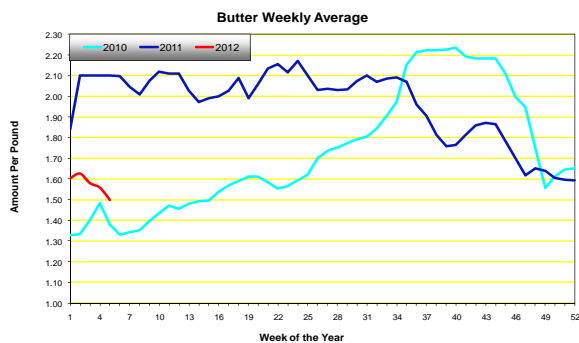
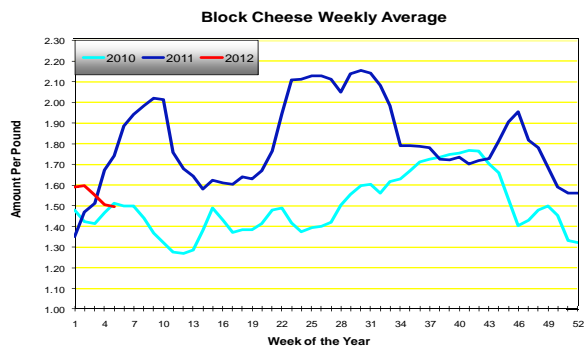
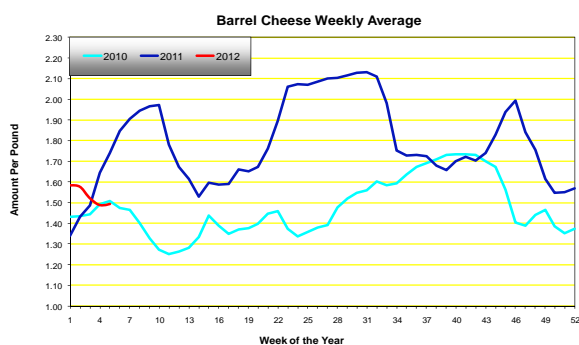


IPAP Market Recap

www.IPAP.com

February 3, 2012

DAILY CHEESE MARKETS								
Market	Prev. Avg.	30-Jan	31-Jan	1-Feb	2-Feb	3-Feb	Wkly. Avg.	Prior Year
BARREL	1.4870	1.4950	1.4950	1.4900	1.4875	1.4950	1.4925	1.7410
BLOCK	1.5060	1.5100	1.5100	1.4925	1.4850	1.4850	1.4965	1.7410
AA BUTTER MARKETS								
Market	Prev. Avg	30-Jan	31-Jan	1-Feb	2-Feb	3-Feb	Wkly. Avg.	Prior Year
AA	1.5580	1.5050	1.5050	1.4950	1.4925	1.4925	1.4980	2.1000



Cheese—“Cheese prices were uneven this week. Early trading was steady to weak, with Friday's trade steady to higher. Last week's late week activity at the CME Group was followed this week with another flurry of activity on Friday. Friday's close again saw active trading, although this week it was blocks with 10 sales reported at steady prices. Mild winter weather across much of the country is helping to increase milk production and thus more milk is finding its way to cheese factories. Inventories are building as sales are reported slow after the New Year. Lower prices have increased interest from aging operations, although buyers are reported cautious as they attempt to find the low price.”

Butter—“The CME cash butter price continues to decline and settled at \$1.4925 at week's end, the lowest cash price since late March 2010. Churning activity across the country remains strong as cream supplies are reported to be plentiful to the churn. Although cream supplies are plentiful, some cream handlers report that dispersal of the cream this week was not as hectic as last week. In many instances, churns were running at or very near capacity levels. With churning as active as it is, butter volumes are generally surpassing demand, thus clearances to inventory continue. Commercial butter demand is fair at best. Many buyers are fully aware of the weak trend in the CME cash butter price and are hesitant to place large orders in a declining market.”

For additional dairy market info please see the following

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

