

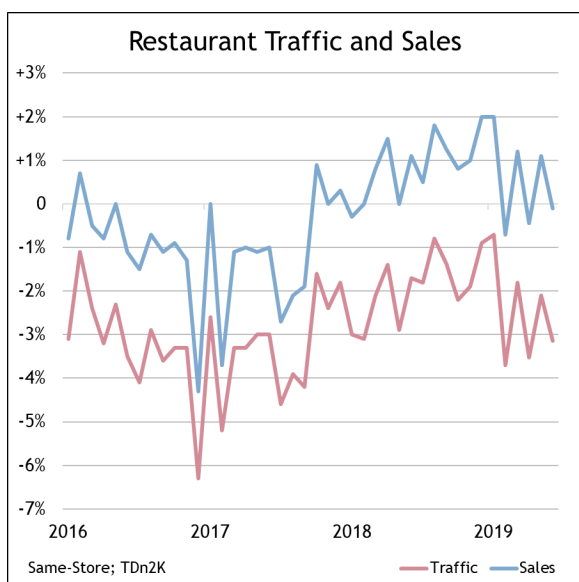
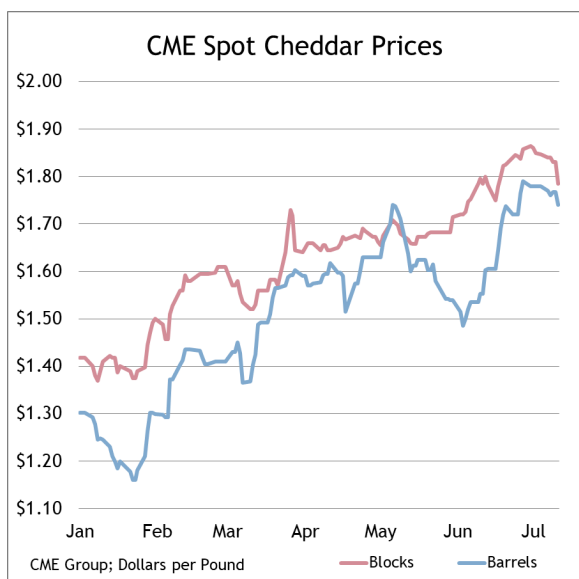
DAIRY

