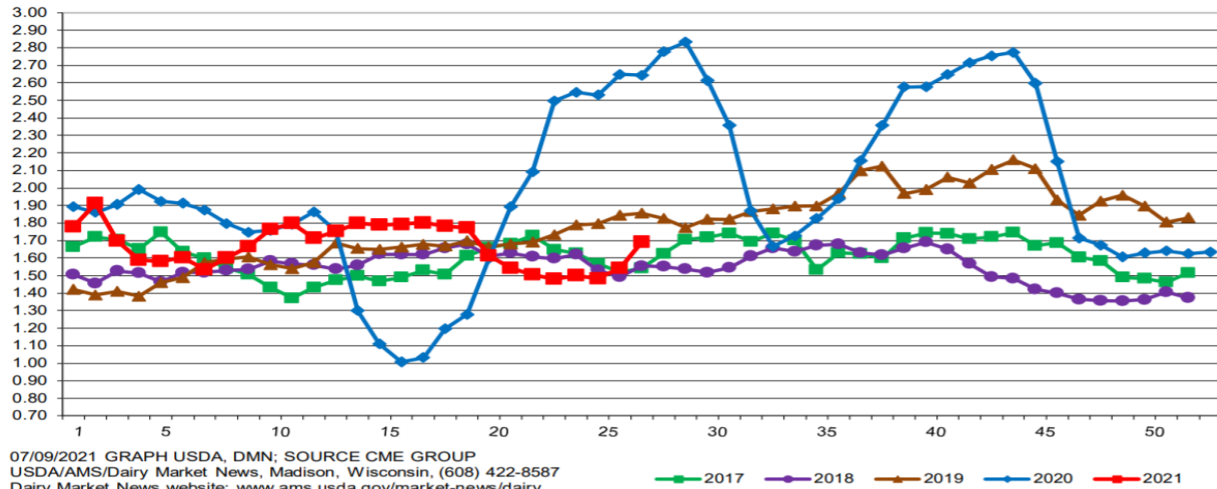


## Weekly Dairy Report July 12

Class III futures have been in a trend lower since the second week in May. Then on Thursday we changed direction closing out the session 41 cents higher at 18.44 in the October contract. The strength in Class III began with the strength in cheese where Blocks finished 17 cents higher for the week and Barrels closed 8 cents higher. The current feeling has been that US cheese was underpriced in the overall market. We look at the market and try to analyze just why the market strengthened so rapidly but there is just a fair amount of volatility in the Ag commodities at this time. This past week while milk was trading limit up the corn market traded limit down a couple of days earlier. Maybe the market is finally trading the extremely hot weather.

U.S. \$ PER POUND

### CME Weekly Average Cash Cheddar Block Prices



MILLION POUNDS

### U.S. Total Natural Cheese Cold Storage Holdings

