

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

Class I Mover \$ Per Cwt. (3.5% fat)													
	<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	\$14.25	\$13.36	\$14.10	\$14.44	\$15.25	\$15.36	\$14.32	\$14.68	\$15.43	\$15.69	\$15.94	\$14.86
Class I Mover \$ Per Cwt. (2.0% fat)													
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	\$10.59	\$9.94	\$10.56	\$10.81	\$11.43	\$11.45	\$10.54	\$10.84	\$11.57	\$11.77	\$11.99	\$11.11
Class II \$ Per Cwt. (3.5% fat)													
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	\$14.11	\$13.44	\$13.88	\$14.03	\$14.57	\$15.48	\$15.37	\$15.11	\$15.28	\$15.50	\$15.67	\$15.54	\$14.83
Class III \$ Per Cwt. (3.5% fat)													
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	\$14.00	\$13.40	\$14.22	\$14.47	\$15.18	\$15.21	\$14.32	\$14.68	\$15.43	\$15.69	\$15.94	\$15.73	\$14.86
Class IV \$ Per Cwt. (3.5% fat)													
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	\$13.13	\$12.87	\$13.04	\$13.48	\$14.47	\$14.91	\$14.29	\$14.50	\$14.67	\$14.88	\$15.05	\$14.93	\$14.19
Domestic Commercial Disappearance of Manufactured Dairy Products (million lbs.)													
Butter													YTD Total
2016	137.5	127.8	171.3	118.8	139.1	148.5	131.7	140.2	185.6	178.1	208.5	159.8	555.4
2017	123.3	114.6	175.2	143.8	144.1	141.0	141.3	159.4	162.8	183.5	207.4	159.6	556.9
2018	124.7	132.3	172.1	142.0									571.1
% change	1.1%	15.4%	-1.8%	-1.3%									2.5%
American Cheese													
2016	382.8	364.7	386.1	384.4	372.0	385.5	380.8	414.7	374.0	404.4	417.1	404.2	1,518.0
2017	434.8	360.7	393.2	394.0	421.1	414.3	382.4	432.7	412.4	460.3	411.2	420.9	1,582.7
2018	431.6	364.0	421.3	412.0									1,628.9
% change	-0.7%	0.9%	7.1%	4.6%									2.9%
Other Cheese													
2016	593.7	558.7	610.7	578.9	573.8	586.8	589.0	604.7	601.0	639.0	630.5	623.2	2,342.0
2017	608.6	525.2	601.7	589.2	596.4	579.3	579.0	606.0	600.2	638.7	635.9	629.9	2,324.7
2018	631.1	542.3	627.0	584.7									2,385.1
% change	3.7%	3.3%	4.2%	-0.8%									2.6%
Nonfat dry milk powder/skim milk powder													
2017	102.7	34.0	123.5	79.9	76.8	83.7	108.5	56.9	67.3	62.6	62.1	78.0	340.1
2018	109.8	58.3	74.9	72.9									315.9
% change	6.9%	71.5%	-39.4%	-8.8%									-7.1%

