

ArrowStream

Dairy

Dairy prices were slightly higher last week as retail promotional activities were mixed. Breaking out the segment, CME blocks were flat at \$1.95/lb, while CME barrels also ended flat at \$1.87/lb as of Thursday's close last week. Retail cheese sales were stronger as promotions surged last week. Cheesemakers are running busy production schedules and report that growing milk availability is allowing cheese processors to run increased production schedules. Export cheese demand is strengthening. Looking at the chart, CME spot butter prices were higher by \$0.13/lb w/w to \$2.49/lb at Thursday's close. Year-to-date, the average price of butter is lower by \$0.45/lb but is higher by \$0.30/lb compared to the five-year average. Butter churners note steady or stronger domestic butter demand throughout the country. Export demand is strong as domestic prices continue to be competitive compared to international prices. Cream volumes are widely available for butter producers. In the milk category, nonfat dry milk (NDM) was up \$0.06 at \$1.29/lb. Class I Cream (hundredweight), from USDA.

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

Cheese Block (CME)

