

CASH DAIRY PRODUCT MARKETS

For Week Ending:	Weekly Average for Week Ending:							Friday's
	08/11/17	08/18/17	08/25/17	09/01/17	09/08/17	09/15/17	09/22/17	Close
CME Cheddar 40# Blocks	\$ 1.6935	\$ 1.7410	\$ 1.7020	\$ 1.5325	\$ 1.6300	\$ 1.6240	\$ 1.5985	\$ 1.6125
CME Cheddar Barrels	\$ 1.5550	\$ 1.6805	\$ 1.6620	\$ 1.4995	\$ 1.5569	\$ 1.5120	\$ 1.5140	\$ 1.6000
CME Grade "AA" Butter	\$ 2.6680	\$ 2.6680	\$ 2.6125	\$ 2.5660	\$ 2.4575	\$ 2.4240	\$ 2.4645	\$ 2.4475
USDA Western NFDM (Mostly)	\$ 0.8950	\$ 0.8950	\$ 0.8900	\$ 0.8800	\$ 0.8800	\$ 0.8750	\$ 0.8600	
USDA Western Whey (Mostly)	\$ 0.4100	\$ 0.4100	\$ 0.3950	\$ 0.3900	\$ 0.3825	\$ 0.3800	\$ 0.3750	
USDA Central Whey (Mostly)	\$ 0.4050	\$ 0.3950	\$ 0.3875	\$ 0.3850	\$ 0.3800	\$ 0.3800	\$ 0.3700	
NDPSR Survey For Week Ending:	07/29/17	08/05/17	08/12/17	08/19/17	08/26/17	09/02/17	09/09/17	09/16/17
Cheddar 40# Blocks:	\$ 1.6226	\$ 1.6822	\$ 1.7375	\$ 1.7428	\$ 1.7547	\$ 1.7325	\$ 1.6756	\$ 1.6736
Cheddar Barrels (38% Moisture):	\$ 1.4863	\$ 1.5113	\$ 1.5526	\$ 1.5738	\$ 1.6362	\$ 1.6755	\$ 1.6420	\$ 1.6161
Butter	\$ 2.6475	\$ 2.6459	\$ 2.6685	\$ 2.6714	\$ 2.6280	\$ 2.6501	\$ 2.5868	\$ 2.5046
Nonfat Dry Milk	\$ 0.8854	\$ 0.8622	\$ 0.8823	\$ 0.8770	\$ 0.8824	\$ 0.8718	\$ 0.8733	\$ 0.8476
Whey	\$ 0.4485	\$ 0.4317	\$ 0.4322	\$ 0.4264	\$ 0.4357	\$ 0.4285	\$ 0.4248	\$ 0.4178
Class III Estimator	\$ 15.56	\$ 15.87	\$ 16.35	\$ 16.45	\$ 16.84	\$ 16.89	\$ 16.41	\$ 16.20
Class IV Estimator	\$ 16.66	\$ 16.46	\$ 16.73	\$ 16.69	\$ 16.56	\$ 16.56	\$ 16.30	\$ 15.73

MONTHLY MILK AND MILK COMPONENT PRICES

For Month:	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
FMMO Prices, 3.5% Fat, 2.99% True Protein								
FMMO Class I Base Price	\$ 17.45	\$ 16.93	\$ 16.90	\$ 16.05	\$ 15.20	\$ 15.31	\$ 16.59	\$ 16.72
FMMO Class II Price	\$ 16.36	\$ 16.52	\$ 16.21	\$ 14.81	\$ 14.84	\$ 16.15	\$ 17.48	\$ 17.56
FMMO Class III	\$ 16.77	\$ 16.88	\$ 15.81	\$ 15.22	\$ 15.57	\$ 16.44	\$ 15.45	\$ 16.57
FMMO Class IV	\$ 16.19	\$ 15.59	\$ 14.32	\$ 14.01	\$ 14.49	\$ 15.89	\$ 16.60	\$ 16.61
FMMO Producer Component Prices Per Pound								
Milkfat	\$ 2.5253	\$ 2.4274	\$ 2.4176	\$ 2.3548	\$ 2.4134	\$ 2.7066	\$ 2.9456	\$ 3.0109
True Protein	\$ 2.1768	\$ 2.2348	\$ 1.8198	\$ 1.6955	\$ 1.7723	\$ 1.7545	\$ 1.2248	\$ 1.5536
Other Solids	\$ 0.2503	\$ 0.2990	\$ 0.3345	\$ 0.3350	\$ 0.3196	\$ 0.3014	\$ 0.2599	\$ 0.2425
California Overbase Fat	\$ 2.4000	\$ 2.3600	\$ 2.3500	\$ 2.2900	\$ 2.4200	\$ 2.6920	\$ 2.7920	
California Overbase SNF	\$ 0.8300	\$ 0.8310	\$ 0.6800	\$ 0.6900	\$ 0.7200	\$ 0.6850	\$ 0.6490	

CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

Closing Prices	SEP17	OCT17	NOV17	DEC17	JAN18	FEB18	MAR18	APR18
Cash Settled Butter (¢ / lb.):	253.400	247.850	247.250	247.100	244.275	244.025	243.700	241.125
Change from last week (¢ / lb.):	0.900	0.875	(2.775)	(2.900)	1.350	2.025	2.050	0.675
Cash Settled Cheese (\$ / lb.):	\$ 1.6620	\$ 1.6570	\$ 1.6830	\$ 1.6760	\$ 1.6560	\$ 1.6590	\$ 1.6540	\$ 1.6490
Change from last week:	\$ 0.010	\$ 0.032	\$ 0.046	\$ 0.037	\$ 0.028	\$ 0.023	\$ 0.011	\$ 0.006
Class III Milk Contract, 3.5% Fat	\$ 16.37	\$ 16.17	\$ 16.25	\$ 16.09	\$ 15.81	\$ 15.84	\$ 15.78	\$ 15.75
Change from last week:	\$ 0.14	\$ 0.40	\$ 0.60	\$ 0.48	\$ 0.36	\$ 0.31	\$ 0.19	\$ 0.15
Open Interest	4971	4750	4001	3584	1639	1421	1326	1055
Change from last week:	(209)	185	232	217	175	94	70	84

DAIRY NEWS OF INTEREST

Market Update

Extremely active trading in the barrel cheese market made up for an otherwise quiet week on the CME. Barrel prices jumped 15 cents/lb. this week, closing today at \$1.60/lb. on huge volume of 59 trades. 27 loads of block cheese changed hands, but the price only moved 0.25 cents to \$1.6125. Butter and NFDM prices closed today unchanged from last Friday at \$2.4475 and \$0.8225, respectively.

In futures markets, Class III prices average \$16.22 for the rest of the year, while Class IV prices average \$15.69.

Class I Mover

USDA announced the October Class I base price to be \$16.44/cwt., down \$0.27 from September and \$0.16 less than October 2016.

August Livestock Slaughter Report

USDA's Livestock Slaughter report showed 265,000 dairy cows being culled, an increase of 40,000 head over July and 21,000 more than last August. Year-to-date culling is 79,500 head higher than 2016.

Global Dairy Trade Auction

This week's GDT event resulted in a 0.9% increase in the overall index. Cheddar cheese lost 1.9% to \$1.8289/lb., and skim milk powder decreased 1.2% to \$0.8709/lb. Whole milk powder gained 0.6% resulting in a price of \$1.4161/lb. Butter increased 1.2% to \$2.7334/lb.

August Milk Production

Production in the 23 major states increased 2.1% over last August. Production per cow was pegged at 1,948 lbs., the highest level for the month of August since the 23-state series began in 2003. Dairies reported 8.73 million cows, 66,000 more than last year, but unchanged from July. Production fell in the west with California (-0.7%), Idaho (-0.2%), Oregon (-1.4%) and Washington (-0.2%) all posting declines. Utah (10.2%), Texas (9.2%) and Colorado (5.9%) showed the greatest percentage gains.

European Union Milk Production Update

The European Commission released provisional estimates showing the EU produced 29.3 billion pounds of milk in July, an increase of 459.3 million pounds (1.6%) from the prior year. However, year-to-date EU milk production is down 538 million pounds.