

FLUID MILK AND CREAM

EAST

Northeast milk production is fairly level this week. Some market participants report milk volumes are balanced to limited for manufacturers' production schedules. Class I sales are steady to higher as the holiday draws near. Balancing plants are not at capacity. There are anticipations of more milk availability next week for manufacturers' needs. **Mid-Atlantic** milk production is slightly down. Balancing operations are receiving steady to a bit higher milk volumes. There is available capacity in balancing facilities. **Southeast** milk output is level this week. Temperatures have dropped to the high 20s-low 30s, taking a toll on cow comfort. Bottlers' orders are fairly strong this week. When trucking availability allows, some milk loads are making their way to the Southeast from the Midwest. Market participants in the Northeast report not being able to supply milk loads because of manufacturers' immediate needs. Balancing operations are not at capacity due to limited to no milk available. **Florida's** milk production is climbing at a moderate pace. Weather conditions have been cooler at night, but temperatures continue to be warmer than normal. Market participants report Class I sales have increased this week from Thanksgiving sales. **Cream** is tight in the East for another consecutive week. Buyers continue to have a strong demand for spot loads before the holiday. Due to the high demand, multiples range 1.38-1.70 with the majority of sales trading around 1.35-1.48. Many market participants are willing to purchase at increased prices for their customers' needs. With balanced to lower milk volumes in the region, some manufacturers do not have adequate cream loads to offer on the spot market. Although there is current cream tightness, some traders report being able to cover their committed contracts this week. **Condensed skim** market conditions are mixed. Some market participants report steady spot prices and lower availability. However, some dairy contacts communicate working just through contracts as they are seeing lower condensed skim spot prices. Overall, market participants point to signs of increasing availability soon.

Northeastern U.S., F.O.B. Condensed Skim
 Price Range - Class II; \$/LB Solids: 0.77 - 0.87
 Price Range - Class III; \$/LB Solids: 0.75 - 0.85

Northeastern U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.3800 - 1.7000
 Price Range - Class II; \$/LB Butterfat: 3.0698 - 3.7817

MIDWEST

Milk availability reports are level to slightly higher than last week. There are expectations among milk handlers and contacts that both milk and cream will be less available in 2019. That said, as some processing has slowed the week before the holiday, spot milk loads have become easier to locate for some plant managers. Bottling is slower, but upticks are expected following the holiday next week, in order to refill pipelines. Some Midwestern milk loads, when trucks are available for the longer haul, are southeast bound. Cheesemakers saw a noticeable decline on milk prices this week, as a number of cheese plants have slowed production for various reasons. Reported Class III spot prices ranged from \$3 under to \$1 over. **Cream** remains tight in the region. Undoubtedly, production activity in sour cream, whipping cream, heavy cream and other holiday-centric retail wares are pulling in heavy cream loads in the Midwest and elsewhere. Contract negotiations for 2019 are underway for cream buyers and sellers, and most contacts have relayed prices are trending higher for annual contracts. Next week, with the holiday, cream contacts expect a slip in prices as manufacturers and truckers take some time off. However, contacts expect the week following Thanksgiving to bring demand and prices back to current levels. Snowfall late last week

proved to add another hurdle to harvesters late in the season. A wet fall has been met with cold and snow. In some areas in the Midwest, farmers will now have to wait until the ground freezes/hardens in order to get into the fields.

Midwestern U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.3200 - 1.4900
 Price Range - Class II; \$/LB Butterfat: 2.9808 - 3.3145
 Multiples Range - Class II: 1.3400 - 1.4900

WEST

In **California**, a good pull of milk is going to retail accounts to fulfill Thanksgiving holiday buying needs. Next week, many educational institutions will be closed for a few days. As so, milk orders to refill schools' pipelines have decreased. Milk output across the state is a bit up, but processors are not having any problems handling the milk. **Arizona** milk production levels are steady to up. Milk supplies conform with plant managers expectations, so they are able to manage them adequately. As most schools get ready to close next week for the Thanksgiving holiday, their demand for Class I milk is being adjusted accordingly. However, retail stores are taking more milk to satisfy holiday buyers' needs. Topsoil and subsoil moistures are ninety percent adequate to surplus this week, compared to ninety-four percent last week. Seventy-seven percent of the alfalfa hay acreage is good to excellent. Dairy farmers in **New Mexico** say that cows are producing more milk with the declining temperatures. Milk requests from the Southeast remain strong. Southeastern processors continue to send their own trucks/drivers to pick up farm milk on a daily basis as western handlers cannot accommodate transportation for them. This week Class I and III demands are trending higher while Class II requests are mainly steady to down. It seems like retailers and restaurants are restocking their supplies for buyers' holiday needs. Minor repair/maintenance at a plant caused milk holdovers to increase, but it is now slowly decreasing. The sixth cutting of alfalfa hay is taking place, with ninety-four percent of the alfalfa acreage already harvested. Topsoil and subsoil moistures are both seventy-one percent adequate to surplus. **Pacific Northwest** milk production is following typical seasonal patterns. There is plenty of milk for processing and bottling needs, even as intakes have trended slightly lower. Milk handlers are preparing as best they can to make sure each load of milk has a home ahead of the holiday. Milk production in the mountain states of **Idaho, Utah and Colorado** is steady. Manufacturers say there is ample milk for most processing needs. Some excess loads are finding their way into neighboring states at discounts to offset transportation costs. Cold weather is finding its way into the region and some snow is starting to accumulate at upper elevations, but so far, there have been no issues regarding cow comfort. Western **condensed skim** supplies are ample as milk yield is increasing in the region. Processors are accordingly managing their inventories. **Cream** in the West is available to meet the needs of almost all the buyers. However, supplies have been declining as demand increases close to the Thanksgiving holiday. Some surrounding regions continue to source their cream needs from the West due to their limited inventories. Cream multiples for all usages are 1.10-1.35.

Western U.S., F.O.B. Cream
 Multiples Range - All Classes: 1.1000 - 1.3500