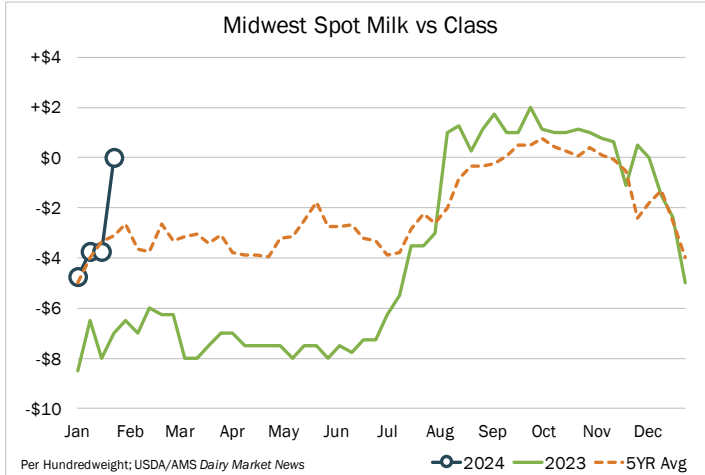


# MILK PREMIUMS

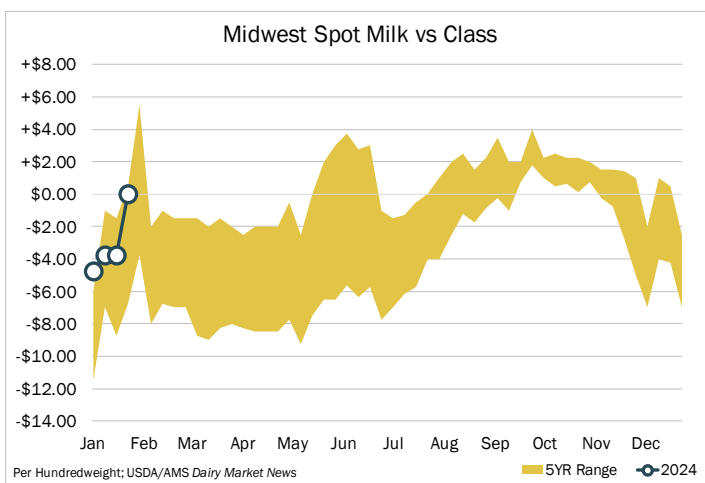
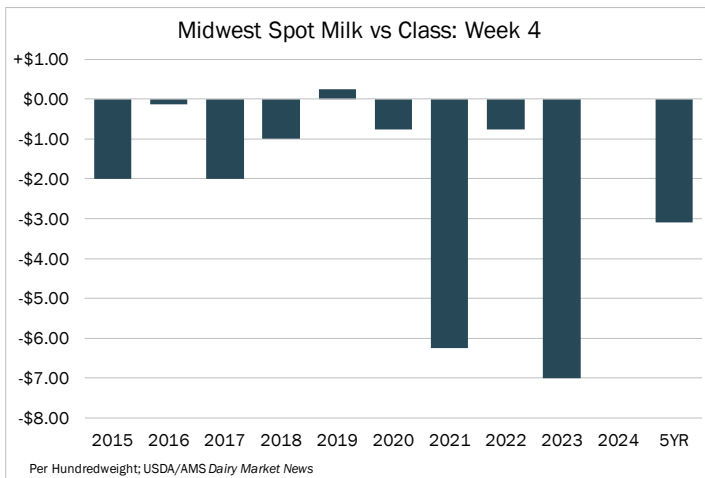
January 25, 2024



| Midwest Spot |          |         |          |
|--------------|----------|---------|----------|
|              | Low      | High    | Midpoint |
| This Week    | -\$1.00  | +\$1.00 | \$0.00   |
| Last Week    | -\$7.00  | -\$0.50 | -\$3.75  |
| Last Year    | -\$10.00 | -\$4.00 | -\$7.00  |
| 5-Year Avg   | -\$10.00 | +\$1.00 | -\$2.90  |

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

**MIDWEST:** Fluid milk availability is starting to show signs of a rebound from the holiday season. Despite more inclement weather early in the week, Class I interests returning to the fray have put some upward pricing pressure on spot milk for other Class end users. Cheese processing is also more consistent across the region this week, on the whole. Spot milk prices were reported from \$1-under Class to \$1-over Class III. During week four of 2023, spot milk prices ranged from \$10- to \$4-under Class III. Cheesemakers relay milk suppliers' offers have quieted down this week. Contacts have shared concerns about tightening markets across the board. Upper Midwestern dairy farmers continue to exit the industry, as new processing plants throughout the region are set to start operations during this year. Looking further, milk/milk component availability, despite the aforementioned surplus over recent weeks, has some contacts concerned. There are expectations of stronger processing pulls, while dairy farm output questions continue to loom.



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**EAST:** Farm level milk production is steady throughout the eastern region. Northeastern farm level milk outputs are steady. While week over week increases in milk production have leveled off, contacts note milk components continue to increase. No interruptions to dairy operations were reported despite winter weather. Class I bottling demand is steady. Class II demand is noted to be up. Class III demand is steady. In the Mid-Atlantic states, milk production is trending flat week over week. Demand for all Classes is unchanged. Southeastern milk production has plateaued. Class I and Class II demands are seasonally steady. Some areas of Florida saw near or below freezing temperatures. Farm level milk production is unchanged. Class I demand is seasonally steady to stronger. Demand for all other Classes is unchanged.

**WEST:** In California, milk production is trending higher. However, handlers note fat and protein component levels in milk output reached their peak last month and currently continue to trend slightly lower. Manufacturers relay milk volumes are in good balance with processing capacities and planned downtime for maintenance. Spot milk load offers are noted as low as \$7.00 below Class III. Class I and III demands are strong. Class II and IV demands are steady. According to the California Department of Water Resources, as of January 24, 2024, the estimated total statewide reservoir storage is above the historical average, but cumulative statewide snowpack is below the historical average. In Arizona, cow comfort has improved, and farm level milk output is trending higher. Milk volumes are meeting the needs of manufacturers. Demands for all Classes are steady. Milk production in New Mexico is steady. Handlers indicate precipitation and snowfall totals are below average levels. Class demands are unchanged. In the mountain states of Idaho, Utah, and Colorado, milk production is steady to stronger. Manufacturers relay milk volumes are comfortably meeting production needs, but winter storms in some areas caused load deliveries to be rearranged. Class demands are strong to steady. Throughout most of the region cream is readily available. Demand is steady. Multiples are unchanged this week. Stakeholders note mixed demand from spot load buyers and steady demand from contractual buyers for condensed skim milk loads.

