



Dairy - The cheese markets struggled over the last week. Cheese barrel prices hit the lowest level since 2009. U.S. cheese stocks are historically high, but export demand is likely to pick up due in part to more expensive global cheese markets. The downside price risk from here for cheese is likely nominal. The butter markets have been choppy. Butter production was strong throughout 2018 but class IV milk futures are over class III milk futures, which encourages more (milk) cream to go to butter output. Spot butter prices are likely to trend lower and may approach \$2.100 per pound this winter.

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

