



UPPER MIDWEST DAIRY NEWS

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Price Turbulence on CME Continues

The Chicago Mercantile Exchange (CME) price for 40-pound blocks of cheddar cheese rose sharply during the last month. (See Graph 1 on Page 2.) On September 18, the price was \$2.62¾ per pound, 83¢ above August 18 and 51¢ over a year earlier.

The price for barrel cheese on the CME during this time was up as well. The price on September 18 of \$1.63½ per pound was up 23½¢ from August 18, but 15¢ below last year.

The result is a record high spread between the two cheese prices at 99¼¢. In addition,

the jump in the block price of nearly 23¢ on September 18 was a record daily increase.

The CME butter price on September 18 was \$1.59¾ per pound, up 7¼¢ from a month ago, but and 51¼¢ below last year.

The Federal order Class III price for August is \$19.77, down \$4.77 from July, but \$2.17 above last year. The impact on pay prices from the volatile markets is illustrated in Table 1 below. The CME Class III futures market has the price coming down again in September for a couple of months, before settling in the mid-\$16 range.

Table 1
Calculation of the Minimum Payment for an "Average" F.O 30 Producer

| | Pound | | May 2020 | | June 2020 | | July 2020 | | August 2020 | |
|---|---------|-----------|-------------------------|--------|-------------------------|------------|-------------------------|------------|-------------------------|------------|
| | | | Price | Value | Price | Value | Price | Value | Price | Value |
| PPD (Adjusted for location) | 400,000 | Per Cwt. | \$0.17 | \$ 680 | \$(3.81) | \$(15,240) | \$(4.86) | \$(19,440) | \$(2.06) | \$(8,240) |
| Butterfat (3.85%) | 15,400 | Per Pound | 1.3756 | 21,184 | 1.8591 | 28,630 | 1.9583 | 30,158 | 1.6275 | 25,064 |
| Protein (3.10%) | 12,400 | Per Pound | 2.0918 | 25,938 | 4.5349 | 56,233 | 5.6294 | 69,805 | 4.4394 | 55,049 |
| Other Solids (5.75%) | 23,000 | Per Pound | 0.1882 | 4,329 | 0.1696 | 3,901 | 0.1492 | 3,432 | 0.1387 | 3,190 |
| Somatic Cells * | 400,000 | Per Cwt. | 0.12 | 480 | 0.20 | 800 | 0.23 | 920 | 0.19 | 760 |
| Federal Order 30 Minimum Payment | | | \$52,611 | | \$74,324 | | \$84,875 | | \$75,823 | |
| | | | \$13.15 per cwt. | | \$18.58 per cwt. | | \$21.22 per cwt. | | \$18.96 per cwt. | |

* The somatic cell rate is calculated by subtracting the cell count (in thousands) from 350, and multiplying the result by the somatic cell adjustment rate, rounding to nearest full cent. For May 2020 in this example, that would be: [(350-170) x \$0.00065] or 180 x \$0.00065 = \$0.12. For June, the somatic cell adjustment rate was \$0.00111, resulting in a \$0.20 rate. For July, the somatic cell adjustment rate was \$0.00129, resulting in a \$0.23 rate. For August, the somatic cell adjustment rate was \$0.00105, resulting in a \$0.19 rate.

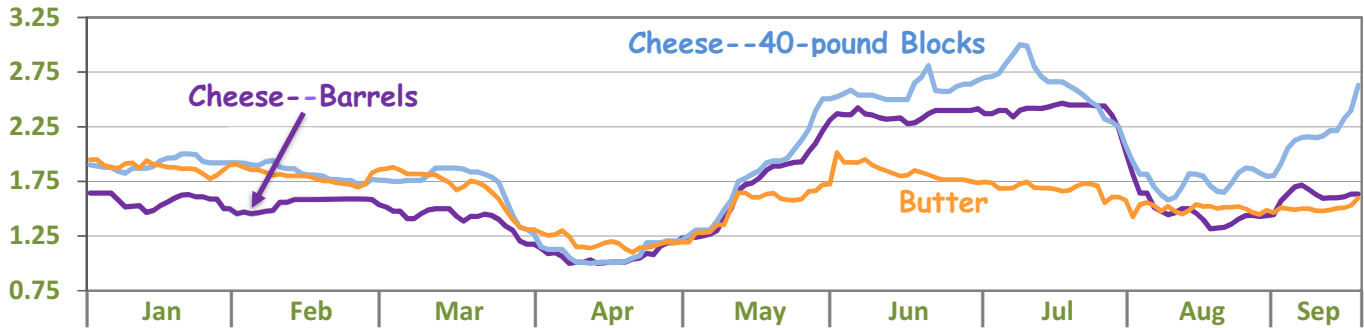
Pool Summary

- In August, producer milk totaled 1.1 billion pounds, up 9% from last month on a daily basis, but 65% below last year. The decline from last year resulted from a sharp increase in the volume of milk not pooled.
- Class I utilization was 203 million pounds, down 4% from July on a daily basis and 9% below last year. In August, Class I use was 18.6% of producer milk.
- The August Producer Price Differential (PPD) was \$(2.06) per cwt.
- The F.O. 30 Statistical Uniform Price in August was \$17.71 per cwt., down \$1.97 from July and \$0.04 below a year ago.
- Market statistics for August are shown on Pages 4 and 5.

