

# ArrowStream

**Dairy** - The cheese markets struggled over the last week. Cheese barrel prices hit the lowest level since 2009. U.S. cheese stocks are historically high, but export demand is likely to pick up due in part to more expensive global cheese markets. The downside price risk from here for cheese is likely nominal. The butter markets have been choppy. Butter production was strong throughout 2018 but class IV milk futures are over class III milk futures, which encourages more (milk) cream to go to butter output. Spot butter prices are likely to trend lower and may approach \$2.100 per pound this winter.

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>Increasing</b>	<b>Good</b>	<b>Lower</b>
<b>Mozzarella Cheese</b>	<b>Increasing</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>Increasing</b>	<b>Good</b>	<b>Lower</b>
<b>Butter (CME)</b>	<b>Decreasing</b>	<b>Good</b>	<b>Higher</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>Increasing</b>	<b>Good</b>	<b>Higher</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>Higher</b>
<b>Class IV Milk (CME)</b>	<b>Increasing</b>	<b>Good</b>	<b>Higher</b>