and grain

Volume 23 • Number 27
July 12, 2019

vs Last Week	vs Last Year	Market	12-Jul	5-Jul	28-Jun	21-Jun	14-Jun	7-Jun	31-May
-1%	30%	Barrel Cheddar (CME average; lb)	\$ 1.7610	\$ 1.7800	\$ 1.7430	\$ 1.6795	\$ 1.5695	\$ 1.5110	\$ 1.5413
-2%	18%	Block Cheddar (CME average; lb)	\$ 1.8250	\$ 1.8556	\$ 1.8445	\$ 1.7955	\$ 1.7895	\$ 1.7330	\$ 1.6906
0%	9%	Butter (CME average; lb)	\$ 2.4035	\$ 2.4050	\$ 2.4120	\$ 2.3785	\$ 2.3885	\$ 2.3745	\$ 2.3725
-1%	35%	Nonfat Dry Milk (CME average; lb)	\$ 1.0345	\$ 1.0456	\$ 1.0440	\$ 1.0465	\$ 1.0545	\$ 1.0540	\$ 1.0488
-2%	-21%	Dry Whey (CME average; lb)	\$ 0.3225	\$ 0.3288	\$ 0.3480	\$ 0.3450	\$ 0.3595	\$ 0.3590	\$ 0.3538
0%	14%	WPC (AMS Central/West AOM; lb)	\$ 0.9225	\$ 0.9250	\$ 0.9250	\$ 0.9275	\$ 0.9250	\$ 0.9200	\$ 0.9138
0%	41%	Dry Buttermilk (AMS West AOM; lb)	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0250	\$ 1.0250	\$ 1.0200	\$ 1.0200
-2%	18%	Class III Futures (CME 2nd nearby; cwt)	\$17.55	\$17.89	\$17.29	\$17.08	\$16.85	\$16.64	\$16.20
-2%	17%	Cheese Futures (CME 2nd nearby; lb)	\$ 1.8340	\$ 1.8680	\$ 1.8080	\$ 1.7800	\$ 1.7510	\$ 1.7220	\$ 1.6770
0%	8%	Cash Butter Futures (CME 2nd nearby; lb)	\$ 2.4400	\$ 2.4298	\$ 2.4100	\$ 2.4130	\$ 2.4188	\$ 2.4253	\$ 2.3750
1%	5%	Dry Whey Futures (CME 2nd nearby; lb)	\$ 0.3425	\$ 0.3405	\$ 0.3450	\$ 0.3550	\$ 0.3575	\$ 0.3713	\$ 0.3735
-1%	32%	NDM Futures (CME 2nd nearby; lb)	\$ 1.0375	\$ 1.0505	\$ 1.0468	\$ 1.0450	\$ 1.0550	\$ 1.0485	\$ 1.0400
-1%	21%	Class IV Futures (CME 2nd nearby; cwt)	\$17.06	\$17.17	\$17.09	\$17.10	\$17.19	\$16.80	\$16.88
5%	38%	Corn (CBOT nearby; bu)	\$ 4.5425	\$ 4.3400	\$ 4.2025	\$ 4.4225	\$ 4.5300	\$ 4.1575	\$ 4.2700
5%	12%	Soybeans (CBOT nearby; bu)	\$ 9.1325	\$ 8.7225	\$ 8.9975	\$ 9.0275	\$ 8.9675	\$ 8.5625	\$ 8.7775
3%	11%	Wheat (CBOT nearby; bu)	\$ 5.3620	\$ 5.1925	\$ 5.2800	\$ 5.2600	\$ 5.3850	\$ 5.0450	\$ 5.0300
4%	-4%	Soymeal (CBOT nearby; ton)	\$314.80	\$303.80	\$313.10	\$315.60	\$323.50	\$312.30	\$321.30
2%	1%	Soyoil (CBOT nearby; lb)	\$ 0.2811	\$ 0.2744	\$ 0.2824	\$ 0.2844	\$ 0.2761	\$ 0.2738	\$ 0.2759
2%	0%	Cocoa (ICE nearby; ton)	\$ 2,528	\$ 2,488	\$ 2,450	\$ 2,527	\$ 2,502	\$ 2,478	\$ 2,400
0%	12%	Sugar #11 (ICE nearby; lb)	\$ 0.1230	\$ 0.1236	\$ 0.1232	\$ 0.1222	\$ 0.1275	\$ 0.1250	\$ 0.1210
6%	-39%	Orange Juice (ICE nearby; lb)	\$ 1.0330	\$ 0.9770	\$ 1.0095	\$ 1.0000	\$ 1.0450	\$ 1.0610	\$ 1.0840
-3%	0%	Coffee (NYMEX; lb)	\$ 1.0655	\$ 1.0945	\$ 1.0825	\$ 0.9980	\$ 0.9600	\$ 1.0095	\$ 1.0460
12%	1%	Lean Hogs (CME nearby; lb)	\$ 0.8073	\$ 0.7213	\$ 0.7210	\$ 0.7625	\$ 0.7938	\$ 0.7865	\$ 0.8173
1%	4%	Live Cattle (CME nearby; lb)	\$ 1.0848	\$ 1.0700	\$ 1.1050	\$ 1.0655	\$ 1.0878	\$ 1.0693	\$ 1.0848
2%	-16%	Natural Gas (NYMEX nearby; mmbtu)	\$ 2.457	\$ 2.418	\$ 2.308	\$ 2.186	\$ 2.387	\$ 2.337	\$ 2.454
5%	-10%	Crude Oil (NYMEX nearby; bbl)	\$ 60.28	\$ 57.51	\$ 58.47	\$ 57.43	\$ 52.51	\$ 53.99	\$ 53.50
2%	-6%	Unleaded Gas (NYMEX nearby; gal)	\$ 1.9763	\$ 1.9295	\$ 1.9425	\$ 1.8561	\$ 1.8294	\$ 1.8248	\$ 1.8020
4%	-7%	Heating Oil (NYMEX nearby; gal)	\$ 1.9810	\$ 1.9050	\$ 1.9446	\$ 1.9158	\$ 1.7325	\$ 1.7389	\$ 1.8418
1%	9%	Dow Jones Industrials	27,285	26,922	26,600	26,719	26,090	25,984	24,815
1%	5%	NASDAQ	8,238	8,162	8,006	8,032	7,797	7,742	7,453
1%	8%	S&P 500 Index	3,012	2,990	2,942	2,950	2,887	2,873	2,752
0%	-3%	Euro/Dollar	1.13	1.12	1.14	1.14	1.12	1.13	1.12
0%	1%	Canadian Dollar/Dollar	0.77	0.76	0.76	0.76	0.75	0.75	0.74
1%	14%	Gold	\$ 1,417	\$ 1,400	\$ 1,414	\$ 1,400	\$ 1,345	\$ 1,346	\$ 1,311

