

DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (9/06)

BUTTER: Grade AA closed at \$3.1750. The weekly average for Grade AA is \$3.1594 (-0.0226).

CHEESE: Barrels closed at \$2.2750 and 40# blocks at \$2.2700. The weekly average for barrels is \$2.2588 (+0.0473) and blocks \$2.2363 (+0.1083).

NONFAT DRY MILK: Grade A closed at \$1.3650. The weekly average for Grade A is \$1.3550 (+0.0435).

DRY WHEY: Extra grade dry whey closed at \$0.5875. The weekly average for dry whey is \$0.5725 (+0.0120).

BUTTER HIGHLIGHTS: In the West, butter demand varies from steady to stronger for the retail and food service sectors. In the Central region, butter demand is stronger for both as well with seasonal strength gathering. For the East, retail demand is stronger, and food service demand is steady. Cream supplies are looser with the holiday weekend contributing to market availability of loads. However, not enough to make cream volumes abundantly available throughout the country. Stakeholders convey cream availability remains relatively tight in the East. Butter production paces mostly vary from steady to stronger. Bulk butter overages range from minus 7 to 10 cents above market, across all regions.

CHEESE HIGHLIGHTS: Contacts relay cheese production schedules vary from steady to lighter throughout the U.S. In the East, milk availability for Class III processors is tempered by strong Class I bottling demand. Labor Day weekend freed up some spot milk temporarily, but contacts continue to share seasonally steady to lighter cheese manufacturing activity. In the Central region, contacts report spot milk prices ranging from \$1/cwt to \$2.50/cwt over Class III. That said, some cheesemakers relay getting no spot milk offers, and cheese production remains seasonally lighter. Some processors share they are shifting production focus away from blocks and back into barrels. Contacts in the West are running steady cheese production schedules despite tight spot milk availability. Some manufacturers share there are limited cheese inventories available for interested spot purchasers.

FLUID MILK: The unceasing milk production carried on across the country despite the holiday weekend. Farm level milk production proceeds to weaken over much of the East and Midwest. Processors there are feeling the pinch in production. Reported spot milk prices in the Midwest ranged from \$1-over to \$2.50 over Class III. Cooler temperatures are being seen over some parts of both regions, and farmers are anticipating the effects in the coming weeks. Arizona and the Pacific Northwest are also experiencing a dip in milk levels. Most of the mountain states have generally steady production. Increased levels of milk are being seen in California and New Mexico. Nationwide, school schedules have pushed Class I demand for bottling to its peak. Class II

and III production is mixed as Class I draws on available milk supplies. Demands for cream and condensed skim are steady to strong. Spot loads of condensed skim are a rarity in most of the country. Cream supplies remain tight, but a small gain in cream availability was seen over the holiday weekend. It is not expected to last long, but Class IV manufacturers are making the most of it. Cream multiples range from 1.15 – 1.50 in the East, 1.16 – 1.34 in the Midwest, and 1.10 – 1.30 in the West.

DRY PRODUCTS: Low/medium heat nonfat dry milk (NDM) prices moved up at every facet in all regions this week. Clearly, markets have found some bullish tailwinds with stronger demand and tightening supplies. Dry buttermilk prices were steady in the Central/East regions, while moving higher in the West. Dry buttermilk Q4 demand has begun to stir potential market bulls. Central and West whey prices were steady to higher, while East whey prices held steady. Whey supplies are noted as very tight according to a number of processors. Lactose prices were steady to slightly lower, as international demand has been less consistent recently. Whey protein concentrate (WPC) 34% prices edged higher at every point this week on renewed interest from end users, particularly those who can alternate between WPC 34% and NDM. Dry whole milk prices were higher this week, as interest remains steady, but inventories are, and have been, noticeably tight. Rennet and acid casein prices were steady on quiet trading activity.

ORGANIC DAIRY MARKET NEWS: The first publication of the Pennsylvania Monthly Organic Dairy Report was released on September 6, 2024. The Vermont Monthly Organic Dairy Report covering June 2024 showed the weighted average price for fluid milk decreased from May, while the total volume and average daily production per cow also decreased. The USDA AMS National Organic Program (NOP) Organic Insider sent out on August 30th discussed an upcoming meeting of the National Organic Standards Board (NOSB) in Portland, Oregon in October 2024. Monthly export volumes for organic milk during July 2024 were up from the month prior, and up from July 2023. Total organic dairy ads increased in the week 36 retail ad survey. Every organic commodity present in last week's survey, except sour cream, appeared in more ads this week. This week's most advertised organic dairy product was milk. Organic cottage cheese, cream cheese, and ice cream appeared in this week's retail ad survey after not being present last week.

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DAIRY MARKET NEWS PRICE SUMMARY FOR SEPTEMBER 2 - 6, 2024
PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES

Commodity	Range		Mostly		Commodity	Range		Mostly		Commodity	Range		Mostly	
NDM														
Central Low/Med. Heat	1.2700	1.3450	1.2850	1.3300	Central/East	1.1400	1.1800			Central/West	0.2400	0.4250	0.3050	0.3700
Change	0.0550	0.0150	0.0150	0.0300	Change	N.C.	N.C.			Change	N.C.	N.C.	-0.0050	N.C.
Central High Heat	1.3500	1.4000			West	1.1700	1.2600	1.1900	1.2300	WPC 34%				
Change	0.0200	0.0225			Change	0.0300	0.0500	0.0200	0.0300	Central/West	0.9700	1.1900	1.0000	1.0550
West Low/Med. Heat	1.2600	1.3775	1.2800	1.3300	DRY WHEY									
Change	0.0300	0.0400	0.0400	0.0500	Central	0.4800	0.5950	0.5200	0.5500	CASEIN				
West High Heat	1.3500	1.4575			Change	0.0400	N.C.	0.0100	N.C.	Rennet	3.5000	3.7500		
Change	0.0400	0.0075			West	0.5000	0.6000	0.5300	0.5700	Change	N.C.	N.C.		
DRY WHOLE MILK														
National	2.2700	2.4700			Northeast	0.0100	N.C.	N.C.	0.0100	Acid	3.6500	3.9500		
Change	0.0600	0.0300			Change	0.4775	0.5725			Change	N.C.	N.C.		
					Change	N.C.	N.C.			ANIMAL FEED WHEY				
										Central	0.3800	0.4000		
										Change	0.0300	0.0200		