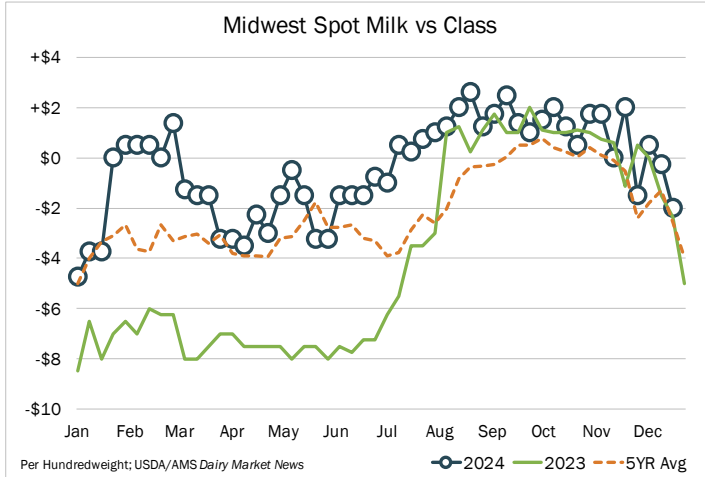
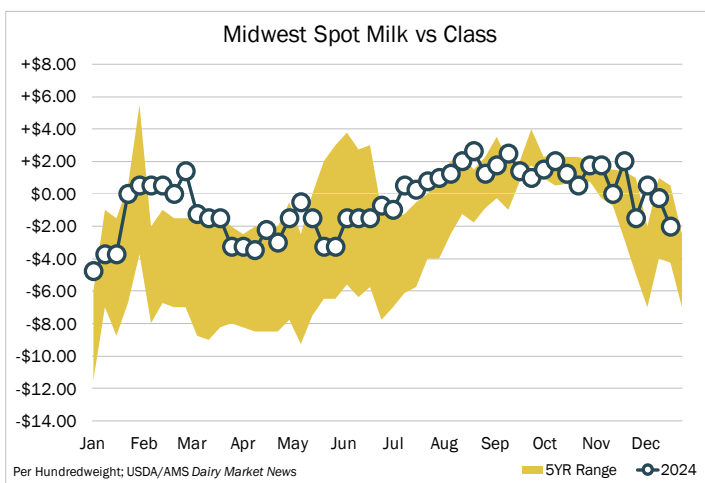
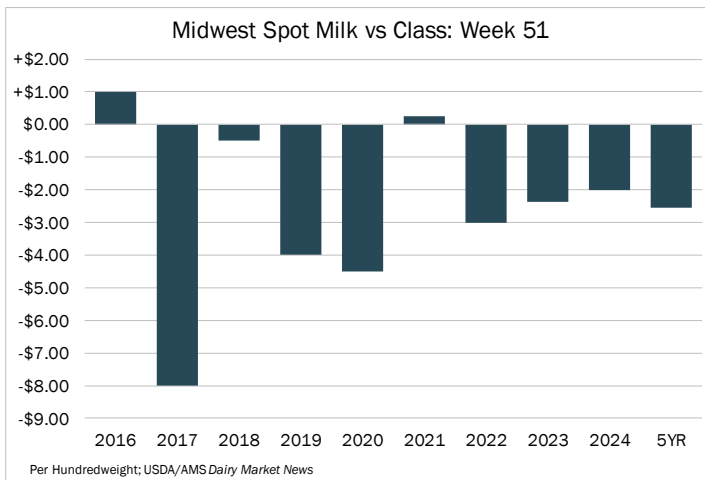


MILK PREMIUMS

December 19, 2024



| Midwest Spot | | | |
|--------------|---------|---------|----------|
| | Low | High | Midpoint |
| This Week | -\$5.00 | +\$1.00 | -\$2.00 |
| Last Week | -\$3.00 | +\$2.50 | -\$0.25 |
| Last Year | -\$5.00 | +\$0.25 | -\$2.38 |
| 5-Year Avg | -\$8.00 | +\$0.50 | -\$2.55 |



Here is what USDA/AMS had to say:

MIDWEST: Fluid milk availability have increased as the end-of-year holiday weeks approach and prices/multiples of spot loads are evidence of that accessibility. Milk output is ticking seasonally higher. Component level growth has become a regular point of interest with contacts from both the farm side and the processing side of the fluid milk market equation. Class I demand for fluid milk remains somewhat hearty this week as retailers make a final pre-holiday push, but a number of contacts expect bottling needs to drop off in precipitous fashion by the late weekend and into next week. Cheesemakers are sharing noteworthy differences in milk availability, as plant location remains a key factor in the price cheesemakers are paying for spot loads of milk. Across the end user spectrum, processing plant downtime is going to play a role over the next two to three weeks. Expectations on fluid milk availability vary. Fluid milk will be widely available for the following holiday weeks for some.



EAST: Overall, milk production is trending higher in the East. Milk output in the northeast is increasing slightly, and contacts say good quality feed has contributed to stronger milk component levels. Cow comfort is being managed as a mix of rain and snow move into the northeastern states. Rain and thunderstorms are working their way through the southeast as well, bringing temperatures down into the upper 70s and lower 80s in Florida. Milk output in the southeast is flat. Class I milk demand is steady, even as schools prepare to close for the winter break. Some Class I processors have been making requests to cheesemakers for spare loads of milk, if available. Class III milk demand is steady to strong as cheesemakers build inventories. Some manufacturers note they expect downtime for the end of year holidays to contribute to lighter spot interest and supplies of milk to loosen. Condensed skim availability is loose in the East, and demand remains light. Demand from processing plants is softening as workers take time for the holidays and plant managers schedule production downtime.

WEST: For California, noted milk production differences for this week compared to last week are mixed. Some handlers in California indicate milk production is beginning to strengthen in recent weeks and slowly bounce back from lower than typical milk production over recent months leading up to December. That said, other handlers convey preliminary records indicate December 2024 year-over-year milk output to be down. Manufacturing capacity remains available, and spot loads of milk remain tight. Demands for all Classes are steady. According to the California Department of Water Resources, as of December 18, 2024, the current statewide snowpack total for the 2024-25 water year is above the benchmark in terms of the average amount as of December 18. Milk production in Arizona is strengthening. