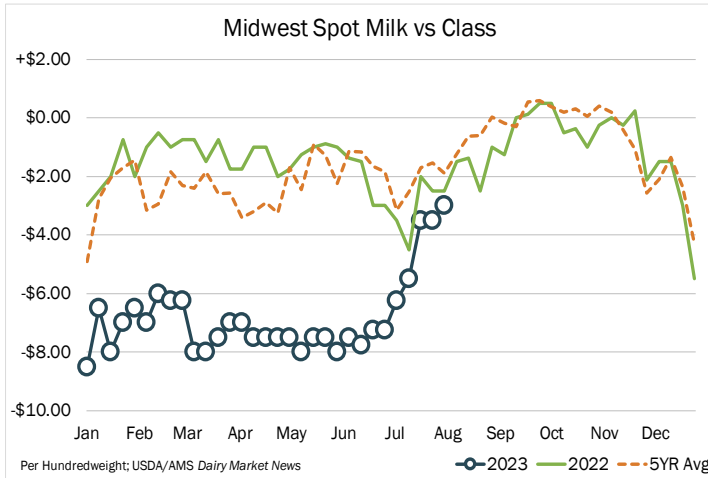
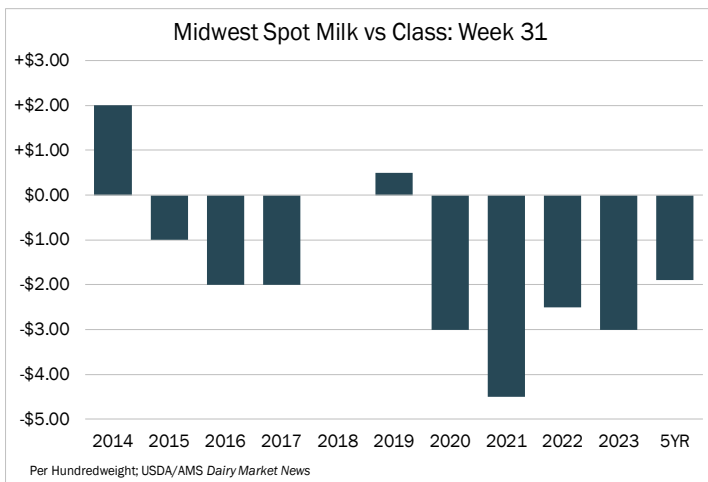


# MILK PREMIUMS

August 3, 2023

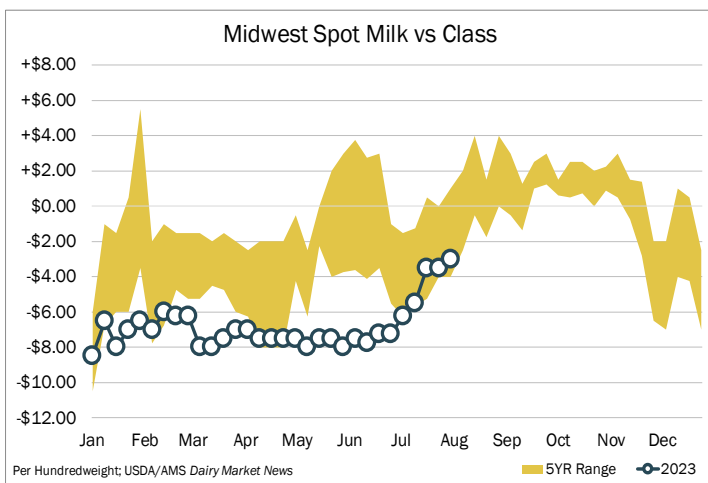


Midwest Spot			
	Low	High	Midpoint
This Week	-\$6.00	\$0.00	-\$3.00
Last Week	-\$7.00	\$0.00	-\$3.50
Last Year	-\$4.00	-\$1.00	-\$2.50
5-Year Avg	-\$6.00	\$2.00	-\$1.90



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

**MIDWEST:** The tight milkshed in the southern states has continued to stretch milk availability throughout the region. Milk is moving south, southwest, and southeast from Midwestern locales. Class I contacts, for the first time this summer, have begun to suggest that bottling facilities' school milk preparations have begun, but they say shifts in ordering have yet to materialize. Some schools in the southern parts of the region begin as early as next week. Cheesemakers in the upper Midwest reported spot prices from \$6 under Class III to flat Class. Most of those reported prices were nearer to Class than the low end of the range. Condensed skim availability is regionally tracking alongside milk output. Where farm milk output has noticeably subsided, condensed skim availability has slimmed. That said, recent availability has begun to tighten in the upper Midwest, but there are still loads available for processing





**EAST:** Milk production has declined overall in the eastern region. In the Northeast, a blanket of heat and high humidity has affected cow comfort. Contacts relayed that milk components have also been affected by the weather. Demand for all Classes is steady, though local production schedules have cooled as milk volumes become sparser. In the Mid-Atlantic, heat and humidity have also affected cow comfort. Milk volumes are trending downward, and milk components have also been affected. Demand for all Classes is steady. In the Southeast and in Florida, daytime temperatures have exceeded 100 degrees Fahrenheit, and nighttime temperatures provide little respite. Cow comfort has been adversely affected, and milk production is down. Contacts indicate that Class I demand is expected to increase as schools in the region begin to open for the fall semester. Last week's National Retail reported outlined the number of advertisements for conventional milk decreased from the week prior and that gallons of milk had a weighted average advertised price of \$3.45, down from \$3.48 last week.

**WEST:** California farm level milk output is lower. Handlers relay preliminary records indicate July production to be below anticipated levels. Handlers report open processing capacity and demand for additional milk, especially in the Central Valley. Demand for spot loads of milk that exceed availability of farm level milk output has reportedly increased. Class II and III demand is strong. Class I and IV demand is steady. Milk production is lower in Arizona. Temperatures backed down from nearing the 120-degree mark to slightly under the 110-degree mark, keeping cow comfort increases to a minimal. Handlers report milk volumes available for spot purchasing are tight. Milk volumes can accommodate manufacturing needs. Demand for all Classes is steady. Milk production in New Mexico is seasonally decreasing week to week. Milk supplies are meeting local manufacturing needs. Class III demand is strong, while all other Class demand is steady. In the Pacific Northwest, farm level milk output is steady to lower. Cooler parts of Oregon and Washington are more on the steady end. However, handlers report volumes are below anticipated amounts. Some sentiments are this is due to a combination of current heat levels and fewer dairy cows than typically normal. Milk volumes throughout the area are meeting processors' needs. Class II and III demand has gained some momentum. Class I and IV demand is unchanged. Milk production in the mountain states of Idaho, Utah, and Colorado is steady to lower. In Idaho and Utah raised temperatures are putting some pressure on cow comfort and some tightness in milk volumes is reported. However, milk volumes are meeting manufacturers' needs. Handlers relay cooler extended forecast temperatures may reduce some recent tightness of available milk. Class III demand is strong, while other Classes remain steady. Condensed skim milk demand is steady. Stakeholders relay availability for spot purchasing as tighter, as contracted purchasers are ordering on higher ends of their contracted amounts, due to seasonally decreasing production of milk solids.

