



Dairy Markets at a Glance

Agricultural Marketing Service
Dairy Market News

Report 20

May 17, 2024

MMN Slug ID 1054 / Slug Name: MD_DA950

Email us with accessibility issues with this report.

DAIRY MARKET NEWS CUSTOMER INQUIRY: Dairy Market News is developing a strategic plan to guide the organization for the next three to five years. As a customer of Dairy Market News, please provide your input, ideas, and feedback to support this strategic planning process. Please provide your responses by accessing the link: <https://www.surveymonkey.com/r/DairyMarketNews>

CME GROUP CASH MARKETS (5/17)

BUTTER: Grade AA closed at \$3.0700. The weekly average for Grade AA is \$3.0405 (+0.0190).

CHEESE: Barrels closed at \$2.1250 and 40# blocks at \$1.9425. The weekly average for barrels is \$2.0675 (+0.1700) and blocks \$1.9360 (+0.0180).

NONFAT DRY MILK: Grade A closed at \$1.1650. The weekly average for Grade A is \$1.1645 (+0.0330).

DRY WHEY: Extra grade dry whey closed at \$0.4150. The weekly average for dry whey is \$0.3990 (+0.0155).

BUTTER HIGHLIGHTS: Retail butter demand ranges from steady to strong across the country. Food service demand is steady and meeting expectations. Although some industry participants say cream availability is tightening somewhat, cream is generally available throughout the country. Like domestic demand, butter production varies from steady to strong nationally. A few butter manufacturers note working to build stock prior to planned downtime in June. Unsalted bulk butter remains tighter than other butter types. Bulk butter overages range from 2 to 10 cents above market, across all regions.

CHEESE HIGHLIGHTS: Cheese production schedules are steady to stronger throughout the U.S. Farm level milk production remains strong in the East region, and contacts share cheese production schedules are seasonally steady. Cheese demand is steady to stronger, and retail demand, especially, remains elevated. In the Central region, cheese plant managers relay busy production schedules. Some plants have shifted from a five-day production schedule to a six-day work week. Some cheesemakers reported scheduled or unexpected downtime this week, which opened spot milk availability. Spot milk prices were reported at \$4-under Class III to \$1.00 over. Western contacts relay steady cheese production schedules, with some bringing in additional spot milk loads to boost production. In some areas in the region, however, Class III spot milk load availability is tightening. Export demand is currently steady.

FLUID MILK: Milk production is following seasonal trends across the country. In the hotter, drier states from Texas across to California, production is steady to slowing. Farmers in the Pacific Northwest through the mountain states of Idaho, Utah, and Colorado are seeing steady to strengthening production. In the Midwest and East, milk output is generally steady. Class I usage is beginning to wane as the school year nears its culmination in parts of the country, namely in the southern states. Spot loads of condensed skim are readily available in all regions, and demand is strong in the West. Cream demand is currently steady, but demand may increase as seasonal ice cream manufacturing increases. Processors across the country say they are comfortable with the current supply of cream and milk, but availability in the East and West is beginning to tighten as demand for some of the classes ticks up. Cream multiples for all Classes are 1.05 - 1.29 in the East, 1.08 - 1.28 in the Midwest, and 1.00 - 1.23 in the West.

DRY PRODUCTS: Nationally, low/medium heat nonfat dry milk (NDM) prices are being pushed up by rising domestic and export demand. Because of seasonally declining milk availability and solid cheese demand, some contacts in the Midwest expect more NDM will be moving to cheese vats. High heat NDM prices are mixed. Some manufacturers in the West are only running high heat NDM at customer requests. Dry buttermilk prices are mixed. Busy churning schedules are providing plenty of liquid and condensed buttermilk. Dry whole milk prices rose as inventories remain tight. Dry whey prices held steady in the East and are steady to lower in the West and Midwest. Contacts suggest dry whey demand is steady or nearing the seasonal low, and loads are generally available to meet most buyer needs. Lactose prices are steady to slightly higher. Demand remains strong for domestic and export use. Export loads are being offered at prices near the bottom of the range to remain competitive with loads produced in international markets. Whey protein concentrate 34% prices are steady to slightly lower. Production is focused on higher whey protein concentrates and whey protein isolate, keeping WPC 34% production limited. The rennet casein price range moved lower, and the acid casein price range rose with declining production internationally.