August 2020 Producer Milk by Class

| | Percent | Product Pounds | Price \$/cwt. |
|--------------|---------|----------------------|---------------|
| Class I | 18.6 | 203,186,340 | 21.58 |
| Class II | 18.5 | 201,924,020 | 13.27 |
| Class III | 48.5 | 528,826,920 | 19.77 |
| Class IV | 14.4 | 156,734,275 | 12.53 |
| Total | | 1,090,671,555 | |

Graph 1 -- Chicago Mercantile Exchange -- Selected Dairy Commodity Prices*



* Prices depicted are dollars per pound for each day that trading occurred from January 1 through September 18, 2020.

Upper Midwest Order Fluid Milk Sales Continue Down

Sales of fluid milk products (FMP) by bottling plants regulated on the Upper Midwest Order (UMO) for 2000 through 2019 are discussed in this article and depicted graphically. In addition to examining total sales during the period, the average butterfat content of those sales and the sales by butterfat level are also examined.

The numbers used here do not include sales in the UMO by plants regulated on other Federal orders. While plant closures in the UMO have resulted in more FMP moving into this market, the overall trend will still show a decline. Those numbers will be examined in a future issue of the newsletter.

During 2019, there were 2.74 billion pounds of FMP sold from pool handlers. On a monthly basis, 2019 sales ranged from 202 million pounds in June to 247 million pounds in January.

Annual sales were 4.13 billion pounds in 2000 and were generally steady until 2003, jumped sharply in 2004, and then were again steady through 2009. The increase of nearly 300 million pounds in 2004 resulted largely from institutional factors (plants shifting where milk is pooled). In 2010, sales started a steady decline which has continued through 2019.

The sharp drop in 2012, like the increase in 2004, was largely the result of institutional factors. They also contributed to the steeper declines in 2018 and 2019.

Between 2000 and 2004 the average butterfat content of sales declined slightly, from 1.56% to 1.53% (see Figure 2), but then fell more rapidly, bottoming out at 1.40% in 2011. Since 2011 the average butterfat level has risen to 1.67%. The reason for this change will be evident when examining categories of sales of fluid milk by butterfat level: whole milk, reduced fat milk (2%), lowfat milk (1%), and skim milk.

Figure 1
Total Packaged Disposition

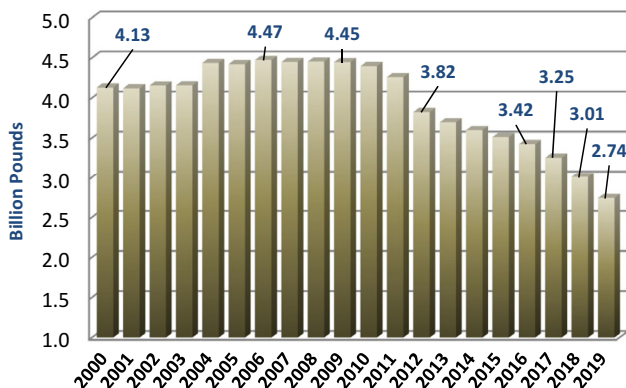
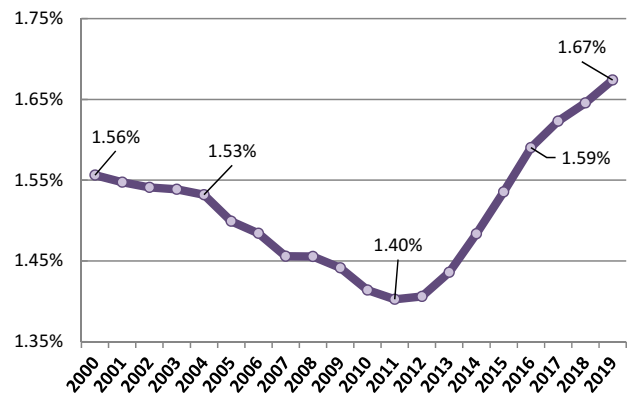


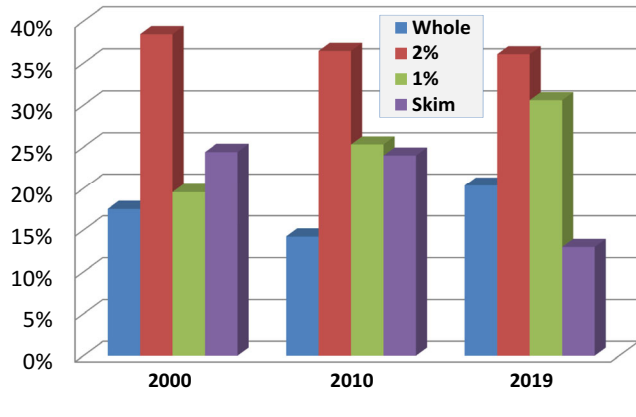
Figure 2
Butterfat Percentage-Total Disposition



Sales of skim milk contributed the smallest volume to the total in 2019 (see Figure 3), taking over that distinction from whole milk, which was on the bottom from 2000 through 2015. The largest category of sales each year since 2000 has been 2%.

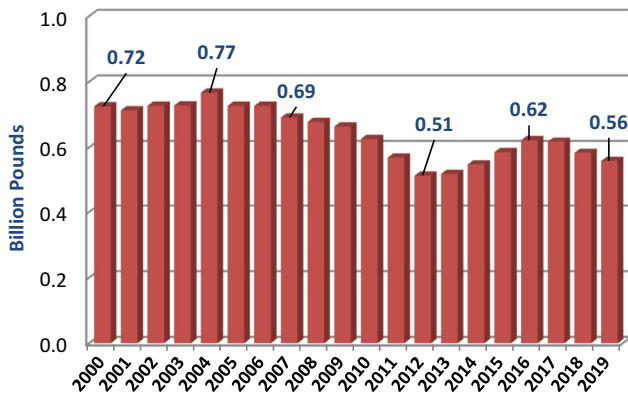
Figures 4 through 7 (on Page 3) contain annual sales of each of the butterfat level categories so we can examine the trends in each. When looking at these graphs, however, it is important to remember the more than 1.7 billion pound drop in total sales of FMP between 2009 and 2019.

