

ArrowStream

Dairy

Last week, the overall dairy market was slightly higher with a mixed performance in cheese while butter and fluid milk traded higher. Retail dairy advertisements were up 11% w/w, but the bigger increases should come next week for the July 4th celebrations. Looking at the chart, CME blocks were up 3.2% w/w to \$1.91/lb, but CME barrels were lower by 2.1% to \$1.88/lb w/w. Retail and foodservice demand is steady, but cheesemakers are expecting an uptick in demand for the Independence Day celebration. Cheese production schedules are steady to lighter as milk supplies are tightening because of the hot weather across the country. CME spot butter traded up slightly by just \$0.02 to \$3.10/lb last week. Butter churners reported steady production levels but much tighter cream availability than we noted the prior week. Both retail and foodservice demand is steady, and the tighter supply is supporting a slightly higher market. Class I Cream (hundredweight), from USDA.

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

