

# ArrowStream

**Dairy** - The large spread between CME cheese blocks and barrels has continued. Demand is starting to shift out of cheese barrels into blocks as consumers temper processed cheese consumption. This could be a longer term trend which may cause a historically large premium in cheese blocks to persist. That said, history signals that the spread also suggests that the upside price risk in cheese blocks from here should only be modest. The butter market remains range-bound. Butter demand has been solid, but stocks are adequate. Modestly lower butter prices are anticipated later this fall.

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

