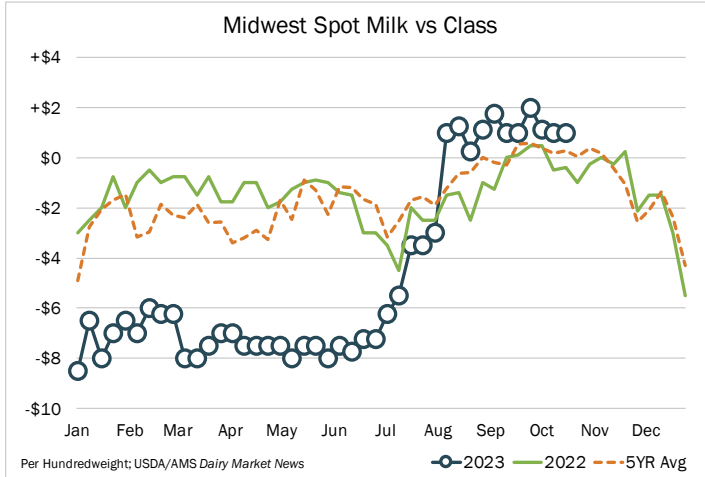
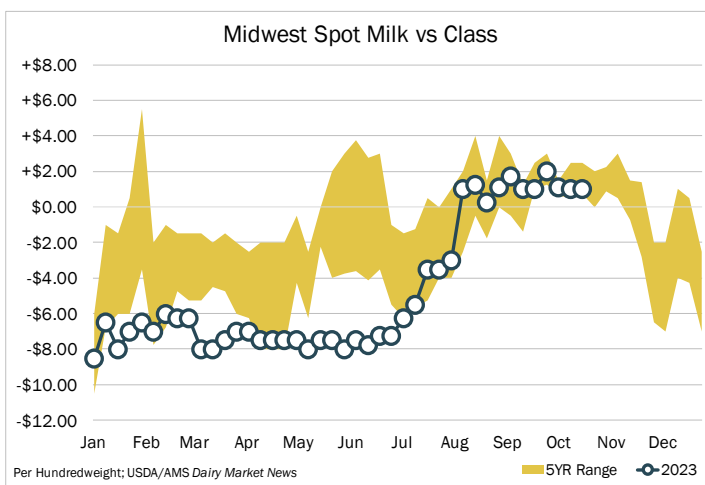
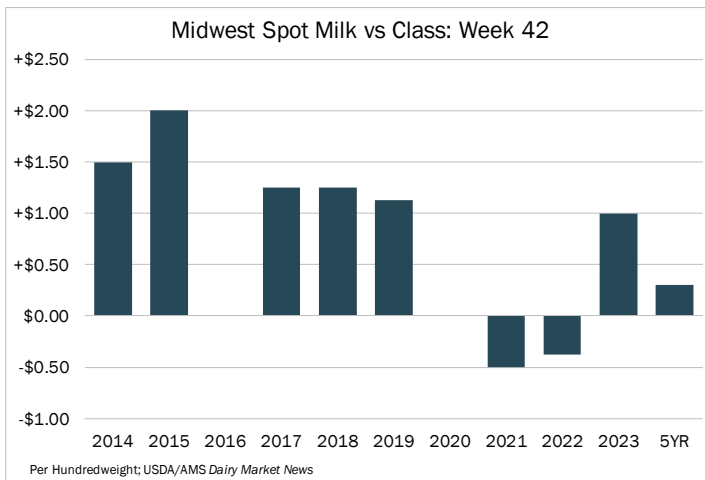


# MILK PREMIUMS

October 19, 2023



Midwest Spot			
	Low	High	Midpoint
This Week	\$0.00	+\$2.00	+\$1.00
Last Week	+\$0.50	+\$1.50	+\$1.00
Last Year	-\$1.00	+\$0.25	-\$0.38
5-Year Avg	-\$1.00	+\$2.00	+\$0.30



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

**MIDWEST:** Contacts have relayed some updates from their September monthly reports and, as was expected, component levels have begun to show a tangible increase month to month in the Midwest. Cream end users are benefitting from these component bumps, although fluid milk processors have yet to see much change in regard to pricing. Class I demand is steady to slower this report week. There are some slight variances in states where schools are approaching fall breaks. Cheesemakers reported spot milk prices as low as Class III for the first time since late August. That said, spot prices as high as \$2-over Class were also reported this week. Some cheesemakers continue to say offers are somewhat quiet. Condensed skim availability continues to mirror that of farm milk. Corn harvesting, for silage, is nearly completed in most areas of the region, while harvest for grain is roughly halfway through.



**EAST:** Farm level milk production is trending flat to higher throughout the East. In the Northeast, cool temperatures have contributed to ideal conditions for cow comfort. Milk components are said to be increasing. Seasonal increases in milk production have loosened milk volumes available for processing beyond Class I demand. In the Mid-Atlantic states, farm level milk production is increasing week over week. Bottling orders are steady. Demand for all other Classes is steady. In the Southeast, milk production is trending higher. The National Agricultural Statistics Service (NASS) states pastures are in fair condition but are in need of precipitation in the near term. Class I demand is strong. Demand for all other Classes is steady. Farm level milk production is trending flat in Florida. Class I orders are steady. Demand for all other Classes is steady to stronger. NASS notes pastures are in fair condition, though minimal precipitation has stalled field work for winter planting.

**WEST:** Temperatures in California were close to the 80-degree mark most of the week, keeping cow comfort at similar conditions. Week to week increases in milk production are marginal. However, handlers indicate fat components of milk output are improving. Some handlers note preliminary records indicate October 2023 milk production is slightly above last month and anticipated levels. However, some handlers also note preliminary records indicate milk production is below prior year levels. Drying operations are running at below capacity levels. Class I, III, and IV demands are strong to steady, while Class II demands are strong. In Arizona, temperatures were slightly above the 100 degree-mark for the week. Milk production is seasonally lower and week to week differences are reported as flat. Handlers note sentiments that hotter than usual temperatures lately are keeping a lid on milk production. Spot loads are tight. Demand is unchanged for all Classes. Temperatures ranged from the mid-60s to the mid-80s in New Mexico this week. Farm level milk output remains seasonally lower and handlers note recent week to week differences are marginal. Class I and III demands are strong to steady, while Class II and IV demands are steady. The western portion of the Pacific Northwest remained rainier and colder compared to the eastern portion of the area this week. Temperatures in the eastern part of Washington state went into the low 70s. Recent near-term farm level milk output trends are reported as flat. Demand for all Classes is steady. In the mountain states of Idaho, Utah, and Colorado farm level milk output is seasonally lower. However, recent near-term milk production trends in some parts of the mountain states are noted as slightly higher week to week. Spot load availability is somewhat tighter this week, as plant processing capacities are in better balance with milk output. Demand for all Classes is unchanged. Condensed skim milk is slightly looser compared to recent weeks.

