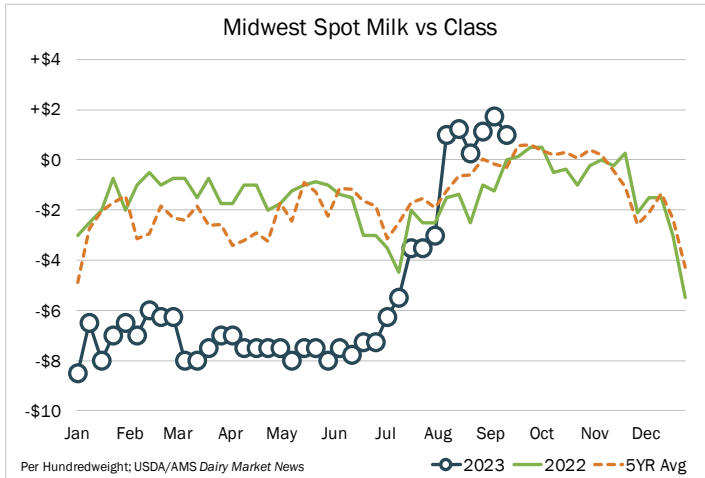
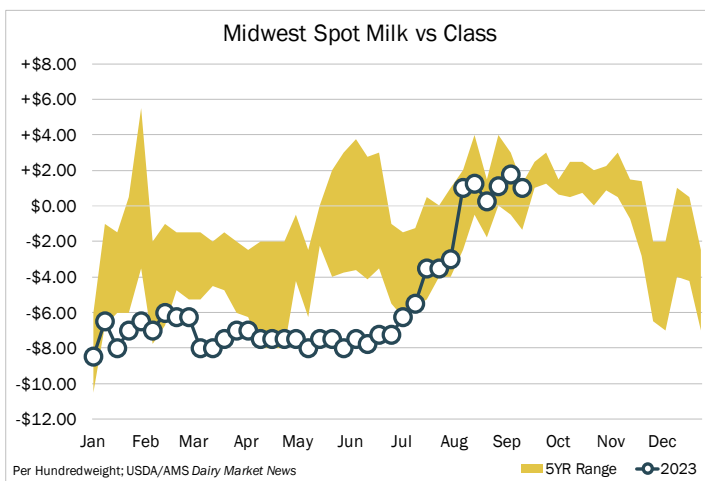
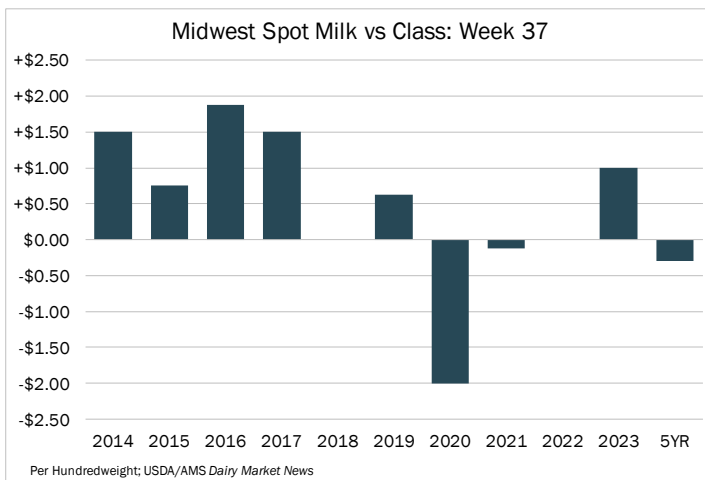


MILK PREMIUMS

September 14, 2023



Midwest Spot			
	Low	High	Midpoint
This Week	+\$0.50	+\$1.50	+\$1.00
Last Week	+\$1.00	+\$2.50	+\$1.75
Last Year	\$0.00	\$0.00	\$0.00
5-Year Avg	-\$4.00	+\$1.75	-\$0.30



Here is what USDA/AMS had to say:

MIDWEST: Improved cow comfort has roused milk output throughout the region. Cooler temperatures throughout the region have increased recent week to week farm level production. Class I intakes are steady after the onset of the school year. There are some contacts that say Class I intakes are, relative to last year, a little slower. Cheesemakers report that there is a little more milk availability week to week, but far from the abundance of the first half of the year. Spot milk prices were reported from \$.50 to \$1.50 over Class this week, compared to flat Class to \$.25 over Class III last year during week 37. As milk check amounts slide, co-op contacts continue to say farmers are selling or transitioning their herds. High beef prices are a catalyst for this as well. This summer's impact on dairy farmers in the upper Midwest has left some contacts with growing concern regarding the number of farms lost to the auction block.



EAST: Farm level milk outputs are variable throughout the East. In the Northeast, a late summer heatwave blanketed several states in high humidity and adversely affected cow comfort. Farm level milk production is flat. Class I demand remains strong. Demand for all other classes is steady. In the Mid-Atlantic, farm level milk outputs are trending flat to lower. In some areas, nighttime temperatures are providing a respite to cows, and contacts share that upticks in production will be seen in the near term. Class I demand is steady. Class II and Class III demand is steady to stronger, namely as cream cheese manufacturers seek additional spot loads of milk for processing. In the Southeast, farm level milk outputs are unchanged. Class I orders are steady to stronger. Demand for all other classes is steady. In Florida, farm level milk production continues to trend lower. The National Agricultural Statistics Service (NASS) outlines some damage to pasture fencing and other infrastructure because of Hurricane Idalia. Demand for all classes is steady.

WEST: In California, temporary improvements to cow comfort were short lived. Farm level milk output and fat component levels of milk are lower. Handlers report daily average milk production is lower compared to the final week of August as of mid-way through September. Processors note open capacity. Some processors relay sentiments that milk volumes in the state are below expectations. Some handlers report tight spot load availability. Class I and III milk demand is strong. Stakeholders relay demand by confectionary manufacturers for Class IV milk products is up. Although ice cream manufacturing is reported as less active by a few stakeholders, Class II demand is steady. Handlers relay farmers have harvested corn crops and recent field plantings have gone well. In Arizona, milk production is lower as heat levels take more tolls on cow comfort. Some open processing capacity is available with tighter milk volumes. Strong Class III milk demand continues, along with spot load purchasing at above Class prices. All other Classes have unchanged demand. Although temperatures cooled down during the second half of the week in New Mexico, farming operation and cow comfort improvements are minimal. Farm level milk output and fat component levels are lower. Class I and III demand is strong, while Class II and IV demand is steady. In the Pacific Northwest, although milk production is lower, seasonal week to week declines are getting closer to flattening out. Although some open processing capacity is available, manufacturers indicate needs are being met. All Classes have unchanged demand. In the mountain states of Idaho, Utah, and Colorado milk volumes coming off the farm are lower. However, favorable weather has helped aid flatter week to week decreases and kept fat components in milk volumes at nearly steady levels. Some open processing capacity is available. However, manufacturers indicate milk volumes are at comfortable levels for their respective processing facilities. Class I and III milk demand is strong, while remaining Class demand is steady. Condensed skim milk is tight for spot load availability, with lower milk production and heavy contracted obligations. Demand for condensed skim milk is steady.

