

# ArrowStream

**Dairy** - The cheese markets have found some support over the last week. CME Class IV milk futures have risen notably and are now carrying a premium over their equivalent Class III milk futures through at least next year. This encourages milk supplies to go to butter manufacturing instead of cheese production. It's likely that the cheese markets are near (or already have set) a long-term bottom. The spot butter market has been seasonally declining this month due in part to fulfilled holiday orders. Since 2015, the average move for the spot butter market during this week and next was down 9.9%.

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

