August 17, 2026

ArrowStream

Dairy

CME spot dairy traders must have left early for the weekend, with just 16 loads changing hands Friday. For the week, cheese blocks, cheese barrels, and nonfat dry milk averaged higher while butter and dry whey were soft. U.S. milk production remains seasonally light. However, cream supplies are available and butter inventories are at least sufficient - a combination that continues to weigh on the butter market. Cheese demand is solid, supported in part by strong retail feature activity. U.S. cheese exports were strong in June rising 24% from a year ago to a fresh record. It didn't hurt that the CME cheese block average in June was the second lowest for the month in over a decade, making U.S. cheese an attractive buy globally. Looking ahead, export demand may soften modestly but is likely to remain historically solid. The harder question is whether that export strength can translate into a sustained domestic price rally. Unless international cheese markets recover meaningfully from here, a significant and sustained CME cheese price move higher seems unlikely - and that dynamic could persist well into 2027. Class I Cream (hundredweight), from USDA.

Description	Market Trend	Supplies	Price vs. Last Year
Cheese Barrels (CME)	Increasing	Steady	Lower
Cheese Blocks (CME)	Increasing	Steady-Short	Lower
Butter (CME)	Decreasing	Steady-Available	Lower
Nonfat Dry Milk	Increasing	Steady-Available	Higher
Whey, Dry	Increasing	Steady-Short	Higher
Class 1 Base	Steady	Available	Lower
Class II Cream, heavy	Increasing	Steady	Lower
Class III Milk (CME)	Decreasing	Steady-Short	Lower
Class IV Milk (CME)	Steady	Available	Lower