

Fluid Milk and Cream - Central U.S.

Report 16 - Released on April 21, 2022

Contacts say milk output growth is starting to exhibit itself more clearly in the region, particularly the southern area, but including the central and upper Midwest, as well. A late season snowfall in the upper Midwest/Northern Plains created some hauling and general farming delays. Now, though, for the most part seasonal temperatures are forecasted with some rain, which is expected to benefit near term production. Fieldwork, on the other hand, is reliant on less than soggy fields and right now, those can be few and far between. Some upper Midwestern contacts expect tillage to begin, in earnest, next week. As was mentioned, milk production has grown while Class I orders have begun to slide in most states. Schools in the southern areas, which let out as early as mid May, may be playing a part in tempering their orders. Milk handlers are also dealing with some balancing plant outages due to washes or other maintenance issues, which they are hopeful will smooth out by next week and bring holdovers down to more manageable levels. Cheese producers, as expected, are clearing spot milk at discounts following the holiday weekend. Cream, also, is noticeably more available this week. Some ice cream producers reportedly took some downtime over the holiday, while butter makers say their cream stores are at capacity. As school milk orders dwindle with less cream being spun off, plus warming spring temperatures bringing component levels down seasonally, expectations of cream availability in the near- and mid-term are uncertain. Additionally, there are some concerns about butter production being behind in some cases. As cream may be readily available for butter churning at the moment, employee shortages continue to be regularly reported, as well.

Price Range - Class III Milk; \$/CWT; Spot Basis: -2.50 - -1.50

Trade Activity: Moderate

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

Multiples Range - All Classes: 1.2200 - 1.2800

Price Range - Class II; \$/LB Butterfat: 3.4649 - 3.5480

Multiples Range - Class II: 1.2500 - 1.2800

Information for the period April 18 - 22, 2022, issued weekly

Secondary Sourced Information:

The NASS Milk Production report noted March milk production in the 24 selected states was 18.8 billion pounds, down 0.4 percent from 2021. Milk cows in the 24 selected states totaled 8.902 million head, 68,000 head fewer than a year ago. The following table shows the 24 states included in the report and the monthly milk production and percent changes compared to a year ago:

March 2022 Milk Production, (USDA-NASS)

	(Million Lb.)	% Change From 1 Year Ago
Illinois	157	- 2.5
Indiana	386	- 3.7
Iowa	484	+ 0.8
Kansas	350	- 3.8
Michigan	1,006	- 2.9
Minnesota	886	- 2.6
Ohio	480	- 3.4
South Dakota	342	+20.0
Texas	1,437	+ 6.7
Wisconsin	2,724	+ 0.2

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ISRAEL WEBER, 608-422-8601
Email: israel.weber@usda.gov

Additional Dairy Market News Information:

Dairy Market News (DMN) by Phone: (608)422-8602

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