



The T.C. Jacoby Weekly Market Report

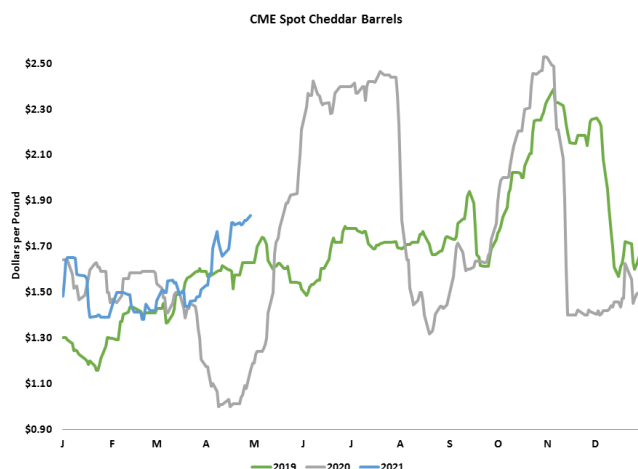
WEEK ENDING APRIL 30TH, 2021

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CME Spot Market for the Week 4/26/2021 to 4/30/2021			WHEY		
			Avg Price	Qty Traded	4 wk Trend
			\$ 0.663	6	
CHEESE BLOCKS			CHEESE BARRELS		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.801	24		\$ 1.811	12	
BUTTER			NON-FAT		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.786	21		\$ 1.311	16	

The bulls continued their leisurely stroll through the dairy pits this week and the milk markets moved higher. Class III futures posted sizeable gains. Summer contracts added a half-dollar or more, which lifted them well above \$19 per cwt. June through October Class IV contracts added 30¢ to 40¢. May Class IV settled at \$16.21, and the other contracts all topped \$17, a welcome sight for dairy producers who don't get the full benefit of the sky-high Class III market.



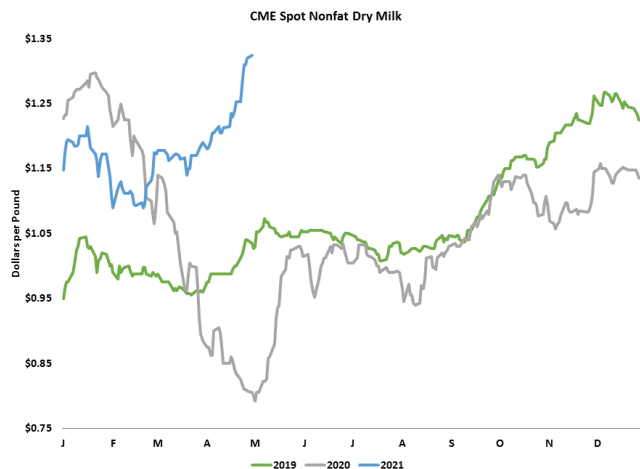
It's been a big month for barrels. They closed today at \$1.835 per pound, up 3¢ since last Friday and up an impressive 35.25¢ since the end of March. CME spot Cheddar blocks added a more modest 0.75¢ this week and were up 6.25¢ for the month. Cheesemakers tell USDA's *Dairy Market News* that sales have plateaued, as restaurants have largely restocked.

Butter sales are starting to slip. *Dairy Market News* notes that foodservice orders have ebbed and retail requests are

"lackluster." Uninspiring demand dragged prices lower. CME spot butter fell 1.75¢ this week to \$1.7525. Butter closed out the month 6.5¢ lower than where it began.

