

Fluid Milk and Cream - Central U.S.

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Both fluid milk and cream availability have increased as the end-of-year holiday weeks approach and prices/multiples of spot loads are evidence of that accessibility. Milk output is ticking seasonally higher. Component level growth has become a regular point of interest with contacts from both the farm side and the processing side of the fluid milk and cream market equation. Class I demand for fluid milk remains somewhat hearty this week as retailers make a final pre-holiday push, but a number of contacts expect bottling needs to drop off in precipitous fashion by the late weekend and into next week. Cheesemakers are sharing noteworthy differences in milk availability, as plant location remains a key factor in the price cheesemakers are paying for spot loads of milk. The reported spot milk price range was \$5-under to \$1-over Class III. Last year, during week 51, spot milk prices ranged from \$5-under to \$.25-over Class. Across the end user spectrum, processing plant downtime is going to play a role over the next two to three weeks. Few, if any, are expecting to feel the pressure due to that downtime more than cream handlers, who have been working through seasonally heavy amounts of cream due to the aforementioned bolstered milkfat, along with processing incongruity in the region throughout this fall. Earlier in the month, Class II and Class III end users were more actively taking on cream volumes, but now more cream is destined for churns, and most butter plant managers say they are allotting anywhere from one to three days off next week. Unlike cream availability, which most contacts contend will likely be available beyond the near term, expectations on fluid milk availability vary. Clearly, for some processing facilities, fluid milk will be widely available for the following holiday weeks, but expectations beyond early January are mixed to uncertain.

Price Range - Class III Milk; \$/CWT; Spot Basis: -5.00 - 1.00

Trade Activity: Active

Midwestern U.S. F.O.B. Cream				
Commodity			Low Price	High Price
Cream	All Classes	\$/LB Butterfat	2.4652	3.2198
Cream	All Classes	Multiples Range	0.9800	1.2800
Cream	Class II	\$/LB Butterfat	3.0186	3.2198
Cream	Class II	Multiples Range	1.2000	1.2800

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