

Weather and Market Discussion

CME CLASS III MILK Jul 2010

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La Nina conditions not showing significant changes from last week; SOI is positive for the third consecutive month, but weakened since May – six straight months for the SOI in positive phase is one 'official' La Nina classification. Extended pattern still looks mostly favorable for production across most origins. Short term concern is in California, where heat over the next week could lead to slight negative impact to milk production; could add to potential supply tightness in 4Q10.

Current global SST anomaly (& current SOI, inset)

