

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (2/9)

BUTTER: Grade AA closed at \$2.6900. The weekly average for Grade AA is \$2.7440 (-0.0280).

CHEESE: Barrels closed at \$1.5775 and 40# blocks at \$1.5700. The weekly average for barrels is \$1.5770 (+0.0390) and blocks, \$1.6105 (-0.0345).

NONFAT DRY MILK: Grade A closed at \$1.2000. The weekly average for Grade A is \$1.2175 (-0.0105).

DRY WHEY: Extra grade dry whey closed at \$0.5200. The weekly average for dry whey is \$0.5075 (+0.0310).

BUTTER HIGHLIGHTS: Overall, retail demand is steady. That said, some stronger demand is noted in the Western region. Stakeholders relay mixed food service demand throughout the country. Food service demand is noted as strong in the Eastern region, steady in the Central region, and strengthening in the Western region. Cream volumes are plentiful, and spot loads are readily available across the nation. However, stakeholders indicate varied cream demand. Butter manufacturers are running strong to steady production schedules. Butter makers are working to ensure adequate inventories for early 2024 spring holidays. Unsalted bulk butter is tight. Bulk butter overages range from 1 to 8 cents above market, across all regions.

CHEESE HIGHLIGHTS: Contacts share cheese production schedules are steady in the East region. Cheese plant managers share overages for spot milk loads as well as increased condensed skim demand. Cheese inventories of both Italian and American-type cheeses are comfortable. In the Upper Midwest, contacts note cheddar demand is slower than anticipated. Some cheesemakers report growing inventories despite tighter milk availability than in recent weeks. Some contacts shared that they are expecting to run at full capacity through the spring holiday season to keep up with holiday demand. In the West, some cheesemakers note tighter milk volumes, while others share Class III spot loads are available. Cheese processors note steady to stronger production schedules and moderate foodservice demand.

FLUID MILK: In the Eastern and Midwestern regions, milk production is steady. In the Western region, milk production is steady to stronger. In California, handlers noted year-over-year comparisons for 2024 production levels have been at-or-above 2023 production levels. However, some manufacturers relayed limited ability to take additional spot loads. In the Midwest, the general sentiment among contacts is 2024 milk output will not be in line with that of 2023. Spot milk prices in the Midwest remain reported at Class III to \$1-over Class. Class I, II, III, and IV demands are strong to steady. Condensed skim milk demand is steady to stronger, and spot load availability is tighter, leading to some above Class prices for loads. Cream multiples for all Classes are 1.00-1.27 East, 0.900-1.25 Midwest, and 0.75-1.18 West.

DRY PRODUCTS: Low/medium nonfat dry milk (NDM) prices moved higher in the west region and contracted in the central and east region. Contacts say some processing facilities are not at capacity. High heat NDM prices moved higher in all regions. Processing pushes towards low/medium heat NDM and other dairy powder commodities have kept high heat stores snug. Aside from an upward movement to the bottom end of the central and east range, dry buttermilk prices were unchanged. Some manufacturers note production schedules are ahead of contractual obligations. Dry whole milk (DWM) prices moved higher on the bottom end of the range. DWM inventories remain tight. Dry whey prices moved higher in all regions. Some manufacturers and distributors indicate inventories are tight. Whey protein concentrate (WPC) 34% prices moved higher on the bottom end of the price range. Stakeholders say WPC 34% remains a good value compared to other dairy proteins. Lactose prices held steady. Stakeholders relay spot inventories continue to become tighter. Both ends of the rennet casein price range, along with the top end of the acid casein price range, were unchanged. The bottom end of the acid casein price range had a downward price movement. Contacts report consistent domestic demand.

ORGANIC DAIRY MARKET NEWS: The USDA AMS National Organic Program (NOP)'s Organic Insider release on Monday, this week included a reminder for producers beginning to or in the process of transitioning to organic certification to apply for the Organic Transition Initiative (OTI) at a local NRCS service center as soon as possible. The number of ads for organic dairy products decreased during the last two retail surveys. Milk was the most advertised organic dairy product this week, followed by cheese, yogurt, cottage cheese, and sour cream. The Foreign Agricultural Service (FAS)'s December 2023 monthly export data showed an increase in export volumes for organic milk during the month, compared to both a month and a year earlier. Export volumes of organic milk were up year to date in 2023 from 2022.

NATIONAL RETAIL REPORT: The number of conventional retail ads increased by 2 percent during this week's survey, while organic ads decreased by 15 percent. The most advertised conventional dairy item found in this week's survey was ice cream in 48-64-ounce containers. Cheese remained the most advertised conventional commodity this week. Conventional yogurt ad numbers fell below those of ice cream this week, causing yogurt to become the third most advertised conventional commodity this week. The number of ads for conventional and organic milk increased this week.

CONTINUED ON PAGE 1A

TABLE OF CONTENTS

Product Highlights/CME/DMN at a Glance	1 Dry Whey/WPC 34%/Lactose/Casein	6 DMN December 2023 Monthly Averages Updated	12
Weekly CME Cash Trading/Butter Markets	2 U.S Dairy Cow Slaughter/Class Milk Prices/NDPSR/Futures	7 Dairy Graphs	GI
Cheese Markets	3 Organic Dairy Market News	8 National Retail Report - Dairy	
Fluid Milk and Cream	4 December 2023 Dairy Products Highlights	9 Dairy Market News Contacts	
Nonfat Dry Milk/Dry Buttermilk/Dry Whole Milk	5 February Supply and Demand	10	

DAIRY MARKET NEWS PRICE SUMMARY FOR FEBRUARY 5 - 9, 2024 PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Mostly		Commodity	Range		Mostly		Commodity	Range		Mostly	
NDM					DRY BUTTERMILK					LACTOSE				
Central Low/Med. Heat	1.1800	1.2400	1.1900	1.2300	Central/East	1.1200	1.1550			Central/West	0.1725	0.3800	0.2400	0.3400
Change	0.0200	-0.0350	N.C.	N.C.	Change	0.0200	N.C.			Change	N.C.	N.C.	N.C.	0.0100
Central High Heat	1.3200	1.3700			West	1.1000	1.2600	1.1500	1.2100	WPC 34%				
Change	0.0075	0.0300			Change	N.C.	N.C.	-0.0100	-0.0100	Central/West	0.9300	1.1500	0.9500	1.0300
West Low/Med. Heat	1.1650	1.2700	1.1800	1.2300	DRY WHEY					Change	0.0100	N.C.	0.0100	N.C.
Change	0.0100	0.0100	N.C.	N.C.	Central	0.4250	0.5000	0.4400	0.4725	CASEIN				
West High Heat	1.3175	1.4775			Change	0.0350	0.0500	0.0275	0.0375	Rennet	3.6000	3.9000		
Change	0.0275	0.0025			West	0.4200	0.5200	0.4400	0.4900	Change	N.C.	N.C.		
DRY WHOLE MILK					Change	0.0050	0.0200	0.0100	0.0200	Acid	3.6000	4.0000		
National	2.0000	2.2000			Northeast	0.4100	0.4800			Change	-0.1000	N.C.		
Change	0.0300	N.C.			Change	0.0225	0.0200			ANIMAL FEED WHEY				
										Central	0.3300	0.3700		
										Change	0.0300	0.0200		