

Fluid Milk and Cream - Central U.S.

Report 11 - Released on March 18, 2021

The aftereffect of the storms on cows in the lower portion of the region have contacts questioning what peak season, aka flush, will look like. North of that area, in the upper Midwest, seasonal upward shifts week after week are indications that flush will come around somewhat normally this year, and within the next month. Class I demand is noted as seasonal, as well. Some seasonal specialties gave fluid milk and cream orders a bump in both the retail and food service (namely fast food chains) sectors. The exception, again, is Texas and the surrounding areas. After refilling some depleted pipelines there in previous weeks, Class I demand has begun to ebb a bit. Cheesemakers reported more available spot milk this week. There was a return to wholly discounted spot milk loads. Some cheese producers said their phones were very busy, and milk sellers were calling from locations further out than their current milk suppliers. Still, some foresee a potentially tighter spot milk market in the next weeks, if not months. Milk prices are comparable to last year's \$2 to \$5 under Class III during week 11. Cream continues to slowly tighten up week to week, according to contacts. Butter makers, for the first time this year, have reported they could use a little more than what they have been offered. Class II and Class III cream usage is more active. As was mentioned, some seasonal specialties and spring holiday staples have more manufacturers outside of butter makers pulling from the cream supply. Some upper Midwest contacts reported seeing some farmers working ground. Some good news for wheat farmers in the southern plains, as reports are surfacing which point to a strong winter wheat recovery from the devastating storms from mid-February.

Price Range - Class III Milk; \$/CWT; Spot Basis: -5.00 - -1.00

Trade Activity: Moderate

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

Multiples Range - All Classes: 1.2000 - 1.2700

Price Range - Class II; \$/LB Butterfat: 2.0746 - 2.1596

Multiples Range - Class II: 1.2200 - 1.2700

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