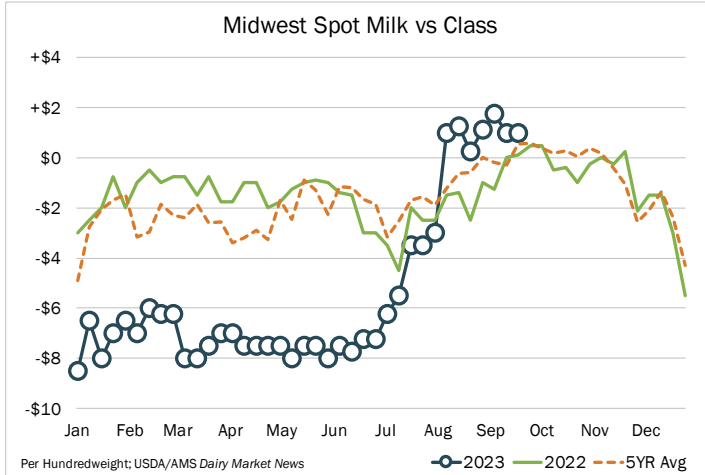
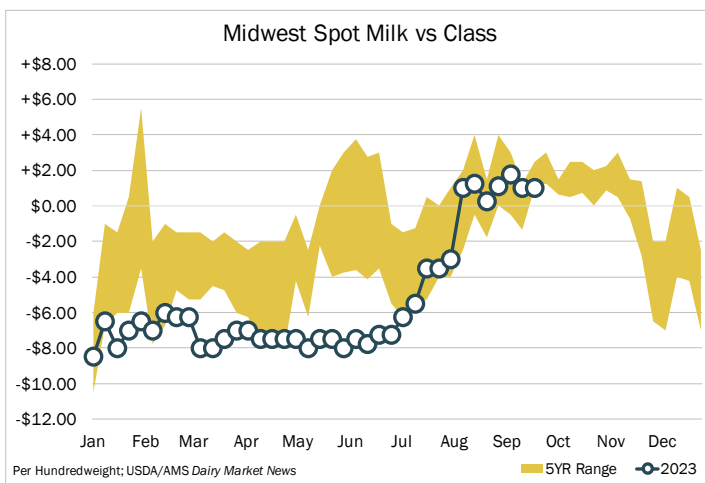
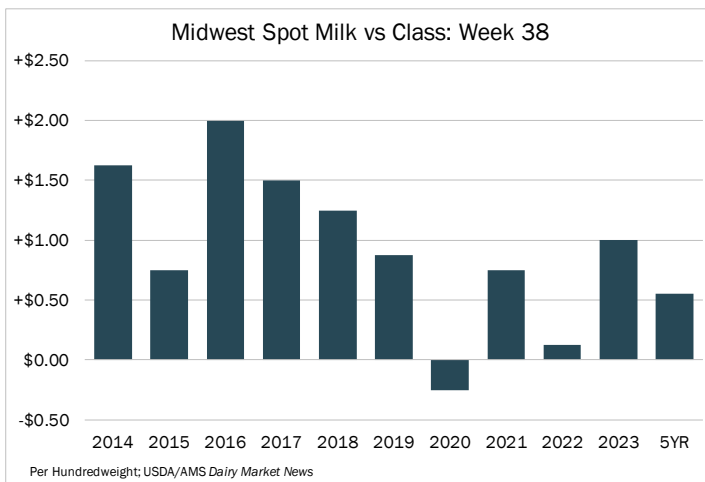


MILK PREMIUMS

September 21, 2023



Midwest Spot			
	Low	High	Midpoint
This Week	+\$0.50	+\$1.50	+\$1.00
Last Week	+\$0.50	+\$1.50	+\$1.00
Last Year	\$0.00	+\$0.25	+\$0.13
5-Year Avg	-\$2.00	+\$2.00	+\$0.55



Here is what USDA/AMS had to say:

MIDWEST: In regard to cow comfort, weather has dramatically improved throughout the region in the past three weeks. Texas is receiving rainfall and cooler temperatures, and Upper Midwestern and Northern Plains contacts have reported fall-like weather, particularly cooler nights and mornings. Despite this, milk availability for processors has not rallied in kind. Class I pulls are a large factor at play in this. Bottlers are refilling their recently depleted pipelines as schools are in full-on purchasing status. Cheesemakers are not receiving more milk offers. In fact, some said they were interested in adding some milk to their vats, but finding those spot loads did not happen this week despite a willingness to pay over the Class III price. Spot milk prices ranged from \$.50 to \$1.50 over Class III, while last year's price range during week 38 was Class III to \$1 over. Condensed skim availability has been steady to lighter for the latter half of the summer.



EAST: Farm level milk outputs vary throughout the eastern states. Contacts note that temperatures are beginning to drop and that increases in farm level milk production are on the horizon. In the Northeast, increases in milk production have been noted in certain areas while volumes in other areas are flat. School bottling orders are strong, and surplus milk volumes previously available for manufacturing are limited as a result. Contacts share that cream cheese demand is seasonally increasing. Manufacturing of some seasonal ice cream flavors have sparked Class II interest. Demand for all other Classes is steady. In the Mid-Atlantic, cooler weather is boding well for cow comfort, though farm level milk volumes are unchanged for the time being. Contacts say that outside of bottling orders, there is limited milk available for processing needs. They expect that to change in the near term, however. Demand for all Classes is unchanged. In the Southeast, some light precipitation has improved pasture conditions. NASS noted that cooler temperatures have also reduced stress on livestock in the area. Farm level milk outputs are unchanged. Class I orders are steady to stronger and demand for all other Classes is steady. In Florida, farm level milk production is flat. Class I demand is strong. Demand for all other Classes is steady.

WEST: In California, milk production is seasonally lower, along with fat components of milk intakes. Although more favorable temperatures have made some marginal improvements in milk production this week, some handlers' preliminary records indicate September 2023 milk production is currently anticipated to be below last month and September 2022. Open capacity is noted by processors. Stakeholders report tight spot load availability. Demand is strong for Class I and III. Class II and IV demand is steady. However, stronger Class IV demand from the confectionary manufacturing group is reported by stakeholders. In Arizona, farm level milk output is lower. Tighter milk volumes keep some open processing capacity available. Tight spot load availability is reported by stakeholders. Class II demand from heavy whipping cream and sour cream producers is reported to be strong by some handlers. All other Class demand is unchanged. In New Mexico, more favorable temperatures for farming operations and cow comfort have contributed to flatter week to week decreases in milk output recently. Demand for Class I and III is strong, while Class II and IV demand is steady. Temperatures cooled off during the second part of the week in the Pacific Northwest. The area also received some light rain. Both contributed to improved farming operations, cow comfort and irrigation supplies for crops. Handlers report week to week differences in milk production as flat currently. Manufacturers indicate milk volumes are meeting processing needs. Demand for all Classes is unchanged. In the mountain states of Idaho, Utah, and Colorado farm level milk production is seasonally lower. However, handlers note milk production and spot load availability are less tight compared to other parts of the West region. Class I and III milk demand is strong. Class II and IV milk demand is steady. Condensed skim milk and cream are tight throughout most of the region. Condensed skim milk and cream demand is strong to steady.

