

# Dairy

The cheese and butter markets have firmed due in part to better export demand. However, longer term, cheese prices may have a hard time sustaining trade north of \$1.70 lb. at the CME. Cheese stocks are historically large. At the end of January, U.S. cold storage cheese supplies were 7% bigger than the previous year and a record for the date. Further, ample nonfat dry milk stocks were an all-time record as of February 1<sup>st</sup>, which should encourage cheese production. Conversely, the butter market may have a difficult time trading below \$2 lb. at the CME throughout 2018.

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

