

MD_DA230

Fluid Milk and Cream - Central U.S.

Report 21 - Released on May 25, 2023

Warming temperatures have begun to shift weekly milk production trends some regional contacts indicate. They say milk output has steadied, but there are some reports of component levels moving lower. Springtime temperatures are up and down from one area to the next, but expectations are that post-flush milk output contractions are looming. Right now, though, milk remains readily available for all uses. There were continuing reports of slowdowns at the Class I level, as schools have shifted from low to zero ordering. Some summer school lunch programs are expected to keep some bottlers running, but the bulk of school district ordering has already ebbed in parts of the southern areas of the region and is expected to dwindle in the upper Midwest near-term. Cheesemakers continue to report spot milk prices between \$11 under to \$4 under Class III. More plants are coming back online after maintenance related downtime, though, and for the first time this year, there are expectations being passed along from cheesemakers that after the upcoming holiday weekend, milk prices may shift higher. Cream availability was typical for a pre-holiday week. Multiples are ranging from the high 1.10s to the mid 1.20s for butter producers in the region. Similar to the fluid milk market, contacts expect multiples to begin inching up following Memorial Day, as Class II processing is continuing its slow shift higher. Butter makers have said they expect to run pretty heavy schedules ahead of the seasonally expected cream price increase. Corn and bean planting in the upper Midwest has been spurred on by a stretch of recently dry and sunny weather, as most reports are relaying corn planting being ahead of the recent years' average. Wheat harvest expectations in the central and southern states of the region are mixed, but some areas have received some much needed seasonal rainfall. That said, parts of Kansas, Texas and Oklahoma either received the rain too late for a hearty yield, or are still too dry to expect strong yields.

Price Range - Class III Milk; \$/CWT; Spot Basis: -11.00 - -4.00
Trade Activity: Moderate

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

Price Range - All Classes; \$/LB Butterfat: 2.8677 - 3.1618
Multiples Range - All Classes: 1.1700 - 1.2900
Price Range - Class II; \$/LB Butterfat: 3.0638 - 3.1618
Multiples Range - Class II: 1.2500 - 1.2900

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