Figure 3
Proportion of Sales by Product



Whole milk sales, (Figure 4) increased slightly from 2000 to 2004, declined steadily until 2012, increased through 2016, and have been on the way down again since that time. Whole milk is the only one of the four categories of sales examined here to show an increase in any of the last several years. However, since it remains the lowest volume category, the increase was obviously not enough to stem the decline in total sales.

Figure 4
Whole Milk



Sales of reduced fat milk (Figure 5) peaked at 1.73 billion pounds in 2008, but then fell sharply to under 1.0 billion pounds by 2019. The dropoff during that period was more than 40%, or an annual average decline of 3.9%.

Lowfat milk sales (Figure 6) peaked at 1.14 billion pounds in 2011, but have declined since that time to only 0.84 billion pounds in 2019, an average annual drop of 3.3%.

Skim milk sales (Figure 7) have declined more sharply, and for a longer period of time, than the other categories. Sales of skim peaked in 2007 at 1.08 billion pounds, but accounted for only 0.36 billion pounds in 2019. The decrease during that

time of 67% results in a yearly average dropoff of 5.6%. However, since 2011 the annual decline has averaged 8.2%.

Figure 5
Reduced Fat Milk (2%)

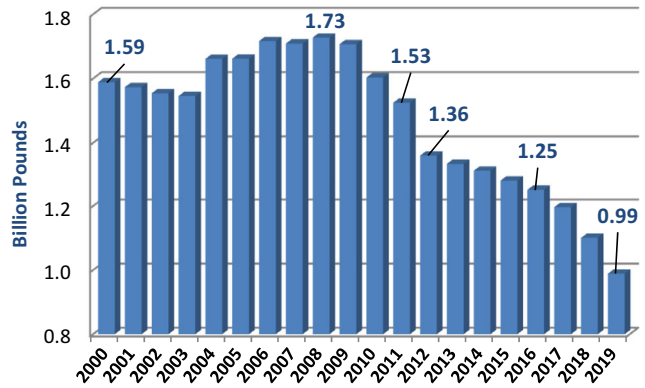


Figure 6
Lowfat Milk (1%)

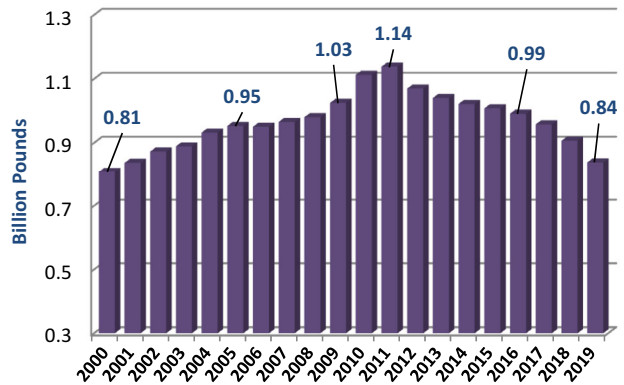
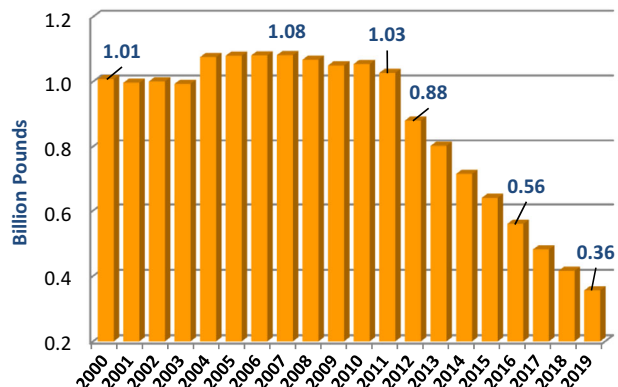


Figure 7
Fat Free Milk (Skim)



Computation of Producer Price Differential - August 2020

| | Utilization Percentage | Product Pounds | Component Pounds | Rate | Value |
|---|---------------------------|----------------------|---------------------|-----------------|---------------------------|
| Class I | | | | | |
| Differential Value | | | | | \$ 3,516,504.22 |
| Product | 18.6% | 203,186,340 | | | |
| Skim Milk | | | 199,393,702 | \$13.3400 | 26,599,119.84 |
| Butterfat | | | 3,792,638 | 1.9743 | 7,487,805.19 |
| Class II | | | | | |
| Product | 18.5% | 201,924,020 | | | |
| Nonfat Solids | | | 17,601,366 | 0.8689 | 15,293,826.92 |
| Butterfat | | | 10,163,899 | 1.6345 | 16,612,892.89 |
| Class III | | | | | |
| Product | 48.5% | 528,826,920 | | | |
| Protein | | | 16,015,595 | 4.4394 | 71,099,632.48 |
| Other Solids | | | 30,675,961 | 0.1387 | 4,254,755.81 |
| Butterfat | | | 18,958,222 | 1.6275 | 30,854,506.39 |
| Class IV | | | | | |
| Product | 14.4% | 156,734,275 | | | |
| Nonfat Solids | | | 13,617,155 | 0.7862 | 10,705,807.25 |
| Butterfat | | | 8,417,717 | 1.6275 | 13,699,834.47 |
| SCC Adjustment (Class II, III, and IV) | | | | | 1,555,301.65 |
| Total Producer Milk | | 1,090,671,555 | | | \$ 201,679,987.11 |
| Add: | | | | | |
| Overage | | | | | 38,259.68 |
| Inventory Reclassified | | | | | 71,706.13 |
| Other Source Milk \$.60(h) | | | | | 5,934.51 |
| Other Source Milk \$.60(i) | | | | | 0.00 |
| Subtract: | | | | | |
| Transportation Credit | | | | | 15,834.45 |
| Assembly Credit | | | | | 161,241.37 |
| Credit for Reconstituted FMP | | | | | 0.00 |
| Producer Milk Protein | | | | | 146,933,987.11 |
| Producer Milk Other Solids | | | | | 8,751,208.40 |
| Producer Milk Butterfat | | | | | 67,268,604.76 |
| Producer Milk SCC Adjustment | | | | | 1,874,528.37 |
| Total Milk and Value | | 1,090,671,555 | | | \$ (23,209,517.03) |
| Add: | | | | | |
| Location Adjustment -- Producer and Unregulated Supply Plant Milk | | | | | 751,882.24 |
| One-Half Unobligated Balance Producer Settlement Fund | | | | | 489,772.89 |
| Total Value | | | | (2.014159) | \$ (21,967,861.90) |
| Subtract: Producer Settlement Fund Reserve | | | | 0.045841 | 499,972.13 |
| Producer Price Differential ** | | | | (\$2.06) | \$ (22,467,834.03) |