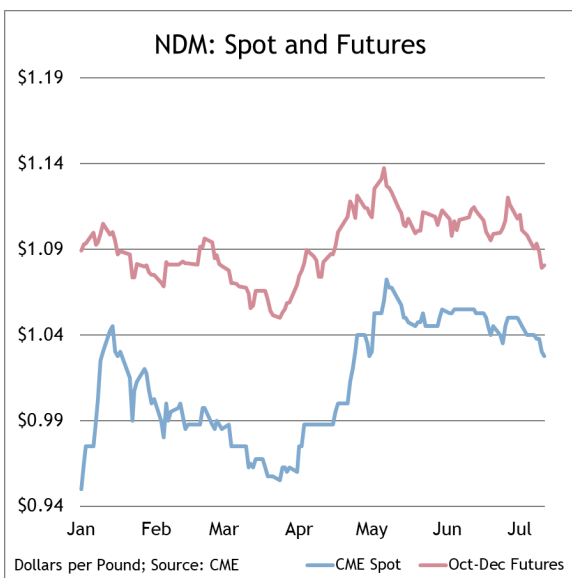
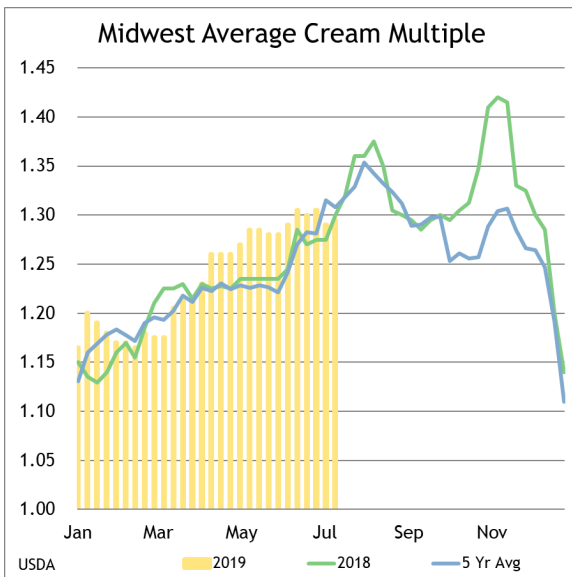
- A holiday hangover or something more? CME spot block cheddar prices retreated to \$1.7850 per pound, down \$0.0625 to the lowest levels since mid-June. Barrels fell back to \$1.7400 per pound, \$0.0400 lower on the week. Total volume: 23 lots of blocks and 34 cars of barrels.
- Fourth quarter cheese futures fell to \$1.8290 per pound, down \$0.0210 from last Friday. Weekly cheese futures volume jumped to 3,891 – the highest volume going back to late March. October through December Class III contracts declined to \$17.44 per hundredweight, a quarter lower on the week.
- Contacts point to fair cheese availability, yet milk supply remains a key concern - particularly as hot, sticky conditions periodically blanket the Midwest and East. Continued declines in milk production in the Southeast are reportedly pulling milk out of the north, too, limiting excess milk availability for cheesemakers.
- USDA reported Midwest spot prices at between \$1.75 under and \$0.50 over class, a 63-cent below class midpoint—the highest price for week 28 since 2013. That compares to 75-cents under last week, \$1.25 below last year, and -\$1.00 on average over the past five years.
- Anecdotal reports point to favorable demand over the Independence Day holiday, but some wonder at what point higher prices start cutting into orders? On the food service front, June chain restaurant sales were back in the red. According to TDn2K data, same-store-sales slumped 0.01% year-over-year. The industry is still struggling to hold on to customers, with traffic falling 3.1% year-over-year in June.
- German gouda held firm for the eleventh straight week at €3,025 per metric ton (\$1.54 per pound).



