



Dairy Markets at a Glance

Agricultural Marketing Service
Dairy Market News

Report 9

February 28, 2025

MMN Slug ID 1054 / Slug Name: MD_DA950

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CME GROUP CASH MARKETS (2/28)

BUTTER: Grade AA closed at \$2.3450. The weekly average for Grade AA is \$2.3480 (-0.0739).

CHEESE: Barrels closed at \$1.7800 and 40# blocks at \$1.7750. The weekly average for barrels is \$1.7945 (-0.0074) and blocks \$1.8550 (-0.0494).

NONFAT DRY MILK: Grade A closed at \$1.2000. The weekly average for Grade A is \$1.2065 (-0.0535).

DRY WHEY: Extra grade dry whey closed at \$0.5100. The weekly average for dry whey is \$0.5280 (-0.0195).

BUTTER HIGHLIGHTS: West region stakeholders note domestic butter demand as varying from moderate to steady. Central and East region stakeholders note domestic butter demand as somewhat stronger. Concerning export demand, some manufacturers relay butter demand from international buyers as very strong. Cream volumes have generally remained heavy throughout the country. Butter producers are busy running cream volumes through their churns and building stock for later seasonal demands. Bulk butter overages range from 12 cents below to 5 cents above market, across all regions.

CHEESE HIGHLIGHTS: Cheese production varies from steady to stronger across the U.S. In the East region, contacts relay strong milk availability and steady cheese production. Contacts share balanced cheese stocks. Some industry contacts note slight upticks in retail cheese demand. Cheesemakers in the Central region relay mixed demand, but most contacts share steady to stronger demand. Curd and barrel processors share production and demand are steady and inventories are balanced. Milk availability varies, but many contacts share milk volumes are strong and increasing. Spot milk prices range from \$2.50 under Class to flat Class III. Contacts in the West share milk demand is strengthening as new production capacity comes online. Cheese production is trending steady to stronger. Contacts share demand from international buyers is mixed.

FLUID MILK HIGHLIGHTS: Farm level milk output is increasing in the East and West regions. In the Central region, spot milk prices range from \$2.50-under to flat Class III this week. Cheesemakers in the Central region say milk is somewhat tight, with availability varying by location. Demand for all Classes of milk is steady throughout much of the country, though Class I sales have slowed somewhat from the start of the year in the Central region. Cream is available throughout the country and cream handlers are working to find homes for stocks. Back ups persist at some butter plants in the Central region but have declined somewhat from last week. Condensed skim milk is becoming more available in the East and remains available in the West; contacts in both regions say demand for condensed skim is stable. Cream multiples for all Classes are 0.80 - 1.10 in the East, 0.60 - 1.08 in the Central region, and 0.50 - 1.05 in the West.

DRY PRODUCTS HIGHLIGHTS: As the spring flush season begins to percolate, contacts in the industry are sharing concerns about how growing milk volumes will impact processors and trading in the U.S. The ninth week of the year has brought on more bears than bulls on the topic of most dry dairy ingredients markets. Steady to heavier supplies have been met with cautious, at best, demand in regards to nonfat dry milk (NDM), dry buttermilk, dry whole milk and dry whey markets. Those commodities all experienced price decreases this week, in every region. Lactose prices moved only slightly lower. Rennet and acid casein prices held steady. Whey protein concentrate (WPC) 34% markets continue to maintain a significant bullish resistance, as prices moved higher yet again this week.

INTERNATIONAL DAIRY MARKET NEWS: WEST EUROPE: Milk deliveries in England, Scotland, and Wales totaled 1.048 billion liters in January, up 2.2% from January 2024. Ireland's Central Statistics Office released the January 2025 Consumer Price Index, which rose by 1.9 percent overall from January 2024. The national average price of full fat milk per 2 liters was up 18 cents from January 2024. A large European dairy cooperative recently announced its March guaranteed milk price is 53.75 euros per 100 kg of conventional milk. EAST EUROPE: The European Commission Combined Drought Indicator lists warning and watch drought conditions in pockets of East Europe due to precipitation deficits. Temperatures in early February were above seasonal averages for East Europe. AUSTRALIA: According to Dairy Australia, January 2025 milk production, 708.2 million liters, was down 2.6 percent from January 2024. Milk production increased in New South Wales by 2.6 percent from a year earlier but declined in every other Australian state. The January 2025 Production Inputs Monitor report from Dairy Australia stated input costs increased in Australia during January. NEW ZEALAND: Export data for January 2025 was recently released for New Zealand. This data showed a 45 percent increase in value for milk powder, butter, and cheese exported in January 2025 compared to January 2024. Fresh milk and cream export values were 13 percent higher in January 2025, when compared to a year earlier. SOUTH AMERICA: Argentina and Brazil reported overall gains in 2024's total output, while Uruguayan milk output slid. Milk producers are bracing for increases in food costs. Dairy commodity trading activity is somewhat quiet as the final month of Q1 nears. Brazilian brokers relay logistical cost increases remain debilitating for stronger purchasing power, despite some recent strengthening of the Brazilian real.

NATIONAL RETAIL REPORT: Total conventional dairy ads increased in the week 9 retail ad survey by 21 percent and the number of organic ads grew 65 percent compared to week 8. Cheese is the most advertised conventional dairy commodity in this week's survey. The most advertised conventional cheese product is 6-8-ounce shred style this week. Yogurt is the second most advertised conventional dairy item this week. Total ads for conventional ice cream are up 31 percent in the week 9 retail survey.

JANUARY MILK PRODUCTION (NASS): Milk production in the 24 major States during January totaled 18.3 billion pounds, up 0.2 percent from January 2024. December revised production, at 18.0 billion pounds, was down 0.2 percent from December 2023. The December revision represented no change from last month's preliminary production estimate.



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JANUARY COLD STORAGE (NASS): Total natural cheese stocks in refrigerated warehouses on January 31, 2025, were up 1 percent from the previous month and down 6 percent from January 31, 2024. Butter stocks were up 26 percent from last month and up 9 percent from a year ago.

JANUARY MARKET SUMMARY & UTILIZATION (FMMO): During January, 12.7 billion pounds of milk were received from Federally pooled producers. This volume of milk is 2.0 percent lower than the 2024 volume. Regulated handlers pooled 3.7 billion pounds of producer milk as Class I products, down 0.5 percent when compared to the previous year. The all-market average Class utilization percentages were: Class I = 29%, Class II = 11%, Class III = 49%, Class IV = 11%. The weighted average statistical uniform price was \$21.23 per cwt, 0.65 higher than last month and \$3.50 higher than last year.

NOTICE: No new USDA Commodity Procurement solicitations for dairy products were issued this week: Previously issued 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.

NOTICE: USDA Issues Final Rule on Amendments to the Federal Milk Marketing Orders. The U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) announced a final rule amending the uniform pricing formulas applicable in all 11 Federal milk marketing orders (FMMOs). The final rule was published in the Federal Register on Jan. 17. Copies of the final rule, educational materials and the entire hearing record can be found on the hearing webpage (<https://www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmmo-pricing-hearing>) or obtained from USDA/AMS/Dairy Program; STOP 0225 - Rm. 2530; 1400 Independence Ave. SW, Washington, DC 20250-0225. Questions can be submitted to fmmohearing@usda.gov Information for the period February 24 - 28, 2025, issued weekly

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