

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (3/5)

BUTTER: Grade AA closed at \$1.6900. The weekly average for Grade AA is \$1.6815 (+0.1955).

CHEESE: Barrels closed at \$1.5075 and 40# blocks at \$1.7325. The weekly average for barrels is \$1.4465 (+0.0375) and blocks, \$1.6655 (+0.0640).

NONFAT DRY MILK: Grade A closed at \$1.1775. The weekly average for Grade A is \$1.1690 (+0.0615).

DRY WHEY: Extra grade dry whey closed at \$0.5800. The weekly average for dry whey is \$0.5695 (+0.0205).

CHEESE HIGHLIGHTS: Although rare in the past year, food service focused cheese producers received some positive news this week as a growing number of states are lifting, or indicating plans to ease public dining restrictions. Retail sales are noted as healthy, which has been the case throughout most of the past year, but food service sales have been notably more affected. Midwestern spot milk prices remained on par with last week. That said, a number of cheesemakers mentioned receiving fewer offers this week when compared to previous weeks. Unsurprisingly, milk was readily available in the Eastern and Western regions. As cheese market prices have met some bulls this week, there were a few more notes indicating growing cheese inventories, which could keep market tones in check.

BUTTER HIGHLIGHTS: Cream is abundant. Spot cream multiples are within fiscal reach for butter producers nationwide. Plant managers report very active churning schedules as they work to process the deluge of available cream. Butter inventories are heavy, but in the domestic market, retailer and food service demand is increasing in anticipation of spring holiday baking. Bulk interest is also high as buyers seek insulation against potential market uncertainty as well as coverage for projected needs through the balance of the year. U.S. butter prices are competitive internationally and export interest is increasing. The market has seesawed in the weeks leading up to the March 1 “new crop” butter rule on the CME, but few foresaw the nearly \$0.25 bump in the two days following.

FLUID MILK: Milk output in the East is strong, with Florida reaching its peak. Industry contacts report an earlier than usual spring flush in California, with milk production slighter higher than this time a year ago. Bottling operations are active nationwide to keep up with demands. Some plant managers are still navigating the impact of the winter storms last month. Cream availability ranges from stable to plentiful nationwide. Eastern manufacturers exerted a healthy pull on the cream market for seasonal supplies. In the West, butter churns and ice cream manufacturers are actively processing cream. In the East, condensed skim supplies were heavy, but spot loads were limited this week in the West. F.O.B. cream multiples are **1.1500-1.2600** in the East, **1.1400-1.2400** in the Midwest, and **1.0000-1.2100** in the West.

DRY PRODUCTS: Condensed skim processing is active, and availability appears to be steady. Low/medium heat NDM prices firmed within all series. Dry buttermilk prices are steady to higher, with both demand and trading activity increasing. Dry buttermilk powder production, however, is sporadic as nonfat dry milk has experienced renewed bullishness and its production is prioritized. Dry whole milk prices are unchanged to higher. Availability is light, and dry whole milk production rates may be updated as interests increase. Dry whey prices are steady to higher. With demand surpassing availability, the need for dry whey is overwhelming sticker shock, and some end users have been trading aggressively to secure inventory. Whey protein concentrate 34% prices are holding firm; production is mixed, and interest is reported to be growing. Lactose prices are unchanged, and production is steady. Acid casein prices are up; demand is strong, and supplies are limited. Rennet casein prices firmed, and production schedules are increasing to meet customer demand in the coming months.

CONTINUED ON PAGE 1A

TABLE OF CONTENTS

Product Highlights/CME/DMN at a Glance	1	U.S. Dairy Cow Slaughter/Class Milk Prices/NDPSR/Futures	7	February Class Prices	15
Weekly CME Cash Trading/Butter Markets	2	International Dairy Market News	8	Dairy Graphs	G1
Cheese Markets	3	February Monthly Price Averages	9	National Retail Report – Dairy	
Fluid Milk and Cream	4	January Agricultural Prices Highlights	12	Dairy Market News Contacts	
Nonfat Dry Milk/Dry Buttermilk/Dry Whole Milk	5	January Dairy Products	13		
Dry Whey/WPC 34%/Lactose/Casein	6	2020 Package Sales of Total Fluid Milk Products	14		

DAIRY MARKET NEWS PRICE SUMMARY FOR MARCH 1 - 5, 2021 PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Mostly		Commodity	Range		Mostly		Commodity	Range		Mostly		
NDM															
Central Low/Med. Heat	1.0500	1.2100	1.1300	1.1550	BUTTERMILK				LACTOSE						
Change	0.0200	0.0600	0.0300	0.0250	Central/East	1.0500	1.1600	Central/West	0.3300	0.5500	0.3800	0.4600			
Central High Heat	1.2800	1.3200			Change	0.0100	0.0425	Change	N.C.	N.C.	N.C.	N.C.			
Change	0.0925	0.0400			West	1.0000	1.1200	1.0700	1.1000	WPC 34%					
West Low/Med. Heat	1.0575	1.1925	1.1000	1.1550	Change	-0.0600	N.C.	N.C.	N.C.	Central/West	0.9700	1.1800	0.9900	1.0600	
Change	0.0275	0.0300	N.C.	0.0250	WHEY				Change	N.C.	N.C.	N.C.	N.C.		
West High Heat	1.3050	1.4000			Central	0.5200	0.6000	0.5500	0.5750	CASEIN					
Change	0.0450	0.0200			Change	0.0250	0.0400	0.0500	0.0300	Rennet	3.6200	3.6900			
DRY WHOLE MILK															
National	1.6500	1.7000			West	0.4925	0.5800	0.5250	0.5700	Change	0.0050	0.0025			
Change	0.0300	N.C.			Change	N.C.	N.C.	0.0125	N.C.	Acid	4.0500	4.2500			
					Northeast	0.5000	0.5625			Change	0.1800	0.1000			
					Change	N.C.	0.0025			ANIMAL FEED WHEY					
										Central	0.4000	0.4250			
										Change	0.0200	0.0050			

DAIRY MARKET NEWS PRICE SUMMARY FOR FEBRUARY 22- MARCH 5, 2021 PRICES (\$/MT) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Commodity	Range		Commodity	Range	
SMP								
W. Europe	2850	3000	WHOLE MILK POWDER			BUTTER		
Change	25	25	W. Europe	3575	3725	W. Europe	4375	4850
Oceania	3250	3400	Change	75	75	Change	100	375
Change	75	125	Oceania	3650	4400	Oceania	5075	5950
S. America	3200	3400	Change	75	775	Change	150	750
Change	N.C.	50	S. America	3500	3875	BUTTEROIL		
WHEY								
W. Europe	1100	1250	Change	50	200	W. Europe	4825	5475
Change	25	50	CHEDDAR CHEESE					
						Oceania	4250	4425
						Change	N.C.	125