

ArrowStream

Dairy

After moving higher the past two weeks, the overall dairy market was mixed with continued strength in the cheese and fluid milk segments while butter traded slightly lower. CME cheese blocks and barrels were higher last week. Looking at the chart, CME blocks were up another 10.6% w/w to \$1.98/lb and over 36% m/m. CME barrels were higher by almost 2% to \$1.92/lb w/w and now 33% m/m. Cheesemakers report running a robust production schedule, and milk supplies are steady to stronger throughout the country. Cheese demand is rated at steady to stronger throughout the regions. Cheese was the most advertised dairy item in retail stores last week, with over 42,000 promotions across the country. CME spot butter was lower by 1.6% w/w at \$3.01/lb. Butter makers report strong production levels with steady demand from foodservice and the retail segment. In the retail/grocery segment, butter promotions were up slightly w/w and retail prices were lower at the grocery stores and back down to last year's levels. Class I Cream (hundredweight), from USDA.

Description	Market Trend	Supplies	Price vs. Last Year
Cheese Barrels (CME)	Increasing	Available	Higher
Cheese Blocks (CME)	Increasing	Available	Higher
American Cheese	Steady	Steady-Available	Higher
Cheddar Cheese (40 lb)	Steady	Steady	Higher
Mozzarella Cheese	Steady	Steady	Higher
Monterey Jack Cheese	Steady	Steady	Higher
Parmesan Cheese	Steady	Short	Lower
Butter (CME)	Increasing	Available	Higher
Nonfat Dry Milk	Steady	Short	Lower
Whey, Dry	Decreasing	Short	Higher
Class 1 Base	Steady	Short	Lower
Class II Cream, heavy	Increasing	Available	Higher
Class III Milk (CME)	Increasing	Available	Higher
Class IV Milk (CME)	Increasing	Available	Higher