DIXIE DAIRY REPORT - JULY 2018 page 2

	<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>
Southeast Federal Orders' Blend Prices													
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	\$20.92	\$20.91
2018	\$19.62	\$18.57	\$18.14	\$18.72	\$19.25	\$19.87	\$19.75	\$19.15	\$19.19	\$19.53	\$20.43	\$20.70	\$19.41
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	\$19.04	\$19.15
2018	\$18.00	\$16.57	\$16.30	\$16.88	\$17.46	\$18.08	\$17.93	\$17.65	\$17.96	\$18.55	\$18.79	\$18.65	\$17.74
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	\$18.37	\$18.79
2018	\$17.53	\$16.31	\$16.02	\$16.56	\$17.20	\$17.74	\$17.56	\$17.16	\$17.45	\$18.02	\$18.36	\$18.10	\$17.33
Southeast Federal Orders' Class I Utilization %													
Florida													<u>Avg.</u>
2017	86%	83%	83%	82%	81%	82%	83%	84%	86%	84%	84%	82%	83%
2018	82%	85%	85%	84%	85%								84%
Southeast													
2017	70%	68%	65%	60%	63%	66%	68%	77%	77%	74%	75%	70%	69%
2018	73%	68%	65%	65%	68%								68%
Appalachian													
2017	73%	71%	70%	63%	67%	64%	66%	72%	72%	71%	74%	66%	69%
2018	71%	69%	67%	66%	68%								68%
Average Whole Milk Retail Prices \$ per Gallon as Collected by Federal Milk Market Administrators													
Atlanta													<u>Avg.</u>
2017	\$3.86	\$3.86	\$3.86	\$3.76	\$3.76	\$3.76	\$3.76	\$3.76	\$3.76	\$3.76	\$3.76	\$3.76	\$3.79
2018	\$3.76	\$3.76	\$3.76	\$3.76	\$3.76	\$3.78							\$3.76
% change	-2.6%	-2.6%	-2.6%	0.0%	0.0%	0.5%							-0.6%
Louisville													
2017	\$2.85	\$2.92	\$2.84	\$2.79	\$2.89	\$2.79	\$2.85	\$2.75	\$2.55	\$2.69	\$2.65	\$1.82	\$2.70
2018	\$1.82	\$1.89	\$1.89	\$1.82	\$1.99	\$1.82							\$1.87
% change	-36.1%	-35.3%	-33.5%	-34.8%	-31.1%	-34.8%							-30.7%
Miami													
2017	\$3.75	\$3.87	\$3.89	\$3.89	\$3.89	\$3.85	\$3.98	\$3.98	\$4.04	\$4.04	\$4.00	\$3.91	\$3.92
2018	\$4.00	\$4.00	\$3.90	\$3.90	\$3.90	\$3.90							\$3.93
% change	6.7%	3.4%	0.3%	0.3%	0.3%	1.3%							0.2%
U.S. Avg.													
2017	\$3.47	\$3.46	\$3.40	\$3.40	\$3.38	\$3.36	\$3.37	\$3.37	\$3.36	\$3.37	\$3.41	\$3.35	\$3.39
2018	\$3.32	\$3.33	\$3.29	\$3.28	\$3.26	\$3.27							\$3.29
% change	-4.3%	-3.8%	-3.2%	-3.5%	-3.6%	-2.7%							-2.9%

DIXIE DAIRY REPORT - JULY 2018 page 3

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>
2017	246	224	246	226	228	215	213	230	221	235	233	237	942
2018	247	216	242	223									928
% change	0.4%	-3.6%	-1.6%	-1.6%									-1.6%
Southeast													
2017	398	352	385	356	367	343	347	387	373	380	379	376	1,491
2018	395	341	375	356									1,467
% change	-0.8%	-3.1%	-2.6%	0.1%									-1.6%
Appalachian													
2017	287	250	279	244	265	249	252	277	270	280	283	277	1,060
2018	298	252	277	261									1,088
% change	3.8%	0.8%	-0.7%										2.6%
Total all Three Orders													
2017	931	826	910	826	860	807	812	894	864	895	895	891	3,493
2018	940	809	894	840									3,483
% change	1.0%	-2.1%	-1.8%	1.7%									-0.3%

Mailbox Prices - \$/cwt.

Florida													<u>YTD Avg.</u>
2017	\$20.52	\$18.96	\$18.87	\$17.45	\$16.88	\$17.71	\$19.48	\$20.19	\$19.87	\$19.48	\$19.46	\$19.27	\$19.74
2018	\$18.25	\$16.90	\$16.46										\$17.20
Southeast States													
2017	\$19.47	\$17.96	\$17.27	\$15.67	\$15.39	\$16.10	\$18.23	\$18.36	\$18.68	\$18.23	\$18.29	\$17.82	\$18.72
2018	\$16.80	\$15.05	\$14.68										\$15.51
Appalachian States													
2017	\$19.47	\$18.45	\$18.35	\$16.72	\$16.62	\$17.32	\$18.42	\$18.63	\$18.66	\$18.16	\$18.37	\$17.90	\$18.09
2018	\$16.99	\$15.38	\$15.02										\$15.80

U.S. Milk Production - Million lbs.

