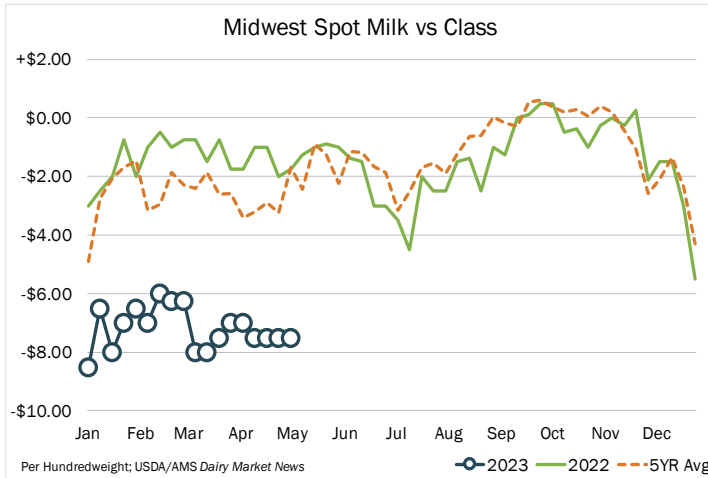
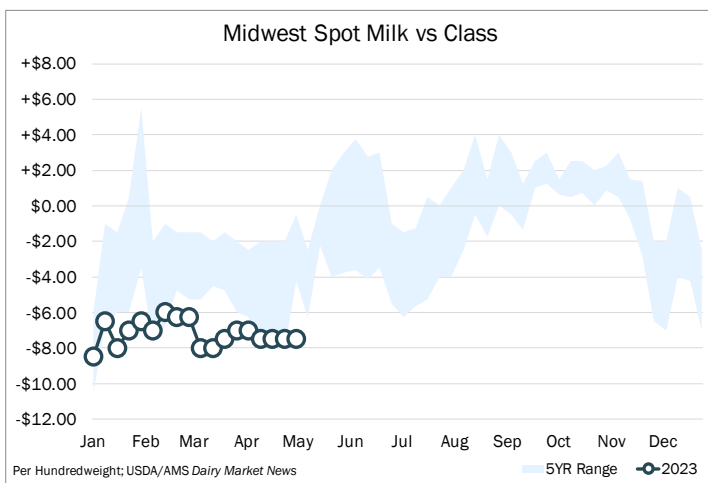
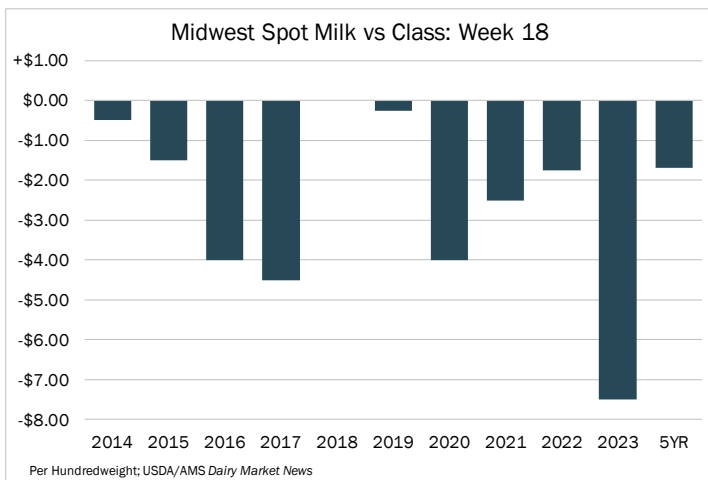


MILK PREMIUMS

May 4, 2023



| Midwest Spot | | | |
|--------------|----------|---------|----------|
| | Low | High | Midpoint |
| This Week | -\$11.00 | -\$4.00 | -\$7.50 |
| Last Week | -\$11.00 | -\$4.00 | -\$7.50 |
| Last Year | -\$2.50 | \$1.00 | -\$1.75 |
| 5-Year Avg | -\$8.00 | \$1.00 | -\$1.70 |



Here is what USDA/AMS had to say:

MIDWEST: Some upper Midwestern contacts have suggested peak flush is upon the region. Milkfat volumes are strong, and overall milk volumes from the upper Midwest down through the southern states in the region are beyond adequate. Bottling sales have ebbed in recent weeks. Summer school programs will keep some bottled milk moving into certain areas, but the bulk of school related demand is expected to see a major slowdown. Class III processing has been keeping milk handlers busy, as a number of plant managers in the upper Midwest say there are numerous plants on either scheduled or unscheduled downtime. The spot milk price range into Class III production, below, remained the same as it has been for weeks, but cheesemakers say more offers are coming in from more vendors.



EAST: Farm level milk production remains strong throughout the East. In the Northeast, milk output volumes are strong and fluid milk supplies are readily available for various manufacturing needs. Bottling orders are steady and contacts expect orders to remain as such through the remainder of the school year. Class II manufacturing for ice cream, aerated cream, and some soft serve mixes is increasing week over week as warmer weather approaches. Cottage cheese production is also noted to be strong. There are steady milk supplies clearing to into Class III operations for cheese and cream cheese production. Market tones are similar in the Mid-Atlantic states, where farm level milk outputs are strong. Class I orders are steady. In the Southeast and in Florida, farm level milk output is level. Class I orders are strong to finish out the remainder of the school year.

WEST: Farm level milk output is steady in California. However, contacts report lower than anticipated volumes due to the many heavy precipitation events the state experienced thus far this year, along with some unbalanced plants in the Central Valley area from the lower than anticipated volumes. Transportation is problematic in areas where heavier volumes need to be transported and alternative routes are needed. All Classes have unchanged demand. Impacts on current milk production were minimal. Stakeholders note milk production is down compared to this time a year ago from preliminary data. However, milk volumes are ample compared to bottling and production needs. Manufacturers report bringing in out of state milk to keep production schedules at max capacity. Class III and IV spot loads at below Class prices are reported by contacts. Demand for all Classes is unchanged. Milk production is steady in New Mexico. Milk volumes are available and ample compared to production needs throughout the state. Demand is steady for all Classes. Farm level milk output is steady in the Pacific Northwest. Milk supplies are available for bottling and production needs. Milk volumes are reported as slightly heavy to balanced compared to current manufacturing needs. Spot load purchases and sales at below Class prices are reported by contacts. Class II demand is strong as ice cream manufacturers ramp up seasonal production. All other Classes have steady demand. In the mountain states of Idaho, Utah, and Colorado farm level milk output is steady. Utah received some snowy weather, but overall cow comfort remained good and impacts on milk handling were minimal. Throughout the mountain states milk supplies are available for bottling and processing needs. Some plant shutdowns for maintenance contributed to heavier than balanced volumes for a few production facilities. Demand is steady for all Classes. Contacts report available condensed skim milk volumes are heavy to balanced compared to production needs of processors. Condensed skim milk channels through contract sales steadily, while spot market activity is steady to light.

