

# ArrowStream

## Dairy

The dairy market was slightly higher last week, with the cheese segment mixed, while fluid milk and butter were slightly higher. Breaking out the segment, CME spot butter prices were up \$0.05 w/w to \$2.60/lb. Butter demand is mixed throughout the country. Across the nation, cream volumes have continued to be abundant into the start of the new year. Churners say they don't expect cream availability to tighten this quarter, and this is favorable for processors. Butter makers have been running lighter schedules over the past couple of weeks due to the holidays. Looking at the chart, CME blocks were down \$0.02 to \$1.90/lb, and CME barrels were higher by \$0.05 to \$1.87/lb last week. Milk is available for cheese production throughout the country, but cheesemakers say the end-of-year holidays contributed to lighter production schedules. Cheese manufacturing schedules range from steady to stronger throughout the U.S. Cheese advertisements have dropped two weeks in a row to just over 41,000, but retail prices were lower than last week, but in-line compared to the prior year. Class I Cream (hundredweight), from USDA.

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

