

IPAP Market Recap

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January 15, 2010

DAILY CHEESE MARKETS								
Market	Prev. Avg.	11-Jan	12-Jan	13-Jan	14-Jan	15-Jan	Wkly. Avg.	Prior Year
BARREL	1.4350	1.4350	1.4350	1.4400	1.4500	1.4650	1.4450	1.0730
BLOCK	1.4245	1.4100	1.4100	1.4150	1.4150	1.4150	1.4130	1.0640
NFDM Gr. A	1.3700	1.3850	1.3850	1.3850	1.3000	1.3000	1.3510	0.8300

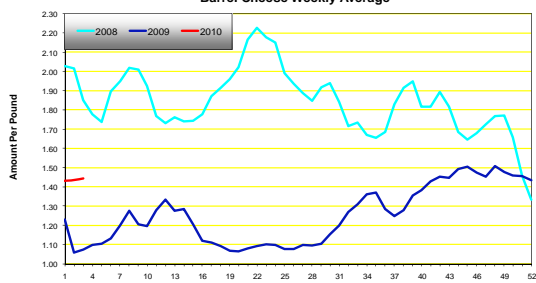
AA BUTTER MARKETS								
Market	Prev. Avg	11-Jan	12-Jan	13-Jan	14-Jan	15-Jan	Wkly. Avg.	Prior Year
AA	1.3325	1.3275	1.3300	1.3300	1.3300	1.3450	1.3325	1.1115

Cheese—“CME Group cash cheese prices moved higher and the inverted barrel/block spread widened during the week. Orders, particularly natural, improved at lower price levels. Some overtime is needed for natural packaging lines though the volume is below pre-holiday levels. Product is readily available with extra product made and inventoried during the yearend holidays available. Cheese production is uneven as many plants operate on lighter schedules after the holidays and improved Class I is pulling heavier milk volumes from manufacturing.”

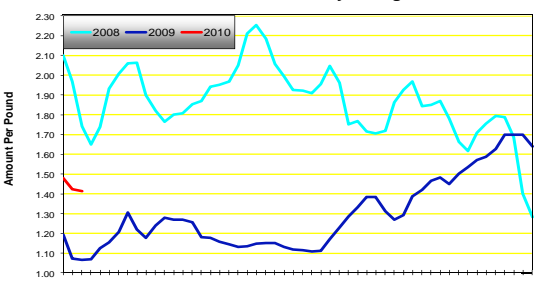
Butter—“The CME cash butter price increased 18 cents during the week to close at \$1.5250. Strength in the cash butter price is not surprising to most butter producers and handlers. Many anticipated that the cash price would strengthen early in the New Year. Churning activity has eased across the country as cream supplies tighten and pricing multiples firm. Current butter production is clearing through good butter sales and surplus is entering inventory programs. Good butter sales are being spurred by buyers hedging against higher prices in the future and possible shortages later in the year. Butter producers state that both 80 and 82% butter is being generated for domestic and international buyer interest.

NFDM—The Non Fat Dry Milk Market dropped significantly toward the end of the week bringing the average down to \$1.3510 for the week.

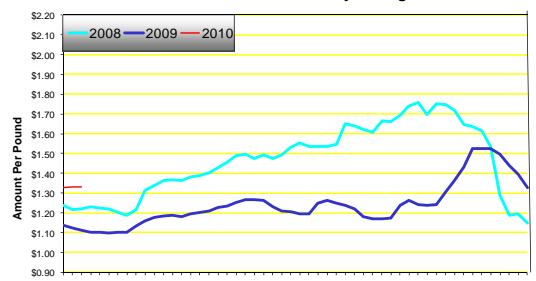
Barrel Cheese Weekly Average



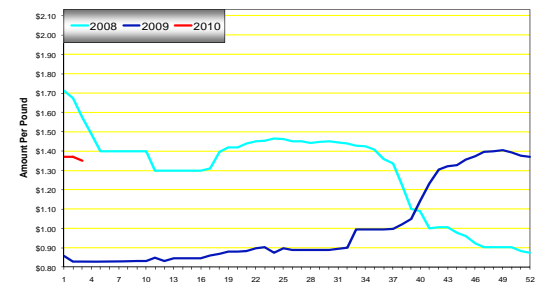
Block Cheese Weekly Average



Butter Weekly Average



Grade A NFDM Weekly Average



For additional dairy market info please see the following

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

