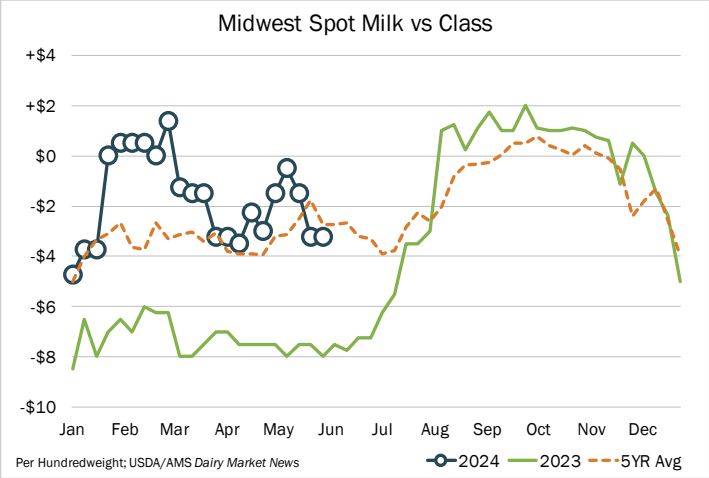
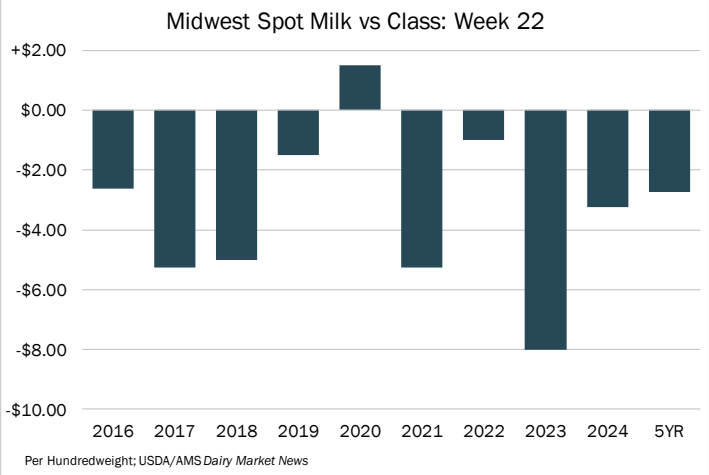
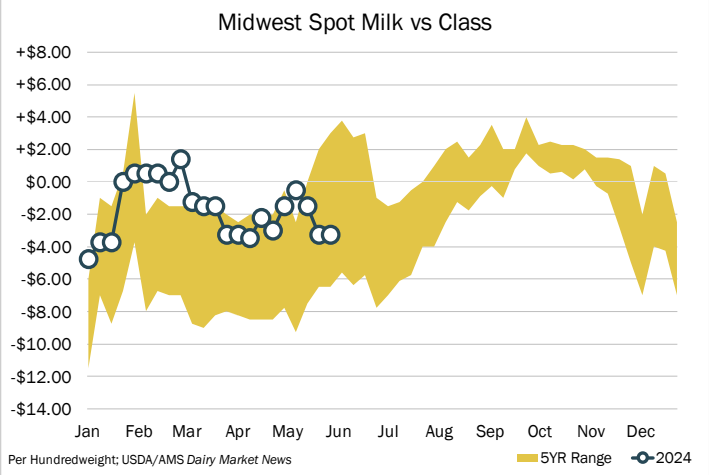
MILK PREMIUMS

May 30, 2024







Midwest Spot			
	Low	High	Midpoint
This Week	-$6.00	-$0.50	-$3.25
Last Week	-$6.00	-$0.50	-$3.25
Last Year	-$12.00	-$4.00	-$8.00
5-Year Avg	-$12.00	+$3.00	-$2.85

Here is what USDA/AMS had to say:

MIDWEST: Milk production has eased in the region. Farmers continued to face spring storms over the weekend and early into the week. Upper Midwest contacts say rain, which was needed, has come. Despite relative milk production and availability being somewhat stable this year so far, particularly when compared to the heavy milk pool of 2023, fluid milk end users are saying that components have been strong. This week, for the first time, some of those same contacts are seeing a contraction in component levels. Right now, though, there is plenty of milk throughout the region for end users. The Monday holiday, along with a number of plants being down due to storm related power outages, kept milk and cream handlers very busy over the weekend. Additionally, school milk orders have begun to decline, with sharper declines noted in the southern states. Cheesemakers say that their milk needs are being met, to put it lightly. A number have said they are turning away spot milk offers at below-Class prices, as they are full and running active schedules. Reported spot milk prices ranged from $6- to $.50-under Class III. Last summer, milk was spread somewhat thin with more tankers moving from the Midwest and Mid-Atlantic states into the southern states. That same situation is expected in the summer of 2024, but overall milk access throughout much of the current year has been quite a bit lighter than it was during the first half of 2023.

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EAST: Farm level milk production is trending flat throughout much of the Eastern region. Contacts share milk production is flat in the Northeast, but components remain strong. Spot loads of condensed skim are readily available. Contacts share some spot loads are moving far distances due to light demand. Class I demand is steady. Class II demand is strong. Class III demand is steady to stronger. In the Mid-Atlantic, farm level milk outputs are flat. Condensed skim availability is loose. Some contacts share they are opting to sell cream on the spot market instead of churning. Class I demand is steady to weaker. Class III demand is steady. In the Southeast, farm level milk production ranges from steady to weaker. Class I demand is weakening week over week. Class III demand is steady to stronger. In Florida, milk production is trending down as temperatures rise week over week. Class I demand is weaker as schools are released for summer break.

WEST: In California, milk production continues to trend seasonally weaker. Stakeholders convey open processing capacity in the Central Valley is tight due to unplanned downtime at area plants. Stakeholders also indicate the northern portion of the state is more able to take in spot milk load volumes compared to other parts of the state. All Class demands are steady. According to the California Department of Water Resources, as of May 27, 2024, the state has gotten 23.24 inches of precipitation for the current 2023-24 Water Year, up 0.92 inches from the historical mean. According to the California Department of Water Resources, as of May 29, 2024, the estimated total statewide reservoir storage was 33.80 million acre feet, which is 118 percent of the historical average. Milk production is also trending seasonally weaker in Arizona. However, manufacturers indicate milk volumes are meeting processing needs. Class I demand is lighter as some school districts have started summer breaks. Class II, III, and IV demands are steady. Handlers in New Mexico note week-to-week farm level milk output varies from steady to weaker. Class I demand is lighter as educational institutions in the state cycle through starting up session breaks. All other Class demands are steady. In the Pacific Northwest, milk production is steady. Manufacturers indicate milk volumes are comfortable compared to processing needs and capacities. All Class demands are unchanged. In the mountain states of Idaho and Utah farm level milk output is mostly reported as steady or somewhat weaker. Some stakeholders are anticipating milk and cream to be tight over the summer this year. Farm level milk output in Colorado is mostly reported as steady. Class I demand is lighter in the mountain states overall as many educational institutions have or soon will start seasonal breaks. All other Class manufacturing demands are steady.