

ArrowStream

Dairy

Overall dairy prices were slightly lower last week, driven by a decline in retail promotions and some weakness in foodservice demand. Breaking out the segment, CME blocks were lower by 1% or just \$0.02 to \$1.62/lb, while CME barrels were up by \$0.01 to \$1.66/lb on Thursday of last week. Demand from the retail sector is stable while foodservice demand is quiet. Cheese production schedules are trending steady to stronger throughout the U.S. Seasonal milk outputs are growing, and contacts note increased milk availability has allowed them to bolster current inventory levels. Looking at the chart, CME spot butter prices were down \$0.05 w/w to \$2.33/lb at the close on Thursday. Domestic butter demand remains mixed across the country. Retail demand is steady while foodservice demand remains light. Butter makers are actively churning throughout the country, and cream is available throughout the regions. Class I Cream (hundredweight), from USDA.

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

Cheese Block (CME)

