

**DIXIE DAIRY REPORT - JANUARY 2018** published by Calvin Covington, ccovington5@cs.com, 336-766-7191

<b>Class I Mover \$ Per Cwt. (3.5% fat)</b>													
	<u>J</u>	<u>F</u>	<u>M</u>	<u>A</u>	<u>M</u>	<u>J</u>	<u>J</u>	<u>A</u>	<u>S</u>	<u>O</u>	<u>N</u>	<u>D</u>	<u>Avg.</u>
2016	\$16.04	\$13.64	\$13.78	\$13.74	\$13.70	\$13.14	\$13.70	\$15.07	\$16.56	\$16.60	\$14.78	\$16.88	\$14.80
2017	\$17.45	\$16.73	\$16.90	\$16.05	\$15.20	\$15.31	\$16.59	\$16.72	\$16.71	\$16.44	\$16.41	\$16.88	\$16.45
2018	\$15.44	<b>\$14.00</b>	<b>\$13.71</b>	<b>\$13.66</b>	<b>\$13.77</b>	<b>\$14.16</b>	<b>\$14.92</b>	<b>\$15.18</b>	<b>\$15.94</b>	<b>\$16.19</b>	<b>\$16.44</b>	<b>\$16.34</b>	<b>\$14.98</b>
<b>Class I Mover \$ Per Cwt. (2.0% fat)</b>													
2016	\$11.57	\$10.33	\$10.25	\$10.52	\$10.45	\$9.78	\$10.21	\$11.25	\$12.96	\$13.25	\$11.78	\$13.86	\$11.35
2017	\$14.09	\$13.07	\$13.36	\$12.50	\$11.74	\$11.89	\$12.61	\$12.36	\$12.26	\$12.25	\$12.49	\$13.21	\$12.65
2018	\$11.82	<b>\$10.32</b>	<b>\$10.01</b>	<b>\$9.94</b>	<b>\$9.98</b>	<b>\$10.41</b>	<b>\$11.22</b>	<b>\$11.40</b>	<b>\$12.08</b>	<b>\$12.30</b>	<b>\$12.50</b>	<b>\$12.49</b>	<b>\$11.21</b>
<b>Class II \$ Per Cwt. (3.5% fat)</b>													
2016	\$14.19	\$14.30	\$13.57	\$13.54	\$13.53	\$14.12	\$15.16	\$15.21	\$14.66	\$14.09	\$14.60	\$15.26	\$14.35
2017	\$16.36	\$16.52	\$16.21	\$14.81	\$14.84	\$16.15	\$17.48	\$17.56	\$16.80	\$15.95	\$15.32	\$14.49	\$16.04
2018	<b>\$14.29</b>	<b>\$14.17</b>	<b>\$14.13</b>	<b>\$14.38</b>	<b>\$14.38</b>	<b>\$14.39</b>	<b>\$14.64</b>	<b>\$15.20</b>	<b>\$15.45</b>	<b>\$15.67</b>	<b>\$15.54</b>	<b>\$15.42</b>	<b>\$14.81</b>
<b>Class III \$ Per Cwt. (3.5% fat)</b>													
2016	\$13.72	\$13.80	\$13.74	\$13.63	\$12.76	\$13.22	\$15.24	\$16.91	\$16.39	\$14.82	\$16.76	\$17.40	\$14.87
2017	\$16.77	\$16.88	\$15.81	\$15.22	\$15.57	\$16.44	\$15.45	\$16.57	\$16.36	\$16.40	\$16.88	\$15.44	\$16.15
