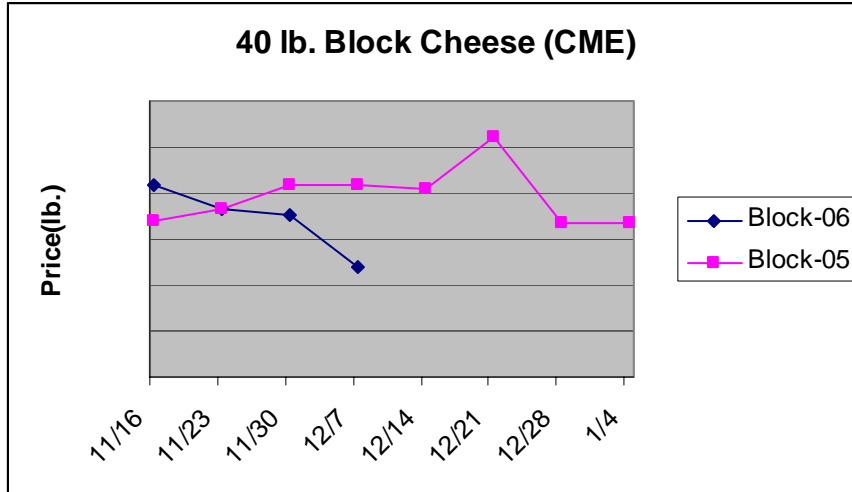


# Dairy Report

**Dairy**- Dairy farmers continue to experience deficient earnings as indicated by the November milk feed price ratio which was at its lowest level for the month in over 13 years. Dairy cow herd liquidation is expected to accelerate in 2007 which would curb milk, cheese and butter production growth. October cheese (5.2%) and butter (8.5%) output were both greater than the previous year. Cheese and butter prices at the CME are tracking lower but the markets are anticipated to stabilize shortly.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
<b>Cheese Barrels- CME</b>	Decreasing	Good	Lower
<b>Cheese 40 lb Blocks- CME</b>	Decreasing	Good	Lower
<b>American Cheese</b>	Decreasing	Good	Higher
<b>Cheddar Cheese</b>	Steady	Good	Lower
<b>Swiss Cheese</b>	Steady	Good	Lower
<b>Monterey Jack Cheese</b>	Steady	Good	Lower
<b>Mozzarella Cheese</b>	Decreasing	Good	Lower
<b>Provolone Cheese</b>	Decreasing	Good	Higher
<b>Parmesan Cheese</b>	Decreasing	Good	Lower
<b>Butter- One lb Solids</b>	Decreasing	Good	Lower
<b>Class I Cream (Milk)</b>	Steady	Good	Lower
<b>Class II Cream (Heavy Cream)</b>	Steady	Good	Lower