

## CASH DAIRY PRODUCT MARKETS

| For Week Ending:                | Weekly Average for Week Ending: |           |           |           |           |           |           | Friday's  |
|---------------------------------|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                 | 05/04/18                        | 05/11/18  | 05/18/18  | 06/01/18  | 06/08/18  | 06/15/18  | 06/22/18  | Close     |
| CME Cheddar 40# Blocks          | \$ 1.6790                       | \$ 1.6090 | \$ 1.6285 | \$ 1.6081 | \$ 1.5965 | \$ 1.6200 | \$ 1.5305 | \$ 1.4900 |
| CME Cheddar Barrels             | \$ 1.6445                       | \$ 1.5695 | \$ 1.5560 | \$ 1.5444 | \$ 1.5225 | \$ 1.5150 | \$ 1.3215 | \$ 1.2850 |
| CME Grade "AA" Butter           | \$ 2.3295                       | \$ 2.3745 | \$ 2.4175 | \$ 2.4025 | \$ 2.3800 | \$ 2.3640 | \$ 2.3000 | \$ 2.2900 |
| USDA Western NFDM (Mostly)      | \$ 0.8275                       | \$ 0.8250 | \$ 0.8350 | \$ 0.8450 | \$ 0.8450 | \$ 0.8200 | \$ 0.7975 |           |
| USDA Western Whey (Mostly)      | \$ 0.2950                       | \$ 0.2975 | \$ 0.3137 | \$ 0.3225 | \$ 0.3225 | \$ 0.3250 | \$ 0.3250 |           |
| USDA Central Whey (Mostly)      | \$ 0.2575                       | \$ 0.2813 | \$ 0.2812 | \$ 0.3088 | \$ 0.3138 | \$ 0.3225 | \$ 0.3225 |           |
| NDPSR Survey For Week Ending:   | 04/28/18                        | 05/05/18  | 05/12/18  | 05/19/18  | 05/26/18  | 06/02/18  | 06/09/18  | 06/16/18  |
| Cheddar 40# Blocks:             | \$ 1.6181                       | \$ 1.6400 | \$ 1.6611 | \$ 1.6783 | \$ 1.6694 | \$ 1.6661 | \$ 1.6526 | \$ 1.6473 |
| Cheddar Barrels (38% Moisture): | \$ 1.5097                       | \$ 1.5147 | \$ 1.5626 | \$ 1.6148 | \$ 1.6277 | \$ 1.6136 | \$ 1.5977 | \$ 1.5747 |
| Butter                          | \$ 2.2856                       | \$ 2.3379 | \$ 2.3288 | \$ 2.3292 | \$ 2.3795 | \$ 2.4039 | \$ 2.3764 | \$ 2.3639 |
| Nonfat Dry Milk                 | \$ 0.7298                       | \$ 0.7613 | \$ 0.7855 | \$ 0.8136 | \$ 0.8261 | \$ 0.8361 | \$ 0.8281 | \$ 0.8212 |
| Whey                            | \$ 0.2635                       | \$ 0.2690 | \$ 0.2694 | \$ 0.2725 | \$ 0.2728 | \$ 0.2849 | \$ 0.2979 | \$ 0.3099 |
| Class III Estimator             | \$ 14.42                        | \$ 14.60  | \$ 14.93  | \$ 15.29  | \$ 15.33  | \$ 15.33  | \$ 15.25  | \$ 15.18  |
| Class IV Estimator              | \$ 13.79                        | \$ 14.29  | \$ 14.45  | \$ 14.70  | \$ 15.02  | \$ 15.21  | \$ 15.02  | \$ 14.91  |

## MONTHLY MILK AND MILK COMPONENT PRICES

| For Month:                                | Oct-17    | Nov-17    | DEC-17    | JAN-18    | FEB-18    | MAR-18    | APR-18    | May-18    |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| FMMO Prices, 3.5% Fat, 2.99% True Protein |           |           |           |           |           |           |           |           |
| FMMO Class I Base Price                   | \$ 16.44  | \$ 16.41  | \$ 16.88  | \$ 15.44  | \$ 14.25  | \$ 13.36  | \$ 14.10  | \$14.44   |
| FMMO Class II Price                       | \$ 15.95  | \$ 15.32  | \$ 14.49  | \$ 14.11  | \$ 13.44  | \$ 13.88  | \$ 14.03  | \$14.47   |
| FMMO Class III                            | \$ 16.69  | \$ 16.88  | \$ 15.44  | \$ 14.00  | \$ 13.40  | \$ 14.22  | \$ 14.47  | \$15.18   |
| FMMO Class IV                             | \$ 14.85  | \$ 13.99  | \$ 13.51  | \$ 13.13  | \$ 12.87  | \$ 13.04  | \$ 13.48  | \$14.57   |
| FMMO Producer Component Prices Per Pound  |           |           |           |           |           |           |           |           |
| Milkfat                                   | \$ 2.6646 | \$ 2.5546 | \$ 2.4951 | \$ 2.4531 | \$ 2.3490 | \$ 2.4273 | \$ 2.5113 | \$ 2.6239 |
| True Protein                              | \$ 2.1084 | \$ 2.3412 | \$ 2.0378 | \$ 1.6612 | \$ 1.6265 | \$ 1.8066 | \$ 1.7810 | \$ 1.8609 |
| Other Solids                              | \$ 0.1853 | \$ 0.1644 | \$ 0.1070 | \$ 0.0787 | \$ 0.0552 | \$ 0.0556 | \$ 0.0619 | \$ 0.0742 |
| California Overbase Fat                   | \$ 2.6190 | \$ 2.5000 | \$ 2.4170 | \$ 2.3760 | \$ 2.3040 | \$ 2.3910 | \$ 2.4770 |           |
| California Overbase SNF                   | \$ 0.7280 | \$ 0.7210 | \$ 0.6020 | \$ 0.5660 | \$ 0.5680 | \$ 0.5750 | \$ 0.5740 |           |

## CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

| Closing Prices                    | JUN18      | JUL18      | AUG18      | SEP18      | OCT18      | NOV18      | DEC18      | JAN19      |
|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Cash Settled Butter (¢ / lb.):    | 237.250    | 231.650    | 232.000    | 233.650    | 236.775    | 236.800    | 235.000    | 230.875    |
| Change from last week (¢ / lb.):  | (0.725)    | (5.350)    | (6.000)    | (6.375)    | (5.725)    | (5.700)    | (3.500)    | (3.425)    |
| Cash Settled Cheese (\$ / lb.):   | \$ 1.6190  | \$ 1.5490  | \$ 1.6270  | \$ 1.6820  | \$ 1.6950  | \$ 1.6910  | \$ 1.6820  | \$ 1.6770  |
| Change from last week:            | \$ (0.012) | \$ (0.073) | \$ (0.039) | \$ (0.035) | \$ (0.030) | \$ (0.014) | \$ (0.020) | \$ (0.016) |
| Class III Milk Contract, 3.5% Fat | \$ 15.25   | \$ 14.66   | \$ 15.36   | \$ 15.93   | \$ 16.02   | \$ 15.92   | \$ 15.83   | \$ 15.73   |
| Change from last week:            | \$ (0.12)  | \$ (0.77)  | \$ (0.56)  | \$ (0.46)  | \$ (0.45)  | \$ (0.33)  | \$ (0.35)  | \$ (0.29)  |
| Open Interest                     | 2992       | 3739       | 3213       | 3042       | 2583       | 2193       | 2012       | 683        |
| Change from last week:            | (385)      | (211)      | 223        | 128        | (87)       | (7)        | (57)       | 102        |

## DAIRY NEWS OF INTEREST

### Market Update

Barrel cheese took a sharp hit this week on the CME cash market, decreasing 16.5 cents with 88 trades occurring during the sell off. Block cheese followed with a 10.5 cent decline during just 5 trades. Butter fell by 6.25 cents and was traded 7 times. Nonfat dry milk was traded 12 times and lost 2.5 cents.

### July Class I Mover

The July Class I base price was announced to be \$15.36/cwt. This is an increase of \$0.11 from June, but a decrease of \$1.23 from July 2017.

### May Cold Storage

According to USDA's Cold Storage report released today May butter stocks were up 10% from April 2018 and 8% higher than May 2017. Total natural cheese stocks were tallied at 1.385 billion pounds, up from the prior months value of 1.345 billion (3%), and 6% greater than the prior May. American cheese saw the largest storage increase over the prior year with a 20% increase.

### Global Dairy Trade Auction

This week's GDT event resulted in a 1.2% decrease in overall index. Cheddar saw a 3.6% loss, finishing at \$1.7450/lb. Whole milk powder decreased 1% to \$1.4465/lb. Butter climbed 0.8% to 2.5451/lb., and skim milk powder declined 1.1% to \$0.9086/lb.

### May U.S. Milk Production Increases

USDA reported May milk production increased 0.8% over May 2017. The milking herd was totaled at 9.40 million head, 3,000 more than last May, and 2,000 more than April 2018. Production per cow reached 2,031 pounds, up 15 pounds from the prior year. Through May, milk production was up 1 billion pounds, or 1.2 percent year-to-date when compared to the prior year.

### May Livestock Slaughter

Thursday USDA announced that 245,000 dairy cows were culled through federally inspected facilities in May. This is a decline of 3,800 head from the previous month, but 7,900 head more than May 2017.