

Dairy Keeper News & Information Notice

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Dairy Situation & Outlook: Milk Prices Higher, Cheese Prices Hold Up

Milk prices fell in February but may average a little higher for March. The Class III price was \$19.32 for January but fell to \$17.03 for February. The March Class III price may average a little higher than the February Class III price. The word "may" is used here because of the time lag between CME cheese prices and NASS survey of and reporting of cheese prices used in the Class III product price formula. The NASS prices for the first week that will be used for the March Class III were \$2.0452 per pound for 40-pound cheddar blocks and \$2.1055 for cheddar barrels. CME cheese prices have fallen since then beginning with the February 28th trading session. As of March 17th, 40-pound blocks had fallen 36 cents to \$1.73 per pound and barrels 33.75 cents to \$1.69 per pound. NASS survey prices used for the March Class III will be driven by what happened to CME cheese prices the weeks beginning February 18 and 25 and March 3, 10 and 17. So if CME cheese prices fall much further this week, the March Class III price may not end up higher than February's.

We obtain this information today from Dairy Line.