

### CASH DAIRY PRODUCT MARKETS

For Week Ending:	Weekly Average for Week Ending:							Friday's
	02/02/18	02/09/18	02/16/18	02/23/18	03/02/18	03/09/18	03/16/18	Close
CME Cheddar 40# Blocks	\$ 1.5145	\$ 1.4635	\$ 1.5170	\$ 1.5175	\$ 1.5288	\$ 1.5350	\$ 1.5670	\$ 1.5850
CME Cheddar Barrels	\$ 1.3460	\$ 1.3215	\$ 1.3590	\$ 1.4025	\$ 1.4794	\$ 1.4715	\$ 1.5260	\$ 1.5600
CME Grade "AA" Butter	\$ 2.1215	\$ 2.1305	\$ 2.0675	\$ 2.0955	\$ 2.1656	\$ 2.1930	\$ 2.2130	\$ 2.2100
USDA Western NFD (Mostly)	\$ 0.7050	\$ 0.7050	\$ 0.7250	\$ 0.7250	\$ 0.7250	\$ 0.7200	\$ 0.7000	
USDA Western Whey (Mostly)	\$ 0.2600	\$ 0.2400	\$ 0.2400	\$ 0.2400	\$ 0.2400	\$ 0.2500	\$ 0.2538	
USDA Central Whey (Mostly)	\$ 0.2425	\$ 0.2400	\$ 0.2400	\$ 0.2400	\$ 0.2350	\$ 0.2350	\$ 0.2400	
<b>NDPSR Survey For Week Ending:</b>	<b>01/20/18</b>	<b>01/27/18</b>	<b>02/03/18</b>	<b>02/10/18</b>	<b>02/17/18</b>	<b>02/24/18</b>	<b>03/03/18</b>	<b>03/10/18</b>
Cheddar 40# Blocks:	\$ 1.5278	\$ 1.5300	\$ 1.5283	\$ 1.5357	\$ 1.5266	\$ 1.5308	\$ 1.5513	\$ 1.5566
Cheddar Barrels (38% Moisture):	\$ 1.4201	\$ 1.3964	\$ 1.3780	\$ 1.3720	\$ 1.3871	\$ 1.4082	\$ 1.4575	\$ 1.4921
Butter	\$ 2.1822	\$ 2.1550	\$ 2.1524	\$ 2.1305	\$ 2.0828	\$ 2.1069	\$ 2.1371	\$ 2.1810
Nonfat Dry Milk	\$ 0.6950	\$ 0.7036	\$ 0.6980	\$ 0.7133	\$ 0.7118	\$ 0.7113	\$ 0.7013	\$ 0.7061
Whey	\$ 0.2696	\$ 0.2709	\$ 0.2524	\$ 0.2523	\$ 0.2498	\$ 0.2552	\$ 0.2589	\$ 0.2537
Class III Estimator	\$ 13.54	\$ 13.44	\$ 13.23	\$ 13.23	\$ 13.22	\$ 13.38	\$ 13.75	\$ 13.93
Class IV Estimator	\$ 13.06	\$ 13.01	\$ 12.95	\$ 12.99	\$ 12.78	\$ 12.88	\$ 12.92	\$ 13.15

### MONTHLY MILK AND MILK COMPONENT PRICES

For Month:	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	DEC-17	JAN-18	FEB-18
<b>FMMO Prices, 3.5% Fat, 2.99% True Protein</b>								
FMMO Class I Base Price	\$ 16.59	\$ 16.72	\$ 16.71	\$ 16.44	\$ 16.41	\$ 16.88	\$ 15.44	\$14.25
FMMO Class II Price	\$ 17.48	\$ 17.56	\$ 16.80	\$ 15.95	\$ 15.32	\$ 14.49	\$ 14.11	\$13.44
FMMO Class III	\$ 15.45	\$ 16.57	\$ 16.36	\$ 16.69	\$ 16.88	\$ 15.44	\$ 14.00	\$13.40
FMMO Class IV	\$ 16.60	\$ 16.61	\$ 15.86	\$ 14.85	\$ 13.99	\$ 13.51	\$ 13.13	\$12.87
<b>FMMO Producer Component Prices Per Pound</b>								
Milkfat	\$ 2.9456	\$ 3.0109	\$ 2.8559	\$ 2.6646	\$ 2.5546	\$ 2.4951	\$ 2.4531	\$ 2.3490
True Protein	\$ 1.2248	\$ 1.5536	\$ 1.6988	\$ 2.1084	\$ 2.3412	\$ 2.0378	\$ 1.6612	\$ 1.6265
Other Solids	\$ 0.2599	\$ 0.2425	\$ 0.2241	\$ 0.1853	\$ 0.1644	\$ 0.1070	\$ 0.0787	\$ 0.0552
California Overbase Fat	\$ 2.7920	\$ 2.9300	\$ 2.7540	\$ 2.6190	\$ 2.5000	\$ 2.4170	\$ 2.3760	
California Overbase SNF	\$ 0.6490	\$ 0.6850	\$ 0.6450	\$ 0.7280	\$ 0.7210	\$ 0.6020	\$ 0.5660	

### CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

Closing Prices	MAR18	APR18	MAY18	JUN18	JUL18	AUG18	SEP18	OCT18
Cash Settled Butter (¢ / lb.):	218.600	221.350	223.000	226.000	228.900	231.125	233.000	235.325
Change from last week (¢ / lb.):	(1.400)	(1.725)	(3.000)	(2.000)	(1.200)	(1.900)	(1.200)	0.025
Cash Settled Cheese (\$ / lb.):	\$ 1.5570	\$ 1.5540	\$ 1.5480	\$ 1.5820	\$ 1.6370	\$ 1.6800	\$ 1.7020	\$ 1.7010
Change from last week:	\$ 0.012	\$ 0.029	\$ 0.017	\$ (0.003)	\$ (0.006)	\$ 0.007	\$ 0.006	\$ 0.001
Class III Milk Contract, 3.5% Fat	\$ 14.28	\$ 14.33	\$ 14.30	\$ 14.67	\$ 15.28	\$ 15.69	\$ 15.98	\$ 15.97
Change from last week:	\$ 0.09	\$ 0.30	\$ 0.14	\$ (0.02)	\$ 0.03	\$ 0.03	\$ 0.08	\$ 0.08
Open Interest	4239	3568	3144	2364	1825	1575	1770	1426
Change from last week:	(79)	(81)	377	96	80	40	71	81

### DAIRY NEWS OF INTEREST

#### Market Update

On the CME cash market this week all commodities experienced an increase. Barrel cheese gained 6.25 cents on 26 trades, finishing at \$1.56/lb. Block cheese increased by 1.5 cents during 17 trades. Butter only traded 6 times this week and saw a gain of half a cent. Nonfat dry milk also increased by half of a cent and was traded 15 times.

#### California FMMO Update

California's dairy industry efforts to create a Federal Milk Marketing Order were interrupted as an unrelated U.S. Supreme Court case questioned the constitutional legality of administrative law judge appointments. Since the California FMMO hearings were presided over by appointed Administrative Law Judge, Jill Clifton, the outcome of the Supreme Court case could cloud the future of the proposed rule. William Jensen, a USDA judicial officer whose appointment would not be in question was instructed by Secretary of Agriculture, Sonny Perdue, to review Clifton's actions. Jensen accredited Clifton's work, along with a minuscule revision, allowing the FMMO proposal to proceed.

#### Estimated January Fluid Milk Sales

USDA's Fluid Milk Products Sales Report showed that whole milk is continuing on its increased fluid market share path, up 4.3% from the prior year, totaling 1,316 million pounds in January. Flavored whole milk also experienced an increase of 1.1% from 2017. Reduced fat milk was down slightly, while low fat and fat-free decreased sharply, 5.5% and 9.8% from the prior year, respectively. Total fluid milk sales were only down 0.6% from January 2017, totaling 4,233 million pounds.

#### January Domestic Dairy Consumption

According to dairy statistics from USDA total domestic dairy product consumption was up during January when compared to the prior year. Other-than-American and American cheese consumption increased from January 2017, up 2.3% and 3.0%, respectively. Total cheese consumption tallied at 1.05 billion pounds, a gain of 2.6% when compared to the previous year. Total butter consumption of 130.9 million pounds showed an increase of 6.3% from the prior year. Nonfat dry milk and skim milk powder was the only category to decrease during January, down 24 million pounds (23.6%) from January 2017.