

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (6/8)

BUTTER: Grade AA closed at \$2.3900. The weekly average for Grade AA is \$2.3800 (-.0225).

CHEESE: Barrels closed at \$1.5650 and 40# blocks at \$1.6350. The weekly average for barrels is \$1.5225 (-.0219) and blocks, \$1.5965 (-.0116).

NONFAT DRY MILK: Grade A closed at \$.8050. The weekly average for Grade A is \$.8110 (-.0228).

DRY WHEY: Extra grade dry whey closed at \$.4125. The weekly average for dry whey is \$.4055 (+.0230).

BUTTER HIGHLIGHTS: United States butter production levels are moderate to ongoing as butter producers' demand for cream is following seasonal norms. Cream availability is stable to tight. Current bulk butter processing is active as some manufacturers are preparing for the fourth quarter demand. Print and bulk butter inventories are steady to growing. Domestic and global interest is fairly steady, however spot sales seemed to have somewhat slowed down in some markets this week. Bulk butter pricing ranges from 5 cents below to 8 cents over the CME average. The market undertone is steady with signs of unsettledness as prices flip-flop directions. Moreover, some market participants report the U.S. butter markets may have hit their 2018 apex. The CME Group cash price for Grade AA butter is \$2.3900, up \$0.0125 compared to last Friday's price, \$2.3775.

CHEESE HIGHLIGHTS: Milk into cheese production remains available nationwide. However, Midwestern cheesemakers suggest spot milk offers, although still discounted, have begun to taper. Cheese production in the Midwest and West is steady, but contacts in both regions are suggesting a possible slowdown to avoid overproduction when demand, in both regions, has also reportedly ebbed. Cheese inventories in the Northeast are increasing, while Western contacts suggest fairly balanced stocks. Undoubtedly, reported Mexican tariff news is making the rounds in the cheese industry nationwide, but Midwestern contacts suggest those effects may not be felt until later this year. Exporting concerns, trade discussions, and tariff headlines lead contacts to question the certainty of what has been a fairly poised market in recent months. Right now, the cheese market tone is

uncertain. The CME Group closing price for barrels is \$1.5650, compared to last Friday's closing price of \$1.5200. The closing price for blocks is \$1.6350, compared to last Friday's closing price of \$1.5975.

FLUID MILK: Farm milk production varies throughout the nation. Mountain states are at the top of the spring flush which is typical for this time of the year in that region. In the Northeast, milk output is trending higher, too. On the other hand, mainly due to higher temperatures, milk intakes are steady or decreasing in the Southeast, Midwest, and Southwest regions. Nationwide, milk components (butterfat/protein) continue decreasing. Meanwhile, bottled (fluid) milk sales are down as many educational institutions are closed. Cream volumes are mixed throughout the country but are expected to decrease in the next few weeks. Cream demands from ice cream/frozen dessert are ramping up ahead of the summer season needs. Condensed skim intakes are readily available, but condensed whole milk volumes are reported as tight. Cream multiples for all Classes range **1.20-1.32** in the East, **1.20-1.27** in the Midwest, and **1.02-1.27** in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk (NDM) spot prices are mostly unchanged from last week as the market continues generally unsettled in all regions of the country. Production is ongoing while inventories are steady to higher. High heat spot values slightly changed from the previous week. In general, supplies continue tight in the U.S. spot market. Dry buttermilk spot values are unchanged on light trading. The market is stable as supply is at or near equilibrium with buyer demands. National prices for dry whole milk are unchanged on light trading. Nationwide, there is little pricing movements on dry whey this week. Generally speaking, the whey market is in a bullish state with tight supplies and good demands from several food/nutritional industrials. The WPC34% market looks to be firming, reflected on higher prices in the mostly series. Inventories are becoming less available in the market. Prices for lactose are steady on a very quiet market. Production is also steady.

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CME GROUP CASH TRADING

COMMODITY	MONDAY JUN 04	TUESDAY JUN 05	WEDNESDAY JUN 06	THURSDAY JUN 07	FRIDAY JUN 08	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.5200 (N.C.)	\$1.5050 (-.0150)	\$1.5050 (N.C.)	\$1.5175 (+.0125)	\$1.5650 (+.0475)	:: (+.0450)	:: \$1.5225 (-.0219)
40# BLOCKS	\$1.5925 (-.0050)	\$1.5750 (-.0175)	\$1.5800 (+.0050)	\$1.6000 (+.0200)	\$1.6350 (+.0350)	:: (+.0375)	:: \$1.5965 (-.0116)
NONFAT DRY MILK							
GRADE A	\$.8150 (-.0100)	\$.8100 (-.0050)	\$.8125 (+.0025)	\$.8125 (N.C.)	\$.8050 (-.0075)	:: (-.0200)	:: \$.8110 (-.0228)
BUTTER							
GRADE AA	\$2.3775 (N.C.)	\$2.3625 (-.0150)	\$2.3800 (+.0175)	\$2.3900 (+.0100)	\$2.3900 (N.C.)	:: (+.0125)	:: \$2.3800 (-.0225)
DRY WHEY							
EXTRA GRADE	\$.4000 (+.0150)	\$.4025 (+.0025)	\$.4050 (+.0025)	\$.4075 (+.0025)	\$.4125 (+.0050)	:: (+.0275)	:: \$.4055 (+.0230)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for international purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKET-NEWS/DAIRY