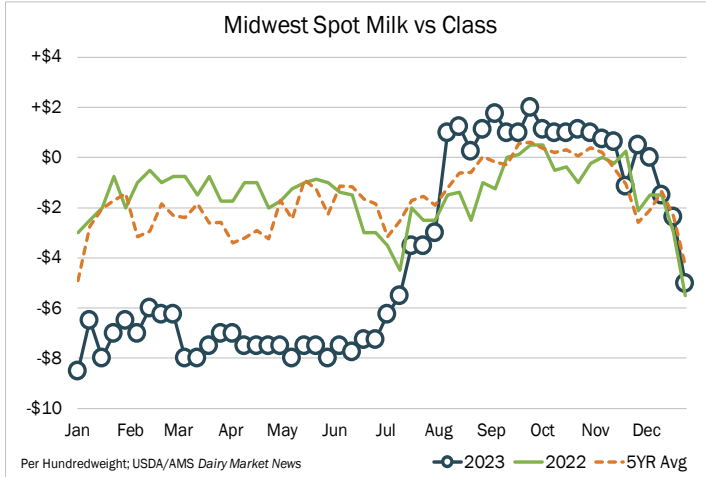
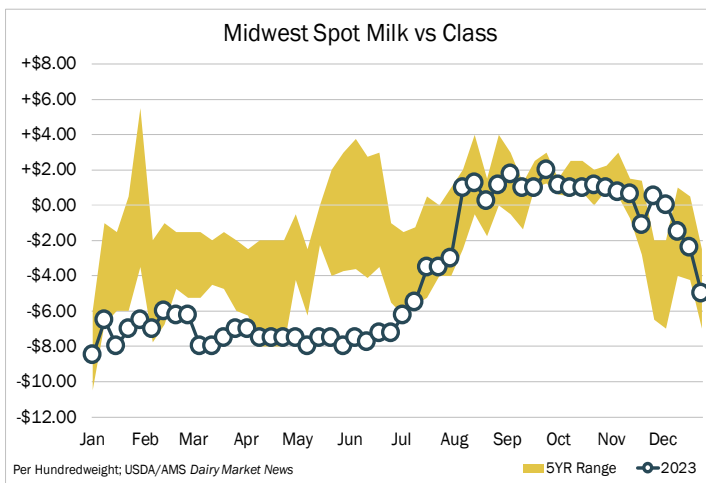
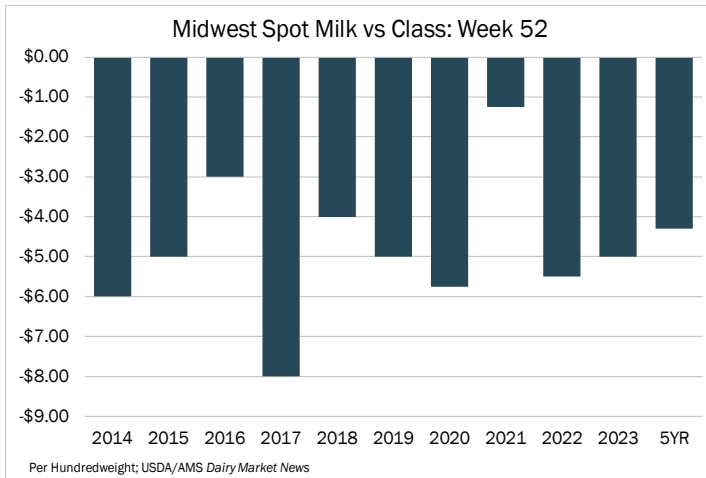


MILK PREMIUMS

December 28, 2023



Midwest Spot			
	Low	High	Midpoint
This Week	-\$8.00	-\$2.00	-\$5.00
Last Week	-\$5.00	+\$0.25	-\$2.38
Last Year	-\$10.00	-\$1.00	-\$5.50
5-Year Avg	-\$10.00	+\$1.50	-\$4.30



Here is what USDA/AMS had to say:

MIDWEST: Fluid milk and cream handlers are under strong pressure to find destinations for their trucks. Holiday production schedules throughout the Classes have been light, and in some cases lighter than expected. Some manufacturing plant managers are allotting four-day weekends. Bottling orders shifted lower earlier than some expected last week, and spot milk prices and cream multiples this week are evidence of an abundance of milk and plant schedule downtime. Cheesemakers are taking on spot milk loads as low as \$8-under Class III and the highest reported price was \$2-under Class. Last year's prices during week 52 ranged from \$10- to \$3-under Class. Condensed skim availability is noted as ample. Contacts say a portion of skim solids is also moving into Class III plants for fortification.



EAST: Farm level milk production is trending higher in the eastern region. Plant downtime due to end-of-year holidays has interrupted regular operations and milk is readily available as a result. Contacts have not indicated that any volumes of milk are being discarded. In the Northeast, milk outputs and components continue to inch higher. High quality feed is said to be contributing to this increase in components. Class I orders are said to have waned earlier than anticipated, and processors note strong milk volumes have been redirected into Class III operations. Demand for all other Classes is lighter than in recent weeks. In the Mid-Atlantic states, milk production is steady at the farm level. Demand for all Classes is lighter due to school closures and plant downtime. In the Southeast, farm level milk outputs are trending higher. Contacts noted late last week that there were concerns over milk being discarded if not moved into processing, which was avoided due to transport availability and strong Class III production schedules. Milk production is trending slightly higher than in recent weeks at the farm level. Demand for all Classes is lighter. Contacts anticipate strong milk demand in the New Year as processors seek to replenish product inventories and look ahead to fulfill contractual obligations.

WEST: Farm level milk outputs are steady to higher in the West. Milk production continues to grow week over week in California. Contacts share farm level milk outputs are lower than they were in December 2022, but that components are stronger than in prior years. Cream supplies are abundant, and flat multiples are becoming more common. Some butter plant managers relay churns are not full, and they are seeing above flat market multiples to bring cream in from areas with heavy cream supplies. Class I demand is down from recent weeks as a result of school closures. Milk outputs in Washington and Oregon are trending higher. Cool temperatures have boded well for cow comfort. Class I demand is weaker than in recent weeks. Class II, III, and IV demands are also lighter. Milk production is steady in both Arizona and New Mexico. Class I demand has waned as a result of school closures, but milk volumes have been redirected into other channels to meet local processing needs. Milk outputs in Idaho, Utah, and Colorado are steady at the farm level. Contacts share week over week increases in milk production in Idaho have flattened somewhat. Class I demand is lighter throughout the mountain states. Demands for all other Classes are steady to lighter. Contacts share cream supplies are strong in certain areas of the region, and multiples have moved lower at the top end of the all Classes range in response.