2018	<b>\$13.91</b>	<b>\$13.71</b>	<b>\$13.66</b>	<b>\$13.71</b>	<b>\$14.16</b>	<b>\$14.92</b>	<b>\$15.18</b>	<b>\$15.94</b>	<b>\$16.19</b>	<b>\$16.44</b>	<b>\$16.34</b>	<b>\$16.18</b>	<b>\$15.03</b>
<b>Class IV \$ Per Cwt. (3.5% fat)</b>													
2016	\$13.31	\$13.49	\$12.74	\$12.68	\$13.09	\$13.77	\$14.84	\$14.65	\$14.25	\$13.66	\$13.76	\$14.97	\$13.77
2017	\$16.19	\$15.59	\$14.32	\$14.01	\$14.49	\$15.89	\$16.60	\$16.61	\$15.86	\$14.85	\$13.99	\$13.51	\$15.16
2018	<b>\$13.43</b>	<b>\$13.39</b>	<b>\$13.51</b>	<b>\$13.77</b>	<b>\$13.77</b>	<b>\$13.77</b>	<b>\$14.29</b>	<b>\$14.67</b>	<b>\$14.84</b>	<b>\$15.05</b>	<b>\$14.93</b>	<b>\$14.80</b>	<b>\$14.19</b>
<b>Domestic Commercial Disappearance of Manufactured Dairy Products (million lbs.)</b>													
<b>Butter</b>													<u>YTD Total</u>
2016	137.5	127.8	171.3	118.8	138.9	148.5	131.7	140.3	185.6	178.1	208.4	159.9	1,478.5
2017	123.1	114.6	174.3	144.4	144.1	142.0	141.5	159.4	162.1	180.5			1,486.0
% change	-10.5%	-10.3%	1.8%	21.5%	3.7%	-4.4%	7.4%	13.6%	-12.7%	1.3%			0.5%
<b>American Cheese</b>													
2016	382.2	364.1	385.8	383.9	371.1	385.6	380.0	413.4	372.6	402.7	414.8	401.4	3,841.4
2017	388.1	345.6	378.1	383.8	413.1	418.8	368.4	417.2	402.7	448.5			3,964.3
% change	1.5%	-5.1%	-2.0%	0.0%	11.3%	8.6%	-3.1%	0.9%	8.1%	11.4%			3.2%
<b>Other Cheese</b>													
2016	593.7	560.4	610.9	578.4	575.4	585.9	586.0	603.5	598.1	636.6	629.6	620.5	5,928.9
2017	605.7	525.6	605.0	585.0	591.8	579.7	576.0	603.9	598.4	629.6			5,900.7
% change	2.0%	-6.2%	-1.0%	1.1%	2.9%	-1.1%	-1.7%	0.1%	0.1%	-1.1%			-0.5%
<b>Nonfat dry milk powder/skim milk powder</b>													
2016	72.1	101.6	107.4	94.4	138.8	110.4	67.7	70.3	72.6	48.2	64.2	96.2	883.5
2017	102.1	31.5	120.5	79.8	76.8	87.4	106.6	56.7	66.7	53.6			781.7
% change	41.6%	-69.0%	12.2%	-15.5%	-44.7%	-20.8%	57.5%	-19.3%	-8.1%	11.2%			-11.5%

