0.019)	\$ (0.011)
Class III Milk Contract, 3.5% Fat	\$ 13.97	\$ 14.53	\$ 14.43	\$ 14.80	\$ 15.30	\$ 15.78	\$ 16.05	\$ 16.32
Change from last week:	\$ (0.01)	\$ (0.06)	\$ (0.37)	\$ (0.42)	\$ (0.26)	\$ (0.14)	\$ (0.20)	\$ (0.09)
Open Interest	4163	4837	3454	3178	2246	1628	1369	1633
Change from last week:	(20)	(514)	217	251	38	(10)	15	30

## DAIRY NEWS OF INTEREST

### Market Update

On the CME cash market this week butter traded 24 times to \$2.25/lb., a loss of 4.5 cents. Barrel cheese finished at \$1.435/lb., an increase of 5.75 cents on 20 trades. Block cheese, up 5.25 cents, was traded 6 times to a price of \$1.58/lb. Nonfat dry milk dropped slightly by three quarters of a cent to \$0.9875/lb. and was the most active with 30 trades.

### Domestic Dairy Consumption

According to USDA's Economic Research Service November domestic dairy product consumption increased in all categories, except nonfat dry milk and skim milk powder. American and other-than-American cheese showed 2.7% and 1.9% consumption increases from 2017. Total cheese consumption reached 1.07 billion pounds during November, up 2.2% from the previous November and 3.9% year-to-date. Butter and dry whey consumption improved 19.1 million pounds (9.2%), and 17.1 million pounds (57.1%), from the prior November, respectively.

### World Agricultural Supply and Demand Estimate

USDA's February WASDE report raised the projected all milk price for 2019 to \$16.90 to 17.60/cwt. The milk production forecast for 2019 has been lowered due to reduced milk cow numbers and a slowed growth in milk per cow. The 2019 cheese price forecast was lowered while butter, NFDN, and whey price forecasts are raised from December 2018.

Fat basis exports for 2019 were raised due to a strong expected demand for butter and butterfat products. Fat basis import forecasts for 2018 and 2019 were lowered from December due to recent trade data and lower expected cheese and butterfat imports.

### 2018 Fluid Milk Sales

According to USDA 2018 whole milk sales increased 231 million pounds from 2017 to nearly 15 billion pounds. Whole milk made up 32% of the total fluid milk market. Reduced fat milk sales declined by 457 million pounds in 2018 to total 14.7 billion pounds. Total U.S fluid milk sales declined by 2% in 2018 to 47.075 billion pounds.