Butter

- The seesaw...popular on the playground and a useful metaphor for recent butter market movement. Prices pivoted around \$2.40, dipping as low as \$2.3925 before pushing up to \$2.4125 to close the week, \$0.0075 higher. Volume totaled nine loads.
- Fourth quarter futures contracts eased to \$2.3890 per pound, off \$0.0080 on the week. Weekly futures trading volume surged to 1,713, the most since late October.

- Summer is in full swing, keeping ice cream manufacturers busy and cream supplies snug. USDA data implied Class II multiples in the Upper Midwest at 130, up from 129 last week, flat with last year, and down from the 131 five-year-average. Eastern implied multiples held steady at 132. That was down three points from both last year and the five-year-average. USDA reported the cream multiple across all classes in the West at 123 versus 121 last week, 120 last year, and the 122 five-year average.
- International prices are pressing lower, yielding more questions about the potential for excess butterfat to make its way into the US. The Dutch quotation dipped to €3,600 per metric ton (\$1.79 per pound at 80% test), off 0.8% in Euro terms. German butter prices held at €3,750 per metric ton (\$1.86 per pound at 80% test). EEX futures for October to December finished at an average €3,397 per metric ton, down from €3,926 last week. Fourth quarter NZX butter contracts closed at \$4,367, unchanged on the week.



Nonfat Dry Milk

- The NDM market remains starved for bullish news. CME spot prices retreated to \$1.0275 per pound—the lowest price since early May—losing \$0.0125 on the week. Volume remains light with seven lots changing hands.
- Fourth quarter futures also hit a new low, closing below \$1.0900 per pound for the first time since April. October through December contracts closed the week at \$1.0805 per pound, down \$0.0177 from last Friday.
- Demand remains erratic. Contacts note there have been a few more rumblings out of Mexico in search of product over the last week.
- The Dutch SMP quotation pushed to €2,040 per metric ton (\$1.04 per pound), up 0.5% in Euro terms. NZX futures pushed higher ahead of next week's GDT auction. Fourth quarter contracts closed at \$2,545 per metric ton, \$10 higher than the week before and \$115 from the prior auction.

Dry Whey

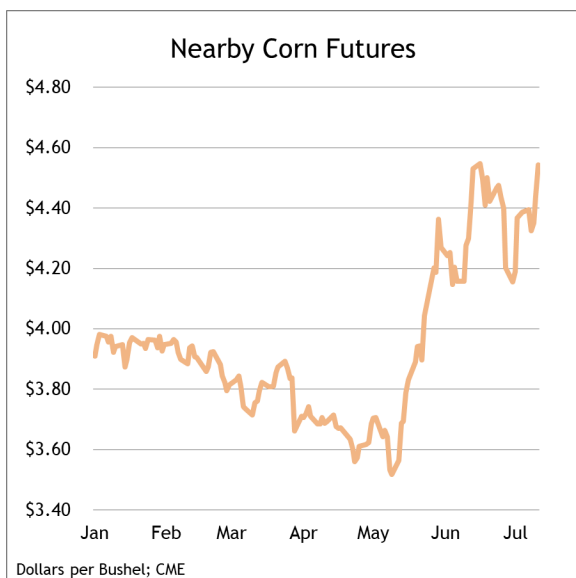
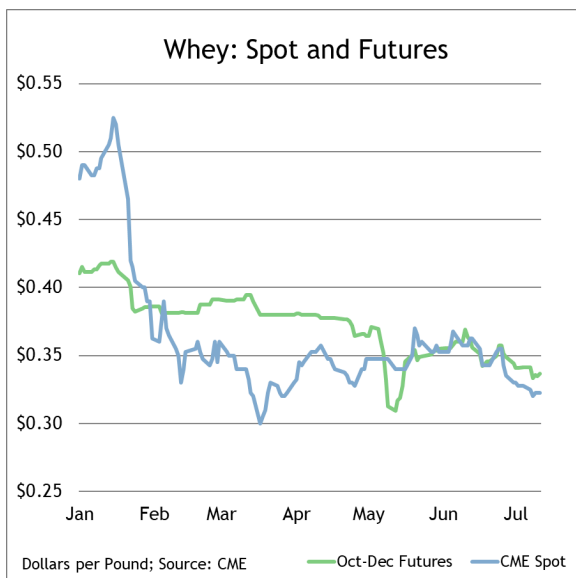
- What's another word for weak? Feeble? Frail? Vulnerable? The dry whey market fits all those definitions. CME spot dry whey hit the lowest levels since March, falling to 32-

cents before finding some support. Prices closed the week at \$0.3225 per pound, up \$0.0025 from the week's lows but still down \$0.0050 from last Friday. Volume picked up some with five lots trading.

