

Weekly Market								
CME CASH MARKET								
Products	MON	TUE	WED	THU	FRI	Chg from Prior WK	Weekly Average	Wkly Avg Change
CME Barrel Cheddar	Closed	\$1.4750	\$1.4700	\$1.4875	\$1.5100	\$0.0350	\$1.4856	\$0.0536
CME Block Cheddar	Closed	\$1.5250	\$1.5000	\$1.5000	\$1.5250	\$0.0000	\$1.5125	\$0.0420
CME Butter	Closed	\$2.1000	\$2.1000	\$2.1000	\$2.1000	\$0.0000	\$2.1000	\$0.0000
NASS Block Cheddar							\$1.3471	\$0.0014

Powder Market

	Does NOT include overages	Base Price
Far West	Western Mostly Average Whey	\$0.4125
Other Whey Vendors	Central Mostly Average Whey	\$0.3800

The cheese market prices were mixed this week. Both block and barrel prices moved lower on Wednesday; however barrels rallied on the following two days, with block prices increasing only on Friday. The block price increase was just enough to offset Wednesday loss. So, blocks closed unchanged on the week at \$1.5250/lb, while barrels

netted a gain of \$0.0350 to finish at \$1.5100/lb.

No price movement was seen in the CME butter market this week.

Thus, butter remains at \$2.10/lb. Butter's high price is supported by low butter inventories. Typically during the first part of the year, the butter produced is stored for use later in the year. Manufacturers have been content to do that because butter prices would normally be seasonally low. This January's record high price is concerning to companies wanting to build inventories, fearing a lower price later.

INTERNATIONAL UPDATE (AMS – Dairy Market News): Milk production in **Europe** continues to show signs of seasonal increases.

The cold/wintery weather patterns of December have moderated and now, some producers are stating that conditions are almost too mild.

Milk deliveries are generally higher and milk handlers and processors are hopeful that this trend will continue, thus contributing to a positive start to the new milk production season. Prices for European generated dairy products have been firming in the early weeks of the new year, but, during the current week, price strength has moderated. On Thursday January 20, the European Dairy Commission sold back about 9,500 MT of intervention skim milk powder at a minimum price of [about \$1.38 per pound]. Influences of various weather patterns continue to dominate the conversations in both **New Zealand** and **Australia**. The drought conditions and then subsequent rainfall on the North Island of New Zealand continues to impact milk production trends. Significant damage was done to the down side of the milk production season in New Zealand, which is having difficulty recovering.

In Australia, flooding is the major word that appears in news media, print, and conversations. The severe flooding in Queensland continues to receive much of the media attention, although flooding in Victoria is impacting the dairy industry. For the most part, farmers are fairing OK, but flooded paddocks are a concern. The biggest impact on the dairy industry in Australia is movement of milk and processing. At the January 18 [Global Dairy Trading] g/DT event, most prices were within ranges of the previous event, outside of a 14% increase in buttermilk powder.

Please feel free to use the attachment with customers if you believe it will be helpful.

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