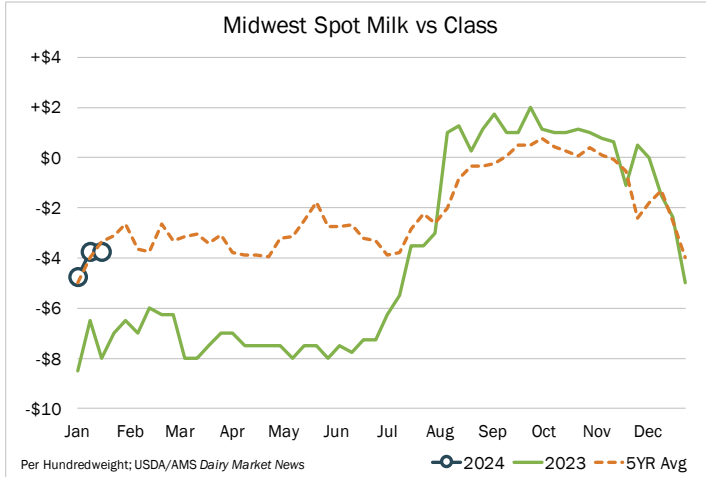


MILK PREMIUMS

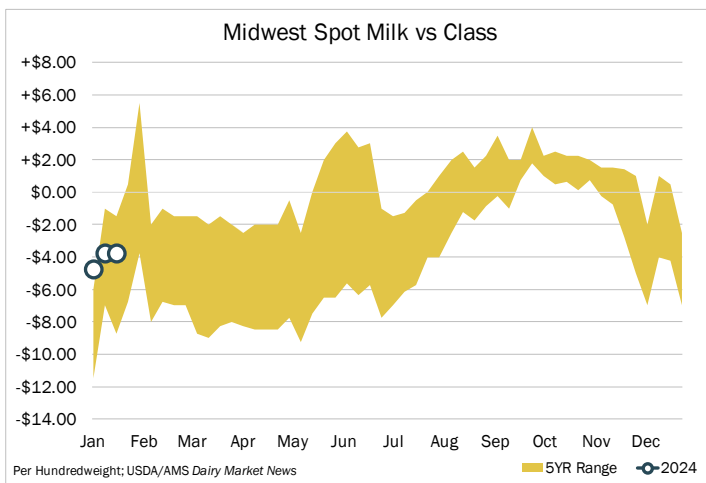
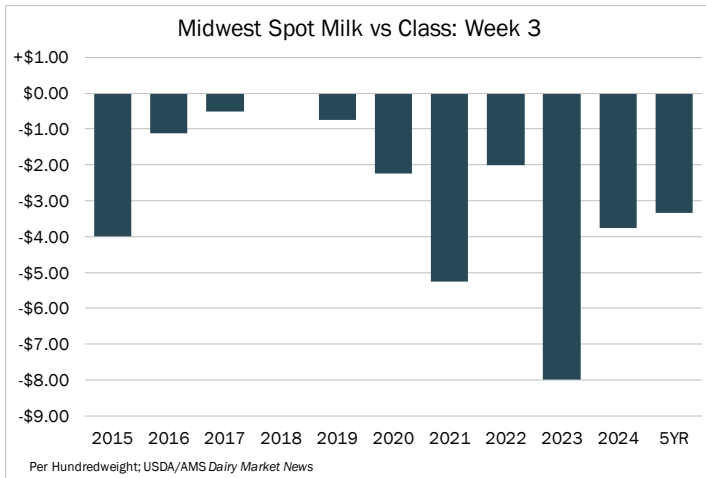
January 18, 2024



Midwest Spot			
	Low	High	Midpoint
This Week	-\$7.00	-\$0.50	-\$3.75
Last Week	-\$7.00	-\$0.50	-\$3.75
Last Year	-\$10.00	-\$6.00	-\$8.00
5-Year Avg	-\$10.00	+\$0.50	-\$3.65

Here is what USDA/AMS had to say:

MIDWEST: Milk and cream availability for processing continue to perplex contacts in the region. After the typical holiday abundance late last year, trends were followed their regular pattern; availability was slowly tightening up following seasonal milk output increases, as plant activity was returning to more normal weekly routines. Plant contacts in dairy manufacturing capacities reported issues due to the cold and precipitation that slammed the middle of the country last week. Milk and cream handlers both have had to reroute trucks and move loads to alternate destinations. Bottlers' intakes were held up during the arctic wave, but intakes are expected to pick up posthaste to replenish some retail and food service (namely school district) pipelines. There were more trades reported this week than any week since before the holidays. Contacts in the region do not expect a repeat of last year's \$10-under Class streak, or anything in that ballpark. That said, there are currently more questions than answers when it comes to near-term milk availability.



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EAST: Farm level milk production is steady in the eastern states. Farm level milk outputs remain strong in the Northeast. Winter weather interrupted some operations, and processors noted moving more milk into bottling as retailers work to get ahead of grocery demands. Cream is readily available and butter processors relay running robust churning schedules and freezing bulk butter. In the Mid-Atlantic, milk production is steady. Demand for all Classes is steady. Cream availability is tighter than in the Northeast, but plentiful still. Processors share churning for contracted loads and selling surplus cream on the spot market. Milk production is trending flat in the Southeast. Class II demand is seasonally steady. Demand for all other Classes is unchanged. In Florida, cooler temperatures boded well for cow comfort and milk production is trending slightly higher at the farm level. Demand for all Classes is steady.

WEST: In California, milk handlers indicate cow comfort is near ideal. Handlers relay seasonal week-to-week milk production increases are strengthening. Some handlers say preliminary records indicate milk production is above anticipated levels, up from December 2023, and January 2024 milk production is above January 2023 milk production so far. Manufacturers relay some planned downtime to processing schedules, and spot milk load prices range from flat to \$0.25 under. All Class demands are strong to steady. In Arizona, farm level milk output is stronger. Handlers relay seasonal week-over-week milk production increases are strengthening. Demands for all Classes are strong to steady. Milk production in New Mexico is stronger. Manufacturers relay milk volumes are meeting production needs. Stakeholders indicate precipitation and snowfall totals are below average levels thus far this year. Class I, II, III, and IV demands are strong to steady. In the Pacific Northwest, farm level milk output is mixed. Although handlers indicate milk production seasonally trending higher this month, some also indicate weakening weekly milk production differences recently. Icy conditions in eastern Washington caused some transportation delays and disruptions. Demands for all Classes are unchanged. Milk production in the mountain states of Idaho, Utah, and Colorado is steady to stronger. Manufacturers indicate milk volumes are readily available. However, some icy conditions in Idaho caused transportation delays and needs to reschedule deliveries of loads. Class demands are unchanged. Cream is readily available throughout most of the region. Cream demand is steady. Multiples moved up across all facets of both ranges. Condensed skim milk demand is strong to steady. Some processors note requests from buyers for additional loads above contracted amounts recently.