													<u>YTD Total</u>
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	89,558
2017	18,128	16,694	18,740	18,332	18,952	18,060	18,268	18,049	17,156	17,769	17,260	18,058	90,846
2018	18,433	16,965	18,978	18,417	19,100								91,893
% change	1.7%	1.6%	1.3%	0.5%	0.8%								1.2%

U.S. Dairy Cows - 1,000 head

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	9,317
2017	9,359	9,365	9,383	9,392	9,401	9,404	9,404	9,404	9,399	9,395	9,398	9,400	9,392
2018	9,407	9,408	9,402	9,402	9,404								9,392

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

													<u>YTD Avg.</u>
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	\$7.22
2017	\$11.06	\$10.58	\$9.35	\$8.55	\$8.61	\$9.33	\$9.08	\$10.27	\$9.99	\$10.00	\$10.39	\$9.36	\$9.63
2018	\$8.12	\$6.88	\$6.77	\$6.62	\$6.78								\$7.03

DIXIE DAIRY REPORT - JULY 2018 page 4

Commercial and Government Storage Holdings - Million lbs.													
Butter	<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>	
2017	222	270	273	292	314	310	307	280	256	218	159	169	
2018	227	266	274	307	339								
American Cheese													
2017	722	745	773	805	816	832	838	801	780	740	733	747	
2018	742	763	767	780	805								
Nonfat Dry Milk Powder													
2017	227	262	246	267	280	296	296	317	321	300	317	320	
2018	307	298	298	273	271								
Dairy Products Production - million lbs.													
Butter													<u>YTD total</u>
2017	178	161	177	162	163	139	136	131	135	145	150	171	841
2018	182	170	182	175	168								877
Total Cheese													
2017	1,064	958	1,072	1,058	1,076	1,046	1,052	1,046	1,025	1,087	1,071	1,097	5,228
2018	1,097	986	1,108	1,073	1,092								5,356
Nonfat/Skim Milk Powder													
2017	209	181	214	223	219	203	200	181	163	170	184	214	1,046
2018	206	196	221	213	211								1,046
Dairy Exports - million lbs.													
Butter													<u>YTD total</u>
2017	3.3	2.7	2.6	3.3	3.0	6.4	3.1	4.8	2.5	4.3	5.6	5.0	11.9
2018	3.8	4.1	5.4	5.1									18.4
Cheese													
2017	50.0	58.1	68.7	59.3	78.1	67.3	60.1	67.0	59.2	59.5	64.6	60.2	236.1
2018	59.4	62.1	74.6	72.5									268.6
Nonfat/Skim Milk Powder													
2017	105.2	114.6	106.7	122.5	129.4	100.9	93.1	108.1	88.7	112.7	121.0	133.4	449.0
2018	109.4	146.1	146.4	166.8									568.7
Dairy Cattle Slaughter - 1,000 head													
2017	269.1	253.2	271.1	228.1	237.2	236.7	225.8	265.6	249.6	261.0	243.7	247.3	<u>YTD total</u> 1,258.7
2018	289.8	260.6	286.9	248.9	245.1								1,331.3
% change	7.7%	2.9%	5.8%	9.1%	3.3%								5.8%
USDA Estimate of Oceania Prices \$/lb.													
Butter													<u>Avg.</u>
2017	\$2.00	\$2.07	\$2.24	\$2.31	\$2.37	\$2.63	\$2.74	\$2.75	\$2.83	\$2.64	\$2.46	\$2.16	\$2.43
2018	\$2.16	\$2.39	\$2.41	\$2.54	\$2.61								\$2.42
Skim milk powder													
2017	\$1.09	\$1.13	\$0.97	\$0.89	\$0.91	\$0.95	\$0.93	\$0.89	\$0.88	\$0.85	\$0.80	\$0.79	\$0.92
2018	\$0.82	\$0.90	\$0.86	\$0.88	\$0.94								\$0.88