* An estimated 2.5 billion pounds of milk was not pooled.

** Producer Price Differential is dollars per cwt. at the Base Zone of Cook County, Illinois.

Upper Midwest Pool Statistics - August 2020

| Market Class I Differential Rate | Pool Plants | Received at Pool Plants | Diverted to Pool and Nonpool Plants | Total | Location Adjustment to Producers | Class I Differential to Handlers | |
|--|----------------|----------------------------|---|----------------------|--|-------------------------------------|--------------------|
| <i>Cwt.</i> | <i>Number</i> | <i>Pounds</i> | <i>Pounds</i> | <i>Pounds</i> | <i>Value</i> | <i>Pounds</i> | <i>Value</i> |
| \$1.80 | 3 | 42,502,325 | 3,902,155 | 46,404,480 | \$ 0 | 34,877,678 | \$ 627,798 |
| \$1.75 | 29 | 116,308,152 | 470,975,729 | 587,283,881 | 293,642 | 63,284,712 | 1,107,482 |
| \$1.70 * | 26 | 190,569,081 | 266,414,113 | 456,983,194 | 458,240 | 105,023,950 | 1,781,224 |
| Total | 58 | 349,379,558 | 741,291,997 | 1,090,671,555 | \$751,882 | 203,186,340 | \$3,516,504 |

* Includes restricted data from the \$1.65 and the \$2.00 zones.

Utilization and Classification of Milk

| | August 2020 | | July 2020 | August 2019 |
|---|----------------------|-------------------|----------------------|----------------------|
| | Product Pounds | Butterfat Pounds | Product Pounds | Product Pounds |
| Class I Utilization: | | | | |
| Packaged Disposition | | | | |
| Milk | 43,315,052 | 1,424,251 | 42,999,263 | 44,101,762 |
| Flavored Milk | 3,404,928 | 113,649 | 3,053,297 | 2,665,367 |
| Reduced Fat Milk | 78,200,151 | 1,523,620 | 82,186,011 | 83,709,723 |
| Lowfat Milk | 40,924,164 | 412,361 | 41,778,171 | 41,717,859 |
| Fat Free Milk | 24,884,777 | 24,026 | 25,388,828 | 29,419,499 |
| Flavored Reduced and Fat Free Milk | 15,530,008 | 173,754 | 16,156,436 | 21,317,824 |
| Buttermilk | 1,826,493 | 19,250 | 2,006,775 | 2,291,964 |
| Total Packaged Disposition | 208,085,573 | 3,690,911 | 213,568,781 | 225,223,998 |
| Total Ending Inventory | 16,755,690 | 302,016 | 20,236,055 | 16,838,044 |
| Bulk to Nonpool Plants | 1,403,078 | 74,132 | 1,298,659 | 1,411,309 |
| Shrinkage | 1,782,862 | 188,821 | 1,426,294 | 1,330,150 |
| Total Class I Utilization | 228,027,203 | 4,255,880 | 236,529,789 | 244,803,501 |
| Other Order Plants | (4,022,863) | (92,491) | (4,167,086) | (4,144,858) |
| Beginning Inventory | (20,236,055) | (329,691) | (19,826,794) | (17,649,957) |
| Reused Products | 0 | 0 | 0 | 0 |
| Other Source Milk | (428,396) | (42,835) | -- | -- |
| Overage | 0 | 0 | 0 | 0 |
| Interhandler Adjustment | (153,549) | 1,775 | (662,163) | (28,493) |
| Class I Producer Milk | 203,186,340 | 3,792,638 | 211,873,746 | 222,980,193 |
| Class II Utilization: | | | | |
| Total Class II Utilization | 207,041,157 | 10,344,377 | 200,225,878 | 160,700,556 |
| Other Order Plants | -- | -- | 0 | 0 |
| Beginning Inventory | (985,697) | (48,419) | (2,123,201) | -- |
| Reused Products | (3,993,490) | (5,249) | (5,030,012) | (4,691,287) |
| Other Source Milk | (137,950) | (126,810) | (315,948) | -- |
| Overage | -- | -- | -- | 0 |
| Class II Producer Milk | 201,924,020 | 10,163,899 | 192,756,717 | 156,009,269 |
| Class III Utilization: | | | | |
| Total Class III Utilization | 531,395,425 | 19,006,062 | 449,301,833 | 2,664,980,426 |
| Other Order Plants | -- | -- | -- | 0 |
| Beginning Inventory | (1,295,074) | (36,781) | (1,632,016) | (1,709,251) |
| Reused Products | -- | -- | -- | -- |
| Other Source Milk | (1,244,382) | (3,504) | (1,331,287) | (1,946,564) |
| Overage | (29,049) | (7,555) | (98,308) | (72,846) |
| Class III Producer Milk | 528,826,920 | 18,958,222 | 446,240,222 | 2,661,251,765 |
| Class IV Utilization: | | | | |
| Total Class IV Utilization | 213,418,569 | 10,883,151 | 200,481,189 | 206,112,040 |
| Other Order Plants | (2,228,783) | (96,630) | (2,233,959) | (5,673,482) |
| Beginning Inventory | (8,765,656) | (519,535) | (13,052,937) | (10,770,364) |
| Reused Products | -- | -- | -- | -- |
| Other Source Milk | (45,645,884) | (1,837,398) | (35,170,214) | (57,115,953) |
| Overage | (43,971) | (11,871) | (38,683) | (35,112) |
| Class IV Producer Milk | 156,734,275 | 8,417,717 | 149,985,396 | 132,517,129 |
| Total Producer Milk -- All Classes | 1,090,671,555 | 41,332,476 | 1,000,856,081 | 3,172,758,356 |

