

# ArrowStream

**Dairy** - Domestic milk production growth may be showing some early signs of slowing. During September, milk output in the U.S. rose 1.3% from the previous year despite a .3% reduction of the milk cow herd (yoy). The milk-per-cow yield was 1.6% better than a year ago. But, the milk cow herd during the month declined by 12,000 head. Plus, the USDA revised lower its July and August herd estimates. This data suggests that forecasted year-over-year milk output gains may be tempered which could limit the seasonal price weakness for cheese and butter which occurs during the late 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>Decreasing</b>	<b>Good</b>	<b>Lower</b>
<b>Nonfat Dry Milk</b>	<b>Increasing</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>Decreasing</b>	<b>Good</b>	<b>Lower</b>
<b>Class II Cream, heavy</b>	<b>Increasing</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>Increasing</b>	<b>Good</b>	<b>Higher</b>

