

## DAIRY MARKET NEWS AT A GLANCE

### CME GROUP CASH MARKETS (12/01)

**BUTTER:** Grade AA closed at \$2.6550. The weekly average for Grade AA is \$2.6000 (+0.0842).

**CHEESE:** Barrels closed at \$1.5200 and 40# blocks at \$1.5200. The weekly average for barrels is \$1.4825 (+0.0008) and blocks, \$1.5740 (-0.0193).

**NONFAT DRY MILK:** Grade A closed at \$1.1800. The weekly average for Grade A is \$1.1860 (+0.0027).

**DRY WHEY:** Extra grade dry whey closed at \$0.4000. The weekly average for dry whey is \$0.3980 (-0.0012).

**BUTTER HIGHLIGHTS:** Cream volumes are reported to be tighter in the eastern region compared to the central or western regions. Cream is indicated to be widely available in the central region, while processors in the southern part of the eastern region indicate not quite tight but not ample cream volumes. Butter production was mixed during the recent holiday weekend with some butter makers running busy production schedules and others slotting in some downtime. Plant managers relay strong to steady post-holiday weekend production schedules. Many manufacturers note comfortable December retail inventory levels. A few western butter makers relay availability of unsalted butter spot loads will be tight for the remainder of the year. Domestic demand is mostly steady. Bulk butter overages range from 3 to 10 cents above market, across all regions.

**CHEESE HIGHLIGHTS:** Milk volumes available for cheese processing are ample in the East. Plant managers relay production schedules are steady, though demand has plateaued. Retail demand is noted to be steady, but contacts noted foodservice demand continues to be lackluster. In the Central region, milk prices have bounced back from the Thanksgiving week, ranging from flat to \$1 over Class. Cheese demand is holding a steady pattern, and contacts share surplus loads of cheddar are generally spoken for. Barrel quantities have increased. In the West, Class III demand is steady to stronger for cheese processing. Spot milk availability ranges from strong to abundant, though some plant managers relay cheese production schedules are below capacity. Retail cheese demand continues to outpace foodservice demand in the West.

**FLUID MILK:** Farm level milk outputs are strengthening across most regions, the exception being a slight downward tendency present in the mountain states. In the East, milk production is steady to stronger. Cream is readily available in the Northeast, and Class II and Class III demand is solid throughout the eastern states. Cow comfort conditions continue to improve in the Midwest. Contacts share that feed quality and quantity is high. Milkfat and milkfat-per-cow numbers indicate ideal cow comfort conditions. Spot milk prices

bounded back from the Thanksgiving week sub-Class price levels to reach flat market to \$1 over Class. In the West, cooler temperatures continue to improve conditions. California producers note milk production increased this week over last, and they note butterfat and protein levels in milk are increasing. Cream supplies are looser for most of the western states, and spot loads are said to be more available than in recent weeks. Spot milk demand is steady and loads are available. FOB cream multiples for all Classes are 1.00-1.28 in the East, 1.16-1.25 in the Midwest, and 1.05-1.32 in the West.

**DRY PRODUCTS:** Low/medium heat nonfat dry milk (NDM) supplies are noted to be tighter in the Central and Eastern regions. Domestic NDM demand is noted to be quiet in the Central and East, but steady in the West. Production schedules of low/medium and high heat NDM are steady in the West. Liquid buttermilk supplies are lighter in the Eastern and Central regions since micro-fixing continues to outpace churning. Supplies have tightened as a result. Dry buttermilk production is steady in the West, but spot availability is said to be tight. Dry whole milk demand has picked up in recent weeks. Spot loads of dry whole milk have become more available, but inventories remain tight. Dry whey production schedules are steady across the country as cheese production schedules are strong. Whey protein concentrate demand remains strong, though contacts note inventories of WPC 34% are tightening. Lactose inventories continue to tighten, but contacts note spot and contract demand is steady. Acid and rennet casein spot inventories are available for purchase.

**ORGANIC DAIRY MARKET NEWS:** The September 2023 European organic milk average pay price increased in Germany, Bavaria and France compared to August 2023 average pay prices. In a recent report from a Pacific Northwest livestock auction, organic cull cows traded slightly higher than conventional cull cows. Compared to last period: Trade activity and demand was moderate for organic feed corn. The total number of organic dairy advertisements increased by 141 percent over last week's retail survey ad numbers. Most organic commodities appearing in last week's survey saw a growth in their ad numbers this week. Organic ice cream and sour cream were the only organic commodities which saw declines in the number of ads they appeared in this week. The three most advertised organic dairy produces found in this week's survey were: cheese, milk, and yogurt.

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### DAIRY MARKET NEWS PRICE SUMMARY FOR NOVEMBER 27 - DECEMBER 1, 2023 PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Mostly		Commodity	Range		Mostly		Commodity	Range		Mostly			
NDM					BUTTERMILK					LACTOSE						
Central Low/Med. Heat	1.1600	1.2400	1.1850	1.2200	Central/East		1.0500	1.1100		Central/West		0.1525	0.4100	0.2100	0.3200	
Change	N.C.	N.C.	N.C.	N.C.		Change	0.0100	0.0100			Change	-0.0125	N.C.	0.0100	0.0200	
Central High Heat	1.3000	1.3600			West		1.1000	1.2500	1.1300	1.1900	WPC 34% Central/West		0.8500	1.0750	0.8700	0.9700
Change	N.C.	N.C.				Change	0.0200	-0.0100	0.0100	-0.0100		Change	0.0300	0.0350	0.0200	0.0200
West Low/Med. Heat	1.1400	1.2500	1.1800	1.2200	WHEY Central		0.3500	0.4300	0.3800	0.4100	CASEIN Rennet		3.1500	3.6500		
Change	0.0100	-0.0100	-0.0050	-0.0100		Change	N.C.	0.0100	0.0100	N.C.		Change	N.C.	N.C.		
West High Heat	1.2850	1.4325			West		0.3600	0.4550	0.3900	0.4300	Acid		3.3000	3.7000		
Change	-0.0125	-0.0125				Change	0.0200	0.0200	0.0100	0.0100		Change	N.C.	N.C.		
DRY WHOLE MILK					Northeast		0.3675	0.4375			ANIMAL FEED WHEY					
National	1.7000	2.1000				Change	N.C.	N.C.			Central		0.2400	0.3200		
Change	N.C.	0.0500								Change	N.C.	0.0500				