

ArrowStream

Dairy

The dairy market continued its downward trend last week, with cheese and fluid milk prices dropping significantly. Butter prices, however, helped to soften the overall losses. Breaking out the segment, CME spot butter prices dropped just \$0.04 w/w to \$2.64/lb. Domestic butter demand is rated as steady in most of the regions but did see some strength in international sales. On the production side, butter churners are experiencing some disruptions in the East and some transportation issues from several weather events in the region. Looking at the chart, CME blocks were lower by 3.6% at \$1.87/lb. CME barrels were down by another 13% at \$1.87/lb last week. Cheese production remains mixed throughout the country. Limited milk availability has tempered some of the cheese production schedules. In the milk category, nonfat dry milk (NDM) was flat w/w at \$1.35/lb. Class I Cream (hundredweight), from USDA.

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

