

MD\_DA230

Fluid Milk and Cream - Central U.S.

Report 28 - Released on July 09, 2020

Farm milk and component output is flat to lighter due to two major factors. First, self-restrictions, which some farmers say may be longer lasting than expected. Second, heat is hindering output in many parts of the country, including the Central region and the upper Midwest. Wisconsin and Minnesota have been noticeably warmer the past two weeks. What were 50 degree mornings just weeks ago have now become 70 degree mornings. Some farmer contacts suggest year to year numbers are markedly lower on both total milk and protein levels. Class I demand is steady and lighter than in years past, as well. Most in the dairy industry, but particularly bottlers, remain concerned about school districts' plans for the fall. Cheese plant managers reported spot milk prices exclusively at below Class this week. Although the low end did not reach the holiday week minimums, there were no Class prices or higher reported, either. Cheesemakers are busy, and the amount of reported spot prices tells that story, as more prices were reported compared to a somewhat busy week 27. Cream availability was limited this week. Butter producers were mixed on whether post-holiday cream availability would remain similar to last week. It did not, as butter producers were quick to relay cream multiples were out of their financial reach. Ice cream production met some contacts' expectations and remained strong following July 4th. Regional ice cream producers relayed the heat limited cream hauling from some of their regular sources in the West. Suppliers are hesitant to haul cream in 90 and 100 degree temperatures any farther than necessary.

The DMN monthly average of the range price series for Upper Midwest Class II cream during June was \$2.5417, compared to \$1.7044 in May.

Price Range - Class III Milk; \$/CWT; Spot Basis: -4.00 - -1.00  
Trade Activity: Active

Midwestern U.S., F.O.B. Cream

Multiples Range - All Classes:	1.3400 - 1.4500
Price Range - Class II; \$/LB Butterfat:	2.3860 - 2.5439
Multiples Range - Class II:	1.3600 - 1.4500

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