ORGANIC DAIRY MARKET NEWS: The USDA recently announced additional funding awarded to 23 grant projects through the OMDG Program. The USDA Secretary of Agriculture recently announced additional funding to expand markets for organic products and to help producers transition to organic productions. This funding will create programs supporting new and better markets for organic products, create training opportunities for transitioning farmers, and the financial burden of organic certification. Recently released survey data from a U.S. organization showed in 2023 domestic certified organic product sales were up from the prior year, reaching a new high. During the week 20 retail ad survey, more organic dairy ads were found than in week 19. The most advertised organic dairy product this week was milk. Organic yogurt was this week's second most advertised organic dairy product. Cream cheese saw the largest percentage growth of all organic products in week's survey, appearing in 2785 percent more ads than last week, and was the third most advertised organic dairy product in the Week 20 survey.

NATIONAL RETAIL REPORT: Total conventional dairy advertisements increased by 12 percent, and total organic dairy ads increased by 79 percent. Conventional ice cream in 48-64-ounce containers was the most advertised dairy product, with a weighted average advertised price of \$3.94, down from \$4.08 the week before. Conventional butter in one-pound packages had a weighted average



Dairy Markets at a Glance

Agricultural Marketing Service
Dairy Market News

Report 20
May 17, 2024

MMN Slug ID 1054 / Slug Name: MD_DA950

advertised price of \$4.03, up from \$3.65 the week prior.

MAY SUPPLY AND DEMAND ESTIMATES: Milk production in 2025 is forecast to increase from 2024, driven by higher milk per cow and an expanding milk cow herd. With increases in a number of products, commercial exports are expected to grow on both a fat and skim-solids basis. Imports are forecast lower, both on a fat and skim-solids basis. Domestic use is forecast to increase on a fat and skim-solids basis. Stocks are forecast lower on both a fat and skim-solids basis. The Class III and Class IV price forecasts are lower, as prices for cheese, butter, nonfat dry milk (NDM), and whey are all expected to decline due to larger milk supplies. The all milk price is forecast at \$20.90 per cwt. The 2024 milk production forecast is raised based on an increase in dairy cows and more rapid growth in output per cow. On both a fat and skim-solids basis, imports are raised, and exports are lowered. Domestic use is higher on both a fat and skim-solids basis, as well. The cheese price is raised, but the whey price is lowered. The butter price forecast is raised, while the NDM price is lowered. The Class III price forecast is raised, as higher cheese prices more than offset the lower whey. The Class IV price forecast is lower, as higher butter prices are more than offset by the lower NDM. The all milk price forecast for 2024 is raised to \$21.20 per cwt.

APRIL PRODUCER PRICE INDEX: The April PPI for all food is 257.2, up 1.5 percent from 2023. The dairy products index is 237.1, up 0.1 percent from a year ago. The following are the April, year to year percentage changes for selected products: fresh whole milk, +3.0; cheese, -8.9; and butter, +24.1.

APRIL CONSUMER PRICE INDEX: The April CPI for all food is 328.7, up 2.2 percent from 2023. The dairy products index is 267.5, down 1.3 percent from a year ago. The following are the April, year to year percentage changes for selected products: fresh whole milk is -1.4; cheese, -3.3; and butter, +3.5.

USDA MARKET NEWS MOBILE APP: The free USDA Market News app is available in both IOS and Android versions and may be downloaded through the Apple and Google Play stores. Search for "USDA Market News Mobile Application" to download the app and begin exploring its potential. The app allows the user to customize the commodity areas and market types they wish to see. All Dairy Market News reports that are available online are also available through the mobile app.
Information for the period May 13 - 17, 2024, issued weekly

Published by:

Dairy Market News - Madison, WI
ISABEL MCNEILL, (608)422-8594
Email: Isabel.McNeill@usda.gov

Additional Dairy Market News Information:

Dairy Market News (DMN) by Phone: (608)422-8587

DMN Website: <https://www.ams.usda.gov/market-news/dairy>

DMN (My Market News): <https://mymarketnews.ams.usda.gov>

<https://mymarketnews.ams.usda.gov/viewReport/1054>