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	<u>J</u>	<u>F</u>	<u>M</u>	<u>A</u>	<u>M</u>	<u>J</u>	<u>J</u>	<u>A</u>	<u>S</u>	<u>O</u>	<u>N</u>	<u>D</u>	<u>Avg.</u>
<b>Southeast Federal Orders' Blend Prices</b>													
Florida - Tampa													
2016	\$19.34	\$18.43	\$18.06	\$18.32	\$18.10	\$17.93	\$18.71	\$19.51	\$20.87	\$20.39	\$19.43	\$21.64	\$19.23
2017	\$22.22	\$21.07	\$21.28	\$20.08	\$19.69	\$20.39	\$21.45	\$21.43	\$21.14	\$20.62	\$20.66	<b>\$21.14</b>	<b>\$20.93</b>
2018	<b>\$19.94</b>	<b>\$18.53</b>	<b>\$18.33</b>	<b>\$18.20</b>	<b>\$18.30</b>	<b>\$18.73</b>	<b>\$19.47</b>	<b>\$19.94</b>	<b>\$20.31</b>	<b>\$20.20</b>	<b>\$20.96</b>	<b>\$20.77</b>	<b>\$19.47</b>
Southeast - Atlanta													
2016	\$17.60	\$16.88	\$16.22	\$16.34	\$16.27	\$16.17	\$17.20	\$18.24	\$19.21	\$18.72	\$18.02	\$19.78	\$17.55
2017	\$20.27	\$19.36	\$19.15	\$17.97	\$17.83	\$18.70	\$19.64	\$20.02	\$19.61	\$19.12	\$19.07	<b>\$19.18</b>	<b>\$19.16</b>
2018	<b>\$17.93</b>	<b>\$16.76</b>	<b>\$16.48</b>	<b>\$16.37</b>	<b>\$16.54</b>	<b>\$17.02</b>	<b>\$17.73</b>	<b>\$18.42</b>	<b>\$19.00</b>	<b>\$19.17</b>	<b>\$19.25</b>	<b>\$19.02</b>	<b>\$17.81</b>
Appalachian - Charlotte													
2016	\$17.03	\$16.41	\$15.87	\$16.01	\$15.98	\$15.93	\$16.80	\$17.62	\$18.56	\$18.10	\$17.48	\$19.34	\$17.09
2017	\$20.06	\$19.09	\$19.06	\$17.77	\$17.65	\$18.37	\$19.35	\$19.53	\$19.06	\$18.59	\$18.63	<b>\$18.48</b>	<b>\$18.80</b>
2018	<b>\$17.73</b>	<b>\$16.57</b>	<b>\$16.35</b>	<b>\$16.22</b>	<b>\$16.38</b>	<b>\$16.61</b>	<b>\$17.26</b>	<b>\$17.90</b>	<b>\$18.44</b>	<b>\$18.64</b>	<b>\$18.81</b>	<b>\$18.41</b>	<b>\$17.44</b>
<b>Southeast Federal Orders' Class I Utilization %</b>													
Florida													<u>Avg.</u>
2016	85%	83%	84%	84%	81%	84%	83%	84%	88%	83%	83%	83%	84%
2017	86%	83%	83%	82%	81%	82%	83%	84%	86%	84%	84%		84%
Southeast													
2016	73%	73%	66%	64%	64%	65%	69%	81%	77%	74%	79%	72%	71%
2017	70%	68%	65%	60%	63%	66%	68%	77%	77%	74%	75%		69%
Appalachian													
2016	70%	70%	67%	66%	64%	65%	68%	74%	74%	71%	75%	72%	70%
2017	73%	71%	70%	63%	67%	64%	66%	72%	72%	71%	74%		69%
<b>Bureau of Labor Statistics National City Price Averages</b>													
<b>Whole Milk \$/gallon</b>													<u>Avg. YTD</u>
2015	\$3.76	\$3.50	\$3.46	\$3.40	\$3.39	\$3.37	\$3.43	\$3.39	\$3.39	\$3.34	\$3.30	\$3.31	\$3.43
2016	\$3.31	\$3.23	\$3.19	\$3.16	\$3.16	\$3.12	\$3.06	\$3.14	\$3.23	\$3.29	\$3.28	\$3.29	\$3.20
2017	\$3.32	\$3.30	\$3.32	\$3.26	\$3.24	\$3.21	\$3.22	\$3.17	\$3.21	\$3.16	\$3.15		\$3.24
% change	0.15%	2.17%	4.02%	3.30%	2.69%	3.15%	5.13%	0.86%	-0.62%	-4.07%	-3.96%		1.37%
<b>Cheddar Cheese \$/lb.</b>													
2015	\$5.40	\$5.48	\$5.38	\$5.38	\$5.31	\$5.26	\$5.38	\$5.34	\$5.38	\$5.48	\$5.43	\$5.33	\$5.38
2016	\$5.41	\$5.37	\$5.36	\$5.40	\$5.37	\$5.27	\$5.18	\$5.27	\$5.02	\$5.35	\$4.91	\$4.90	\$5.27
2017	\$4.93	\$4.97	\$4.80	\$4.79	\$4.75	\$4.80	\$4.85	\$4.86	\$5.01	\$5.03	\$5.01		\$4.88
% change	-8.83%	-7.49%	-10.53%	-11.21%	-11.50%	-8.96%	-6.42%	-7.78%	-0.26%	-6.05%	1.87%		-7.34%
<b>Ice Cream \$/1/2 gallon</b>													
2015	\$5.09	\$4.96	\$4.89	\$4.79	\$4.70	\$4.62	\$4.47	\$4.60	\$4.79	\$4.63	\$4.68	\$4.73	\$4.75
2016	\$4.91	\$4.85	\$4.85	\$4.92	\$4.80	\$4.71	\$4.69	\$4.71	\$4.70	\$4.71	\$4.62	\$4.68	\$4.77
2017	\$4.83	\$4.87	\$4.75	\$4.66	\$4.63	\$4.63	\$4.61	\$4.69	\$4.65	\$4.68	\$4.57		\$4.70
% change	-1.61%	0.39%	-2.04%	-5.21%	-3.54%	-1.72%	-1.81%	-0.47%	-1.00%	-0.62%	-1.04%		-1.46%

