

## CASH DAIRY PRODUCT MARKETS

For Week Ending:	Weekly Average for Week Ending:							Friday's Close
	12/01/17	12/08/17	12/15/17	12/22/17	12/29/17	01/05/18	01/12/18	
CME Cheddar 40# Blocks	\$ 1.5845	\$ 1.4895	\$ 1.4835	\$ 1.4620	\$ 1.5156	\$ 1.5056	\$ 1.4555	\$ 1.4550
CME Cheddar Barrels	\$ 1.5370	\$ 1.5925	\$ 1.6680	\$ 1.4545	\$ 1.4356	\$ 1.4038	\$ 1.2855	\$ 1.2175
CME Grade "AA" Butter	\$ 2.2050	\$ 2.2145	\$ 2.2230	\$ 2.2230	\$ 2.1930	\$ 2.2238	\$ 2.1705	\$ 2.1600
USDA Western NFDM (Mostly)	\$ 0.7400	\$ 0.7350	\$ 0.7250	\$ 0.7200	\$ 0.7000	\$ 0.6900	\$ 0.6850	
USDA Western Whey (Mostly)	\$ 0.3125	\$ 0.2975	\$ 0.2975	\$ 0.2775	\$ 0.2700	\$ 0.2650	\$ 0.2625	
USDA Central Whey (Mostly)	\$ 0.2950	\$ 0.2850	\$ 0.2800	\$ 0.2700	\$ 0.2650	\$ 0.2575	\$ 0.2488	
<b>NDPSR Survey For Week Ending:</b>	<b>11/18/17</b>	<b>11/25/17</b>	<b>12/02/17</b>	<b>12/09/17</b>	<b>12/16/17</b>	<b>12/23/17</b>	<b>12/30/17</b>	<b>01/06/18</b>
Cheddar 40# Blocks:	\$ 1.7534	\$ 1.7339	\$ 1.6847	\$ 1.6536	\$ 1.5894	\$ 1.5543	\$ 1.5208	\$ 1.5156
Cheddar Barrels (38% Moisture):	\$ 1.7458	\$ 1.7465	\$ 1.7242	\$ 1.6644	\$ 1.6349	\$ 1.6489	\$ 1.6156	\$ 1.5536
Butter	\$ 2.2780	\$ 2.2726	\$ 2.2442	\$ 2.2299	\$ 2.2221	\$ 2.2286	\$ 2.2244	\$ 2.2357
Nonfat Dry Milk	\$ 0.7585	\$ 0.7430	\$ 0.7416	\$ 0.7317	\$ 0.7281	\$ 0.7083	\$ 0.7056	\$ 0.6971
Whey	\$ 0.3581	\$ 0.3478	\$ 0.3249	\$ 0.2913	\$ 0.3145	\$ 0.3009	\$ 0.2813	\$ 0.2773
Class III Estimator	\$ 16.76	\$ 16.61	\$ 16.12	\$ 15.47	\$ 15.16	\$ 14.98	\$ 14.54	\$ 14.20
Class IV Estimator	\$ 14.01	\$ 13.85	\$ 13.72	\$ 13.57	\$ 13.51	\$ 13.37	\$ 13.33	\$ 13.30

## MONTHLY MILK AND MILK COMPONENT PRICES

For Month:	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	DEC-17
<b>FMMO Prices, 3.5% Fat, 2.99% True Protein</b>								
FMMO Class I Base Price	\$ 15.20	\$ 15.31	\$ 16.59	\$ 16.72	\$ 16.71	\$ 16.44	\$ 16.41	\$16.88
FMMO Class II Price	\$ 14.84	\$ 16.15	\$ 17.48	\$ 17.56	\$ 16.80	\$ 15.95	\$ 15.32	\$14.49
FMMO Class III	\$ 15.57	\$ 16.44	\$ 15.45	\$ 16.57	\$ 16.36	\$ 16.69	\$ 16.88	\$15.44
FMMO Class IV	\$ 14.49	\$ 15.89	\$ 16.60	\$ 16.61	\$ 15.86	\$ 14.85	\$ 13.99	\$13.51
<b>FMMO Producer Component Prices Per Pound</b>								
Milkfat	\$ 2.4134	\$ 2.7066	\$ 2.9456	\$ 3.0109	\$ 2.8559	\$ 2.6646	\$ 2.5546	\$ 2.4951
True Protein	\$ 1.7723	\$ 1.7545	\$ 1.2248	\$ 1.5536	\$ 1.6988	\$ 2.1084	\$ 2.3412	\$ 2.0378
Other Solids	\$ 0.3196	\$ 0.3014	\$ 0.2599	\$ 0.2425	\$ 0.2241	\$ 0.1853	\$ 0.1644	\$ 0.1070
California Overbase Fat	\$ 2.4200	\$ 2.6920	\$ 2.7920	\$ 2.9300	\$ 2.7540	\$ 2.6190	\$ 2.5000	
California Overbase SNF	\$ 0.7200	\$ 0.6850	\$ 0.6490	\$ 0.6850	\$ 0.6450	\$ 0.7280	\$ 0.7210	

## CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

Closing Prices	JAN18	FEB18	MAR18	APR18	MAY18	JUN18	JUL18	AUG18
Cash Settled Butter (¢ / lb.):	222.000	217.000	218.300	219.750	221.250	222.025	223.350	224.575
Change from last week (¢ / lb.):	(1.750)	(5.750)	(5.475)	(6.200)	(6.750)	(7.675)	(7.125)	(5.925)
Cash Settled Cheese (\$ / lb.):	\$ 1.5000	\$ 1.4380	\$ 1.4540	\$ 1.4880	\$ 1.5280	\$ 1.5690	\$ 1.6360	\$ 1.6730
Change from last week:	\$ (0.013)	\$ (0.039)	\$ (0.027)	\$ (0.024)	\$ (0.016)	\$ (0.021)	\$ (0.010)	\$ -
Class III Milk Contract, 3.5% Fat	\$ 13.76	\$ 13.07	\$ 13.16	\$ 13.54	\$ 13.92	\$ 14.37	\$ 14.99	\$ 15.41
Change from last week:	\$ (0.18)	\$ (0.37)	\$ (0.34)	\$ (0.29)	\$ (0.30)	\$ (0.29)	\$ (0.23)	\$ (0.05)
Open Interest	3300	3783	3464	2353	2093	1968	1346	1371
Change from last week:	(174)	243	221	179	80	78	113	114

## DAIRY NEWS OF INTEREST

### Market Update

CME cash markets declined across the board this week. Barrel cheese took the biggest hit, losing 17.25 cents on 37 trades, closing today at \$1.2175/lb. This is the lowest barrel price since February of 2009. Block cheese ended the week at \$1.455/lb., down 4 cents, with 6 loads sold. Butter fell by 7.75 cents to \$2.16/lb. on 14 trades. Nonfat dry milk was pegged at \$0.6675/lb., a decline of 1.25 cents after 7 trades.

### U.S. Fluid Milk Sales

USDA reported that 4.13 billion pounds of fluid milk were sold during November 2017. This was a decrease of 1.1% from the prior year, continuing the trend of lower fluid milk consumption. Although, whole milk continues to trend upwards, increasing 3.3% from 2016 and 2.8% year-to-date. Flavored whole milk didn't see a gain from the previous November, but is still up 8.7% year-to-date. Fat-free milk sales totaled 335 million pounds, a decline of 10.2% from the prior year. Reduced fat milk, the largest percentage of total sales, decreased by 1.4% from 2016 and is down 2.5% year-to-date.

### Top Dairy Exporting Regions Update

According to data collected by the U.S. Dairy Export Council and USDA, November milk production in the top four dairy exporting regions increased 3.4% compared to the previous year. Milk production year-to-date was up 1.7% compared to 2016, leap year adjusted. The top-four dairy exporters are the European Union (EU), United States, New Zealand and Australia. These regions produced 52.5 billion pounds of milk in November. The European Union showed the largest growth, going up 1.4 billion pounds (4.7%) from the prior year.

### California Approves Quota Program

On January 6th the California Department of Food and Agriculture announced that the referendum for a Quota Implementation Plan passed by 87% with nearly two-thirds of eligible California dairy producers voting. California is considering entering into a Federal Milk Marketing Order administered by USDA. The standalone quota program would be overseen by CDFA and would only go into effect if the FMMO is adopted by producers.