

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (2/23)

BUTTER: Grade AA closed at \$2.8500. The weekly average for Grade AA is \$2.8031 (+0.0791).

CHEESE: Barrels closed at \$1.6150 and 40# blocks at \$1.5500. The weekly average for barrels is \$1.6100 (+0.0235) and blocks, \$1.5219 (-0.0096).

NONFAT DRY MILK: Grade A closed at \$1.2000. The weekly average for Grade A is \$1.1963 (+0.0235).

DRY WHEY: Extra grade dry whey closed at \$0.5225. The weekly average for dry whey is \$0.5144 (-0.0076).

BUTTER HIGHLIGHTS: Retail and food service demands are seasonally steady to stronger. Cream for butter makers is plentiful throughout most of the country. Slower ice cream production, in some parts of the country, remains a factor in abundant cream availability for butter makers. Manufacturers are running busy at-or-near capacity production schedules. Unsalted butter loads for spot buyers are somewhat tight. Some contacts say overall butter supplies are tighter compared to the last couple years. Bulk butter overages range from 4 to 15 cents above market, across all regions.

CHEESE HIGHLIGHTS: Eastern cheese plant managers share seasonally steady production schedules. Retail demand is noted to be seasonally strong. Foodservice demand is steady to lighter. Inventories are comfortable. Buying interest for cheese remains quiet in the Central region. Some contacts share orders outside of contracts have been sparse in recent weeks. Cheddar inventories have been growing slowly. Barrel producers say their orders are steady to stronger. Spot barrel loads are selling above market prices. Spot milk prices are being reported from \$0.50-under to \$0.50-over Class III prices. Western contacts share Class III spot milk load availability varies from area to area. Cheese production schedules are noted to be steady. Contacts relay steady demand from international buyers. Spot cheese inventories are said to be tight.

FLUID MILK: Milk production at the farm level is variable throughout the U.S. The first NASS Milk Production report of 2024 listed a 0.9 percent decrease in January 2024 when compared to January 2023 (in the 24 selected states). Milk production is steady throughout the East region. Condensed skim demand remains strong in the Northeast, and contacts shared above Class prices for spot milk loads once again. Cream availability remains ample in the Northeast. Some Class I bottling orders were lower than anticipated due to President's Day school closures. In the Central region, week to week milk production is largely steady. Many contacts anticipate lighter spring flush milk supplies than last year. Cheesemakers in the region note spot milk offers have quieted, with some spot trades reported at

\$0.50-under to \$0.50-over Class III. Cream supplies remain strong and spot loads are being reported at market. California milk production continues to grow week over week and is above February 2023 volumes thus far. In Arizona, milk outputs at the farm level are noted to be steady to stronger. Handlers note spot milk loads are tighter than this time last year and that Class III demand is stronger. Milk production is trending higher in New Mexico, and processors note spot milk availability is tight. Farm level milk outputs are stronger in the Pacific Northwest and are steady to stronger in Idaho, Utah, and Colorado. Cream is generally available throughout the region, and demand is steady. F.O.B. cream multiples are 1.05- 1.20 in the East, 1.00-1.27 in the Midwest, and 0.90-1.21 in the West.

DRY PRODUCTS: Low/medium nonfat dry milk (NDM) prices moved lower in all regions. Domestic demand is steady to weaker. High heat NDM prices moved lower in the West and higher on the bottom of the range in the Central and East region. A few manufacturers noted production is being slotted in only upon request and price agreement. Aside from a downward movement to the bottom end of the Central and East range, dry buttermilk prices were unchanged. Load availability for spot buyers is loosening. Dry whole milk prices held steady. Dry whole milk inventories remain tight. Dry whey prices moved higher on both ends of the range in the Northeast and West regions, and lower on the bottom end of the range in the Central region. Some processors note their volumes are either snug or simply unavailable for anything but fulfilling contractual needs. Whey protein concentrate 34% prices moved higher on both ends of the range. Loads sought out directly from processors are snug. Lactose and casein prices held steady. Some lactose processors say they are very tight moving into Q2. Brokers/contacts say that some buyers are looking to lock up casein supply contracts for as far out as the rest of 2024.

ORGANIC DAIRY MARKET NEWS: The USDA National Agricultural Statistics Service (NASS) recently released the results of the 2022 Census of Agriculture. The 2022 results showed that total organic products sales reached \$9.585 billion in 2022, up from \$7.277 billion in 2017, while the average sales per farm increased from \$400,603 in 2017 to \$553,380 in 2022. The National Organic Standards Board (NOSB) will meet in Milwaukee, WI from April 29 - May 1, 2024. The Agricultural Marketing Service (AMS) reported December 2023 estimated fluid product sales. The U.S. sale of total organic milk products was 245 million pounds, up 6.8 percent from the previous year, and down 0.3 percent year-to-date.

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DAIRY MARKET NEWS PRICE SUMMARY FOR FEBRUARY 19 - 23, 2024
PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Mostly		Commodity	Range		Mostly	
NDM									
Central Low/Med. Heat	1.1700	1.2400	1.1900	1.2200	Central/East	1.1000	1.1500		
Change	-0.0200	-0.0200	-0.0100	N.C.	Change	-0.0100	N.C.		
Central High Heat	1.3250	1.3700			West	1.0800	1.2600	1.1300	1.2200
Change	0.0050	N.C.			Change	N.C.	N.C.	-0.0100	-0.0100
West Low/Med. Heat	1.1650	1.2500	1.1800	1.2300	DRY WHEY				
Change	-0.0125	-0.0100	-0.0100	-0.0100	Central	0.4100	0.5250	0.4750	0.5000
West High Heat	1.3000	1.4675			Change	-0.0300	N.C.	N.C.	N.C.
Change	-0.0075	-0.0050			West	0.4450	0.5500	0.4700	0.5300
DRY WHOLE MILK					Change	0.0050	0.0100	0.0100	0.0200
National	2.0000	2.2000			Northeast	0.4625	0.5350		
Change	N.C.	N.C.			Change	0.0325	0.0300		
LACTOSE									
					Central/West	0.1325	0.3975	0.2400	0.3400
					Change	N.C.	N.C.	N.C.	N.C.
					WPC 34%				
					Central/West	0.9500	1.1750	0.9600	1.0500
					Change	0.0100	0.0250	0.0100	N.C.
CASEIN									
					Rennet	3.6000	3.9000		
					Change	N.C.	N.C.		
					Acid	3.6000	4.0000		
					Change	N.C.	N.C.		
ANIMAL FEED WHEY									
					Central	0.3500	0.3700		
					Change	N.C.	N.C.		