

# ArrowStream

**Dairy** - The cheese markets continue to trade at expensive levels with CME cheese blocks close to a record high. The government has renewed dairy product purchases for their food box program for the next couple of months which is helping underpin the markets. However, cheese production is rising as milk supplies become more available. Further, milk is reported to be trading at discounts in the Midwest. And if that's not enough, cheese exports are slowing due to the high U.S. prices. These factors all point to the risk in the cheese markets being to the downside. Butter prices continues to trade below 2019.

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

