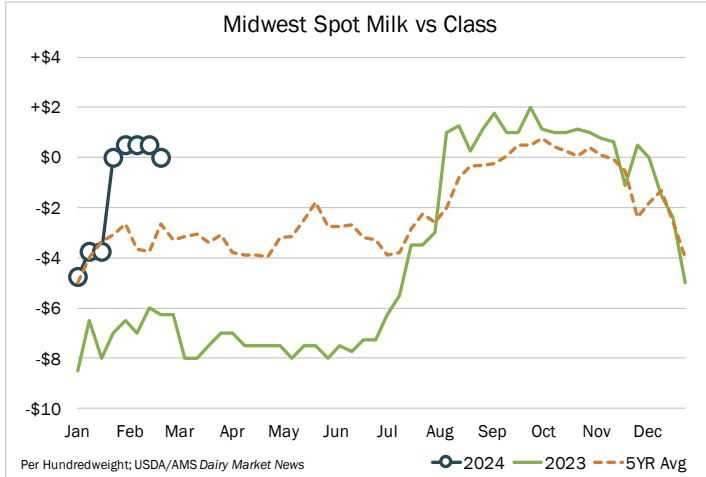
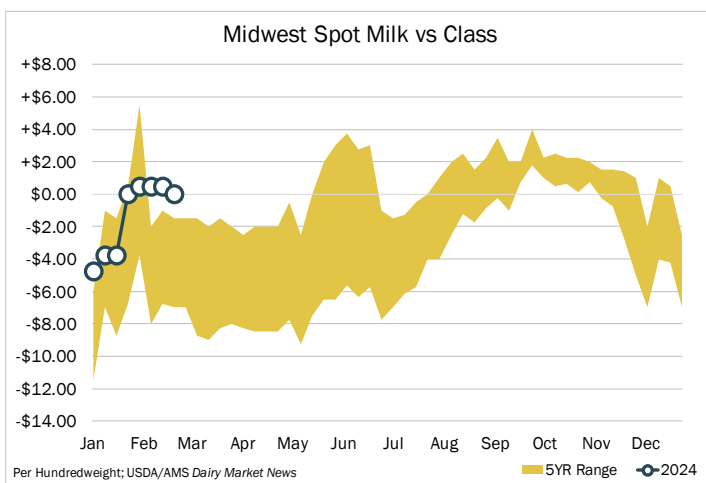
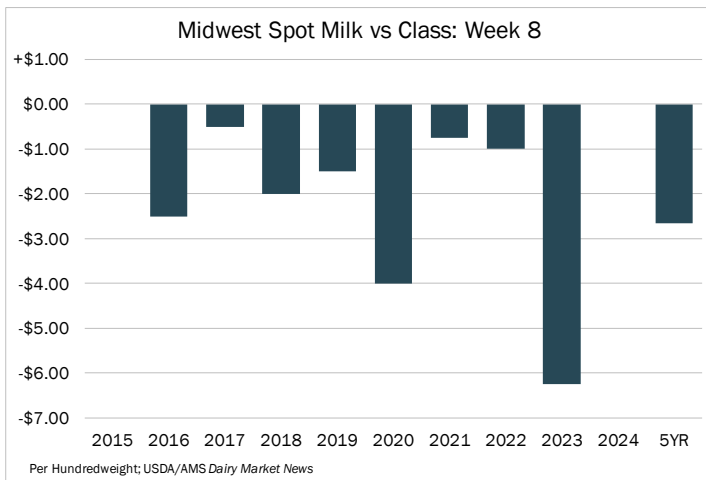


# MILK PREMIUMS

February 22, 2024



Midwest Spot			
	Low	High	Midpoint
This Week	-\$0.50	+\$0.50	\$0.00
Last Week	\$0.00	+\$1.00	+\$0.50
Last Year	-\$10.00	-\$2.50	-\$6.25
5-Year Avg	-\$10.00	+\$5.00	-\$2.70



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

**MIDWEST:** The much awaited first NASS Milk Production report of 2024 noted a 0.9 percent downtrend for milk for January when compared to January 2023 (in the 24 selected states.) Warmer and milder winter weather in the region has kept week to week expectations somewhat steady. Contacts are raising questions about what this year's flush will bring. Most contacts expect lighter milk supplies compared to last year. Higher cull rates, closing dairy farms and reverberation from lower milk prices from last year are all catalysts for the expected downticks. Class I demand has held somewhat steady in recent weeks. Spring break preparations in the educational sector will slow down near-term bottling pulls temporarily. Cheesemakers say spot milk load offers have quieted. There were some spot milk trades below the reported range, which is \$.50-under to \$.50-over Class III, but they were situational. Most trading is falling at or just around Class. Last year, spot market prices were reported from \$10- to \$2.50-under Class III.



**EAST:** Milk production is steady throughout the East region. In the Northeast, contacts note milk outputs have plateaued. Some contacts have shared that milk production is well below where it was this time last year. Condensed skim demand remains strong and above Class prices are noted for spot milk loads. Cream availability is ample, and churns are running at full capacity. Condensed buttermilk availability is steady. Some Class I orders have been lighter due to school closures for the long weekend. Demand for all other Classes is unchanged. Mid-Atlantic area contacts relay flat milk production at the farm level. Spot cream volumes are strong. Condensed skim demand continues to be strong. Class I demand was affected by the holiday weekend, but demand for all other Classes is steady. Southeastern farm level milk outputs are steady. Class I demand was lighter this week, but demand for other Classes was unchanged from recent weeks. In Florida, farm level milk production is trending flat. Contacts say milk production and components have plateaued. Class I demand was lighter at the start of the week. Demand for all other Classes is steady.

**WEST:** In California, milk production continues to seasonally increase week-to-week. Some handlers note preliminary records indicate February 2024 year-over-year milk output is up thus far. Stakeholders relay a current health safety product recall by a Class III manufacturer, and downtime for a major processor due to a system changeover, will loosen milk availability and tighten available processing capacity in the state. Demands for all Classes are strong to steady. According to the California Department of Water Resources, as of February 20, 2024, the state has exceeded the historical mean of 15.1 inches for precipitation by 0.95 inches. In Arizona, farm level milk output is steady to stronger. Processors relay spot milk loads are not abundant, and availability is tighter compared to this time last year. Handlers note condensed Class III milk demand is stronger. All Classes have strong to steady demands. Milk production in New Mexico is trending higher. Processors note spot milk loads are tight. Demands for all Classes are unchanged. Farm level milk output is stronger in the Pacific Northwest. Handlers relay an overall milder winter season for parts of the area has contributed to some higher than anticipated week over-week increases. During January, approximately 85.4 million pounds of historically eligible milk was not pooled on the Pacific Northwest Order 124. Class I, II, III, and IV demands are strong to steady. In the mountain states of Idaho, Utah, and Colorado, milk production is steady to slightly higher. A few stakeholders note some Class III loads have sold at-or-near flat Class IV prices recently. Class demands are unchanged.

