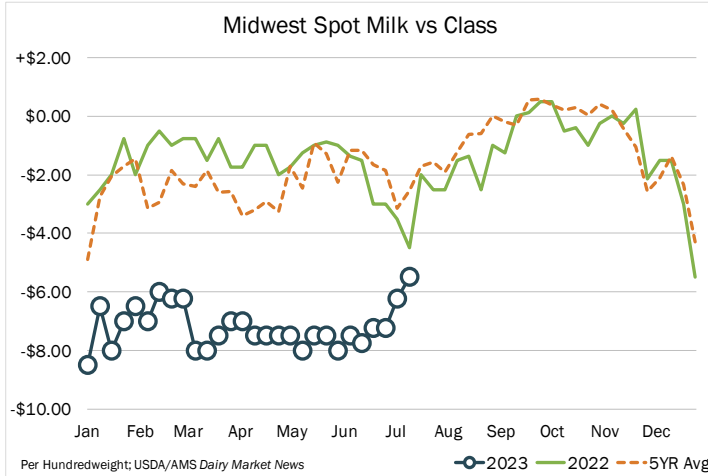
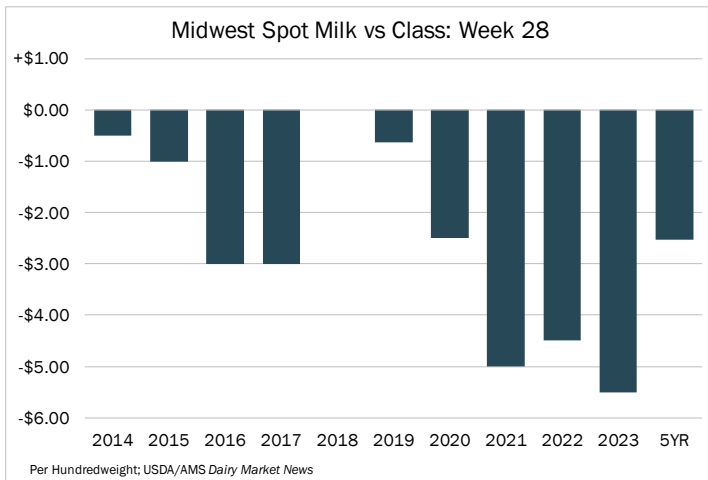


MILK PREMIUMS

July 13, 2023

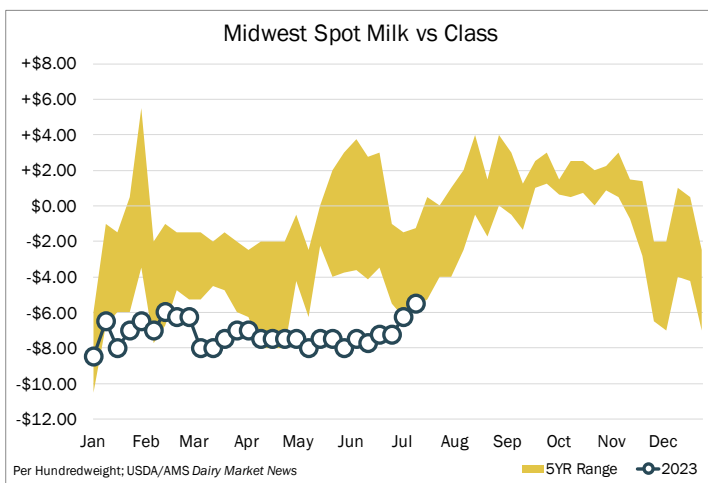


Midwest Spot			
	Low	High	Midpoint
This Week	-\$11.00	-\$0.00	-\$5.50
Last Week	-\$10.00	-\$2.50	-\$6.25
Last Year	-\$6.00	-\$3.00	-\$4.50
5-Year Avg	-\$6.00	\$0.50	-\$2.53



Here is what USDA/AMS had to say:

MIDWEST: Although milk availability is slowly beginning to recede due to hot temperatures throughout the region, it is still widely variant from the southern to northern Central states. Plant contacts in the southern area say milk and cream are very tight. More tankers are moving from the Upper Midwest into the south in recent weeks, due to strong heat and atypically high humidity in Texas, Oklahoma and Missouri. Kansas' milk output is slower to decline, but it is decreasing nonetheless, according to contacts. Farmers throughout the Central region are experiencing weather patterns atypical of their respective areas. Some processing plants are unable to take on any extra spot milk loads due to a variety of factors. The Class III spot milk price range expanded for cheesemakers in the Upper Midwest and Central region. Prices, though, are still being reported as low as \$11 under Class, although contacts do not expect these rates to continue.





EAST: Farm level milk outputs are variable throughout the East. Some areas of the Northeast received upwards of nine inches of rain so far this week, causing extreme flooding damage. Dairy operations have been greatly affected, as some roadways remain closed as of report publishing time. Some contacts have relayed that they successfully moved milk volumes from processing plants to other areas less affected by flooding. Some discarding of milk has occurred. Farm level milk output volumes are steady, though cream has tightened due to heat and now adverse cow comfort conditions due to flooding. Demand for all other classes is steady. In the Mid-Atlantic states, milk output volumes are reduced. High daytime temperatures, averaging above 88 degrees, and humidity have affected cow comfort. Contacts have relayed that soft serve mixes continue to be in stronger demand than hard pack ice cream products. Demand for all other Classes is steady. In the Southeast and in Florida, farm level milk outputs are down. Demand for all Classes is unchanged. Class I orders are steady throughout the East due to the free and reduced cost meal initiatives for children that include milk as a beverage.

WEST: In California, milk production is lower, as expected seasonal week to week decreases progress, and hotter temperatures start to take hold. Extended forecasts put Central Valley temperatures into the triple digit territory. Handlers note preliminary July 2023 milk output numbers are currently below anticipated levels and under July 2022 production. Although a few Central Valley contacts report some open processing capacity, milk supplies are balanced compared to manufacturing needs. Class III demand is strong, and industry sources report that has decreased Class IV volumes going to balancing plants. Class I and II demand are steady. Corn had some late plantings, which may negatively impact harvested amounts or feed costs this year. In Arizona, farm level milk output is lower. Temperatures stayed well into the triple digits this week, negatively impacting cow comfort. Supplies are ample for processor needs. Stakeholders note a quiet monsoon season thus far. Demand for all Classes is steady. Milk production in New Mexico is lower. Temperatures remained in the 90s and hit the 100 degree mark. Supplies are balanced compared to manufacturing needs. All Classes have steady demand. Farm level milk output in the Pacific Northwest is steady to lower. Processors relay that seasonal week on week declines are starting. Milk volumes are available throughout the state and are in better balance compared to processing needs. Demand for all Classes is steady. In the mountain states of Idaho, Utah, and Colorado milk production is steady. However, handlers relay slight declines are starting. Utah and Idaho had higher temperatures compared to Colorado, but impacts on farm level output and operations were minimal. Milk volumes are slightly heavy to adequate compared to manufacturing needs throughout Idaho and Utah. All Classes have steady demand. Contracted condensed skim milk demand is steady, while activity from spot purchasers is moderate.