-- Restricted Information

Commodity Prices

| Month/Year | Weighted Monthly Average Prices | | | | | | Weighted Two-Week Average Prices | | | | | |
|------------|---------------------------------|---------|---------|--------|----------|----------|----------------------------------|---------|---------|--------|----------|----------|
| | Cheddar Cheese | | | Nonfat | | | Cheddar Cheese | | | Nonfat | | |
| | Blocks | Barrels | Average | Butter | Dry Milk | Dry Whey | Blocks | Barrels | Average | Butter | Dry Milk | Dry Whey |
| | <i>Dollars per Pound</i> | | | | | | <i>Dollars per Pound</i> | | | | | |
| Aug 2019 | 1.8636 | 1.7566 | 1.8276 | 2.3659 | 1.0335 | 0.3671 | 1.8473 | 1.7523 | 1.8153 | 2.3643 | 1.0391 | 0.3673 |
| Sep | 1.9843 | 1.7913 | 1.9053 | 2.2344 | 1.0519 | 0.3698 | 1.9279 | 1.7431 | 1.8531 | 2.2665 | 1.0477 | 0.3684 |
| Oct | 2.0569 | 1.8379 | 1.9694 | 2.1559 | 1.0957 | 0.3396 | 2.0372 | 1.7970 | 1.9402 | 2.1496 | 1.1014 | 0.3406 |
| Nov | 2.0987 | 2.2280 | 2.1723 | 2.0869 | 1.1540 | 0.3071 | 2.1374 | 2.2486 | 2.2000 | 2.0879 | 1.1479 | 0.2997 |
| Dec | 1.9363 | 2.1395 | 2.0509 | 1.9842 | 1.2161 | 0.3293 | 1.9424 | 2.2460 | 2.1082 | 1.9894 | 1.2095 | 0.3266 |
| Jan 2020 | 1.8995 | 1.6869 | 1.8092 | 1.9153 | 1.2451 | 0.3367 | 1.8823 | 1.6994 | 1.8081 | 1.9311 | 1.2388 | 0.3295 |
| Feb | 1.9467 | 1.6007 | 1.7884 | 1.8076 | 1.2453 | 0.3690 | 1.9677 | 1.6084 | 1.8032 | 1.8277 | 1.2541 | 0.3644 |
| Mar | 1.8133 | 1.5761 | 1.7091 | 1.7551 | 1.1160 | 0.3748 | 1.8245 | 1.6127 | 1.7346 | 1.7767 | 1.1609 | 0.3729 |
| Apr | 1.5264 | 1.2744 | 1.4026 | 1.2630 | 0.9552 | 0.3732 | 1.5225 | 1.2818 | 1.4120 | 1.2407 | 0.9564 | 0.3724 |
| May | 1.3049 | 1.2641 | 1.2990 | 1.3074 | 0.8492 | 0.3818 | 1.1798 | 1.1607 | 1.1859 | 1.2538 | 0.8395 | 0.3822 |
| Jun | 2.2566 | 2.1482 | 2.2152 | 1.7067 | 0.9106 | 0.3638 | 2.0334 | 1.9734 | 2.0174 | 1.6598 | 0.8923 | 0.3674 |
| Jul | 2.6978 | 2.4374 | 2.5873 | 1.7886 | 0.9717 | 0.3440 | 2.6732 | 2.4266 | 2.5653 | 1.8018 | 0.9666 | 0.3467 |
| Aug | 2.2144 | 1.9817 | 2.1099 | 1.5154 | 0.9619 | 0.3338 | 2.4827 | 2.2991 | 2.4073 | 1.5567 | 0.9683 | 0.3413 |