- Futures dipped below the 34-cent mark, with fourth quarter contracts declining to \$0.3368, down a half-cent.

Grains

- Thursday's USDA *World Agricultural Supply and Demand* report showed US corn ending stocks for the 2019-2020 crop year at 2.010 billion bushels. That compares to average pre-report estimates of 1.692 billion bushels. USDA's estimates for soybean ending stocks came in at 0.795 billion bushels, below the pre-report estimate of 0.812 billion bushels.
- Observers will likely remain skeptical of USDA's estimates until the August re-survey of acres is released. Even then, some suggest that the view around production will remain hazy until October when USDA publishes data around prevent plant acreage.
- For now, weather is the predominant driver in the crop markets. Reports of heat across the grain belt pushed prices higher to finish the week. Friday closed with September corn at \$4.54 per bushel, up \$0.2000 on the week. August soybeans finished the week at \$9.1325 per bushel, a gain of \$0.4100.



Most people give up just when they're about to achieve success.

They quit on the one yard line.

They give up at the last minute of the game one foot from a winning touchdown.

—Ross Perot

Price and Volume Data					CME Spot Markets						
vs Last Week	vs Last Year	Week Ending	6-Jul	29-Jun	Block Cheddar	8-Jul	9-Jul	10-Jul	11-Jul	12-Jul	Total
1%	14%	NDPSR Block Cheddar (lb)	\$ 1.8204	\$ 1.7942	Settle	\$ 1.8400	\$ 1.8400	\$ 1.8300	\$ 1.8300	\$ 1.7850	\$ 1.8250
4%	24%	NDPSR Barrel Cheddar (lb)	\$ 1.7072	\$ 1.6407	Volume	11	6	3	-	3	23
0%	4%	USDA/NDPSR Butter (lb)	\$ 2.3798	\$ 2.3729	Barrel Cheddar	8-Jul	9-Jul	10-Jul	11-Jul	12-Jul	Total
1%	35%	USDA/NDPSR NDM (lb)	\$ 1.0529	\$ 1.0443	Settle	\$ 1.7700	\$ 1.7600	\$ 1.7675	\$ 1.7675	\$ 1.7400	\$ 1.7610
-4%	5%	USDA/NDPSR Dry Whey (lb)	\$ 0.3526	\$ 0.3662	Volume	8	15	2	-	9	34
-6%	-5%	NDPSR Block Cheese Sales (mil lbs)	11.4	12.1	Grade AA Butter	8-Jul	9-Jul	10-Jul	11-Jul	12-Jul	Total
-25%	-37%	NDPSR Barrel Cheese Sales (mil lbs)	9.3	12.4	Settle	\$ 2.3925	\$ 2.3950	\$ 2.4075	\$ 2.4100	\$ 2.4125	\$ 2.4035
-55%	-18%	NDPSR NDM Sales (mil lbs)	11.7	26.2	Volume	3	2	2	1	1	9
vs Last Week	vs Last Year	Week Ending	12-Jul	5-Jul	Grade A NDM	8-Jul	9-Jul	10-Jul	11-Jul	12-Jul	Total
-12%	-23%	Class III Futures Volume	5,155	5,866	Settle	\$ 1.0400	\$ 1.0375	\$ 1.0375	\$ 1.0300	\$ 1.0275	\$ 1.0345
-15%	-11%	Class III Futures Open Interest	20,685	24,297	Volume	-	1	2	2	2	7
96%	28%	Cash-Settled Cheese Futures Volume	3,891	1,985	Dry Whey	8-Jul	9-Jul	10-Jul	11-Jul	12-Jul	Total
-9%	-21%	Cash-Settled Cheese Open Interest	19,661	21,658	Settle	\$ 0.3250	\$ 0.3200	\$ 0.3225	\$ 0.3225	\$ 0.3225	\$ 0.3225
300%	109%	Cash Butter Futures Volume	1,713	428	Volume	-	2	2	1	-	5
-11%	9%	Cash Butter Futures Open Interest	7,698	8,692	Nonfat Dry Milk Futures Volume	1,357	422				
222%	-14%	Nonfat Dry Milk Futures Open Interest	8,758	10,550	Dry Whey Futures Volume	195	120				
-17%	28%	Nonfat Dry Milk Futures Open Interest	8,758	10,550	Dry Whey Futures Open Interest	2,629	3,057				
63%	-64%	Dry Whey Futures Volume	195	120							
-14%	-37%	Dry Whey Futures Open Interest	2,629	3,057							

