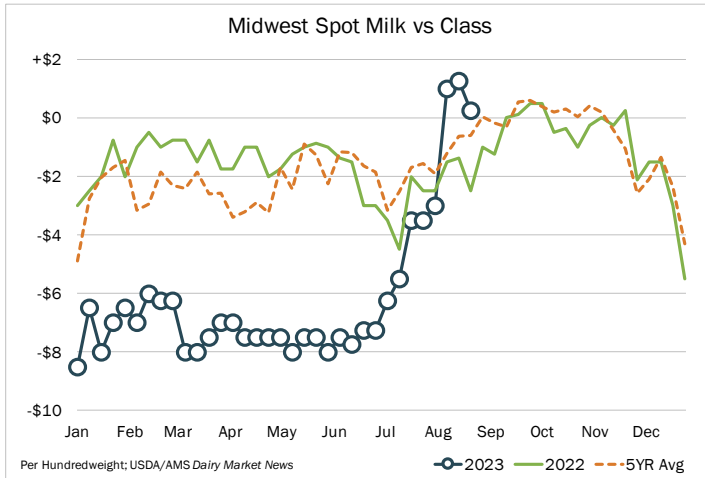
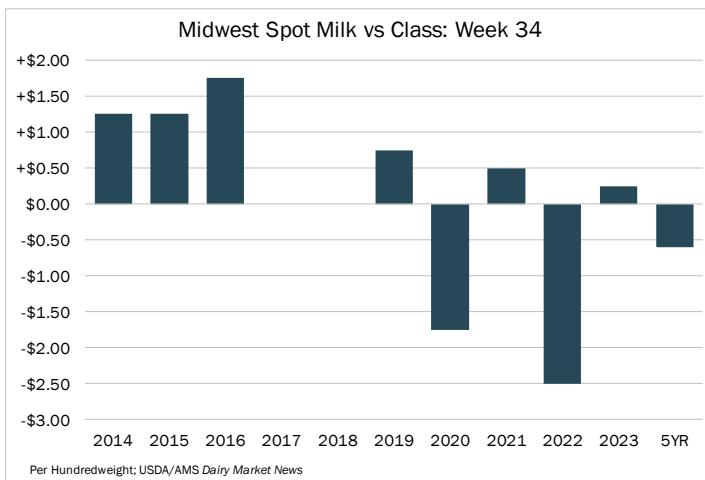


# MILK PREMIUMS

August 24, 2023

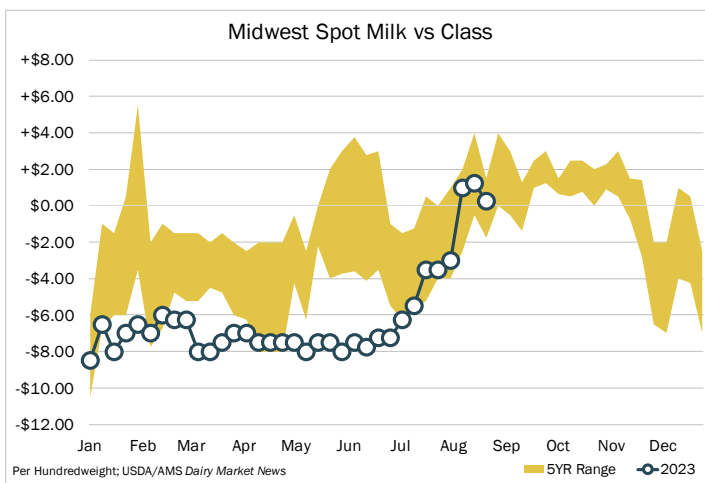


Midwest Spot			
	Low	High	Midpoint
This Week	\$0.00	+\$0.50	+\$0.25
Last Week	\$0.00	+\$2.50	+\$1.25
Last Year	-\$4.00	-\$1.00	-\$2.50
5-Year Avg	-\$5.00	+\$1.50	-\$0.60



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

**MIDWEST:** The talk of the industry is the far-reaching heatwave moving throughout the region, which has presented itself in most of the region moving into the final weeks of the summer. South Dakota towns are reporting record highs, while schools in Iowa are instituting early dismissals. Missouri and Illinois farmers are facing strong heat with little to no precipitation expected in the near-term. Triple digit temperatures and, in some areas, high humidity are keeping milk and component production in check. Bottling orders have increased throughout the region. This has kept the fluid milk market somewhat snug. Most cheesemaker contacts say milk offers have dwindled in recent weeks. Due to plant downtime, some say there was pressure on the increasing prices, but spots were reported from Class III to \$.50 over Class. Preparations to find milk/cream destinations ahead of the Labor Day holiday weekend are already underway according to handlers in the region.





**EAST:** Farm level milk production is trending from steady to downwards throughout the East. Drought monitors indicate that there are areas of the eastern region that are experiencing abnormally dry to moderate, severe, or extreme drought conditions. In the Northeast, nighttime temperatures have cooled somewhat, availing cows a break from daytime humidity. As a result, cow comfort has improved, and contacts say that milk components are yielding higher fat content. Farm level milk production is flat. Many schools in the Northeast have reopened for the academic year, and bottling orders have increased as a result. Class I orders have caused the amount of milk going into manufacturing to decline. Demand for all other Classes is steady. In the Mid-Atlantic states, high humidity and warm temperatures continue to affect cow comfort. Milk volumes continue to trend downward. Local processing schedules are adapting to the start of the academic year and increases in Class I orders. Demand for all other Classes is steady. In the Southeast and in Florida, farm level milk outputs are trending lower. Contacts say that local production schedules have adjusted to Class I bottling orders. Last week's National Retail Report outlines that the number of advertisements for conventional milk increased from the week earlier and that gallons of milk had a weighted average advertised price of \$4.02, up from \$3.42 the week prior.

**WEST:** California milk production is lower as another round of heat takes a toll on cow comfort. Handlers suggest preliminary 2023 August production volumes are below anticipated figures, but slightly higher compared to July 2023. Planned maintenance outages by a power company impacted available processing time for a few Central Valley manufacturers, which brought supplies in balance with processing capacities. This temporarily eased some tightness in spot load availability. Class I demand is stronger with some educational institutions starting up again. Demand for all other Classes is steady. Industry sources indicate dairy herd dispersal sales taking place this week. In Arizonia, milk production is lower, and volumes are on the tight end. Handlers relay spot load sales at above Class prices. Class I demand is stronger with educational facilities preparing to start the 2023-2024 school year after the upcoming holiday. Demand for all other Classes is unchanged. Farm level milk output in New Mexico is trending lower. Handlers report milk supplies are meeting manufacturing needs. Demand is steady for all Classes. Handlers in the Pacific Northwest report flat to slightly down milk production trends this week. Despite some tighter spot load availability, milk volumes are meeting most processing needs. Milk demands are unchanged. Although farm level milk output in the mountain states of Idaho, Utah, and Colorado is lower, handlers report milder seasonal decreases in milk volume output recently. Some tightness in milk volumes have eased, putting milk volumes in better balance with processing needs. Availability of spot loads has loosened up some. Class I demand, along with Class III demand, is stronger as 2023-2024 school year cycles have begun. Class II and IV demand is steady.

