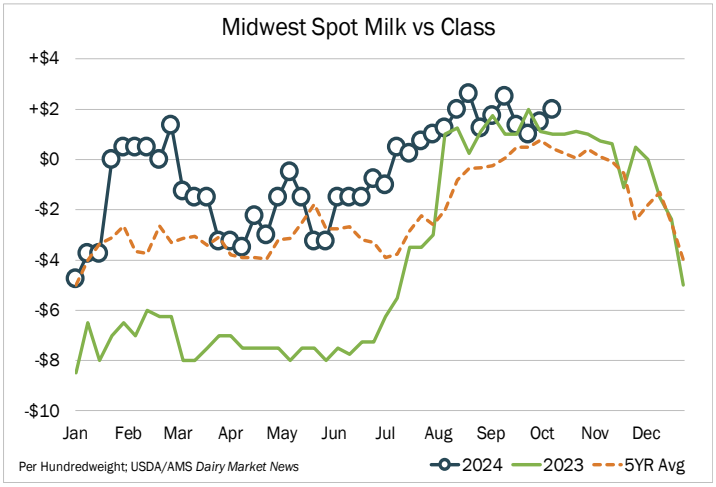
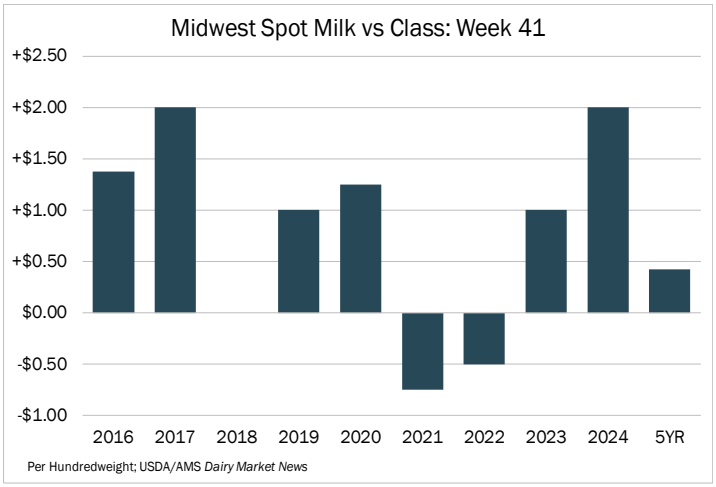
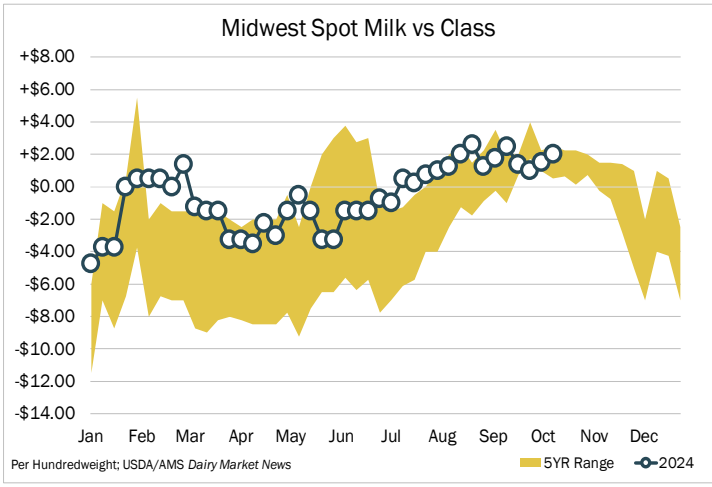
MILK PREMIUMS

Ever.Ag INSIGHTS

October 10, 2024







Midwest Spot	Low	High	Midpoint
This Week	+$0.50	+$3.50	+$2.00
Last Week	+$0.50	+$2.50	+$1.50
Last Year	+$0.50	+$1.50	+$1.00
5-Year Avg	-$2.00	+$1.50	+$0.43

Here is what USDA/AMS had to say:

MIDWEST: In recent weeks, there are more reports of potential dairy farm expansions in the Central region. Farmers are looking to grow their herds/operations, primarily via internal husbandry, as heifer prices are notably bullish. The combination of affordable/available feed and stronger farmgate milk checks has been a formula for potential augmentation. Milk output, though, is seasonally stable. Component levels are strong, and contacts are now questioning whether protein/fat content in milk has reached its zenith. Class I milk intakes are stable. Processors continue to report two factors that, during a typical timeframe, would seem incongruent: plant managers have regularly reported maintenance and scheduled downtime, but spot milk prices are remaining steady or increasing. Cheesemakers and milk vendors are currently working through 2025 contractual negotiations, with expectations of, or already confirmed, price increases for milk loads. Dryer weather in southern and central areas of the region have given less than robust corn yields.

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EAST: Milk production remains variable throughout the East region. In the Northeast, contacts share farm level milk outputs are seasonally steady. Class I demand remains strong. Class II and III demands are steady. Contacts share cream cheese manufacturing is strong. Milk handlers relay cream volumes remain comfortable, and spot loads of condensed skim are becoming more readily available. The All-Class cream multiples range moved lower. Contacts continue to relay interruptions to dairy operations in the Mid-Atlantic and Southeast. Contacts share Class IV processing is robust as cream continues to be diverted into churns at steady rates. Some Florida processing plant operators are planning temporary closures ahead of landfall of Hurricane Milton.

WEST: In California, milk production is weaker. However, handlers indicate recent herd health challenges have somewhat subsided. Stakeholders convey fat components in milk output are higher this year compared to last year. Manufacturers indicate processing capacities are generally not full. Demands for all Classes are steady. According to the California Department of Water Resources, as of October 8, 2024, the estimated total statewide reservoir storage was 23.80-million-acre-feet, which is 114 percent of the historical average. Farm level milk output in Arizona is steady. Stakeholders indicate availability of milk spot loads is improving. All Class manufacturing demands are steady. In New Mexico, milk production is steady. Availability of spot milk remains seasonally tighter. Demands for all Classes are unchanged. In the Pacific Northwest, farm level milk output is steady to stronger. Handlers convey milder weather than anticipated has positively contributed to milk output. Milk volumes are meeting manufacturing needs and spot loads are available for buyers to secure. All Class demands are steady. Handlers indicate milk production in the mountain states of Idaho, Utah, and Colorado vary from steady to stronger. Processors continue to convey milk volumes are tighter this year compared to last year, but manufacturing needs are generally being met. Class I demand is stronger. Class II demand varies from stronger to steady. Class III and IV demands are steady.

