

**DAIRY MARKET NEWS AT A GLANCE**

**CME GROUP CASH MARKETS (1/26)**

**BUTTER:** Grade AA closed at \$2.7600. The weekly average for Grade AA is \$2.6230 (+0.0586).

**CHEESE:** Barrels closed at \$1.4700 and 40# blocks at \$1.5375. The weekly average for barrels is \$1.4590 (-0.0023) and blocks, \$1.5120 (+0.0295).

**NONFAT DRY MILK:** Grade A closed at \$1.2200. The weekly average for Grade A is \$1.1960 (+0.0091).

**DRY WHEY:** Extra grade dry whey closed at \$0.4425. The weekly average for dry whey is \$0.4380 (+0.0249).

**BUTTER HIGHLIGHTS:** Retail demand is steady, aside from winter storm activity negatively impacting demand in some northwestern parts of the West region. Food service demand across the nation is mixed. Harsh snow and ice storms in the West have lightened buyer activity in the region. Food service demand is reported as increasing slightly in the East region. Bulk butter demand is steady. Cream loads are readily available. However, butter production is mixed throughout the country. Some butter makers in the Pacific Northwest have contended with power losses and transportation difficulties from harsh winter weather. Some stakeholders note tight unsalted butter availability. That said, current salted and unsalted inventory levels are sufficient to meet most immediate buyer needs. Bulk butter overages range from 1 to 8 cents above market, across all regions.

**CHEESE HIGHLIGHTS:** Strong milk volumes continue to be available for Class III manufacturing in the East where plant managers note steady production schedules. Cheddar and mozzarella inventories are noted to be comfortable. Foodservice demand is higher than in recent weeks. Retail cheese demand is steady to stronger. In the Central region, some cheese plants have come back online after scheduled downtime. Cheese processors relay spot milk availability has tightened, and prices were reported above Class III for the first time since before the winter holidays. Cheese demand is stronger, but on par with this time in previous years. Foodservice and retail contacts note American-style cheese orders are stronger than normal for late January. Winter weather interrupted some retail and foodservice cheese demands in some western states. Spot milk availability is mixed as some contacts note transportation delays. Other contacts note spot loads of milk being offered below Class III prices. Cheese inventories are readily available for spot purchasers. Export demand is noted to be steady.

**FLUID MILK:** Milk production is trending in seasonal patterns, steady to slightly higher week over week, throughout the country. Component levels, according to East and West contacts, have reached

their peak. Milk loads are available for all Classes. Cheesemakers in the West and Central regions continue to find some spot loads at below -Class prices, although Midwestern cheesemakers also reported spot prices above Class for the first time this year. Reported Midwestern Class III spot loads ranged from \$1-under to \$1-over Class. Western milk contacts reported Class III spot milk as low as \$7-under Class III. Cream is widely available. Butter plant managers across the country are fielding plentiful offers on cream. Condensed skim availability is generally steady, as loads are not difficult to find for processors. F.O.B. cream multiples are 1.00-1.20 in the East, .90-1.25 in the Midwest, and 1.00-1.20 in the West.

**DRY PRODUCTS:** A number of Market News contacts attended industry events this week, and dairy powder market tones, on the whole, are viewed as steady to slightly bullish moving further into the winter months. Low/medium and high heat nonfat dry milk (NDM) prices were mixed in the Central/East regions, while steady to slightly higher in the West. Condensed skim supplies are available, and low/medium heat NDM manufacturing remains the focus of processors in the country. Dry buttermilk prices were steady in all regions. Demand remains somewhat quiet, although inventories are not concerning. Dry whole milk prices held steady, as well. Dry whey prices moved higher in most facets this week. Demand for high protein concentrations, such as whey protein concentrate 80%, has pushed more solids into those processing channels, keeping sweet whey powder volumes somewhat firm. Whey protein concentrate 34% prices were steady to higher this week. Lactose prices were mixed. Domestic demand for both whey protein concentrate 34% and lactose is somewhat hearty in the U.S. Casein prices were unchanged on steady demand.

**ORGANIC DAIRY MARKET NEWS:** In the week 4 retail dairy survey, the number of organic ads increased by 37 percent, after declining in week 3. The most advertised organic dairy category is milk in this week's survey, despite a decline in ad numbers. Organic cheese and yogurt were the second and third most advertised commodities found in this week's survey. Organic cottage cheese and sour cream appeared in this week's survey, after not appearing in week 3. Meanwhile, total ads declined for two dairy commodities this week. One of these, organic ice cream, appeared in last week's survey, but was not present in any surveyed ads this week. Organic milk ad numbers declined by 1 percent this week. Ads for organic gallons of milk increased by 6 percent, while ads for organic half gallons declined by 6 percent.

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**DAIRY MARKET NEWS PRICE SUMMARY FOR JANUARY 22 - 26, 2024  
PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES**

Commodity	Range		Mostly		Commodity	Range		Mostly	
<b>NDM</b>					<b>BUTTERMILK</b>				
Central Low/Med. Heat	1.1600	1.2750	1.1800	1.2200	Central/East	1.0800	1.1550		
Change	-0.0100	0.0450	N.C.	N.C.	Change	N.C.	N.C.		
Central High Heat	1.3125	1.3400			West	1.1100	1.2600	1.1500	1.2100
Change	0.0025	-0.0100			Change	N.C.	N.C.	N.C.	N.C.
West Low/Med. Heat	1.1450	1.2400	1.1700	1.2200	<b>WHEY</b>				
Change	0.0050	N.C.	N.C.	N.C.	Central	0.3900	0.4500	0.4000	0.4250
West High Heat	1.2800	1.4450			Change	N.C.	0.0100	N.C.	0.0050
Change	N.C.	N.C.			West	0.4100	0.4925	0.4300	0.4700
<b>DRY WHOLE MILK</b>					Change	0.0050	0.0025	0.0100	0.0100
National	1.9500	2.2000			Northeast	0.3850	0.4575		
Change	N.C.	N.C.			Change	0.0025	0.0025		
					<b>ANIMAL FEED WHEY</b>				
					Central	0.3000	0.3500		
					Change	N.C.	N.C.		