Dairy Markets at a Glance
Agricultural Marketing Service
Dairy Market News

CME GROUP CASH MARKETS (5/3)
BUTTER: Grade AA closed at $3.0750. The weekly average for Grade AA is $3.0135 (+0.0385).
CHEESE: Barrels closed at $1.8800 and 40# blocks at $1.7900. The weekly average for barrels is $1.8485 (+0.0780) and blocks $1.7685 (+0.0185).
NONFAT DRY MILK: Grade A closed at $1.1300. The weekly average for Grade A is $1.1205 (+0.0075).
DRY WHEY: Extra grade dry whey closed at $0.3950. The weekly average for dry whey is $0.3820 (+0.0010).

BUTTER HIGHLIGHTS: Domestic butter demand is generally steady from retail and food service sectors. However, for unsalted butter loads, demand is stronger. Cream volumes are comfortable across the nation and able to accommodate manufacturing needs. In the West region, butter production is strong. In the Central and East regions, butter production is steady. Some butter makers have tight availability with unsalted butter loads for spot buyers. In the cold storage report from last week, March 2024 butter stocks were up 6 percent from February 2024 and up 2 percent from March 2023. Bulk butter overages range from 2 to 10 cents above market, across all regions.

CHEESE HIGHLIGHTS: Cheesemakers continue to relay steady to stronger production schedules across all regions. The March Cold Storage report released last week revealed that March 2024 natural cheese stocks were up slightly from February 2024, but down from March 2023. In the Northeast, cheese inventories are said to be comfortable. Retail cheese demand is steady in the region. Cheese manufacturers in the Central region say demand is strengthening. Some processors shared having to turn away customers. Some contacts shared requests for cheese volumes beyond what a customer has already contracted may not be able to be accommodated. Milk availability has tightened in the region. In the West, cheese manufacturers share strong production schedules. Milk volumes are available for Class III processors at the moment, but contacts indicate milk availability may tighten in the upcoming weeks. Cheese inventories are domestic. Domestic cheese demand is said to be stronger, while international demand is steady.

FLUID MILK: Although Florida and Southeast milk production is flat, milk production in the East region continues to trend steady to stronger overall. In the Midwest, weekly upticks in farm level milk output are reported. Milk production in the West region is mixed. Handlers in the Pacific Northwest convey weaker milk production, and handlers in the mountain states report steady to strengthening milk production this week. Farm level milk output is steady elsewhere in the West region. Spot milk sales are reported at $2- to $1-under Class III for the Midwest and slightly below flat blend prices for the West. Class I, III, and IV, demands are steady. Class II demands are stronger in some parts of the country. Demand for condensed skim milk is steady, and availability has loosened in recent weeks. Cream multiples for all Classes are 1.08-1.25 in the East, 1.10-1.26 in the Midwest, and 1.00-1.23 in the West.

DRY PRODUCTS: In all regions, low/medium heat nonfat dry milk (NDM) prices moved lower on the top end of the range and were unchanged for the bottom end of the range. Domestic demand is somewhat weaker compared to recent weeks. High heat NDM prices moved lower in all regions. High heat NDM production schedules remain seasonally lighter. Dry buttermilk prices moved higher in all regions, aside from holding steady for the bottom end of the Central and East range. Mixed movement in demand is reported. Dry whole milk prices are unchanged. Contacts share dairy activity is limited outside of contractual fulfillment. Dry whey prices moved lower in the West region and held steady in other regions. There have been reported purchases of centrally sourced whey moving westward. Whey protein concentrate (WPC) 34% had a downward price movement for the bottom end of the range. Contacts report light demand. Lactose also had a downward price movement for the bottom end of the range. Domestic demand is steady. Acid casein prices moved higher, while rennet casein prices were unchanged. For acid casein, declining production and steady demand have caused spot inventories to tighten somewhat in recent weeks.

