

## CASH DAIRY PRODUCT MARKETS

For Week Ending:	Weekly Average for Week Ending:							Friday's Close
	08/31/18	09/07/18	09/14/18	09/21/18	09/28/18	10/05/18	10/12/18	
CME Cheddar 40# Blocks	\$ 1.6720	\$ 1.6794	\$ 1.6300	\$ 1.6170	\$ 1.6560	\$ 1.6905	\$ 1.6510	\$ 1.6100
CME Cheddar Barrels	\$ 1.6190	\$ 1.5844	\$ 1.4700	\$ 1.3935	\$ 1.3800	\$ 1.3885	\$ 1.3660	\$ 1.3600
CME Grade "AA" Butter	\$ 2.2710	\$ 2.2031	\$ 2.2300	\$ 2.2760	\$ 2.2985	\$ 2.3090	\$ 2.2510	\$ 2.2500
USDA Western NFD (Mostly)	\$ 0.8700	\$ 0.8750	\$ 0.8750	\$ 0.8750	\$ 0.8750	\$ 0.8750	\$ 0.8750	
USDA Western Whey (Mostly)	\$ 0.4138	\$ 0.4350	\$ 0.4350	\$ 0.4350	\$ 0.4525	\$ 0.4575	\$ 0.4575	
USDA Central Whey (Mostly)	\$ 0.4100	\$ 0.4250	\$ 0.4250	\$ 0.4313	\$ 0.4350	\$ 0.4350	\$ 0.4375	
NDPSR Survey For Week Ending:	08/18/18	08/25/18	09/01/18	09/08/18	09/15/18	09/22/18	09/29/18	10/06/18
Cheddar 40# Blocks:	\$ 1.5878	\$ 1.6285	\$ 1.6562	\$ 1.6758	\$ 1.6857	\$ 1.6901	\$ 1.6786	\$ 1.6656
Cheddar Barrels (38% Moisture):	\$ 1.5041	\$ 1.5916	\$ 1.6098	\$ 1.6421	\$ 1.6370	\$ 1.5948	\$ 1.5259	\$ 1.4604
Butter	\$ 2.3393	\$ 2.3597	\$ 2.3020	\$ 2.3020	\$ 2.2450	\$ 2.2494	\$ 2.2874	\$ 2.2759
Nonfat Dry Milk	\$ 0.8158	\$ 0.8210	\$ 0.8380	\$ 0.8440	\$ 0.8623	\$ 0.8599	\$ 0.8698	\$ 0.8685
Whey	\$ 0.3798	\$ 0.3763	\$ 0.3796	\$ 0.3928	\$ 0.4038	\$ 0.4081	\$ 0.4088	\$ 0.4410
Class III Estimator	\$ 14.95	\$ 15.56	\$ 15.77	\$ 16.10	\$ 16.16	\$ 16.01	\$ 15.64	\$ 15.45
Class IV Estimator	\$ 14.76	\$ 14.89	\$ 14.79	\$ 14.84	\$ 14.76	\$ 14.76	\$ 15.00	\$ 14.94

## MONTHLY MILK AND MILK COMPONENT PRICES

For Month:	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
<b>FMMO Prices, 3.5% Fat, 2.99% True Protein</b>								
FMMO Class I Base Price	\$ 14.25	\$ 13.36	\$ 14.10	\$ 14.44	\$ 15.25	\$ 15.36	\$ 14.15	\$14.85
FMMO Class II Price	\$ 13.44	\$ 13.88	\$ 14.03	\$ 14.47	\$ 15.48	\$ 15.20	\$ 15.07	\$15.13
FMMO Class III	\$ 13.40	\$ 14.22	\$ 14.47	\$ 15.18	\$ 15.21	\$ 14.10	\$ 14.95	\$16.09
FMMO Class IV	\$ 12.87	\$ 13.04	\$ 13.48	\$ 14.57	\$ 14.91	\$ 14.14	\$ 14.63	\$14.81
<b>FMMO Producer Component Prices Per Pound</b>								
Milkfat	\$ 2.3490	\$ 2.4273	\$ 2.5113	\$ 2.6239	\$ 2.6692	\$ 2.5287	\$ 2.6009	\$ 2.5442
True Protein	\$ 1.6265	\$ 1.8066	\$ 1.7810	\$ 1.8609	\$ 1.7478	\$ 1.4827	\$ 1.6245	\$ 2.0029
Other Solids	\$ 0.0552	\$ 0.0556	\$ 0.0619	\$ 0.0742	\$ 0.1128	\$ 0.1422	\$ 0.1741	\$ 0.2098
California Overbase Fat	\$ 2.3040	\$ 2.3910	\$ 2.4770	\$ 2.5590	\$ 2.5780	\$ 2.4630	\$ 2.5150	
California Overbase SNF	\$ 0.5680	\$ 0.5750	\$ 0.5740	\$ 0.6060	\$ 0.6000	\$ 0.6030	\$ 0.6470	

## CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

Closing Prices	OCT18	NOV18	DEC18	JAN19	FEB19	MAR19	APR19	MAY19
Cash Settled Butter (¢ / lb.):	227.200	228.750	225.275	220.700	221.775	223.525	225.525	227.525
Change from last week (¢ / lb.):	(4.300)	(3.250)	(1.825)	(3.800)	(2.725)	(1.475)	(0.975)	(1.250)
Cash Settled Cheese (\$ / lb.):	\$ 1.5800	\$ 1.5820	\$ 1.5850	\$ 1.5950	\$ 1.6100	\$ 1.6290	\$ 1.6500	\$ 1.6600
Change from last week:	\$ (0.023)	\$ (0.031)	\$ (0.017)	\$ (0.009)	\$ (0.003)	\$ 0.001	\$ 0.004	\$ 0.004
Class III Milk Contract, 3.5% Fat	\$ 15.61	\$ 15.76	\$ 15.80	\$ 15.76	\$ 15.75	\$ 15.84	\$ 16.00	\$ 16.00
Change from last week:	\$ (0.20)	\$ (0.29)	\$ (0.17)	\$ (0.09)	\$ (0.02)	\$ 0.05	\$ 0.05	\$ 0.03
Open Interest	4190	4800	3846	2151	1390	1459	1330	1174
Change from last week:	(125)	387	141	416	188	243	253	218

## DAIRY NEWS OF INTEREST

### Market Update

On the CME cash market this week butter was the most active with 25 trades occurring for a loss of 4 cents. Block cheese also decreased 4 cents and changed hands 14 times. Barrel cheese finished at \$1.36/lb., down three-quarters of a cent after 18 trades. Nonfat dry milk increased three-quarters of a cent to \$0.8675/lb., and traded just 4 times.

### U.S. Dairy Product Export Update

According to USDA, August exports of U.S dairy products, apart from cheese and whey protein concentrate, all experienced an increase when compared to the previous August. Butter exports totaled 5.1 million pounds, an increase of 7.3% from 2017 and a 41.8% increase year-to-date. Non-fat dry milk and skim milk powder exported 137.4 million pounds of product for a 26.2% increase from the previous August. Total cheese exports did see a 6.8% decline from August 2017, but is still 4.8% higher year-to-date. Year-to-date, total dairy exports are 16.6% above the previous year.

### World Agricultural Supply and Demand Estimate

USDA's October WASDE report showed that the projected all milk price for 2018 is unchanged at \$16.35 to 16.45/cwt. The 2019 all milk price is forecasted to rise to \$16.85 to \$17.75/cwt. The milk production forecast for 2018 and 2019 has been increased due to higher milk production per cow. Cow numbers are also raised for 2019. Total production is forecasted at 218.1 billion pounds for 2018, and 221.4 billion pounds for 2019.

Fat basis exports for 2018 were raised from the previous WASDE due to stronger cheese exports, but no changes were made to the 2019 export forecast. Fat basis import forecasts for 2018 and 2019 are trending upwards due to increased purchases of imported butterfat products and slightly higher cheese imports.

Corn production forecasts were lowered to 14.78 billion bushels, a 49 million bushel decrease due to a 0.6 bu. reduction in average yield. Larger beginning stocks of 2.14 billion bu. raised the estimate for 2018-19 corn ending stocks to 1.81 billion bushels.