

CASH DAIRY PRODUCT MARKETS

For Week Ending:	Weekly Average for Week Ending:							Friday's
	12/06/19	12/13/19	12/20/19	12/27/19	01/03/20	01/10/20	01/17/20	Close
CME Cheddar 40# Blocks	\$ 1.9595	\$ 1.8965	\$ 1.8045	\$ 1.8306	\$ 1.8931	\$ 1.8595	\$ 1.9060	\$ 1.9625
CME Cheddar Barrels	\$ 2.2485	\$ 1.8690	\$ 1.6170	\$ 1.6663	\$ 1.6519	\$ 1.5810	\$ 1.5145	\$ 1.5625
CME Grade "AA" Butter	\$ 1.9355	\$ 1.9470	\$ 1.9925	\$ 2.0300	\$ 1.9625	\$ 1.8955	\$ 1.8990	\$ 1.8800
USDA Western NFDM (Mostly)	\$ 1.2400	\$ 1.2400	\$ 1.2400	\$ 1.2400	\$ 1.2350	\$ 1.2500	\$ 1.2550	
USDA Western Whey (Mostly)	\$ 0.3450	\$ 0.3488	\$ 0.3488	\$ 0.3488	\$ 0.3488	\$ 0.3487	\$ 0.3513	
USDA Central Whey (Mostly)	\$ 0.3425	\$ 0.3425	\$ 0.3400	\$ 0.3400	\$ 0.3400	\$ 0.3400	\$ 0.3450	
NDPSR Survey For Week Ending:	11/23/19	11/30/19	12/07/19	12/14/19	12/21/19	12/28/19	01/04/20	01/11/20
Cheddar 40# Blocks:	\$ 2.1101	\$ 2.0076	\$ 1.9384	\$ 1.9466	\$ 1.9536	\$ 1.9023	\$ 1.8873	\$ 1.8765
Cheddar Barrels (38% Moisture):	\$ 2.3016	\$ 2.2581	\$ 2.2434	\$ 2.2486	\$ 2.1028	\$ 1.9194	\$ 1.7511	\$ 1.7114
Butter	\$ 2.0871	\$ 2.0598	\$ 2.0094	\$ 1.9628	\$ 1.9984	\$ 1.9628	\$ 1.9839	\$ 1.9259
Nonfat Dry Milk	\$ 1.1746	\$ 1.1775	\$ 1.2061	\$ 1.2124	\$ 1.2185	\$ 1.2358	\$ 1.2357	\$ 1.2334
Whey	\$ 0.3134	\$ 0.3209	\$ 0.3183	\$ 0.3336	\$ 0.3368	\$ 0.3341	\$ 0.3333	\$ 0.3260
Class III Estimator	\$ 20.81	\$ 20.14	\$ 19.70	\$ 19.84	\$ 19.20	\$ 18.04	\$ 17.16	\$ 16.85
Class IV Estimator	\$ 16.78	\$ 16.69	\$ 16.72	\$ 16.57	\$ 16.78	\$ 16.78	\$ 16.86	\$ 16.60

MONTHLY MILK AND MILK COMPONENT PRICES

For Month:	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
FMMO Prices, 3.5% Fat, 2.99% True Protein								
FMMO Class I Base Price	\$ 16.42	\$ 17.07	\$ 17.18	\$ 17.89	\$ 17.85	\$ 17.84	\$ 18.14	\$ 19.33
FMMO Class II Price	\$ 16.48	\$ 17.30	\$ 17.61	\$ 17.60	\$ 16.93	\$ 16.68	\$ 16.85	\$ 16.81
FMMO Class III	\$ 16.38	\$ 16.27	\$ 17.55	\$ 17.60	\$ 18.31	\$ 18.72	\$ 20.45	\$ 19.37
FMMO Class IV	\$ 16.29	\$ 16.83	\$ 16.90	\$ 16.74	\$ 16.35	\$ 16.39	\$ 16.60	\$ 16.70
FMMO Producer Component Prices Per Pound								
Milkfat	\$ 2.5718	\$ 2.6579	\$ 2.6858	\$ 2.6574	\$ 2.4982	\$ 2.4031	\$ 2.3195	\$ 2.1952
True Protein	\$ 2.1159	\$ 2.0046	\$ 2.4032	\$ 2.4453	\$ 2.8633	\$ 3.1700	\$ 3.9118	\$ 3.6515
Other Solids	\$ 0.1847	\$ 0.1702	\$ 0.1689	\$ 0.1730	\$ 0.1785	\$ 0.1447	\$ 0.1112	\$ 0.1341

CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

Closing Prices	JAN20	FEB20	MAR20	APR20	MAY20	JUN20	JUL20	AUG20
Cash Settled Butter (¢ / lb.):	193.800	197.175	201.250	205.525	210.000	212.900	214.250	215.800
Change from last week (¢ / lb.):	(2.700)	(0.175)	(1.425)	(0.950)	(0.900)	(0.600)	(1.250)	(0.450)
Cash Settled Cheese (\$ / lb.):	\$ 1.8040	\$ 1.8300	\$ 1.8260	\$ 1.8030	\$ 1.7960	\$ 1.7960	\$ 1.8140	\$ 1.8160
Change from last week:	\$ 0.004	\$ 0.055	\$ 0.028	\$ 0.013	\$ 0.007	\$ 0.002	\$ 0.007	\$ 0.004
Class III Milk Contract, 3.5% Fat	\$ 17.01	\$ 17.43	\$ 17.62	\$ 17.51	\$ 17.48	\$ 17.58	\$ 17.73	\$ 17.80
Change from last week:	\$ (0.02)	\$ 0.45	\$ 0.31	\$ 0.19	\$ 0.17	\$ 0.15	\$ 0.19	\$ 0.16
Open Interest	2766	2672	2383	1650	1464	1418	698	637
Change from last week:	(286)	(306)	227	84	44	43	23	28

DAIRY NEWS OF INTEREST

Market Update

On the CME cash market this week block cheese rebounded 9.25 cents after 2 trades to \$1.9625/lb. Barrel cheese increased to \$1.5625/lb., a 4 cent gain on 40 trades. Butter was traded 11 times for a loss of 4 cents. Nonfat dry milk increased 1.75 cents to \$1.29/lb. after 24 trades.

China Trade Update

Phase One of the U.S.-China trade agreement has been signed this week. China committed to purchase at least \$36.5 billion in U.S. agricultural goods this year and \$43.5 billion in 2021.

USMCA

The United States-Mexico-Canada Agreement passed in the U.S. Senate on Thursday by a vote of 98-10. The trade agreement will preserve the U.S. dairy export market into Mexico, while also expanding market access in Canada. The deal will also stop the unfair Class 6 and 7 milk pricing policies currently operating in Canada.

World Agricultural Supply and Demand Estimate

USDA's January WASDE report lowered the milk production forecast for 2019 by 300 million pounds to 218.3 billion pounds. The 2020 milk production forecast decreased 400 million pounds to 222 billion pounds. The declines are due to expected slower growth in milk per cow. The fat basis export forecast was raised from the prior month since cheese sales have been strong in recent trade data.

The 2019 all milk price was unchanged from the previous forecast of \$18.60/cwt. The 2020 all milk price was reduced to \$19.25/cwt., a decline of 15 cents from December 2019.

Domestic Dairy Consumption

According to USDA November total cheese consumption decreased 0.8% from the previous November to 1.082 billion pounds. Butter consumption declined 19.5 million pounds to total 210.7 million pounds. Dry whey consumption was up 11.9% from the prior November and totaled 47.7 million pounds.