ORGANIC DAIRY MARKET NEWS: Total organic retail dairy ads declined during by 7 percent during the week 17 retail ad survey, then declined by 38 percent during the week 18 survey. The top two most advertised organic dairy commodities, milk and yogurt, were the same during this and last week’s survey despite the number of ads declining for both. Cheese, ice cream, and sour cream were the only organic commodities to appear in more ads than last week and were the third through fifth most advertised organic dairy products. Organic flavored milk did not appear in this week’s survey, but was present in the week 17 retail survey. Federal Milk Market Order 1, in New England, reports utilization of types of organic milk by pool plants. During March 2024, organic whole milk utilization totaled 19.15 million pounds, down from 19.18 million pounds the previous year. The butterfat content, 3.29 percent, is up from 3.27 a year ago. The utilization of organic reduced fat milk, 15.67 million pounds, decreased from 18.19 million pounds a year ago. The butterfat content, 1.49 percent, is up from 1.42 percent the previous year.

NATIONAL RETAIL REPORT: Total conventional dairy advertisements increased by 7 percent, while total organic dairy ads decreased by 38 percent. Conventional ice cream in 48-64-ounce containers was the most advertised dairy product, with a weighted average advertised price of $3.49, down from $4.00 the week prior. Conventional butter in one-pound packages had a weighted average
advertised price of $4.00, down from $4.29 the week prior.

MARCH AGRICULTURAL PRICES (NASS): The All Milk price received by farmers was $20.70 in March, down $0.30 from March 2023. The alfalfa hay price was $195.00 in March, down $71.00 from March 2023. The corn price was $4.36 in March, down 2.31 from March 2023. The soybean price was $11.80 in March, down $3.10 from March 2023. The milk-feed price ratio was 2.17 in March, up 0.62 from March 2023. The index of prices received by farmers for dairy products during the month of March 2024 was up 0.5 to 103.0. Compared to March 2023, the index was down 1.5 points (-1.4 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 2024 was 140.2, up 0.8 from February 2024. Compared with March 2023, the index was down 1.5 points (-1.1 percent).

2023 AVERAGE MAILBOX MILK PRICES (FMMO): In 2023, mailbox milk prices for selected reporting areas in Federal milk orders averaged $19.68 per cwt., $4.96 lower than 2022. The component tests of producer milk in 2023 averaged: butterfat, 4.11 percent; protein, 3.26 percent; and other solids, 5.78 percent.

APRIL FINAL CLASS PRICES BY ORDER (FMMO): The following are the April 2024 class prices under the Federal milk order pricing system and changes from the previous month: Class II: $21.23 ($+0.11), Class III: $15.50 ($-0.84), and Class IV: $20.11 ($+0.02). Under the Federal milk order pricing system, the butterfat price for April 2024 is $3.3309 per pound. Thus, the Class II butterfat price is $3.3379 per pound. The protein and other solids prices for April 2024 are $0.8345 and $0.2367 per pound, respectively. These component prices set the Class III skim milk price at $3.98 per cwt. The April 2024 Class IV skim milk price is $8.76, which is derived from the nonfat solids price of $0.9730 per pound. The product price averages for April 2024 are: butter $2.9220, nonfat dry milk $1.1506, cheese $1.5478, and dry whey $0.4289.

NOTICE: USDA Commodity Procurement has issued solicitations for the following dairy products:
Yogurt, Butter, and Tortillas: The solicitation number is 2000010032 and runs from April 17, 2024, to May 3, 2024. Fresh Fluid Milk: The solicitation number is 2000010061 and runs from April 22, 2024, to May 6, 2024. Evaporated Milk and Ultra High Temperature: The solicitation number is 2000010071 and runs from April 25, 2024, to May 9, 2024. Kosher Cheese: The solicitation number is 2000010072 and runs from April 25, 2024, to May 9, 2024. Mozzarella String Cheese: The solicitation number is 2000010073 and runs from April 25, 2024, to May 9, 2024. Solicitation documents, including the bid invitation, are available online at the following website https://www.ams.usda.gov/selling-food/solicitations under the Dairy Products tab.

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.

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