



Fluid Milk and Cream - Central U.S.

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Report 9

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Dairy Market News colleagues and contacts have shared their concerns about the wildfires in the panhandles of Texas and Oklahoma. Reports suggest over one million acres have now burned, and containment of some of the blazes is minimal as of Thursday morning. Contacts are hopeful snowfall moving in from New Mexico will assist firefighters' efforts. The area in jeopardy is an agricultural and livestock foothold, and dairy operations have notably grown there in recent years.

Milk production upticks in the Midwest are being more regularly reported. Weather, despite being somewhat erratic this week with warm 60 and 70 degree temperatures one day and sub-freezing temperatures the next, has generally been somewhat cow-comfortable in the later winter weeks. Contacts relay some Upper Midwestern corn farmers have begun planting in small sections well-ahead of schedule due to mild winter weather. As spring approaches, milkfat content, particularly, has been notably strong. Class I demand is ticking lower week-over-week, and some contacts relay year-over-year numbers are also lower. Spring break related downticks in demand ahead are likely to push more milk into other processing channels. This week, though, spot milk prices into Class III plants were higher. Reported spot prices ranged from \$0.25- to \$2.50-over Class III. Last year, during week nine, spot prices ranged from \$10- to \$2.50-under Class III. Condensed skim availability is growing. With seasonal upticks in milk production and plant downtime being regularly reported, condensed skim demand is steady, but availability has increased. Cream is also widely available. This week marks another week of flat-market multiples being reported in the region. That said, a number of market contacts say milkfat demand is getting a seasonal bump moving into March. They expect cream to be somewhat available next month, but not at the abundant levels it has been so far this year. Class III and IV manufacturers are steady to very active, while Class II has been atypically quiet moving into the spring season.

Price Range - Class III Milk; \$/CWT; Spot Basis: 0.25 - 2.50

Trade Activity: Moderate

Midwestern U.S. F.O.B. Cream

Commodity			Low Price	High Price
Cream	All Classes	\$/LB Butterfat	2.8031	3.5599
Cream	All Classes	Multiples Range	1.0000	1.2700
Cream	Class II	\$/LB Butterfat	3.2236	3.5599
Cream	Class II	Multiples Range	1.1500	1.2700

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