

CASH DAIRY PRODUCT MARKETS

For Week Ending:	Weekly Average for Week Ending:							Friday's
	08/30/19	09/06/19	09/13/19	09/20/19	09/27/19	10/04/19	10/11/19	Close
CME Cheddar 40# Blocks	\$ 1.8975	\$ 1.9700	\$ 2.0990	\$ 2.1240	\$ 1.9675	\$ 1.9920	\$ 2.0610	\$ 2.1000
CME Cheddar Barrels	\$ 1.6925	\$ 1.7375	\$ 1.8480	\$ 1.7870	\$ 1.6220	\$ 1.7485	\$ 1.9230	\$ 2.0225
CME Grade "AA" Butter	\$ 2.1985	\$ 2.1931	\$ 2.2120	\$ 2.1370	\$ 2.1470	\$ 2.1595	\$ 2.0880	\$ 2.0950
USDA Western NFDM (Mostly)	\$ 1.0300	\$ 1.0450	\$ 1.0400	\$ 1.0600	\$ 1.0650	\$ 1.1100	\$ 1.1250	
USDA Western Whey (Mostly)	\$ 0.3625	\$ 0.3638	\$ 0.3638	\$ 0.3638	\$ 0.3638	\$ 0.3600	\$ 0.3500	
USDA Central Whey (Mostly)	\$ 0.3500	\$ 0.3500	\$ 0.3500	\$ 0.3600	\$ 0.3538	\$ 0.3450	\$ 0.3325	
NDPSR Survey For Week Ending:	08/17/19	08/24/19	08/31/19	09/07/19	09/14/19	09/21/19	09/28/19	10/07/19
Cheddar 40# Blocks:	\$ 1.8585	\$ 1.8795	\$ 1.9058	\$ 1.9167	\$ 1.9385	\$ 1.9984	\$ 2.0888	\$ 2.0953
Cheddar Barrels (38% Moisture):	\$ 1.7522	\$ 1.7643	\$ 1.7544	\$ 1.7332	\$ 1.7530	\$ 1.8246	\$ 1.8624	\$ 1.7827
Butter	\$ 2.3601	\$ 2.3608	\$ 2.3399	\$ 2.2765	\$ 2.2750	\$ 2.2643	\$ 2.1819	\$ 2.1912
Nonfat Dry Milk	\$ 1.0387	\$ 1.0413	\$ 1.0354	\$ 1.0518	\$ 1.0472	\$ 1.0514	\$ 1.0566	\$ 1.0674
Whey	\$ 0.3676	\$ 0.3675	\$ 0.3629	\$ 0.3673	\$ 0.3700	\$ 0.3681	\$ 0.3729	\$ 0.3551
Class III Estimator	\$ 17.39	\$ 17.55	\$ 17.59	\$ 17.54	\$ 17.75	\$ 18.37	\$ 18.98	\$ 18.53
Class IV Estimator	\$ 16.76	\$ 16.79	\$ 16.65	\$ 16.52	\$ 16.48	\$ 16.47	\$ 16.16	\$ 16.30

MONTHLY MILK AND MILK COMPONENT PRICES

For Month:	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
FMMO Prices, 3.5% Fat, 2.99% True Protein								
FMMO Class I Base Price	\$ 15.30	\$ 15.98	\$ 15.76	\$ 16.42	\$ 17.07	\$ 17.18	\$ 17.89	\$ 17.85
FMMO Class II Price	\$ 16.13	\$ 16.61	\$ 16.38	\$ 16.48	\$ 17.30	\$ 17.61	\$ 17.60	\$ 16.93
FMMO Class III	\$ 13.89	\$ 15.04	\$ 15.96	\$ 16.38	\$ 16.27	\$ 17.55	\$ 17.60	\$ 18.31
FMMO Class IV	\$ 15.86	\$ 15.71	\$ 15.72	\$ 16.29	\$ 16.83	\$ 16.90	\$ 16.74	\$ 16.35
FMMO Producer Component Prices Per Pound								
Milkfat	\$ 2.5345	\$ 2.5461	\$ 2.5375	\$ 2.5718	\$ 2.6579	\$ 2.6858	\$ 2.6574	\$ 2.4982
True Protein	\$ 1.1776	\$ 1.6303	\$ 1.9890	\$ 2.1159	\$ 2.0046	\$ 2.4032	\$ 2.4453	\$ 2.8633
Other Solids	\$ 0.2631	\$ 0.2200	\$ 0.1990	\$ 0.1847	\$ 0.1702	\$ 0.1689	\$ 0.1730	\$ 0.1785

CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

Closing Prices	OCT19	NOV19	DEC19	JAN20	FEB20	MAR20	APR20	MAY20
Cash Settled Butter (¢ / lb.):	214.975	212.750	210.000	211.100	213.550	217.550	219.600	222.000
Change from last week (¢ / lb.):	(3.725)	(3.800)	(5.000)	(4.675)	(5.200)	(3.450)	(2.675)	(3.200)
Cash Settled Cheese (\$ / lb.):	\$ 1.9660	\$ 1.9800	\$ 1.8920	\$ 1.8040	\$ 1.7650	\$ 1.7550	\$ 1.7620	\$ 1.7760
Change from last week:	\$ 0.050	\$ 0.088	\$ 0.073	\$ 0.043	\$ 0.030	\$ 0.016	\$ 0.010	\$ 0.014
Class III Milk Contract, 3.5% Fat	\$ 18.64	\$ 18.71	\$ 17.88	\$ 17.10	\$ 16.74	\$ 16.69	\$ 16.77	\$ 16.95
Change from last week:	\$ 0.33	\$ 0.67	\$ 0.51	\$ 0.27	\$ 0.18	\$ 0.09	\$ -	\$ 0.06
Open Interest	3954	4165	3143	1771	1410	1224	984	880
Change from last week:	(74)	337	322	244	67	38	85	57

DAIRY NEWS OF INTEREST

Market Update

CME cheese prices were bullish this week with increases in the double-digits. Barrel cheese jumped from \$1.79/lb. to \$2.0225/lb., a 23.25 cent jump on 23 trades. Block cheese gained 10.75 cents after 13 trades. Butter decreased 9 cents to \$2.095/lb. and traded 32 times. Nonfat dry milk has increased for ten straight weeks and now sits at \$1.165/lb., an increase of 2 cents on 11 trades.

World Agricultural Supply and Demand Estimate

USDA's October WASDE report increased the projected all milk price to \$18.40/cwt. for 2019 while the 2020 price remained at \$18.85/cwt. The milk production forecast for 2019 increased 200 million pounds to 218.2 billion pounds. The 2020 milk production forecast is also increased from September's forecast as greater productivity per cow and higher cow numbers are expected. The 2019 and 2020 fat basis export forecast was lowered from the previous month due to expected competitive pressure from other dairy markets. Strong global demand for skim-based exports increased the 2020 forecast.

U.S. Dairy Exports Decline

USDA reported that total August dairy exports dropped to 386.5 million pounds, a 61.1 million pound (13.7%) loss from the prior year. Dry whey and butter each decreased 33%. Nonfat dry milk and skim milk powder exports dipped by 18.3%. Whole milk powder exports increased by 7.4 million pounds (118.5%) from the previous year to total 13.7 million pounds. Cheese exports are still up 2.3% year-to-date when compared to 2018.

2020 Dairy Margin Coverage

The enrollment period for the 2020 DMC program opened on Monday of this week and will run through Friday, December 13, 2019.

Top Exporting Regions

According to the U.S. Dairy Export Council and USDA the top four dairy exporting regions, the EU, United States, New Zealand, and Australia, increased milk production by 191.5 million pounds (0.4%) in August when compared to 2018.