

Dairy

U.S. milk output growth remains lackluster. During November, milk production was 1.1% larger than the previous year due to a .6% bigger milk cow herd and just a .5% gain in milk per cow yields. The milk cow herd was unchanged from the previous month. Dairy farmer margins have deteriorated, and milk futures suggests margins may remain challenged throughout the first several months of 2018. This should continue to temper milk output expansion. Cheese and butter prices are beginning to seasonally decline. History suggests even lower butter prices are likely in January.

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

