



Fluid Milk and Cream - Central U.S.

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In a typical week, cream and fluid markets generally parallel one another. Cream availability increases, as does fluid milk availability, or the opposite. Recent trends, though, have eschewed the norm. Cream availability slightly ticked lower, as multiples increased. During the same week, fluid milk volumes for spot market usage increased, evidenced by decreasing prices at the cheese plant intake level. Class I milk intakes were steady. Despite school breaks upcoming, which are expected and planned for ahead of time, bottlers' foci have been seen on retail bottling, which has kept a good amount of milk from processing end uses. That said, cheesemakers reported more under-Class pricing this week than during the Thanksgiving holiday week. Spot milk prices were reported as low as \$4-under Class III. Still, there were some early week spot prices reported at the \$1-over Class price. Milk output, and particularly component levels have benefited during the generally mild fall. Despite there being snow on the ground in areas of the Upper Midwest at report time, 50 degree temperatures this coming weekend are likely to change the wintry landscape. Also, the number of herds continues to shrink in the Upper Midwest due to strong beef markets and volatile farmgate milk check amounts. All said, there are more questions than answers when it comes to what early 2024 will bring regarding fluid milk output and availability. Condensed skim availability has been somewhat open. Handlers, though, say that recent demand from processors is strengthening. Cream is not tight, but it is continuing to slowly firm following the holiday-related onslaught of availability. Butter maker contacts are continuing to micro-fix, as well as churn, and have been hesitant to bid on "too much" cream. They do say, however, that as the end-of-year holidays approach, they expect cream orders and, naturally, churning rates to push higher as they get ahead of spring holiday demand-required inventories. Cream handlers report that butter and cream cheese end users are somewhat active on the spot market, while ice cream manufacturing is the sole holdout when it comes to busier activity.

The DMN monthly average of the range price series for Upper Midwest Class II cream during November was \$3.6111, compared to \$4.4488 in October.

Price Range - Class III Milk; \$/CWT; Spot Basis: -4.00 -1.00
Trade Activity: Active

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

Commodity				Low Price	High Price
Cream	All Classes	\$/LB Butterfat		3.0680	3.2760
Cream	All Classes	Multiples Range		1.1800	1.2600
Cream	Class II	\$/LB Butterfat		3.1720	3.2760
Cream	Class II	Multiples Range		1.2200	1.2600

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