

## NONFAT DRY MILK, BUTTERMILK &amp; WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

## NONFAT DRY MILK - CENTRAL AND EAST

**CENTRAL:** Low/medium heat nonfat dry milk (NDM) prices held steady on the short trading week. Expectedly, overall trading was down this week from last. However, Midwestern buyers and sellers were busy in comparison to previous Thanksgiving weeks. A number suggest some firmness is taking place, and a growing number of reported trades did reach over the \$.90 mark. However, most trades are taking place closer to the mid to high \$.80s still. Inventory reports are mixed from limited to growing. As more cheese producers are taking time away, some contacts suggest more milk is beginning to head to the dryer. High heat NDM trades were quiet, as prices are unchanged. High heat inventories are unchanged, as production of high heat is contractually focused. The nonfat dry milk market is steady, to slightly bullish.

**EAST:** Ahead of the Thanksgiving holiday, low/medium heat nonfat dry milk (NDM) f.o.b. spot market prices are steady in both the range and mostly series. With heavier holiday milk supplies expected to clear into balancing plants that have been operating well below capacity, low/medium heat NDM production should increase this week. However, manufacturers are advising that this year's Thanksgiving week milk supply volumes will be some of the lowest receipts seen and could contribute to lighter producer's yearend NDM stocks held. Demand is somewhat mixed as some market participants note a slight uptick in the number of loads being exchanged. High heat NDM production is limited with most manufacturers running product to fill contract demand and having little supplies to offer on the spot market. Market prices are unchanged.

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk  
Price Range - Low & Medium Heat; \$/LB: .8200 - .9350  
Mostly Range - Low & Medium Heat; \$/LB: .8800 - .9200

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk  
Price Range - High Heat; \$/LB: .9800 - 1.0400

Secondary Sourced Information:

At the CME Group, Tuesday, Grade A NDM closed \$0.8875, up \$0.0250 from last Tuesday.

## NONFAT DRY MILK - CENTRAL AND WEST

In the West, f.o.b. spot prices for low/medium heat nonfat dry milk (NDM) are stable across the range and the mostly price series. Most producers are saying that their inventories are balanced and do not require any immediate changes in pricing strategies. Spot trading activities are fair to good depending on the individual vendor. International sales, specially the ones going to Mexico remain solid. However, concerns about the strengthening value of the dollar and the competitiveness of the European skim milk prices are still affecting market decisions. Low/medium heat (NDM) production is active and will more likely further increase during this holiday shortened workweek. However, no issues are foreseen with the handling of condensed skim. High heat NDM prices have decreased at the bottom of the range while production schedules are unchanged from a week ago. Manufacturers are producing only as needed as they are focusing their attention on other priority dry products processing. Stocks of high heat NDM are just enough to meet contractual demands. Spot trading is light.

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk  
Price Range - Low & Medium Heat; \$/LB: .8200 - .9350  
Mostly Range - Low & Medium Heat; \$/LB: .8800 - .9200

Prices for: Western U.S., All First Sales, F.O.B., Extra Grade & Grade A, Conventional, and Edible Nonfat Dry Milk  
Price Range - High Heat; \$/LB: .9800 - 1.0900

Secondary Sourced Information:

Grade A nonfat dry milk price at the CME Group on Tuesday closed at \$.8875, up from the previous week average price of \$.8715.

At the GDT Event 224 on November 20, 2018 skim milk powder (SMP) prices across all contract periods averaged \$.8913 per pound, down 1.6 percent from the last event.

## CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

\*\*\*The California Department of Food and Agriculture is no longer issuing weekly nonfat dry milk prices.

## DRY BUTTERMILK - CENTRAL AND EAST

**CENTRAL:** Dry buttermilk prices were lower on the bottom end, while maintaining at the top. Demand is still fairly strong, but some deals were made in order to clear some inventories ahead of the new year, and those deals brought the price point lower. Some buyers are suggesting they are waiting until after this week, but plan to increase their purchasing frequency ahead of the end-of-year holidays. Inventories of dry buttermilk are limited, but there are some spot loads available and generally those are available above \$.90 in the Central region. Despite lower price points on the bottom end, dry buttermilk buying interests, along with the somewhat limited supply of recently produced loads, are creating a potentially bullish market undertone.

**EAST:** Dry buttermilk prices are steady to lower, as very limited spot trading adjusted prices at the bottom of the range. Production of dry buttermilk is at reduced levels, due to strong cream demand from a variety of cream based dairy product manufacturers. Demand for dry buttermilk is good, but supplies are very tight with purchasers having difficulty sourcing loads within the region. Churning will likely improve this week, enhancing dry buttermilk availability over the baking season. The undertone is quiet this holiday week.

Prices for: Eastern and Central U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk  
Price Range ; \$/LB: .8450 - .9775

## DRY BUTTERMILK - WEST

The f.o.b. prices for West dry buttermilk remain high, with a firm market tone. Some processors report that they are not willing to sell any products at prices lower than \$.90, whereas a few buyers were able to buy limited loads at prices close to the mid \$.80s. Inventories of dry buttermilk are tight to extremely tight. Dry buttermilk output so far has been intermittent as production schedules have been more focused on seasonal butterfat needs for the holiday goods. Nonetheless, churning activity will be increasing this week, so dry buttermilk yield is also anticipated to move higher.

Prices for: Western U.S., All First Sales, F.O.B., Conventional, and Edible Buttermilk  
Price Range ; \$/LB: .8200 - .9500  
Mostly Range - ; \$/LB: .8500 - .9300

## DRY WHOLE MILK - U.S.

During this shortened holiday week, the national f.o.b. prices for dry whole milk are mixed on a narrower range. Dry whole milk prices remain above international WMP values, which could limit to some domestic manufacturers/brokers the opportunity of export to several offshore markets. Meanwhile, within the domestic market, demands from the bakery and confectionery sectors are active, driven by year-end celebration needs. Dry whole milk production is steady, but is expected to increase through the end of the week as most dryers will be running at full capacity during the holidays.

Prices for: U.S., All First Sales, F.O.B., Conventional, and Edible Dry Whole Milk  
Price Range - 26% Butterfat; \$/LB: 1.5100 - 1.6500