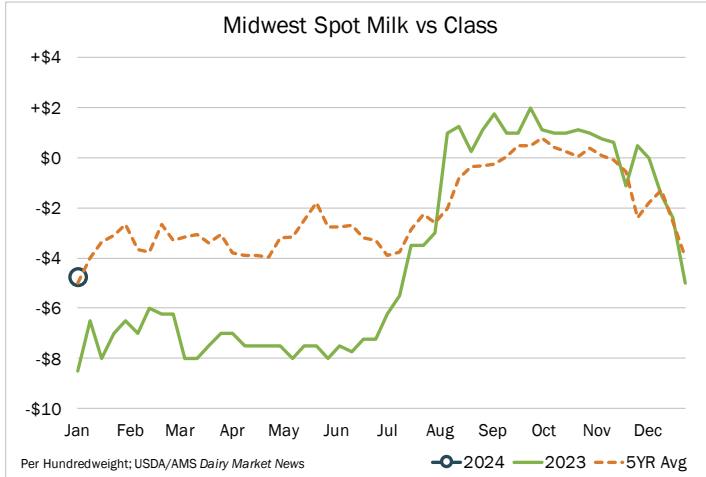
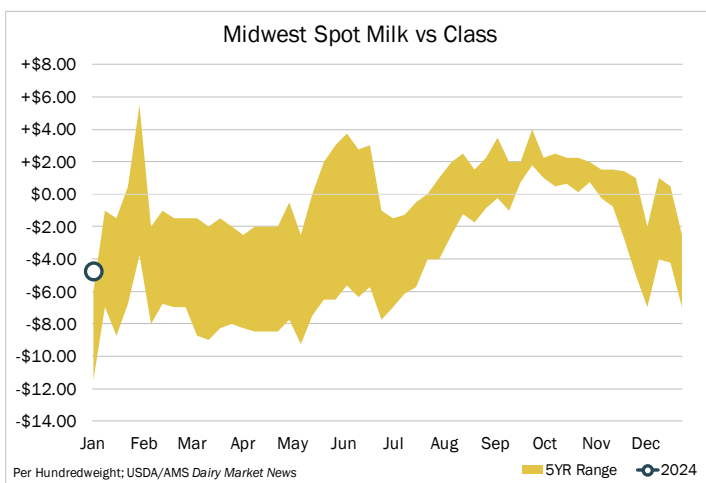
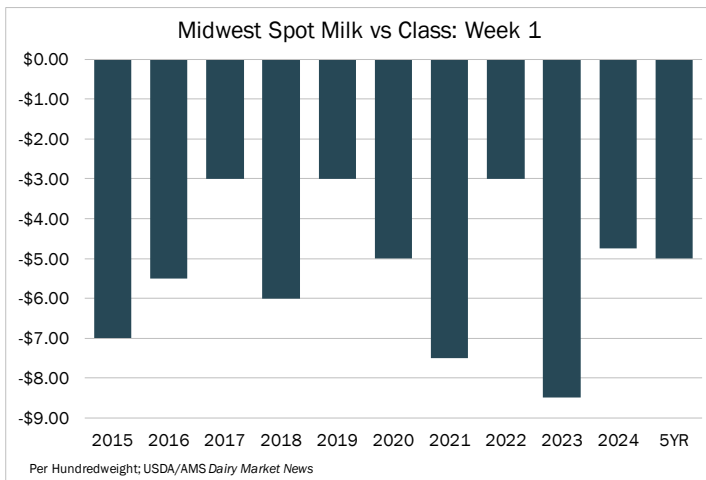


# MILK PREMIUMS

January 4, 2024



Midwest Spot			
	Low	High	Midpoint
This Week	-\$8.00	-\$1.50	-\$4.75
Last Week	-\$8.00	-\$2.00	-\$5.00
Last Year	-\$10.00	-\$7.00	-\$8.50
5-Year Avg	-\$10.00	-\$2.00	-\$5.40



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

**MIDWEST:** Midwestern and Northern Plains contacts say the recently mild winter weather has created hearty milk and component output at the farm level. Adequate feedstuffs, moderate precipitation and generally comfortable weather have combined to bring on bolstered monthly reports from dairy farms, particularly regarding milkfat component levels. Forecasted temperatures over the coming weekend and into next week have some negative signs attached in the Dakotas, and single digit lows in parts of the Upper Midwest and into Iowa and Kansas. Bottling orders have grown. Milk handlers note that the first week of the year is typically busier for Class I orders, while the second week tends to slump. Spot milk remains widely available, but last year's stretch of \$10-under Class III spot milk prices in the Midwest is not expected to repeat itself. Spots were reported as low as \$8-under Class this week, but by midweek prices began to stabilize and offers moved nearer to Class.



**EAST:** Farm level milk outputs are steady to higher throughout the eastern states. Farm level milk production in the Northeast remains strong. Class I operations have bounced back as schools have reopened in the New Year. Class III demand continues to be strong, namely from cream cheese manufacturers. Demand for all other Classes is seasonally steady. In the Mid-Atlantic states, milk production is trending slightly higher. Class I demand is strong, and demand for all other Classes is steady. Local processing needs are being met. Farm level milk outputs are steady in the Southeast. Cooler temperatures have boded well for cow comfort. Class I demand has increased in the wake of academic institution re-openings. Class II demand is noted to be seasonally steady. Areas of Florida saw cooler temperatures and precipitation, alleviating drought conditions for certain feed crops. Class I orders have returned to pre-holiday levels. Demand for all other Classes is steady.

**WEST:** In California, temperatures for the Central Valley varied from the high 40s to the 70-degree mark. Farm level milk output is strengthening with seasonal week-to-week increases. Some handlers say preliminary records indicate December 2023 milk production was above anticipated levels, as well as above November 2023 milk production. Milk volumes are meeting processors needs. Some milk volumes are shifting away from balancing facilities as holiday downtime is ending. Class I demand is picking up as some educational facilities in the state have finished up session breaks. Demands for all other Classes are steady. According to the California Department of Water Resources, as of January 2, 2024, the state has gotten 5.34 inches of precipitation for the current 2023-24 Water Year, down 3.04 inches from the historical mean. In Arizona, temperatures in more southern parts of the state were in the 60s/70s, while temperatures in more northern parts of the state were in the 40s. Milk production is steady. Handlers indicate seasonal week over week increases. Manufacturers indicate milk volumes are meeting production needs. Bottling demand remains lighter as many schools in the state keep session breaks going through this week. All other Classes have steady demand. Temperatures in New Mexico remained in the 40s/50s from recent weeks. Farm level milk output is steady. Stakeholders note ample milk volumes are available for manufacturing needs. Class I demand is lighter as some large school districts resume instruction next week. Class II, III, and IV demands are steady. In the Pacific Northwest, temperatures held similarly to recent weeks, contributing to good cow comfort. Farm level milk output is trending higher. Aside from some bottling demand uptick, Class demands are unchanged. In the mountain states of Idaho, Utah, and Colorado milk production is steady. Some stakeholders relay that many valley areas in Idaho and Utah have had little snow thus far this winter session. Processors indicate milk volumes are readily available throughout much of the area. Demand for all Classes is steady to lighter.

