

Daily Dairy

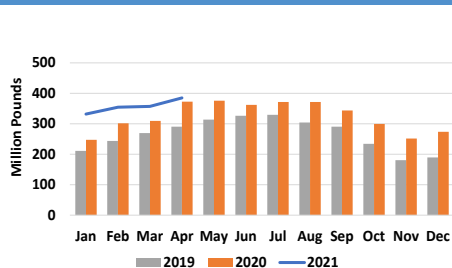
Vol. 10, No. 37 / May 24, 2021

REPORT

April Butter Stocks Build, Cheese Drops

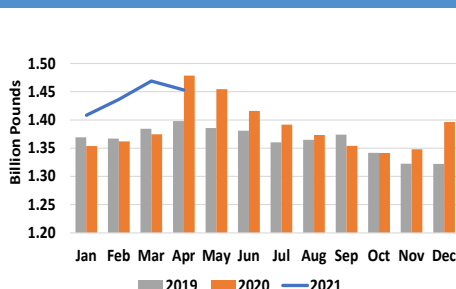
April butter inventories of just over 385 million pounds grew 3.4% from April 2020, according to USDA's Cold Storage report released this afternoon. Last April, year-over-year butter stocks built as foodservice demand dropped off precipitously during Covid-19 lockdowns, making this April's year-over-year increase noteworthy. Inventories are now also the largest for any April since 1993, when stocks exceeded 550 million pounds. Although Covid-19 restrictions are lessening, consumers are likely not heading back to sit-down, high-

U.S. Butter Stocks



Midwest neared total capacity last month, creating more cheese for restaurants, consumers, and international buyers. Today's cheese stock numbers suggest that despite an increase in available cheese, foodservice demand—whether for American-style cheese used by fast-food restaurants or Mozzarella used for pizza—rapidly increased in April and drew down inventories. Retail and export demand may also be responsible for the drop in cheese stocks. That said, CME block prices fell 4¢ in trading today to \$1.53 and are now only 2¢ above their calendar-year lows.

U.S. Cheese Stocks



end, restaurants—some of the biggest users of butter—as quickly as they are to other eating establishments.

Cheese stocks dropped 1.7% in April to 1.45 billion pounds, compared to April 2020. American cheese stocks fell 0.4% vs. last year to 831 million pounds. Other cheese stocks, including Italian-style cheese used heavily as a pizza topping, came in at 601 million pounds, a decline of 2.8%.

April milk production soared 3.3% relative to last year, and a new cheese plant in the

CME Spot Prices

CME Spot Prices (\$/lb.)	Close	Chg. ¢	Trades
Butter	\$1.8200	-5.00	15
Cheddar Block	\$1.5300	-4.00	10
Cheddar Barrel	\$1.5800	-2.75	5
NDM Grade A	\$1.2975	NC	0
Dry Whey	\$0.6475	+0.25	1
Corn Futures (JUL)	\$6.5725	-2.25	NA
Soybean Futures (JUL)	\$15.2275	-3.50	NA
Soybean Meal Futures (JUL)	\$400.20	+130.00	NA
Live Cattle Futures (AUG)	\$120.100	-82.50	NAL

May 24 Trading Activity

	CME Futures (United States)												NZX Futures (New Zealand)				EEX Futures (Europe)		
	Class III \$/cwt.	chg. ¢	Class IV \$/cwt.	chg. ¢	Cheese ¢/lb.	chg. ¢	Whey ¢/lb.	chg. ¢	Butter ¢/lb.	chg. ¢	NDM ¢/lb.	chg. ¢	WMP \$/MT	SMP \$/MT	AMF \$/MT	Butter \$/MT	SMP €/MT	Butter €/MT	Whey €/MT
MAY21	18.95	NC	16.33	NC	181.70	-0.10	65.50	+0.03	184.00	NC	124.25	NC	-	-	-	-	2,600	4,100	1,020
JUN	17.55	-58	16.81	-19	166.40	-5.30	66.75	-0.50	184.25	-3.75	129.00	-0.50	4,230	3,475	5,675	5,050	2,620	4,223	1,020
JUL	18.16	-74	16.97	-30	172.30	-7.00	66.55	-0.45	185.98	-3.03	130.73	-1.23	4,190	3,460	5,700	4,800	2,630	4,250	1,000
AUG	18.59	-53	17.28	-38	178.80	-4.90	63.75	-0.28	188.00	-3.03	133.50	-2.00	4,080	3,440	5,450	4,750	2,640	4,265	1,000
SEP	18.92	-38	17.49	-26	183.70	-3.30	61.50	-0.75	189.00	-3.50	135.35	-1.40	3,975	3,410	5,350	4,400	2,650	4,275	1,000
OCT	19.10	-15	17.70	-20	187.50	-1.50	58.50	-0.50	191.00	-3.08	137.00	-1.10	3,930	3,400	5,300	4,600	2,653	4,280	990
NOV	18.87	-13	17.82	-22	187.50	-0.90	55.00	-0.03	191.50	-3.60	137.70	-0.80	3,860	3,380	5,250	4,520	2,655	4,285	990
DEC	18.56	-14	17.89	-6	185.80	-1.00	53.00	-0.63	192.00	-3.40	138.13	-0.38	3,800	3,395	5,260	4,520	2,658	4,235	990
JAN22	18.12	-1	17.92	-3	181.50	-0.60	51.50	NC	190.03	-4.20	139.30	NC	3,745	3,380	5,270	4,520	2,638	4,100	990
FEB	17.94	+2	17.92	-3	180.70	NC	51.15	NC	192.50	-2.50	138.80	NC	3,755	3,385	5,280	4,520	2,638	4,050	990
MAR	17.97	-3	17.90	NC	180.90	-0.20	49.50	NC	197.03	NC	138.95	NC	3,770	3,390	5,290	4,520	2,638	4,030	990
APR	17.87	NC	17.90	NC	180.00	-0.60	50.50	NC	197.03	NC	138.65	NC	3,770	3,395	5,300	4,520	2,638	4,030	990

April 2021 milk prices (with chg. vs. prior month): Class III \$17.67 (+\$1.52); Class IV \$15.42 (+1.24)

The Daily Dairy Report is published by Daily Dairy Report, Inc. The information and opinions contained in this document have been compiled or derived from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Reproducing, distributing, forwarding or sharing the Daily Dairy Report with fellow employees or third parties without the editor's express written permission shall result in immediate cancellation of the offending user's subscription without refund and such other remedies available at law or in equity.

Copyright Daily Dairy Report, Inc. All rights reserved. 7474 Kirkwood Trail SE, Alto, Michigan 49302. Phone (847) 440 4571. info@dailydairyreport.com