

MD\_DA230

Fluid Milk and Cream - Central U.S.

Report 31 - Released on August 05, 2021

Milk yields continue their seasonal slide, as farm milk output drops week to week. Milk is still available for all uses. School districts' orders in the southern portion of the region and East/Southeast have begun to pull fluid milk loads from the Midwest and mid-Atlantic, and those pulls are expected to strengthen over the next two weeks. Naturally, cheesemakers report spot milk availability has tightened up. Spot loads are still discounted, but offers are beginning to be reported at Class and even at premiums to Class III. With the fluid milk demands in the Southeast and new cheese plants in the upper Midwest, milk availability is showing its first signs of a potentially tightening market. Cream availability is not exhibiting the same signals that fluid milk is, at least at this point in the season. Cream is available for all uses and butter plant managers report clearing loads at multiples in the low 1.20s still. Ice cream manufacturers' demand for cream, according to contacts, peaked earlier in the year than normal and has not really bounced back. Although some reports of continued dryness in areas of the Central region are indicating less-than-excellent corn and bean conditions, some contacts say fields in their respective areas are in fine shape this week. Upper Midwestern contacts have said that one field to the next can vary widely, particularly regarding cornfields.

The DMN monthly average of the range price series for Upper Midwest Class II cream during July was \$2.2554, compared to \$2.3705 in June.

Price Range - Class III Milk; \$/CWT; Spot Basis: -4.00 - -2.00  
Trade Activity: Moderate

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

Multiples Range - All Classes:	1.2300 - 1.3400
Price Range - Class II; \$/LB Butterfat:	2.0947 - 2.1929
Multiples Range - Class II:	1.2800 - 1.3400

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