

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (12/29)

BUTTER: Grade AA closed at \$2.6650. The weekly average for Grade AA is \$2.6225 (+0.0430).

CHEESE: Barrels closed at \$1.4000 and 40# blocks at \$1.4700. The weekly average for barrels is \$1.4313 (+0.0333) and blocks, \$1.4263 (-0.0017).

NONFAT DRY MILK: Grade A closed at \$1.1700. The weekly average for Grade A is \$1.1650 (+0.0045).

DRY WHEY: Extra grade dry whey closed at \$0.3850. The weekly average for dry whey is \$0.3838 (+0.0003).

BUTTER HIGHLIGHTS: Retail butter demand is strong to steady for the finishing stretch of 2023. Food service demand reportedly remains light in the east region. Stakeholders indicate inventories are more balanced in the west region than the central or eastern regions of the US. Unsalted and salted butter inventories are comfortable to lighter in the east region. Cream supplies are plentiful to ample throughout the country. Furthermore, some western contacts share finding homes for spot loads of cream has been difficult, and some midwestern butter plant managers say they have been forced to turn offers away due to being at or near capacity. Some manufacturers relay lighter production schedules with end-of-year holidays at hand. Bulk butter overages range from 1 to 9 cents above market, across all regions.

CHEESE HIGHLIGHTS: Despite end-of-year holidays, cheese production schedules remained strong in the West and East but were lighter in the Central region. Due to the fact that Class I orders were largely stalled because of school closures, processors in the Northeast reported robust production schedules. Block cheese inventories are growing week over week. In the Midwest, contacts relay cheese demand is seasonally quieter than anticipated, and some cheese plants ran lighter production schedules as a result. Light cheese manufacturing caused spot milk prices to plummet to -\$8 to -\$2 under Class. In the West, contacts noted cheese production kept milk supplies somewhat balanced during the holiday week. Cheese inventories continue to grow week over week. Contacts predict both foodservice and retail demand will increase as football season comes to a close in the near term.

FLUID MILK: The holiday season has brought ample fluid milk, cream and condensed skim availability throughout the nation. Mild winter weather has continued to keep milk and milk component levels increasing. Bottling orders lightened earlier than contacts had expected this year. Spot milk prices reported by cheesemakers in the Midwest reached a recent low of \$8-under Class III as \$2-under Class was the top end of the range. Cheesemakers say they are having to turn away offers. Cream end users are in a similar scenario. Class II and Class III manufacturers are on lighter schedules and have been throughout the holiday season. Therefore, butter makers are receiving offers and, in

cases, taking in cream loads at decreasing multiples. Condensed skim stores are noted as ample nationwide, and contacts say more condensed skim is moving into cheese plants for fortification. F.O.B. cream multiples are **.65-1.10** in the East, **.50-1.06** in the Midwest, and **.80-1.10** in the West.

DRY PRODUCTS: Low, medium and high heat nonfat dry milk (NDM) prices held steady throughout the regions. Mexican demand has slowed for the holidays, as processors say trading activity was quiet on the whole. Dry buttermilk prices were steady to higher. Buttermilk solids have been somewhat snug in recent weeks. Dry whey prices were steady in the West and Central, while slipping slightly in the East. Dry whey markets were generally quiet, as processors say they are tight, particularly in the West. Lactose prices were steady to lower. Interchangeable lactose stocks remain readily available. Whey protein concentrate (WPC) 34% prices were steady to higher. Market tones for WPC 34% are steadily firming. Dry whole milk prices and acid/rennet casein prices went unchanged on slow trading activity.

ORGANIC DAIRY MARKET NEWS: One of the largest farmer-owned organic cooperatives in the United States recently announced they have grown their number of dairy farms by 84 in 2023. During November 2023, organic whole milk utilization totaled 16.9 million pounds, up from 15.3 million pounds the previous year. The October 2023 estimated U.S. sale of total organic milk products was 242 million pounds, up 2.1 percent from the previous year, and down 1.1 percent year-to-date. The October 2023 European organic milk average pay price increased in Germany, Bavaria and France compared to September 2023 average pay prices. Total organic ads increased by 22 percent, during the final retail ad survey of 2023. During this week's survey, the majority of organic ads were for organic milk. Organic milk ads also had the largest percentage increase of organic ads from last week.

NATIONAL RETAIL REPORT: The number of conventional dairy ads grew by 7 percent this week, while the number of organic dairy ads increased by 22 percent. Conventional ice cream in 48-to-64-ounce containers was the most advertised dairy product in this week's survey, despite appearing in 22 percent fewer ads than last week. The weighted average advertised price for conventional ice cream in 48-to-64-ounce containers declined 2 cents to \$4.13 this week. Conventional milk ads increased by 43 percent this week, while organic milk ads grew by 171 percent. Total ads for both conventional and organic cheese increased in this week's survey. Conventional yogurt ads increased from last week's survey by 116 percent.

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DAIRY MARKET NEWS PRICE SUMMARY FOR DECEMBER 25 - 29, 2023 PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Mostly		Commodity	Range		Mostly		Commodity	Range		Mostly	
NDM					BUTTERMILK					LACTOSE				
Central Low/Med. Heat	1.1500	1.2300	1.1800	1.2200	Central/East	1.0800	1.1500			Central/West	0.1425	0.3900	0.2200	0.3000
Change	N.C.	N.C.	N.C.	N.C.	Change	N.C.	0.0300			Change	-0.0100	N.C.	-0.0100	-0.0200
Central High Heat	1.2900	1.3300			West	1.0900	1.2700	1.1600	1.2200	WPC 34%				
Change	N.C.	N.C.			Change	0.0100	N.C.	N.C.	N.C.	Central/West	0.8800	1.1250	0.9100	1.0000
West Low/Med. Heat	1.1250	1.2500	1.1600	1.2100	WHEY					Change	N.C.	0.0050	N.C.	0.0100
Change	N.C.	N.C.	N.C.	N.C.	Central	0.3700	0.4200	0.3800	0.4150	CASEIN				
West High Heat	1.2700	1.4400			Change	N.C.	N.C.	N.C.	N.C.	Rennet	3.4000	3.8000		
Change	N.C.	N.C.			West	0.4000	0.4900	0.4100	0.4600	Change	N.C.	N.C.		
DRY WHOLE MILK					Change	N.C.	N.C.	N.C.	N.C.	Acid	3.5000	3.9000		
National	1.8500	2.2000			Northeast	0.3725	0.4450			Change	N.C.	N.C.		
Change	N.C.	N.C.			Change	-0.0025	-0.0025			ANIMAL FEED WHEY				
										Central	0.2600	0.3300		
										Change	N.C.	N.C.		