

## CASH DAIRY PRODUCT MARKETS

| For Week Ending:                | Weekly Average for Week Ending: |           |           |           |           |           |           | Friday's  |
|---------------------------------|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                 | 08/04/23                        | 08/11/23  | 08/18/23  | 08/25/23  | 09/01/23  | 09/08/23  | 09/15/23  | Close     |
| CME Cheddar 40# Blocks          | \$ 1.9610                       | \$ 1.9705 | \$ 2.0150 | \$ 1.9470 | \$ 1.9745 | \$ 1.9500 | \$ 1.9010 | \$ 1.8800 |
| CME Cheddar Barrels             | \$ 1.8420                       | \$ 1.8055 | \$ 1.8135 | \$ 1.8045 | \$ 1.8500 | \$ 1.8575 | \$ 1.8165 | \$ 1.8100 |
| CME Grade "AA" Butter           | \$ 2.6430                       | \$ 2.6690 | \$ 2.7205 | \$ 2.7020 | \$ 2.6430 | \$ 2.7100 | \$ 2.7270 | \$ 2.7175 |
| USDA Western NFD (Mostly)       | \$ 1.1000                       | \$ 1.1150 | \$ 1.1150 | \$ 1.0950 | \$ 1.0750 | \$ 1.0850 | \$ 1.0850 |           |
| USDA Western Whey (Mostly)      | \$ 0.2850                       | \$ 0.2950 | \$ 0.3100 | \$ 0.3200 | \$ 0.3400 | \$ 0.3300 | \$ 0.3250 |           |
| USDA Central Whey (Mostly)      | \$ 0.2500                       | \$ 0.2500 | \$ 0.2525 | \$ 0.2950 | \$ 0.2700 | \$ 0.2800 | \$ 0.2900 |           |
| NDPSR Survey For Week Ending:   | 07/21/23                        | 07/28/23  | 08/04/23  | 08/11/23  | 08/18/23  | 08/25/23  | 09/01/23  | 09/08/23  |
| Cheddar 40# Blocks:             | \$ 1.4491                       | \$ 1.5391 | \$ 1.7041 | \$ 1.8417 | \$ 1.9374 | \$ 1.9937 | \$ 2.0094 | \$ 2.0108 |
| Cheddar Barrels (38% Moisture): | \$ 1.4286                       | \$ 1.4844 | \$ 1.6544 | \$ 1.7871 | \$ 1.8214 | \$ 1.8503 | \$ 1.8534 | \$ 1.8815 |
| Butter                          | \$ 2.5232                       | \$ 2.5420 | \$ 2.6351 | \$ 2.6339 | \$ 2.6862 | \$ 2.6941 | \$ 2.6765 | \$ 2.6675 |
| Nonfat Dry Milk                 | \$ 1.1485                       | \$ 1.1264 | \$ 1.1381 | \$ 1.1356 | \$ 1.1394 | \$ 1.1367 | \$ 1.1068 | \$ 1.1354 |
| Whey                            | \$ 0.2544                       | \$ 0.2561 | \$ 0.2489 | \$ 0.2635 | \$ 0.2697 | \$ 0.2663 | \$ 0.2761 | \$ 0.2844 |
| Class III Estimator             | \$ 13.26                        | \$ 13.98  | \$ 15.59  | \$ 16.98  | \$ 17.67  | \$ 18.06  | \$ 18.20  | \$ 18.39  |
| Class IV Estimator              | \$ 18.40                        | \$ 18.29  | \$ 18.78  | \$ 18.76  | \$ 19.01  | \$ 19.02  | \$ 18.69  | \$ 18.90  |

## MONTHLY MILK AND MILK COMPONENT PRICES

| For Month:                                       | Jan-23    | Feb-23    | Mar-23    | Apr-23    | May-23    | Jun-23    | Jul-23    | Aug-23    |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>FMMO Prices, 3.5% Fat, 2.99% True Protein</b> |           |           |           |           |           |           |           |           |
| FMMO Class I Base Price                          | \$ 22.41  | \$ 20.78  | \$ 18.99  | \$ 18.85  | \$ 19.57  | \$ 18.01  | \$ 17.32  | \$ 16.62  |
| FMMO Class II Price                              | \$ 21.61  | \$ 20.83  | \$ 19.52  | \$ 19.20  | \$ 19.11  | \$ 18.83  | \$ 19.12  | \$ 19.91  |
| FMMO Class III                                   | \$ 19.43  | \$ 17.78  | \$ 18.10  | \$ 18.52  | \$ 16.11  | \$ 14.91  | \$ 13.77  | \$ 17.19  |
| FMMO Class IV                                    | \$ 20.01  | \$ 18.86  | \$ 18.38  | \$ 17.95  | \$ 18.10  | \$ 18.26  | \$ 18.26  | \$ 18.91  |
| <b>FMMO Producer Component Prices Per Pound</b>  |           |           |           |           |           |           |           |           |
| Milkfat  | \$ 2.7713 | \$ 2.3650 | \$ 2.7300 | \$ 2.7009 | \$ 2.7572 | \$ 2.7605 | \$ 2.7986 | \$ 3.0218 |
| True Protein                                     | \$ 2.8058 | \$ 2.7178 | \$ 2.4085 | \$ 2.5603 | \$ 1.8002 | \$ 1.5144 | \$ 1.1991 | \$ 2.0851 |
| Other Solids                                     | \$ 0.2343 | \$ 0.2101 | \$ 0.2338 | \$ 0.2479 | \$ 0.1877 | \$ 0.1266 | \$ 0.0689 | \$ 0.0648 |

## CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

| Closing Prices                    | SEP23      | OCT23      | NOV23      | DEC23      | JAN24      | FEB24      | MAR24      | APR24      |
|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Cash Settled Butter (¢ / lb.):    | 267.650    | 272.400    | 271.300    | 266.000    | 258.000    | 256.125    | 257.000    | 256.000    |
| Change from last week (¢ / lb.):  | 0.650      | 0.725      | 1.450      | 0.550      | 2.000      | (0.375)    | -          | 2.850      |
| Cash Settled Cheese (\$ / lb.):   | \$ 1.9100  | \$ 1.9110  | \$ 1.9180  | \$ 1.8900  | \$ 1.8900  | \$ 1.8900  | \$ 1.8860  | \$ 1.8960  |
| Change from last week:            | \$ (0.072) | \$ (0.046) | \$ (0.008) | \$ (0.010) | \$ (0.010) | \$ (0.012) | \$ (0.018) | \$ (0.014) |
| Class III Milk Contract, 3.5% Fat | \$ 18.40   | \$ 18.10   | \$ 18.33   | \$ 18.35   | \$ 18.25   | \$ 18.25   | \$ 18.32   | \$ 18.38   |
| Change from last week:            | \$ (0.08)  | \$ (0.91)  | \$ (0.54)  | \$ (0.28)  | \$ (0.23)  | \$ (0.25)  | \$ (0.23)  | \$ (0.12)  |
| Open Interest                     | 4344       | 4008       | 2194       | 1692       | 855        | 836        | 650        | 489        |
| Change from last week:            | 206        | -361       | 34         | -25        | 20         | 44         | 10         | 91         |

## DAIRY NEWS OF INTEREST

### Market Update

The CME cash butter market was active this week with 33 carloads traded. The price gained 3.75 cents/lb. to \$2.7175. Nonfat dry milk increased 1.25 cents to \$1.1125/lb. on 12 sales. Both block and barrel cheese prices slipped. Blocks lost 4.5 cents to \$1.88 with 15 trades, and barrels fell 1.75 cents to \$1.81 on just six sales.

In futures markets Class III contracts average \$18.28 from September through February 2024, and Class IV contracts average \$19.00 for the same six months.

### July Domestic Dairy Consumption

USDA's Economic Research Service reported domestic dairy consumption for July. All categories posted gains except for other-than-American cheese which slipped 0.5%. American cheese posted a strong 7.7% increase over last July, bringing the total cheese category to a 2.8% increase. Butter consumption jumped 7.5%, bringing the year to date total up 8.2%. The combination of nonfat dry milk and skim milk powder rose 10.9%, and dry whey rocketed up 47.6%.

### World Agricultural Supply and Demand Estimates

USDA's monthly WASDE report lowered 2023 milk production by 400 million pounds to 227.5 billion pounds from August's report. USDA expects heavy culling to continue in late 2023 and early 2024 due to tight profit margins and strong beef prices. As a result, the 2023 all milk price was increased by \$0.45/cwt. from \$19.95 to \$20.40.

The 2024 milk production was lowered 100 million pounds to 230.4 billion pounds. Fat basis exports were lowered 300 million pounds, and skim basis exports were lowered 300 million pounds from last month. The all milk price was increased by \$0.95/cwt. to \$20.30.

In grain markets USDA increased corn acreage by 800,000 acres but lowered the expected yield by 1.3 bushels per acre resulting in an increase of 23 million bushels harvested. The average farm price was unchanged at \$4.90/bushel. Planted soybean acres were increased by 100,000 acres but the yield was lowered by 0.8 bushels per acre. As a result total production was lowered by 59 million bushels, and the average farm price was raised by 20 cents per bushel to \$12.90.