

Dairy

Butter prices remain off their highs set earlier this winter. Cream supplies in the U.S. are reported to be building. Further, U.S. butter continues to price at a premium to the international markets which is slowing exports. However, domestic butter output may remain lethargic due to the strong discount in class IV milk to class III. This could limit the downside in butter prices into the spring. Unseasonably warm weather is fueling strong milk production in the Midwest. Cheese supplies are escalating which could weigh on the cheese markets for the next several weeks.

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

