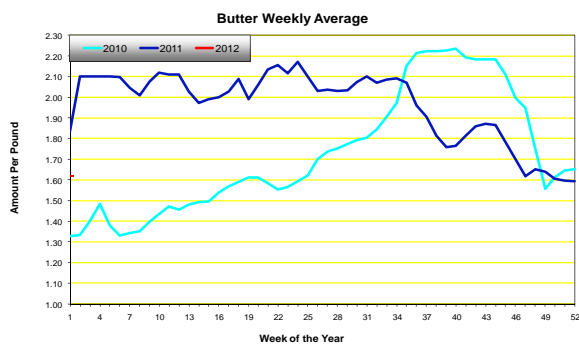
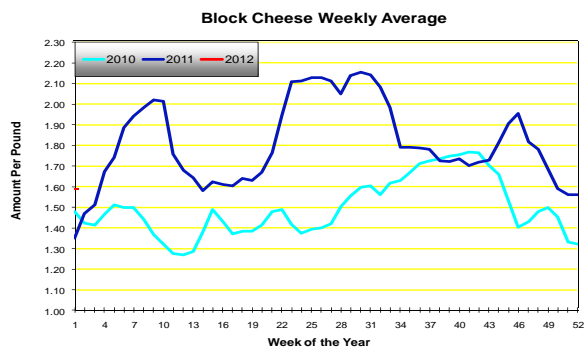
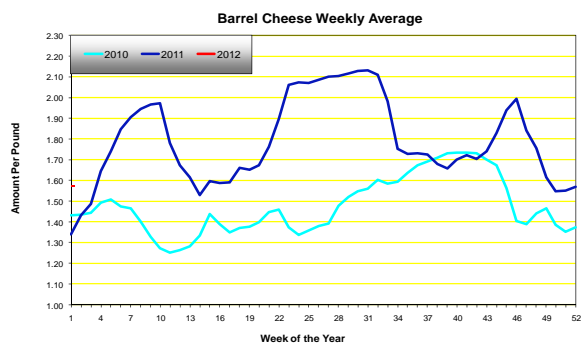


# IPAP Market Recap

www.IPAP.com

January 6, 2012

DAILY CHEESE MARKETS								
Market	Prev. Avg.	2-Jan	3-Jan	4-Jan	5-Jan	6-Jan	Wkly. Avg.	Prior Year
BARREL	1.5700	CLOSED	1.5800	1.5775	1.5850	1.5900	1.5831	1.3405
BLOCK	1.5625	CLOSED	1.5625	1.5800	1.6100	1.6100	1.5906	1.3405
AA BUTTER MARKETS								
Market	Prev. Avg.	2-Jan	3-Jan	4-Jan	5-Jan	6-Jan	Wkly. Avg.	Prior Year
AA	1.5950	CLOSED	1.6000	1.6000	1.6050	1.6050	1.6025	1.8380



**Cheese**—“Cheese sales at the CME Group this week started slowly. Block activity increased and moved the price higher. Blocks are \$0.0475 higher for the week at \$1.6100 and regained their typical status above barrel prices. Barrels ended the week one cent higher at \$1.5900. Cheese production schedules were busy over the holiday period and have returned to more normal schedules as fluid needs increased after the holidays. Additional cheese supplies will help to meet demand for retail features for the upcoming Super Bowl promotions. December monthly averages for barrels (\$1.5839) and blocks (\$1.6170) at the CME Group were above last year and the five year average. According to the NASS Dairy Products report, total cheese production in the U.S. in November was up marginally (0.3%) from last year.”

**Butter**—“The current CME cash price of \$1.6050 compares to \$1.9500 last year at this time and \$1.3300 in 2010. Early in 2011, the cash price increased to \$2.1000 by January 7 and maintained that level until February 10, at which time the cash price started to ease, but maintained a level above \$2.00 until April 1. Churning activity over the past week has eased from the active churning during the yearend holiday period. Many butter producers indicated that their holiday churning schedules were at or very near capacity levels. Cream volumes were readily available at that time with some volumes moving from one region to another to find processing capacity.”

For additional dairy market info please see the following

- [www.dairy.nu/spot.asp](http://www.dairy.nu/spot.asp)
- [www.ams.usda.gov/dairy/](http://www.ams.usda.gov/dairy/)
- [www.future.aae.wisc.edu/](http://www.future.aae.wisc.edu/)