vs Last Week	vs Last Year	Market	12-Jul	5-Jul	28-Jun	21-Jun	14-Jun	7-Jun	31-May	24-May
0%	39%	Skim Milk Powder (Dutch Dairy Board)	€ 2,040	€ 2,030	€ 2,040	€ 2,070	€ 2,100	€ 2,120	€ 2,090	€ 2,060
0%	-4%	Whole Milk Powder (Dutch Dairy Board)	€ 2,740	€ 2,740	€ 2,760	€ 2,860	€ 2,910	€ 2,950	€ 2,950	€ 3,000
-1%	-34%	Butter (Dutch Dairy Board)	€ 3,600	€ 3,630	€ 3,680	€ 3,800	€ 3,850	€ 3,890	€ 3,990	€ 4,040
-3%	-7%	Whey (Dutch Dairy Board)	€ 650	€ 670	€ 670	€ 710	€ 710	€ 720	€ 720	€ 730
0%	45%	Skim Milk Powder (Kempten, Germany)	€ 1,880	€ 1,880	€ 1,885	€ 1,885	€ 1,885	€ 1,905	€ 1,905	€ 1,905
0%	3%	Whole Milk Powder (Kempten, Germany)	€ 2,900	€ 2,900	€ 2,940	€ 2,940	€ 2,975	€ 3,005	€ 3,005	€ 3,005
0%	-32%	Butter 25 kg (Kempten, Germany)	€ 3,750	€ 3,750	€ 3,750	€ 3,825	€ 3,875	€ 4,000	€ 4,025	€ 4,075
0%	-2%	Edamer, 40% (Hannover, Germany)	€ 3,025	€ 3,025	€ 3,025	€ 3,025	€ 3,025	€ 3,025	€ 3,025	€ 3,025
	27%	Skim Milk Powder (GlobalDairyTrade)	\$ 2,430	\$ 2,430	\$ 2,358	\$ 2,358	\$ 2,436	\$ 2,436	\$ 2,529	\$ 2,529
	2%	Whole Milk Powder (GlobalDairyTrade)	\$ 2,969	\$ 2,969	\$ 3,006	\$ 3,006	\$ 3,138	\$ 3,138	\$ 3,180	\$ 3,180
	-8%	Anhydrous Milk Fat (GlobalDairyTrade)	\$ 5,433	\$ 5,433	\$ 5,530	\$ 5,530	\$ 5,752	\$ 5,752	\$ 6,140	\$ 6,140
	1%	Cheddar Cheese (GlobalDairyTrade)	\$ 3,756	\$ 3,756	\$ 3,781	\$ 3,781	\$ 3,950	\$ 3,950	\$ 4,851	\$ 4,851
	-19%	Butter (GlobalDairyTrade)	\$ 4,339	\$ 4,339	\$ 4,553	\$ 4,553	\$ 4,805	\$ 4,805	\$ 5,297	\$ 5,297
	1%	Buttermilk Powder (GlobalDairyTrade)	\$ 2,500	\$ 2,500			\$ 2,807	\$ 2,807		
	42%	Rennet Casein (GlobalDairyTrade)	\$ 7,221	\$ 7,221	\$ 7,494	\$ 7,494	\$ 7,201	\$ 7,201	\$ 6,916	\$ 6,916
0%	42%	Rennet Casein (AMS US; lb)	\$3.4063	\$3.4063	\$3.4625	\$3.4625	\$3.3238	\$3.3238	\$3.1988	\$3.1988
0%	4%	Acid Casein (AMS US; lb)	\$3.1925	\$3.1925	\$3.2038	\$3.2038	\$3.1888	\$3.1888	\$3.1838	\$3.1838
0%	2%	Lactose Edible (AMS Central/West AOM; lb)	\$0.3100	\$0.3100	\$0.3100	\$0.3100	\$0.3150	\$0.3250	\$0.3250	\$0.3350

All figures are per metric ton unless otherwise noted.

