

Dairy

The cheese markets have firmed during the last week due in part to improving demand, including exports. U.S. cheese exports in December were down 4.4% from the previous year, but U.S. cheese is currently more competitively priced on the world stage. U.S. milk output has been solid as of late due in a large part to warmer temperatures. Consequently, milk is trading below government class which is not normal for the dead of winter. This should encourage cheese output and temper the upside for cheese prices. The butter market may have formed a bottom.

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

