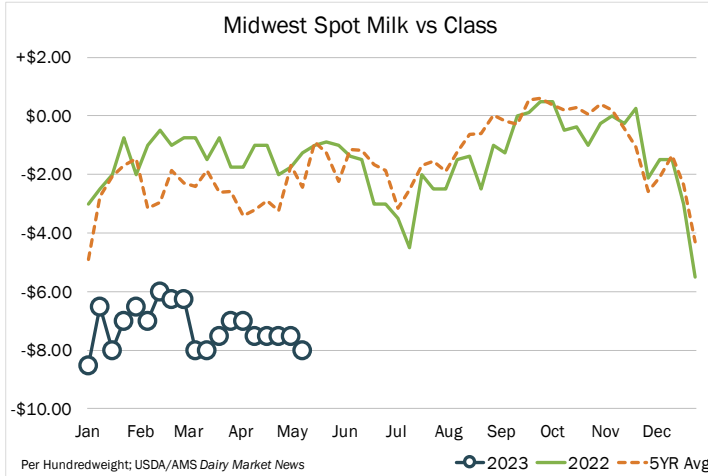
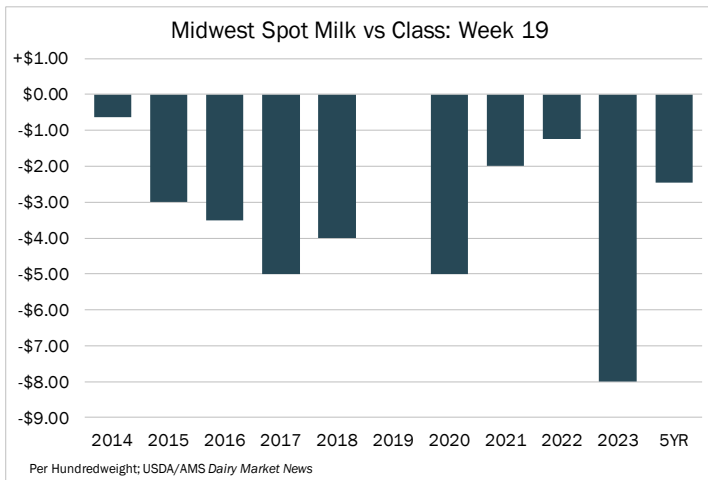


# MILK PREMIUMS

May 11, 2023

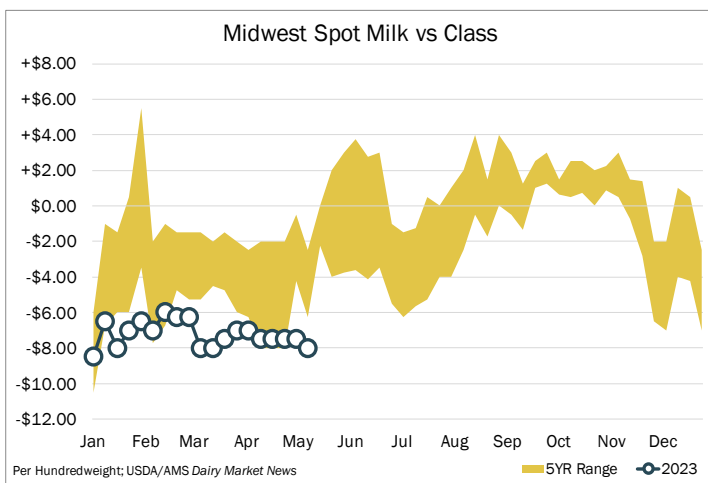


Midwest Spot			
	Low	High	Midpoint
This Week	-\$12.00	-\$4.00	-\$8.00
Last Week	-\$11.00	-\$4.00	-\$7.50
Last Year	-\$3.00	\$0.50	-\$1.25
5-Year Avg	-\$6.00	\$0.50	-\$2.45



## Here is what USDA/AMS had to say:

**MIDWEST:** Warmer temperatures in the southern Central region have contacts expecting a slip lower on overall milk output in areas that are reaching 90+ degree days. Milk availability remains widely available in that area. The upper Midwest's climate is more comfortable for milk production, although days have become warmer there, as well. Bottling plants are slowing down, as schools are on the verge of breaking, particularly in the southern/southwestern states of the region. Upper Midwest Class I facilities are still taking on steady loads of milk. Milk sellers are dealing with heavy volumes, and continued Class III plant downtime, which is adding to the struggle of finding homes for milk. One positive note for milk handlers is freight costs have decreased some in recent weeks, and drivers have become more available.





**EAST:** Farm level milk output volumes are steady to stronger in the eastern states. In the Northeast, milk volumes are strong. Both fluid milk and cream are readily available for various end uses. Condensed skim is available for bottling order fulfillment. Class II manufacturing has increased and both soft serve and hard ice cream demands are increasing. Additionally, there are steady milk volumes clearing into Class III manufacturing. Due to labor shortages, trucking and freight shortages, as well as equipment hinderances, Federal Milk Marketing Order 1 has authorized the discarding of surplus milk supplies starting today and continuing into the summer months. In the Mid-Atlantic states, there are ample milk volumes available for manufacturing needs. Condensed skim volumes are ample and Class I orders are steady. In the Southeast and in Florida, farm level milk output is level.

**WEST:** Milk production in California is steady. However, lower than anticipated volumes thus far this year are reported by contacts. The lower than anticipated volumes are contributing to unbalanced plants in the Central Valley area. Warmer temperatures at higher altitudes are influencing faster paced snow melt. Contacts report some areas of the state have more comfortable river levels, some space in reservoirs have been gained, and some local water districts are wanting farmers to irrigate as much as they can. Demand for all Classes is steady. Farm level milk output in Arizona is steady. Temperatures subsided into the 90s during this week, improving cow comfort and holding impacts on milk production to a minimal. Milk volumes are available and ample compared to processing needs. Contacts report Class III and IV spot loads sales and purchases at below Class prices. Demand for all Classes is unchanged. Industry sources in the state have expressed recent concern over how much water is being drawn out of wells in some local areas. Milk production is steady in New Mexico. Milk supplies are heavy to balanced compared to handling needs. Milk volumes are available throughout the state. Demand is steady for all Classes. In the Pacific Northwest, farm level milk output is steady. Milk supplies are available for production needs. Milk supplies are reported as slightly heavier to balanced compared to current bottling and manufacturing needs. Class II demand is strong, with ice cream manufacturing momentum building, while Classes I, III, and IV demands are steady. Tanker and driver shortages are reported from a few stakeholders. In the mountain states of Idaho, Utah, and Colorado milk production is strong to steady. Milk volumes are available for bottling and processing needs throughout the mountain states. A few production facilities report heavier than balanced volumes due to shutdowns for maintenance. All Classes have steady demand. Contacts report condensed skim milk is plentiful, and additional loads are available for contract and spot sales. Spot market activity is steady to lighter. Loads are channeling through contract sales well.

