

## CASH DAIRY PRODUCT MARKETS

For Week Ending:	Weekly Average for Week Ending:							Friday's Close
	06/29/18	07/06/18	07/13/18	07/20/18	07/27/18	08/03/18	08/10/18	
CME Cheddar 40# Blocks	\$ 1.4925	\$ 1.5544	\$ 1.5505	\$ 1.5370	\$ 1.5180	\$ 1.5440	\$ 1.5440	\$ 1.6575
CME Cheddar Barrels	\$ 1.2780	\$ 1.3294	\$ 1.3570	\$ 1.3385	\$ 1.4355	\$ 1.4350	\$ 1.4350	\$ 1.6200
CME Grade "AA" Butter	\$ 2.2540	\$ 2.2006	\$ 2.2125	\$ 2.2490	\$ 2.2545	\$ 2.3070	\$ 2.3070	\$ 2.3400
USDA Western NFDM (Mostly)	\$ 0.7875	\$ 0.7800	\$ 0.7600	\$ 0.7600	\$ 0.7875	\$ 0.8200	\$ 0.8425	
USDA Western Whey (Mostly)	\$ 0.3250	\$ 0.3250	\$ 0.3450	\$ 0.3625	\$ 0.3713	\$ 0.3825	\$ 0.3900	
USDA Central Whey (Mostly)	\$ 0.3225	\$ 0.3225	\$ 0.3375	\$ 0.3500	\$ 0.3575	\$ 0.3738	\$ 0.3788	
NDPSR Survey For Week Ending:	06/16/18	06/23/18	06/30/18	07/07/18	07/14/18	07/21/18	07/28/18	08/04/18
Cheddar 40# Blocks:	\$ 1.6456	\$ 1.6382	\$ 1.6223	\$ 1.5935	\$ 1.5725	\$ 1.5615	\$ 1.5765	\$ 1.5725
Cheddar Barrels (38% Moisture):	\$ 1.5747	\$ 1.5601	\$ 1.4471	\$ 1.3770	\$ 1.3701	\$ 1.3841	\$ 1.3884	\$ 1.4199
Butter	\$ 2.3633	\$ 2.3752	\$ 2.3385	\$ 2.2968	\$ 2.2372	\$ 2.2503	\$ 2.2592	\$ 2.2704
Nonfat Dry Milk	\$ 0.8225	\$ 0.8002	\$ 0.7964	\$ 0.7799	\$ 0.7826	\$ 0.7896	\$ 0.7817	\$ 0.7976
Whey	\$ 0.3095	\$ 0.3234	\$ 0.3232	\$ 0.3366	\$ 0.3357	\$ 0.3377	\$ 0.3389	\$ 0.3543
Class III Estimator	\$ 15.17	\$ 15.15	\$ 14.51	\$ 14.09	\$ 13.93	\$ 13.96	\$ 14.06	\$ 14.29
Class IV Estimator	\$ 14.92	\$ 14.78	\$ 14.59	\$ 14.27	\$ 14.04	\$ 14.16	\$ 14.13	\$ 14.31

## MONTHLY MILK AND MILK COMPONENT PRICES

For Month:	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	May-18	Jun-18	Jul-18
FMMO Prices, 3.5% Fat, 2.99% True Protein								
FMMO Class I Base Price	\$ 16.88	\$ 15.44	\$ 14.25	\$ 13.36	\$ 14.10	\$ 14.44	\$ 15.25	\$15.36
FMMO Class II Price	\$ 14.49	\$ 14.11	\$ 13.44	\$ 13.88	\$ 14.03	\$ 14.47	\$ 15.48	\$15.20
FMMO Class III	\$ 15.44	\$ 14.00	\$ 13.40	\$ 14.22	\$ 14.47	\$ 15.18	\$ 15.21	\$14.10
FMMO Class IV	\$ 13.51	\$ 13.13	\$ 12.87	\$ 13.04	\$ 13.48	\$ 14.57	\$ 14.91	\$14.14
FMMO Producer Component Prices Per Pound								
Milkfat	\$ 2.4951	\$ 2.4531	\$ 2.3490	\$ 2.4273	\$ 2.5113	\$ 2.6239	\$ 2.6692	\$ 2.5287
True Protein	\$ 2.0378	\$ 1.6612	\$ 1.6265	\$ 1.8066	\$ 1.7810	\$ 1.8609	\$ 1.7478	\$ 1.4827
Other Solids	\$ 0.1070	\$ 0.0787	\$ 0.0552	\$ 0.0556	\$ 0.0619	\$ 0.0742	\$ 0.1128	\$ 0.1422
California Overbase Fat	\$ 2.4170	\$ 2.3760	\$ 2.3040	\$ 2.3910	\$ 2.4770	\$ 2.5590	\$ 2.5780	
California Overbase SNF	\$ 0.6020	\$ 0.5660	\$ 0.5680	\$ 0.5750	\$ 0.5740	\$ 0.6060	\$ 0.6000	

## CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

Closing Prices	AUG18	SEP18	OCT18	NOV18	DEC18	JAN19	FEB19	MAR19
Cash Settled Butter (¢ / lb.):	232.000	235.600	236.250	236.750	234.850	231.300	230.750	230.975
Change from last week (¢ / lb.):	1.025	2.550	2.150	1.425	0.975	1.300	1.250	0.850
Cash Settled Cheese (\$ / lb.):	\$ 1.5670	\$ 1.6620	\$ 1.6940	\$ 1.6910	\$ 1.6740	\$ 1.6520	\$ 1.6360	\$ 1.6370
Change from last week:	\$ 0.010	\$ 0.033	\$ 0.011	\$ 0.006	\$ 0.002	\$ -	\$ (0.006)	\$ 0.004
Class III Milk Contract, 3.5% Fat	\$ 15.04	\$ 16.13	\$ 16.43	\$ 16.39	\$ 16.20	\$ 15.94	\$ 15.80	\$ 15.78
Change from last week:	\$ 0.16	\$ 0.45	\$ 0.25	\$ 0.16	\$ 0.18	\$ 0.15	\$ 0.20	\$ 0.22
Open Interest	4663	4397	3525	2847	2457	1067	639	672
Change from last week:	(188)	133	302	128	117	36	28	33

## DAIRY NEWS OF INTEREST

### Market Update

Prices improved across the board this week on the CME cash market. Block cheese increased 7 cents to \$1.6575/lb. during 7 trades. Barrel cheese was the most active with 22 trades occurring for a gain of 3.25 cents. Butter finished at \$2.34/lb., increasing 2 cents after 14 trades. Nonfat dry milk saw a slight gain of a quarter of a cent, and was traded 14 times.

In futures markets, Class III contracts for the next six months average \$16.02/cwt., while Class IV contracts average \$15.29.

### U.S. Dairy Export Update

USDA June dairy export statistics showed a 13.6% increase in total U.S. dairy products exported. Mexican demand has stayed strong with exports to Mexico increasing by 8.1 million pounds when compared to the previous year. Butter was the only product category to decrease (3.4%) from the previous June, but is still 48.8% higher in volume year-to-date.

### World Agricultural Supply and Demand Estimate

USDA reported that the 2018 milk production forecast is unchanged from last month's projection, and the 2019 projection was slightly raised due to higher cow numbers and milk per cow. The all milk prices for 2018 and 2019 were raised to \$16.10 to \$16.30/cwt. and \$16.45 to \$17.45/cwt., respectively.

### Global Dairy Trade Auction

This week's GDT event saw no change in the overall index. Butter decreased 3.2% to \$2.1782/lb. Skim milk powder declined by 0.3% to \$0.8945/lb. Cheddar was up 1.3% resulting in a price of \$1.6615/lb., and whole milk powder increased by a slight 0.1% to \$1.3417/lb.

### Dairy Revenue Protection Insurance

The American Farm Bureau Federation announced their RP insurance program this week. The insurance policy will allow producers to protect a milk price quarterly. Farmers will be able to choose whether to insure the milk price based on the Class III and IV prices, or on individual component prices for butterfat and protein.