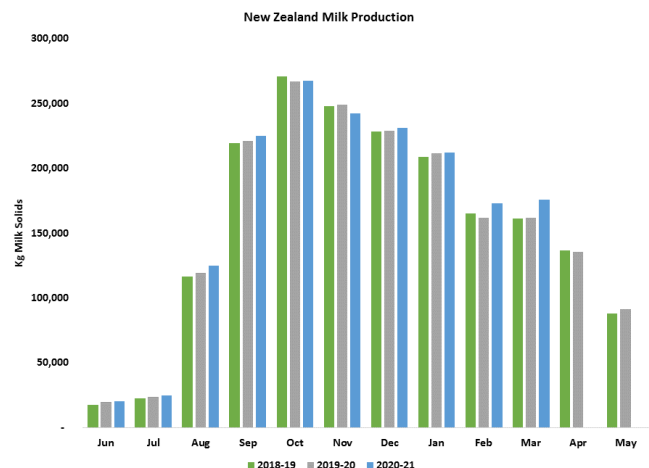
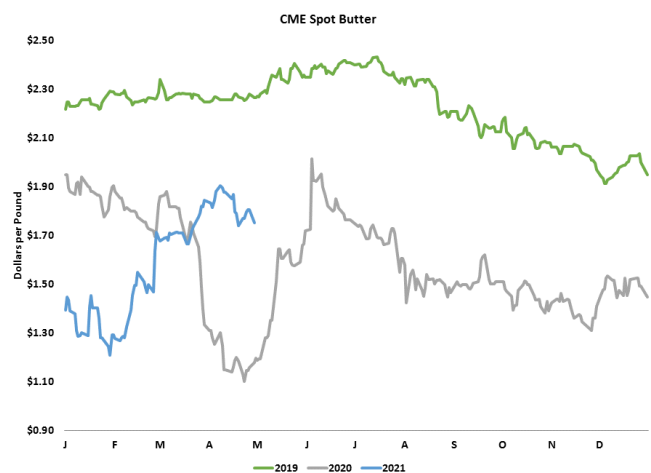
Cream is plentiful in the West, and churns there are running hard, as befits the season. Supplies are tighter in the Midwest and the Northeast, and the shortage of trucks and drivers has exacerbated the regional imbalance. Logistical headaches are rippling through the dairy supply chain, preventing milk and cream from flowing smoothly to its most profitable outlet.

The powders remain strong. CME spot dry whey finished the month right where it started, at 66¢ per pound. That was up 4¢ from last Friday. Spot nonfat dry milk (NDM) jumped 7.25¢ to \$1.325, the highest spot value since October 2014. Thanks to strong foreign demand, spot NDM rallied 14¢ this month, a 12% increase. U.S. milk powder is priced to move, and Mexico is finally stepping up purchases. Europe has very little SMP available for sale, and most milk powder in Australia and New Zealand is already committed to buyers in Southeast Asia. That leaves the United States and South America to capture new orders.



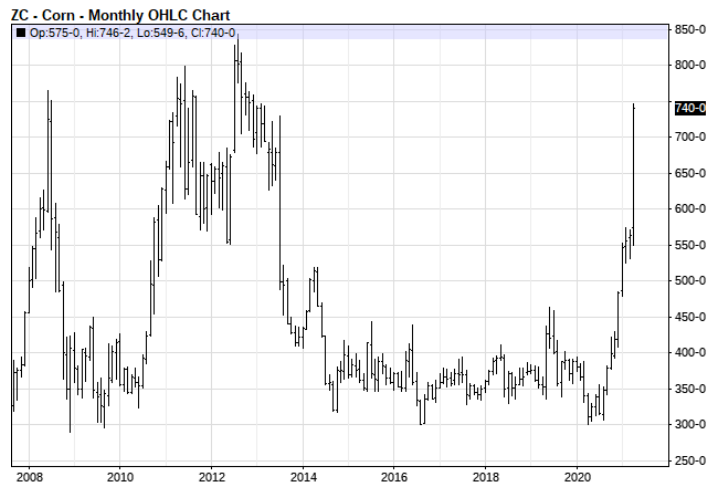
tally on record, up 2.1% from last year. Timely rains in February and early March promoted grass growth and lifted milk output last month. But the rains have slowed, which could make for slower growth in the final two months of the 2020-21 season.

In Australia, milk output improved in February but faltered in March. For the season to date, Aussie milk collections are 1% greater than the very low volumes of last year. After several years of drought, Australian dairy producers are grateful for much greener pastures. But they face new hurdles. The island has been extremely isolated. That's kept the pandemic largely at bay, but it's also reduced the labor pool, and many producers can't find enough help. Now that Australia and New Zealand have agreed to merge their travel bubbles, Australia is seeking farmworkers in New Zealand, promising airfare



and good wages. In response, kiwi producers are stepping up efforts to retain experienced farmhands.

In the United States, the flush is in full swing and milk is plentiful. The weak dollar and tight global inventories for milk powder are helping to lift Class IV values despite domestic abundance and all the headaches of global trade.



The corn market just keeps climbing. May corn futures jumped 38¢ today as traders who were caught short rushed to buy back their positions before they were obligated to deliver corn to Chicago. May corn settled at a seven-year high of \$7.40 per bushel, up more than \$1.75 this month. July corn closed at \$6.7325, up 41¢ this week. The U.S. has exported huge volumes of corn and there is no sign of a slowdown. Brazil's corn crop is withering and there is little rain in the forecast. In the Corn Belt,

planters are rolling. Farmers and feed-buyers are hoping for big yields, but there is a lot of weather between now and harvest.

Soybeans followed corn higher. July soybeans closed at \$15.3425, up 18.25¢ from last Friday. July soybean meal closed at \$426.10 per ton, up 30¢. Feed costs are rising quickly.