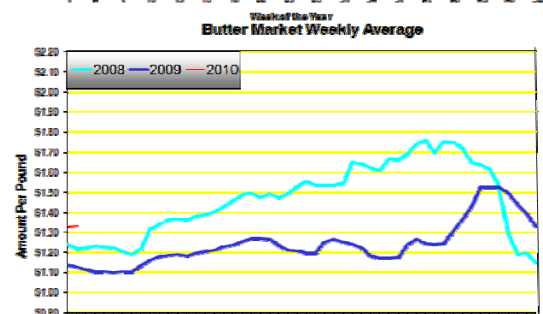
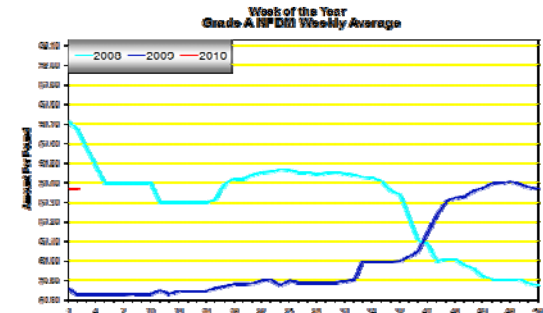
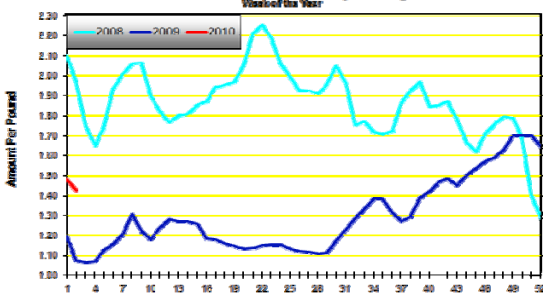
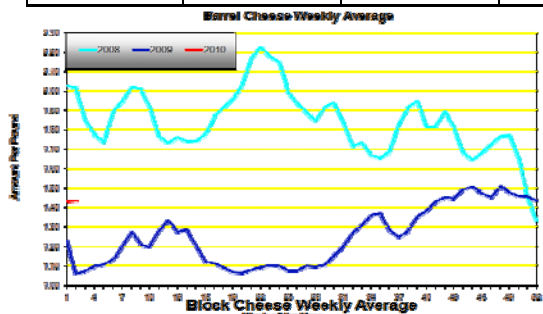


IPAP Market Recap

www.IPAP.com

January 8, 2009

DAILY CHEESE MARKETS								
Market	Prev. Avg.	4-Jan	5-Jan	6-Jan	7-Jan	8-Jan	Wkly. Avg.	Prior Year
BARREL	1.4306	1.4325	1.4350	1.4375	1.4375	1.4325	1.4350	1.0595
BLOCK	1.4800	1.4500	1.4400	1.4125	1.4100	1.4100	1.4245	1.0720
NFDM Gr. A	1.3700	1.3700	1.3700	1.3700	1.3700	1.3700	1.3700	0.8300
AA BUTTER MARKETS								
Market	Prev. Avg	4-Jan	5-Jan	6-Jan	7-Jan	8-Jan	Wkly. Avg.	Prior Year
AA	1.3275	1.3275	1.3300	1.3300	1.3300	1.3450	1.3325	1.1220



Cheese—“CME Group cash block cheese prices continued to decline while barrels firmed fractionally. An inverted barrel/block price spread started on January 6 and continued through Friday trading. Current interest is light between recent price weakness and the usual slow reorders to start a new year. Plants have extra inventory available after increased production and lighter bulk cheese needs by packagers and processors during the holidays. Cumulative January-November 2009 cheddar production totals 2.911 billion pounds, up 45.4 million pounds (1.6%) despite an extra day in 2008. Total cheese output in 2009 totals 9.243 billion pounds, up 171.9 million pounds (1.9%) from 2008. Cumulative 2009 CME Group cheese sales totaled a combined 1,724 loads, the most cheese loads ever in Chicago and well above the 1,196 sold during 2008.”

Butter—“The CME cash butter price held steady at \$1.3275 during the year end holiday period, but firmed slightly early in the new year to close the week at \$1.3450. Churning activity across the country was heavy over the holiday period, but eased early in the week as surplus cream offerings decreased. Much of the butter generated during the holidays entered inventory programs for future use. Both 80% salted and 82% unsalted butter were being produced. The 82% butter is being readied for export. Butter demand this week remains slow and unaggressive as buyers assess their supply situation following the holiday period.”

NFDM—The Non Fat Dry Milk Market remained stagnant again this week keeping the average at \$1.3700.

For additional dairy market info please see the following

- www.dairy.nu/spot.asp
- www.ams.usda.gov/dairy/
- www.future.aae.wisc.edu/

