

# ArrowStream

## Dairy

The dairy market was higher last week across most of the key segments with gains in fluid milk and the cheese segments. Breaking out the segment, CME blocks were up \$0.10 to \$1.82/lb, and CME barrels were also higher by \$0.05 to \$1.87/lb last week. Cheese production schedules vary from steady to stronger throughout the U.S. Milk producers relay healthy demand for milk from cheese manufacturers. Demand from both retail and foodservice sectors is steady. Looking at the chart, CME spot butter prices were down \$0.08 or 3% w/w to \$2.45/lb. Butter demand is currently mixed with the East and Central regions steady to higher, while the West is reporting some softness in demand. Cream supply remains ample, but higher in cost, enabling robust butter production. Retail promotions were slightly lower last week but retail prices were also down a bit and still lower than the previous year. In the milk category, nonfat dry milk (NDM) was flat at \$1.35/lb. Class I Cream (hundredweight), from USDA.

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

