

ArrowStream

Dairy

The overall dairy market was a bit higher across the complex, with butter and the cheese segment adding to the gains we saw the week prior when the holiday helped support the market. Looking at the segment, CME cheese blocks and barrels were slightly higher last week. CME blocks were up 1.4% w/w to \$1.44/lb, and CME barrels were higher by 1.3% to \$1.45/lb w/w. Cheesemakers report running a robust production schedule, and milk supplies are steady to stronger throughout the country. But overall market tones are bearish as demand is softer after the holiday and inventories are ample. The USDA cold storage report showed that inventories are plentiful at 3.5% higher than the five-year average. CME spot butter was higher by 3.1% w/w to \$2.93/lb. Butter makers report strong production levels. Class I Cream (hundredweight), from USDA.

Description	Market Trend	Supplies	Price vs. Last Year
Cheese Barrels (CME)	Increasing	Available	Lower
Cheese Blocks (CME)	Increasing	Available	Lower
American Cheese	Steady	Steady-Available	Lower
Cheddar Cheese (40 lb)	Steady	Steady	Lower
Mozzarella Cheese	Steady	Steady	Lower
Monterey Jack Cheese	Steady	Steady	Lower
Parmesan Cheese	Steady	Short	Lower
Butter (CME)	Increasing	Available	Higher
Nonfat Dry Milk	Decreasing	Short	Lower
Whey, Dry	Decreasing	Short	Higher
Class 1 Base	Steady	Short	Higher
Class II Cream, heavy	Decreasing	Available	Higher
Class III Milk (CME)	Decreasing	Available	Lower
Class IV Milk (CME)	Decreasing	Available	Higher

