

CASH DAIRY PRODUCT MARKETS

For Week Ending:	Weekly Average for Week Ending:							Friday's
	12/23/11	12/30/11	01/06/12	01/13/12	01/20/12	01/27/12	02/03/12	Close
CME Cheddar 40# Blocks	\$ 1.5625	\$ 1.5625	\$ 1.5906	\$ 1.5960	\$ 1.5500	\$ 1.5060	\$ 1.4965	\$ 1.4850
CME Cheddar Barrels	\$ 1.5500	\$ 1.5700	\$ 1.5831	\$ 1.5755	\$ 1.5200	\$ 1.4870	\$ 1.4925	\$ 1.4950
CME Grade "AA" Butter	\$ 1.5965	\$ 1.5950	\$ 1.6025	\$ 1.6265	\$ 1.5800	\$ 1.5580	\$ 1.4980	\$ 1.4925
USDA Western NFD (Mostly)	\$ 1.4000	\$ 1.4000	\$ 1.3850	\$ 1.3900	\$ 1.3950	\$ 1.3800	\$ 1.3550	--
USDA Western Whey (Mostly)	\$ 0.6688	\$ 0.6775	\$ 0.6838	\$ 0.7063	\$ 0.7163	\$ 0.7175	\$ 0.6900	--
USDA Central Whey (Mostly)	\$ 0.6475	\$ 0.6550	\$ 0.6925	\$ 0.7075	\$ 0.7100	\$ 0.7100	\$ 0.7050	--
NASS Survey For Week Ending:	12/09/11	12/16/11	12/23/11	12/30/11	01/06/12	01/13/12	01/20/12	01/27/12
Cheddar 40# Blocks:	\$ 1.8596	\$ 1.7739	\$ 1.6977	\$ 1.6315	\$ 1.5754	\$ 1.5784	\$ 1.5899	\$ 1.5832
Cheddar Barrels (38% Moisture):	\$ 1.8323	\$ 1.7099	\$ 1.6347	\$ 1.6094	\$ 1.6014	\$ 1.6093	\$ 1.6053	\$ 1.5788
Butter	\$ 1.6245	\$ 1.5922	\$ 1.5658	\$ 1.5873	\$ 1.6015	\$ 1.5828	\$ 1.5923	\$ 1.5897
Nonfat Dry Milk	\$ 1.4421	\$ 1.4418	\$ 1.3766	\$ 1.4006	\$ 1.4164	\$ 1.4149	\$ 1.3654	\$ 1.3936
Whey	\$ 0.6537	\$ 0.6562	\$ 0.6602	\$ 0.6707	\$ 0.6791	\$ 0.7021	\$ 0.7113	\$ 0.6753
Class III Estimator	\$ 19.14	\$ 18.14	\$ 17.43	\$ 17.05	\$ 16.80	\$ 16.98	\$ 17.07	\$ 16.70
Class IV Estimator	\$ 17.12	\$ 16.98	\$ 16.30	\$ 16.60	\$ 16.80	\$ 16.70	\$ 16.32	\$ 16.55

MONTHLY MILK AND MILK COMPONENT PRICES

For Month:	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12
FMMO Prices, 3.5% Fat, 2.99% True Protein								
FMMO Class I Base Price	\$ 20.32	\$ 21.03	\$ 21.43	\$ 21.78	\$ 19.56	\$ 18.45	\$ 18.47	\$ 18.80
FMMO Class II Price	\$ 21.37	\$ 21.29	\$ 21.55	\$ 20.55	\$ 19.41	\$ 19.26	\$ 18.08	\$ 17.67
FMMO Class III	\$ 19.11	\$ 21.39	\$ 21.67	\$ 19.07	\$ 18.03	\$ 19.07	\$ 18.77	\$ 17.05
FMMO Class IV	\$ 21.05	\$ 20.33	\$ 20.14	\$ 19.53	\$ 18.41	\$ 17.87	\$ 16.87	\$ 16.56
FMMO Producer Component Prices Per Pound								
Milkfat	\$ 2.3702	\$ 2.2511	\$ 2.2985	\$ 2.2005	\$ 1.9592	\$ 1.9508	\$ 1.7443	\$ 1.7178
True Protein	\$ 2.9807	\$ 3.8292	\$ 3.8305	\$ 3.0282	\$ 2.9211	\$ 3.2341	\$ 3.3404	\$ 2.7326
Other Solids	\$ 0.3339	\$ 0.3608	\$ 0.3811	\$ 0.4053	\$ 0.4286	\$ 0.4521	\$ 0.4683	\$ 0.5032
California Overbase Fat	\$ 2.3170	\$ 2.2240	\$ 2.2830	\$ 2.1200	\$ 1.9710	\$ 1.9180	\$ 1.7340	
California Overbase SNF	\$ 1.3080	\$ 1.3510	\$ 1.3260	\$ 1.2360	\$ 1.1850	\$ 1.2520	\$ 1.1530	

CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

Closing Prices	FEB12	MAR12	APR12	MAY12	JUN12	JUL12	AUG12	SEP12
Cash Settled Butter (¢ / lb.):	149.050	152.500	156.000	158.250	159.000	162.000	165.000	167.000
Change from last Friday (¢ / lb.):	(3.700)	(4.500)	(3.250)	(1.500)	(1.025)	-	1.000	0.500
Cash Settled Cheese (\$ / lb.):	\$ 1.5500	\$ 1.5600	\$ 1.6150	\$ 1.6640	\$ 1.7050	\$ 1.7420	\$ 1.7570	\$ 1.7570
Change from last Friday:	\$ (0.012)	\$ (0.040)	\$ (0.035)	\$ (0.021)	\$ 0.005	\$ 0.009	\$ 0.007	\$ 0.008
Class III Milk Contract, 3.5% Fat	\$ 16.15	\$ 15.89	\$ 15.94	\$ 16.42	\$ 16.67	\$ 16.95	\$ 16.97	\$ 17.08
Change from last Friday:	\$ (0.49)	\$ (0.83)	\$ (0.85)	\$ (0.44)	\$ (0.33)	\$ (0.19)	\$ (0.28)	\$ (0.16)
Open Interest	5478	5857	3533	3028	2579	1947	1936	1876
Change from last Friday:	145	443	287	93	101	131	81	124

DAIRY NEWS OF INTEREST

Market Update

Block cheese and butter dropped again on the CME cash markets this week, while barrels rallied today. The block cheddar price lost 2.5 cents this week on sixteen completed trades, ten of the trades today. Barrels dropped as low as \$1.4875 before gaining 0.75 cents today to finish unchanged compared to last Friday. Nine trades were completed. Cash butter dropped 5.75 cents this week, most of it on Monday; three trades were completed. Nonfat dry milk prices plummeted early in the week after months of unchanged prices; Grade A finished at \$1.3575 per pound and Extra Grade closed at \$1.2975.

Ag Prices Report

The January all milk price was \$19.20, down 60 cents from December but still \$2.50 above January 2011. Average feed costs equaled \$10.85 per cwt of milk, leaving the calculated income over feed cost at \$8.35, \$0.51 lower than December and \$0.63 below the ten-year average.

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January Prices Announced

The federal order Class III price for January was announced this morning at \$17.05 per hundredweight, down \$1.72 from December but still \$3.57 higher than January 2011. The Class IV price edged down 31 cents to \$16.56 per hundredweight, 14 cents higher than a year ago.

California's Class 4b cheese milk price for January was \$14.23 per hundredweight, \$0.91 lower than December and \$1.74 higher than January last year. The 4a butter-powder milk price dropped 41 cents to \$16.18 per hundredweight, \$0.31 below January 2011.

Dairy Products Report

Cheese production in December was a record-high 929 million pounds, a 4.2% increase from November and 2.4% above December 2010. Italian-style cheese accounted for 409 million pounds of production and American-style cheese output totaled 371 million pounds, 6.4% and 5.6%, respectively, above the previous December. For the year 2011, total cheese production was up 1.7% compared to 2010. Butter production was also up significantly in December, increasing almost 9% to 166 million pounds, 5.2% higher than December 2010.