

Dairy

Solid milk production gains continued in January. During the month, milk output was 2.5% larger than the previous year due to a .7% larger milk cow herd and a 1.8% gain in milk per cow yields. Milk farmers added a net 6,000 head to the herd during the month making it the largest in decades. Class III milk prices have softened as of late. If this trend continues, it could temper milk production expansion during the spring. The cheese markets are edging downward but solid exports could cause prices to find support soon. The butter market could remain fairly expensive.

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

