

ArrowStream

Dairy - CME cheese block and barrel prices weakened since last week but remain historically high. Butter prices softened as well. Per the USDA, May U.S. milk production was 1.1% smaller than last year due to a .4% bigger cow herd and a 1.5% decline in milk-per-cow yields. The milk-per-cow yield drop was the largest for any month in the last 20 years due to low prices impelling farmers to lessen milk efficiency. But, quickly increasing margins since then should boost milk output this fall and into 2021. The cheese markets are due for a correction lower. The butter markets usually find support during the summer.

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