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## Southeast Federal Orders' Packaged Fluid Milk Sales - Million lbs.

Florida	<u>J</u>	<u>F</u>	<u>M</u>	<u>A</u>	<u>M</u>	<u>J</u>	<u>J</u>	<u>A</u>	<u>S</u>	<u>O</u>	<u>N</u>	<u>D</u>	<u>YTD Total</u>
2016	245	234	244	235	220	212	213	231	227	241	234	241	2,302
2017	246	224	246	226	228	215	213	230	221	235			2,285
% change	0.4%	-4.3%	0.8%	-3.8%	3.8%	1.4%	0.0%	-0.4%	-2.6%	-2.5%			-0.8%
Southeast													
2016	404	368	382	369	361	342	346	400	382	377	389	395	3,731
2017	398	352	385	356	367	343	347	387	373	380			3,688
% change	-1.5%	-4.4%	0.8%	-3.5%	1.7%	0.3%	0.3%	-3.3%	-2.4%	0.8%			-1.2%
Appalachian													
2016	290	266	273	267	263	249	252	278	274	275	276	279	2,687
2017	287	250	279	244	265	249	252	277	270	280			2,653
% change	-1.0%	-6.0%	2.1%	-8.6%	0.8%	0.0%	0.0%	-0.4%	-1.5%	1.8%			-1.3%

## Mailbox Prices - \$/cwt.

Florida													<u>YTD Avg.</u>
2016	\$17.95	\$16.49	\$15.68	\$15.69	\$15.30	\$15.74	\$16.79	\$18.00	\$19.65	\$18.62	\$17.97	\$20.15	\$16.81
2017	\$20.52	\$18.96	\$18.87	\$17.45	\$16.88	\$17.71	\$19.48	\$20.19	\$19.87				\$18.88
Southeast States													
2016	\$16.83	\$15.75	\$14.72	\$14.68	\$14.48	\$14.62	\$15.88	\$17.13	\$18.48	\$17.84	\$17.07	\$18.92	\$15.84
2017	\$19.47	\$17.96	\$17.27	\$15.67	\$15.39	\$16.10	\$18.23	\$18.36	\$18.68				\$17.46
Appalachian States													
2016	\$16.90	\$16.08	\$15.17	\$15.11	\$15.06	\$15.07	\$15.87	\$16.81	\$18.00	\$17.78	\$17.25	\$19.08	\$16.01
2017	\$19.47	\$18.45	\$18.35	\$16.72	\$16.62	\$17.32	\$18.42	\$18.63	\$18.66				\$18.07

## U.S. Milk Production - Million lbs.

													<u>YTD Total</u>
2015	17,685	16,166	18,085	17,788	18,428	17,504	17,665	17,403	16,617	17,130	16,689	17,473	191,160
2016	17,693	16,904	18,401	17,947	18,613	17,771	17,908	17,692	16,990	17,565	17,100	17,852	194,584
2017	18,145	16,684	18,739	18,320	18,942	18,052	18,269	18,056	17,161	17,778	17,279		197,425
% change	2.6%	-1.3%	1.8%	2.1%	1.8%	1.6%	2.0%	2.1%	1.0%	1.2%	1.0%		1.5%

## U.S. Dairy Cows - 1,000 head

2015	9,308	9,308	9,311	9,316	9,324	9,323	9,314	9,315	9,317	9,320	9,322	9,320	9,317
2016	9,304	9,311	9,321	9,321	9,322	9,326	9,329	9,334	9,331	9,335	9,344	9,354	9,328
2017	9,362	9,365	9,382	9,392	9,400	9,402	9,403	9,404	9,401	9,397	9,397		