| Month/Year | Chicago Mercantile Exchange | | | | | USDA Dairy Market News | | | | |
|------------|-----------------------------|----------------|---------|---------|-------------|------------------------|--------|-------------|---------|--------|
| | Butter | Cheddar Cheese | | NFDM | Whey | NFDM Low/Medium Heat | | Whey Powder | | |
| | Grade AA | Blocks | Barrels | Grade A | Extra Grade | Central & East | West | Northeast | Central | West |
| | <i>Dollars per Pound</i> | | | | | | | | | |
| Aug 2019 | 2.2942 | 1.8791 | 1.7081 | 1.0297 | 0.3701 | 1.0425 | 1.0239 | 0.3573 | 0.3356 | 0.3601 |
| Sep | 2.1690 | 2.0395 | 1.7463 | 1.0703 | 0.3800 | 1.0573 | 1.0558 | 0.3600 | 0.3373 | 0.3746 |
| Oct | 2.1071 | 2.0703 | 2.0224 | 1.1579 | 0.3004 | 1.1236 | 1.1328 | 0.3502 | 0.3122 | 0.3356 |
| Nov | 2.0495 | 1.9664 | 2.2554 | 1.2139 | 0.3109 | 1.1952 | 1.1913 | 0.3352 | 0.3015 | 0.3156 |
| Dec | 1.9736 | 1.8764 | 1.8410 | 1.2501 | 0.3333 | 1.2461 | 1.2353 | 0.3480 | 0.3461 | 0.3436 |
| Jan 2020 | 1.8813 | 1.9142 | 1.5721 | 1.2688 | 0.3520 | 1.2683 | 1.2543 | 0.3449 | 0.3427 | 0.3460 |
| Feb | 1.7913 | 1.8343 | 1.5470 | 1.1816 | 0.3708 | 1.2246 | 1.2118 | 0.3585 | 0.3505 | 0.3761 |
| Mar | 1.7235 | 1.7550 | 1.4399 | 1.0259 | 0.3339 | 1.1005 | 1.0818 | 0.3738 | 0.3511 | 0.3468 |
| Apr | 1.1999 | 1.1019 | 1.0690 | 0.8485 | 0.3644 | 0.9039 | 0.8980 | 0.3795 | 0.3550 | 0.3493 |
| May | 1.4710 | 1.6704 | 1.5980 | 0.9191 | 0.3736 | 0.8980 | 0.8832 | 0.3806 | 0.3687 | 0.3719 |
| Jun | 1.8291 | 2.5620 | 2.3376 | 1.0092 | 0.3181 | 1.0094 | 0.9924 | 0.3765 | 0.3381 | 0.3359 |
| Jul | 1.6925 | 2.6466 | 2.4080 | 1.0038 | 0.3253 | 1.0203 | 1.0148 | 0.3489 | 0.3114 | 0.3298 |
| Aug | 1.5038 | 1.7730 | 1.4937 | 0.9830 | 0.3276 | 0.9798 | 0.9754 | 0.3487 | 0.3177 | 0.3310 |

Market Statistics

| Month/Year | Distributing Plants | Supply Plants | Coop .9(c) Handlers | Producers | Total Producer Milk | Est. Average Daily Delivery Per Producer | Class I Utilization | Butterfat Test | Protein Test | Other Solids Test | Weighted Average SCC |
|------------|------------------------|------------------|------------------------|-----------|---------------------------|--|------------------------|-------------------|-----------------|-------------------------|----------------------------|
| | | | | | Mil. lbs. | Pounds | Percent | Percent | Percent | Percent | |
| | | | | | | | | | | (000) | |
| Jun 2019 | 13 | 47 | 9 | 8,834 | 3,248 | 12,242 | 6.1 | 3.83 | 3.06 | 5.80 | 174 |
| Jul | 13 | 47 | 9 | 8,123 | 2,897 | 11,490 | 7.5 | 3.76 | 2.99 | 5.79 | 195 |
| Aug | 14 | 47 | 9 | 8,369 | 3,173 | 12,217 | 7.0 | 3.81 | 3.04 | 5.77 | 196 |
| Sep | 14 | 47 | 8 | 7,412 | 2,284 | 10,266 | 9.7 | 3.88 | 3.10 | 5.77 | 180 |
| Oct | 16 | 47 | 9 | 6,821 | 1,960 | 9,263 | 12.2 | 4.00 | 3.18 | 5.76 | 169 |
| Nov | 19 | 45 | 10 | 6,152 | 1,617 | 8,793 | 14.5 | 4.08 | 3.25 | 5.74 | 152 |
| Dec | 15 | 44 | 9 | 6,042 | 1,798 | 9,596 | 12.9 | 4.03 | 3.22 | 5.74 | 160 |
| Jan 2020 | 13 | 44 | 9 | 6,537 | 2,234 | 11,012 | 10.7 | 4.01 | 3.20 | 5.74 | 163 |
| Feb | 15 | 44 | 10 | 6,627 | 2,247 | 11,691 | 9.4 | 4.01 | 3.19 | 5.75 | 162 |
| Mar | 15 | 43 | 10 | 6,568 | 2,546 | 12,465 | 9.6 | 3.97 | 3.17 | 5.76 | 163 |
| Apr | 16 | 43 | 11 | 6,660 | 2,704 | 13,491 | 8.2 | 3.96 | 3.14 | 5.77 | 162 |
| May | 15 | 43 | 10 | 6,897 | 2,779 | 12,965 | 7.9 | 3.91 | 3.11 | 5.78 | 163 |
| Jun | 15 | 43 | 9 | 4,553 | 1,087 | 7,949 | 19.5 | 3.79 | 3.03 | 5.79 | 173 |
| Jul | 14 | 44 | 9 | | 1,001 | | 21.2 | 3.76 | 2.98 | 5.78 | 192 |
| Aug | 14 | 44 | 9 | | 1,091 | | 18.6 | 3.79 | 3.03 | 5.78 | 186 |

