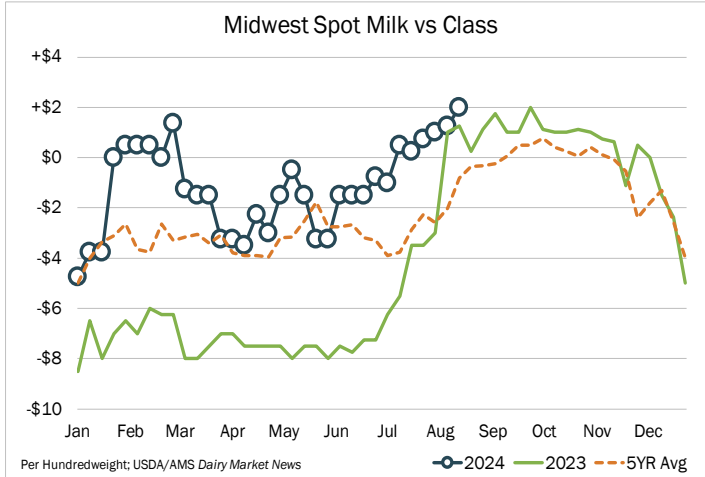
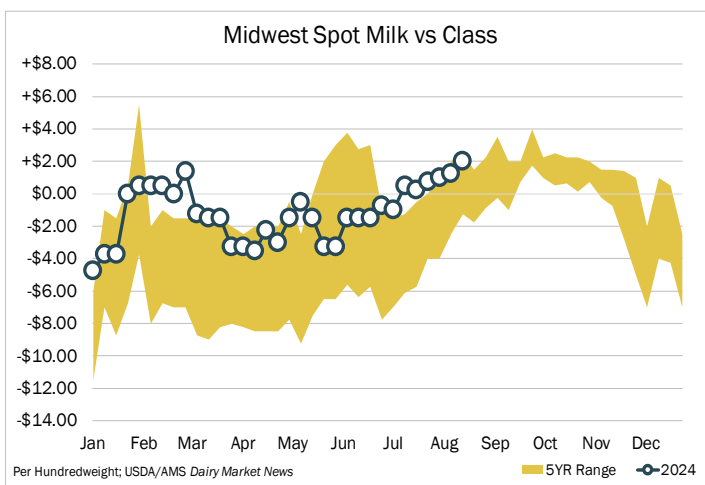
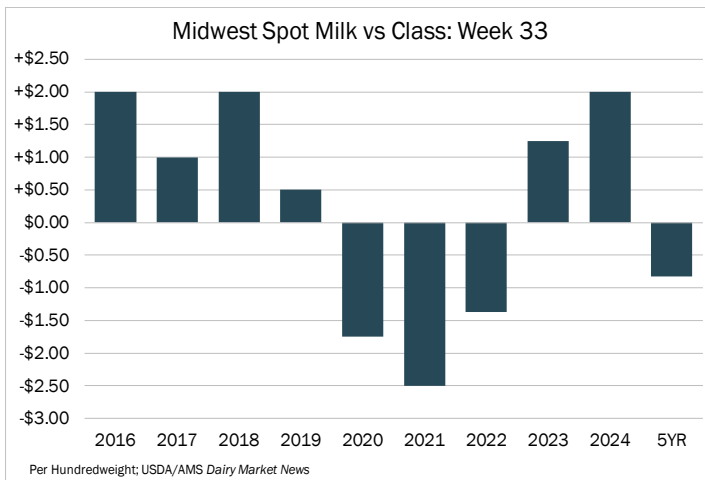


MILK PREMIUMS

August 15, 2024



Midwest Spot			
	Low	High	Midpoint
This Week	+\$0.50	+\$3.50	+\$2.00
Last Week	+\$0.50	+\$2.00	+\$1.25
Last Year	\$0.00	+\$2.50	+\$1.25
5-Year Avg	-\$5.00	+\$2.50	-\$0.83



Here is what USDA/AMS had to say:

MIDWEST: Milk output is in the same seasonal cycle it has been in the Central region for the last month. Component levels are nearing or at their seasonal lows, while general milk availability is tightening for bottling and processing needs. Cheesemakers say more milk is shifting into Class I channels, as school district needs are pulling from the tightening milkshed. There are still some Midwestern processors who say milk is somewhat available in their respective areas. That sentiment, though, is dependent on location and not the norm. Spot milk prices reached \$3.50-over Class, while some were reported as low as \$.50-over Class III. In comparison to 2023, during week 33, spot milk prices ranged from Class III to \$2.50-over. Condensed skim availability is meeting some needs, but as milk availability dips, so go skim solids.



EAST: Not only is farm milk production continuing to decrease throughout the region in seasonal fashion, but milk tankers are being sent from the Northeast into Virginia and the Carolinas and further South to meet Class I needs for school milk demand. Contacts share that as school districts reopen in the Northeast and Mid-Atlantic in the next few weeks, milk tightness throughout the region is likely to be of notable concern. Already, processing facility managers are running lighter schedules. Regarding cream, the availability sentiment is similar to that of milk. Condensed skim availability has tightened since late July, and contacts suggest there is little to zero near-term availability shift expected on skim markets.

WEST: California contacts continue to say heat, including continued reports of triple-digit temperatures, remains a milk output hindrance. Contacts in or near the Central Valley say farm milk levels are nearing their seasonal/annual nadir. Paying above-Class prices, particularly Class III, is the current normal in California and in most of the region. In Arizona and New Mexico, contacts are sharing a common thread with Californians. The Pacific Northwest is one of the few exceptions in regard to milk availability. High temperatures in the 70s with nighttime temperatures in the 50s have boded somewhat well regarding cow comfort/milk output in the Northwest. In the mountain states of Colorado, Idaho and Utah, contacts say milk is tightening week over week. Condensed skim availability is treading the same path as milk output/availability throughout the West. Where milk output is stable, almost solely in the Pacific Northwest, skim solids are moving through regular drying channels. In the rest of the region, it's mostly decreasing in availability. Until last week, contacts said condensed skim was somewhat available from the Central Valley up into the Pacific Northwest, but more recently California contacts have suggested skim solids are tightening there, as well.