## Estimated Margin Under National Dairy Margin Program Authorized by 2014 Farm Bill

													<u>Avg.</u>
2014	\$12.70	\$13.91	\$14.10	\$13.65	\$12.26	\$11.65	\$12.68	\$13.74	\$15.40	\$15.62	\$13.39	\$10.66	\$13.32
2015	\$8.34	\$7.66	\$7.53	\$7.48	\$7.83	\$8.16	\$7.45	\$7.94	\$8.95	\$9.22	\$10.01	\$9.10	\$8.31
2016	\$8.10	\$7.91	\$7.47	\$6.83	\$5.77	\$5.75	\$7.59	\$9.26	\$9.49	\$8.84	\$9.98	\$11.10	\$8.17
2017	\$11.06	\$10.58	\$9.35	\$8.55	\$8.61	\$9.33	\$9.08	\$10.27	\$9.99	\$10.00			\$9.68

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<b>Commercial and Government Storage Holdings - Million lbs.</b>													
<b>Butter</b>	<u>J</u>	<u>F</u>	<u>M</u>	<u>A</u>	<u>M</u>	<u>J</u>	<u>J</u>	<u>A</u>	<u>S</u>	<u>O</u>	<u>N</u>	<u>D</u>	
2016	192	236	243	296	325	328	333	319	269	228	161	166	
2017	222	270	273	292	314	310	307	280	256	218	159		
<b>American Cheese</b>													
2016	716	716	726	734	758	757	770	742	743	736	713	726	
2017	752	773	802	834	837	832	838	801	780	740	733		
<b>Nonfat Dry Milk Powder</b>													
2016	226	217	232	252	232	231	257	235	218	224	215	228	
2017	229	262	247	267	281	296	296	317	321	300	302		
<b>Dairy Products Production - million lbs.</b>													
<b>Butter</b>													<u>YTD total</u>
2016	171	168	175	171	166	148	135	124	135	140	143	163	1,676
2017	178	161	176	163	164	140	136	131	134	143	146		1,671
<b>Total Cheese</b>													
2016	1,025	949	1,028	1,002	1,011	998	1,017	1,005	987	1,048	1,026	1,062	11,096
2017	1,045	942	1,061	1,043	1,055	1,030	1,035	1,029	1,013	1,077	1,055		11,385
<b>Nonfat/Skim Milk Powder</b>													
2016	189	183	213	214	217	203	200	164	164	182	175	210	2,103
2017	209	181	212	222	219	203	200	181	163	170	182		2,144
<b>Dairy Exports - million lbs.</b>													
<b>Butter</b>													<u>YTD total</u>
2016	1.4	2.6	1.9	2.7	1.3	1.7	2.3	1.7	3.0	6.1	5.1	4.7	24.7
2017	3.3	2.7	2.6	3.3	3.0	6.4	3.1	4.8	2.5	4.3			36.0
<b>Cheese</b>													
2016	48.4	53.8	56.2	46.7	52.7	50.8	52.8	50.1	48.6	54.7	55.0	63.1	514.8
2017	50.0	58.1	68.7	59.3	78.1	67.3	60.1	67.0	59.2	59.5			627.3
<b>Nonfat/Skim Milk Powder</b>													
2016	94.6	91.2	90.8	101.9	96.8	93.8	105.8	116.0	110.3	125.6	120.1	103.1	1026.8
2017	105.2	114.6	106.7	122.5	129.4	100.9	93.1	108.1	88.7	112.7			1081.9
<b>USDA Estimate of Oceania Prices \$/lb.</b>													
<b>Butter</b>													<u>Avg.</u>
2016	\$1.38	\$1.34	\$1.25	\$1.20	\$1.19	\$1.27	\$1.31	\$1.45	\$1.76	\$1.81	\$1.88	\$1.98	\$1.49
2017	\$2.00	\$2.07	\$2.24	\$2.31	\$2.37	\$2.63	\$2.74	\$2.75	\$2.83	\$2.64	\$2.46	\$2.17	\$2.43
<b>Skim milk powder</b>													
2016	\$0.83	\$0.81	\$0.79	\$0.79	\$0.78	\$0.85	\$0.87	\$0.92	\$1.07	\$1.06	\$1.07	\$1.08	\$0.91
2017	\$1.09	\$1.13	\$0.97	\$0.89	\$0.91	\$0.95	\$0.93	\$0.89	\$0.88	\$0.85	\$0.80	\$0.77	\$0.92