Class Prices

| Month/Year | Class I Price Mover | | | Class I Price at Cook County, IL | | | Class II Price | | | |
|------------|---------------------|-------------|-------------|----------------------------------|-------------|-------------|----------------|---------------|-------------|-------------|
| | Butterfat | Skim Milk | 3.50% | Butterfat | Skim Milk | 3.50% | Butterfat | Nonfat Solids | Skim Milk | 3.50% |
| | <i>lb.</i> | <i>cwt.</i> | <i>cwt.</i> | <i>lb.</i> | <i>cwt.</i> | <i>cwt.</i> | <i>lb.</i> | <i>lb.</i> | <i>cwt.</i> | <i>cwt.</i> |
| Aug 2019 | 2.6830 | 8.81 | 17.89 | 2.7010 | 10.61 | 19.69 | 2.6644 | 0.9522 | 8.57 | 17.60 |
| Sep | 2.6555 | 8.87 | 17.85 | 2.6735 | 10.67 | 19.65 | 2.5052 | 0.9400 | 8.46 | 16.93 |
| Oct | 2.5370 | 9.29 | 17.84 | 2.5550 | 11.09 | 19.64 | 2.4101 | 0.9489 | 8.54 | 16.68 |
| Nov | 2.3955 | 10.11 | 18.14 | 2.4135 | 11.91 | 19.94 | 2.3265 | 1.0022 | 9.02 | 16.85 |
| Dec | 2.3208 | 11.61 | 19.33 | 2.3388 | 13.41 | 21.13 | 2.2022 | 1.0478 | 9.43 | 16.81 |
| Jan 2020 | 2.2015 | 11.71 | 19.01 | 2.2195 | 13.51 | 20.81 | 2.1187 | 1.1089 | 9.98 | 17.05 |
| Feb | 2.1309 | 10.46 | 17.55 | 2.1419 | 12.26 | 19.35 | 1.9883 | 1.1378 | 10.24 | 16.84 |
| Mar | 2.0057 | 10.82 | 17.46 | 2.0237 | 12.62 | 19.26 | 1.9247 | 1.1533 | 10.38 | 16.75 |
| Apr | 1.9439 | 10.19 | 16.64 | 1.9619 | 11.99 | 18.44 | 1.3288 | 1.0611 | 9.55 | 13.87 |
| May | 1.2948 | 8.72 | 12.95 | 1.3128 | 10.52 | 14.75 | 1.3826 | 0.8589 | 7.73 | 12.30 |
| Jun | 1.3107 | 7.08 | 11.42 | 1.3287 | 8.88 | 13.22 | 1.8661 | 0.7433 | 6.69 | 12.99 |
| Jul | 1.8023 | 10.62 | 16.56 | 1.8203 | 12.42 | 18.36 | 1.9653 | 0.7956 | 7.16 | 13.79 |
| Aug | 1.9743 | 13.34 | 19.78 | 1.9923 | 15.14 | 21.58 | 1.6345 | 0.8689 | 7.82 | 13.27 |
| Sep | 1.6775 | 13.02 | 18.44 | 1.6955 | 14.82 | 20.24 | | 0.8700 | 7.83 | |

| Month/Year | Class III Price | | | | | Class IV Price | | | |
|------------|-----------------|------------|--------------|-------------|-------------|----------------|---------------|-------------|-------------|
| | Butterfat | Protein | Other Solids | Skim Milk | 3.50% | Butterfat | Nonfat Solids | Skim Milk | 3.50% |
| | <i>lb.</i> | <i>lb.</i> | <i>lb.</i> | <i>cwt.</i> | <i>cwt.</i> | <i>lb.</i> | <i>lb.</i> | <i>cwt.</i> | <i>cwt.</i> |
| Aug 2019 | 2.6574 | 2.4453 | 0.1730 | 8.60 | 17.60 | 2.6574 | 0.8570 | 7.71 | 16.74 |
| Sep | 2.4982 | 2.8633 | 0.1758 | 9.91 | 18.31 | 2.4982 | 0.8753 | 7.88 | 16.35 |
| Oct | 2.4031 | 3.1700 | 0.1447 | 10.68 | 18.72 | 2.4031 | 0.9186 | 8.27 | 16.39 |
| Nov | 2.3195 | 3.9118 | 0.1112 | 12.78 | 20.45 | 2.3195 | 0.9763 | 8.79 | 16.60 |
| Dec | 2.1952 | 3.6515 | 0.1341 | 12.11 | 19.37 | 2.1952 | 1.0378 | 9.34 | 16.70 |
| Jan 2020 | 2.1117 | 2.9606 | 0.1417 | 10.01 | 17.05 | 2.1117 | 1.0665 | 9.60 | 16.65 |
| Feb | 1.9813 | 3.0309 | 0.1750 | 10.43 | 17.00 | 1.9813 | 1.0667 | 9.60 | 16.20 |
| Mar | 1.9177 | 2.8424 | 0.1810 | 9.88 | 16.25 | 1.9177 | 0.9387 | 8.45 | 14.87 |
| Apr | 1.3218 | 2.4822 | 0.1793 | 8.75 | 13.07 | 1.3218 | 0.7795 | 7.02 | 11.40 |
| May | 1.3756 | 2.0918 | 0.1882 | 7.59 | 12.14 | 1.3756 | 0.6746 | 6.07 | 10.67 |
| Jun | 1.8591 | 4.5349 | 0.1696 | 15.06 | 21.04 | 1.8591 | 0.7354 | 6.62 | 12.90 |
| Jul | 1.9583 | 5.6294 | 0.1492 | 18.33 | 24.54 | 1.9583 | 0.7959 | 7.16 | 13.76 |
| Aug | 1.6275 | 4.4394 | 0.1387 | 14.58 | 19.77 | 1.6275 | 0.7862 | 7.08 | 12.53 |

