

CASH DAIRY PRODUCT MARKETS

For Week Ending:	Weekly Average for Week Ending:							Friday's
	07/31/20	08/07/20	08/14/20	08/21/20	08/28/20	09/04/20	09/11/20	Close
CME Cheddar 40# Blocks	\$ 2.3575	\$ 1.8685	\$ 1.6670	\$ 1.7265	\$ 1.8250	\$ 1.9375	\$ 2.1563	\$ 2.1650
CME Cheddar Barrels	\$ 2.3850	\$ 1.7275	\$ 1.4780	\$ 1.3660	\$ 1.4145	\$ 1.5575	\$ 1.6538	\$ 1.5950
CME Grade "AA" Butter	\$ 1.6415	\$ 1.5265	\$ 1.4820	\$ 1.5200	\$ 1.4900	\$ 1.4910	\$ 1.4906	\$ 1.4800
USDA Western NFDM (Mostly)	\$ 1.0050	\$ 0.9750	\$ 0.9650	\$ 0.9850	\$ 0.9900	\$ 1.0025	\$ 1.0025	
USDA Western Whey (Mostly)	\$ 0.3550	\$ 0.3450	\$ 0.3400	\$ 0.3400	\$ 0.3400	\$ 0.3312	\$ 0.3400	
USDA Central Whey (Mostly)	\$ 0.3150	\$ 0.3125	\$ 0.3000	\$ 0.2975	\$ 0.2950	\$ 0.3225	\$ 0.3025	
NPSR Survey For Week Ending:	07/18/20	07/25/20	08/01/20	08/08/20	08/15/20	08/22/20	08/29/20	09/05/20
Cheddar 40# Blocks:	\$ 2.7134	\$ 2.7723	\$ 2.7649	\$ 2.6540	\$ 2.2939	\$ 2.0393	\$ 1.8412	\$ 1.8058
Cheddar Barrels (38% Moisture):	\$ 2.4307	\$ 2.4592	\$ 2.4812	\$ 2.4589	\$ 2.1091	\$ 1.8291	\$ 1.6026	\$ 1.4790
Butter	\$ 1.7675	\$ 1.7572	\$ 1.7542	\$ 1.5523	\$ 1.5606	\$ 1.4871	\$ 1.4984	\$ 1.4715
Nonfat Dry Milk	\$ 0.9647	\$ 0.9761	\$ 0.9752	\$ 0.9774	\$ 0.9613	\$ 0.9701	\$ 0.9482	\$ 0.9723
Whey	\$ 0.3427	\$ 0.3474	\$ 0.3496	\$ 0.3484	\$ 0.3371	\$ 0.3300	\$ 0.3212	\$ 0.3103
Class III Estimator	\$ 24.38	\$ 24.83	\$ 24.91	\$ 24.17	\$ 20.69	\$ 18.04	\$ 15.95	\$ 15.10
Class IV Estimator	\$ 13.62	\$ 13.67	\$ 13.65	\$ 12.81	\$ 12.71	\$ 12.47	\$ 12.33	\$ 12.43

MONTHLY MILK AND MILK COMPONENT PRICES

For Month:	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20
FMMO Prices, 3.5% Fat, 2.99% True Protein								
FMMO Class I Base Price	\$ 19.01	\$ 17.55	\$ 17.46	\$ 16.64	\$ 12.95	\$ 11.42	\$ 16.56	\$ 19.78
FMMO Class II Price	\$ 17.05	\$ 16.84	\$ 16.75	\$ 13.87	\$ 12.30	\$ 12.99	\$ 13.79	\$ 13.27
FMMO Class III	\$ 17.05	\$ 17.00	\$ 16.25	\$ 13.07	\$ 12.14	\$ 21.04	\$ 24.54	\$ 19.77
FMMO Class IV	\$ 16.65	\$ 16.20	\$ 14.87	\$ 11.40	\$ 10.67	\$ 12.90	\$ 13.76	\$ 12.53
FMMO Producer Component Prices Per Pound								
Milkfat	\$ 2.1117	\$ 1.9813	\$ 1.9177	\$ 1.3218	\$ 1.3756	\$ 1.8591	\$ 1.9583	\$ 1.6275
True Protein	\$ 2.9606	\$ 3.0309	\$ 2.8424	\$ 2.4822	\$ 2.0918	\$ 4.5349	\$ 5.6294	\$ 4.4394
Other Solids	\$ 0.1417	\$ 0.1750	\$ 0.1810	\$ 0.1793	\$ 0.1882	\$ 0.1696	\$ 0.1492	\$ 0.1387

CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

Closing Prices	SEP20	OCT20	NOV20	DEC20	JAN21	FEB21	MAR21	APR21
Cash Settled Butter (¢ / lb.):	148.200	157.975	162.800	165.650	167.750	172.475	177.000	181.025
Change from last week (¢ / lb.):	(3.575)	(6.025)	(5.450)	(6.350)	(2.250)	(2.525)	(2.500)	(3.475)
Cash Settled Cheese (\$ / lb.):	\$ 1.7820	\$ 2.0630	\$ 1.8980	\$ 1.7980	\$ 1.7350	\$ 1.7230	\$ 1.7280	\$ 1.7340
Change from last week:	\$ (0.054)	\$ 0.034	\$ 0.013	\$ 0.008	\$ 0.011	\$ (0.001)	\$ (0.008)	\$ (0.007)
Class III Milk Contract, 3.5% Fat	\$ 16.48	\$ 19.21	\$ 17.69	\$ 16.73	\$ 16.26	\$ 16.10	\$ 16.21	\$ 16.29
Change from last week:	\$ (0.58)	\$ 0.32	\$ 0.14	\$ 0.08	\$ 0.16	\$ (0.03)	\$ (0.04)	\$ (0.02)
Open Interest	4184	4508	3308	2568	1036	881	929	537
Change from last week:	110	221	190	31	33	17	14	5

DAIRY NEWS OF INTEREST

Market Update

The butter market was once again active this week on the CME cash market with 42 trades for a loss of 1.25 cents. Block cheese increased 4 cents to \$2.165/lb. and traded 13 times. Barrel cheese dropped 10.5 cents from last week's gain to \$1.595/lb. (19 trades). Nonfat dry milk traded 28 times to end at \$1.04/lb., a gain of 1 cent.

In futures markets, Class III contracts for the next six months average \$17.08/cwt., while Class IV contracts average \$13.94/cwt.

Australian Dairy Export

According to the Dairy Australia Export Report, for the 2020-2021 milking season, which started in July, Australia exported 139.4 million pounds of dairy products, up 1.4 million pounds from July 2019. Fluid milk, the largest export category with 51.2 million pounds being exported, is up 8.3% from the prior year. Butter and butter oil products exports increased 1.2 million pounds (45.6%) from 2019.

World Agricultural Supply and Demand Estimate

USDA's September WASDE report lowered the projected all milk price for 2020 to \$17.75/cwt., a 20 cent decrease. The milk production forecast for 2020 was raised 200 million pounds to total 222 billion pounds. Stronger anticipated growth in milk per cow has raised the 2021 milk production forecast to 225.4 billion pounds. The 2021 all milk price was lowered 5 cents from August to \$17.00/cwt. The fat basis and skim basis export forecast was raised due to strong demand for cheese, butter, nonfat dry milk and whey products.

The season average corn and soybean price forecast for 2020/2021 were raised 40 and 90 cents to \$3.50/bu. and \$9.25/bu., respectively.

USDA CFAP Announcement

USDA Secretary Sonny Perdue said he will be releasing the rules for another round of CFAP payments. The payments will be issued to help farmers for losses incurred after April 15 through the end of the year due to the COVID-19 pandemic. \$9.7 billion has been paid out as of Sept. 8 out of \$14 billion available from the CARES ACT.