VALLEY QUEEN CHEESE YIELD BIDS

<i>Month</i>	MON 8-Jul <i>Bid</i>	TUE 9-Jul <i>Bid</i>	WED 10-Jul <i>Bid</i>	THU 11-Jul <i>Bid</i>	FRI 12-Jul <i>Bid</i>
Sep-19	\$ 1.6936	\$ 1.6915	\$ 1.6926	\$ 1.6863	\$ 1.6656
Oct-19	\$ 1.6967	\$ 1.6936	\$ 1.6947	\$ 1.6863	\$ 1.6624
Nov-19	\$ 1.6770	\$ 1.6759	\$ 1.6759	\$ 1.6697	\$ 1.6489
Dec-19	\$ 1.6219	\$ 1.6240	\$ 1.6230	\$ 1.6167	\$ 1.6001
Jan-20	\$ 1.5710	\$ 1.5752	\$ 1.5731	\$ 1.5720	\$ 1.5585
Feb-20	\$ 1.5575	\$ 1.5606	\$ 1.5617	\$ 1.5585	\$ 1.5440
Mar-20	\$ 1.5606	\$ 1.5606	\$ 1.5606	\$ 1.5617	\$ 1.5492
Apr-20	\$ 1.5679	\$ 1.5679	\$ 1.5669	\$ 1.5689	\$ 1.5585
May-20	\$ 1.5741	\$ 1.5741	\$ 1.5752	\$ 1.5793	\$ 1.5720
Jun-20	\$ 1.5876	\$ 1.5856	\$ 1.5866	\$ 1.5907	\$ 1.5907
Jul-20	\$ 1.5939	\$ 1.5980	\$ 1.5949	\$ 1.5991	\$ 1.5991
Aug-20	\$ 1.6001	\$ 1.6063	\$ 1.6032	\$ 1.6043	\$ 1.6043
Sep-20	\$ 1.6032	\$ 1.6115	\$ 1.6053	\$ 1.6074	\$ 1.6074
Oct-20	\$ 1.5928	\$ 1.5928	\$ 1.5928	\$ 1.5949	\$ 1.5949
Nov-20	\$ 1.5772	\$ 1.5700	\$ 1.5762	\$ 1.5804	\$ 1.5804
Dec-20	\$ 1.5565	\$ 1.5492	\$ 1.5606	\$ 1.5648	\$ 1.5731
Jan-21	\$ 1.4910	\$ 1.4910	\$ 1.4910	\$ 1.4920	\$ 1.5004
Feb-21	\$ 1.4910	\$ 1.4910	\$ 1.4910	\$ 1.4920	\$ 1.5004
Mar-21	\$ 1.4910	\$ 1.4910	\$ 1.4910	\$ 1.4920	\$ 1.5004
6 Month Sep '19 - Feb '20	\$ 1.6363	\$ 1.6368	\$ 1.6368	\$ 1.6316	\$ 1.6133
6 Month Mar '20 - Aug '20	\$ 1.5807	\$ 1.5821	\$ 1.5812	\$ 1.5840	\$ 1.5790
12 Month Sep '19 - Aug '20	\$ 1.6085	\$ 1.6095	\$ 1.6090	\$ 1.6078	\$ 1.5961

- Published bids are an indication only; actual bids are quoted in "real time" based on prevailing market activity
- Valley Queen producers can secure contracts for a minimum of 100,000 pounds, up to 75% of their average monthly production
- Indicator bids are available each day on the Valley Queen website (www.vqcheese.com) by approximately 4:00 p.m.
- Zero-cost collar/min-max contracts now available
- Producers can contract between 8:00am and 2:00pm Central Time
- Information about the program, current bids and contract execution are available by calling

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