Producer Prices

| Month/Year | Producer Price Differential | Statistical Uniform Price (at 3.50%) | Butterfat Price | Protein Price | Other Solids Price | SCC Adjustment Rate | Producer Mailbox Price (at test) |
|------------|-----------------------------|--------------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------------------|
| | <i>\$ per cwt.</i> | <i>\$ per cwt.</i> | <i>\$ per lb.</i> | <i>\$ per lb.</i> | <i>\$ per lb.</i> | <i>\$ per cwt.</i> | <i>\$ per cwt.</i> |
| | Jun 2019 | 0.25 | 16.52 | 2.6579 | 2.0046 | 0.1702 | 0.00085 |
| Jul | 0.16 | 17.71 | 2.6858 | 2.4032 | 0.1689 | 0.00091 | 18.67 |
| Aug | 0.15 | 17.75 | 2.6574 | 2.4453 | 0.1730 | 0.00091 | 18.95 |
| Sep | (0.08) | 18.23 | 2.4982 | 2.8633 | 0.1758 | 0.00095 | 19.81 |
| Oct | (0.30) | 18.42 | 2.4031 | 3.1700 | 0.1447 | 0.00098 | 20.62 |
| Nov | (0.94) | 19.51 | 2.3195 | 3.9118 | 0.1112 | 0.00109 | 22.34 |
| Dec | (0.40) | 18.97 | 2.1952 | 3.6515 | 0.1341 | 0.00103 | 21.54 |
| Jan 2020 | 0.28 | 17.33 | 2.1117 | 2.9606 | 0.1417 | 0.00090 | 19.42 |
| Feb | 0.06 | 17.06 | 1.9813 | 3.0309 | 0.1750 | 0.00089 | 19.33 |
| Mar | 0.17 | 16.42 | 1.9177 | 2.8424 | 0.1810 | 0.00085 | 17.96 |
| Apr | 0.24 | 13.31 | 1.3218 | 2.4822 | 0.1793 | 0.00070 | 14.29 |
| May | 0.17 | 12.31 | 1.3756 | 2.0918 | 0.1882 | 0.00065 | 13.83 |
| Jun | (3.81) | 17.23 | 1.8591 | 4.5349 | 0.1696 | 0.00111 | 19.92 |
| Jul | (4.86) | 19.68 | 1.9583 | 5.6294 | 0.1492 | 0.00129 | |
| Aug | (2.06) | 17.71 | 1.6275 | 4.4394 | 0.1387 | 0.00105 | |

Summary of Federal Order Data - August 2020

| Federal Order Number / Name | Producer Deliveries <i>— Thousand Pounds —</i> | Class I Producer Receipts | Class I Utilization <i>Percent</i> | Class I Price <i>— Dollars per Cwt. —</i> | Producer Price Differential | Uniform or Statistical Uniform Price at 3.5% Butterfat | | |
|--------------------------------------|---|---------------------------|---------------------------------------|--|-----------------------------|--|---|---------------------------|
| | | | | | | FOB Market | FOB Cook Cty. Illinois <i>Dollars per Cwt.</i> | Change From Previous Year |
| 1 Northeast | 2,260,177 | 646,066 | 28.6 | \$ 23.03 | \$ (1.75) | \$ 18.02 | \$ 16.57 | \$ (0.95) |
| 5 Appalachian | 448,958 | 318,120 | 70.9 | 23.18 | n/a | 20.25 | 18.65 | (0.09) |
| 6 Florida | 197,127 | 160,747 | 81.5 | 25.18 | n/a | 22.69 | 19.09 | 0.21 |
| 7 Southeast | 368,292 | 250,480 | 68.0 | 23.58 | n/a | 20.18 | 18.18 | (0.67) |
| 30 Upper Midwest | 1,090,672 | 203,186 | 18.6 | 21.58 | (2.06) | 17.71 | 17.71 | (0.04) |
| 32 Central | 864,081 | 370,800 | 42.9 | 21.78 | (3.62) | 16.15 | 15.95 | (1.70) |
| 33 Mideast | 1,350,682 | 549,293 | 40.7 | 21.78 | (2.93) | 16.84 | 16.64 | (1.36) |
| 51 California | 1,831,608 | 400,040 | 21.8 | 21.88 | (5.24) | 14.53 | 14.23 | (3.31) |
| 124 Pacific Northwest | 627,301 | 130,074 | 20.7 | 21.68 | (3.61) | 16.16 | 16.06 | (1.44) |
| 126 Southwest | 899,817 | 333,268 | 37.0 | 22.78 | (3.76) | 16.01 | 14.81 | (2.68) |
| 131 Arizona | 298,982 | 97,367 | 32.6 | 22.13 | n/a | 15.84 | 15.29 | (2.27) |
| All Market Average or Total * | 10,237,696 | 3,459,441 | 33.8 | | | | | |

n/a = Not applicable.

* May not add due to rounding.

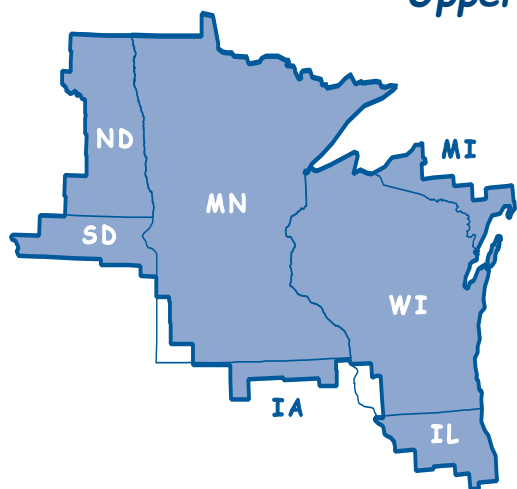
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