

ArrowStream

Dairy - The CME cheese block and barrel markets remain historically inflated. The butter markets have been softening. Per the USDA, May 31st U.S. cheese inventories were up 5% compared to the previous year. Butter stocks at the end of May were up 21.2% (y/y). Anticipate cheese prices to correct lower due in part to lessening exports and solid production. Long term contracting should be on hold. The butter markets could experience some modest declines from here but prices usually firm during the summer as cream supplies become seasonally tight. Some long-term buying for your butter needs may be deemed.

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

