

Dairy

The CME butter market remains inflated as disappointing domestic output has tightened supplies. During May, U.S. butter production was 1.8% less than the previous year. Despite being a net importer during the month, U.S. supplies were 2.1% less than 2016 due to the slowed output and lower carry-in stocks. Class IV milk is starting to price above Class III which could aid butter production in the coming months. But butter may remain firm in the near-term due to strong export demand. May U.S. cheese output was 4% less than the prior year. Firmer cheese prices are expected soon.

Description	Market Trend	Supplies	Price vs. Last Year
Cheese Barrels (CME)	Increasing	Good	Lower
Cheese Blocks (CME)	Increasing	Good	Lower
American Cheese	Increasing	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	Decreasing	Ample	Higher
Whey, Dry	Decreasing	Good	Higher
Class 1 Base	Steady	Good	Higher
Class II Cream, heavy	Decreasing	Good	Higher
Class III Milk (CME)	Increasing	Good	Higher
Class IV Milk (CME)	Steady	Good	Higher

