

Fluid Milk and Cream - Central U.S.

Report 15 - Released on April 14, 2022

Milk production notes continue to be positive from Midwestern farmers. Some are working through their March reports and share that although herd numbers are lower, milk output, and particularly component levels, are strong. Midwestern weather is starting to show signs of spring, which will only propel expectations near term. Class I demand is a little lighter this week. School districts' orders are already starting to be pared down, if only slightly, in some states. Retail milk sales have steadied some, as Class I milk intakes have been mostly steady week to week. Cheesemakers are busily clearing spot milk loads again this week. There is a mixed view of milk availability in the region for cheesemaking. Extensive staffing shortages brought on since the onset of the COVID pandemic, and an increase in cheese plant managers scheduling downtime as a result, yields a viewpoint that milk would be seasonally tight right now if not for those noticeable factors. Now, though, as those are current realities, milk is available at discounts, but still not at the same discounted prices of previous years during week 15. For instance, last year's spot milk prices during week 15 reached a nadir of \$5 under Class, double this week's discounts. Crop conditions in the Southern Plains vary, but some steadier rainfall in Texas and Oklahoma has given farmers', anecdotally at least, some hopeful outlooks. More rain is needed, though, to help improve the drought conditions covering a number of larger wheat producing counties. Cream is expectedly a little more available as the holiday weekend approaches. Butter producers in the region are busy churning, as their cream availability outlook is cloudy near-term, but as cream is currently available, they are taking advantage of affordable cream loads this week. Particularly, as butter demand has grown both domestically and internationally.

Price Range - Class III Milk; \$/CWT; Spot Basis: -2.50 - .50

Trade Activity: Active

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

Multiples Range - All Classes: 1.2400 - 1.3300

Price Range - Class II; \$/LB Butterfat: 3.5258 - 3.6635

Multiples Range - Class II: 1.2800 - 1.3300

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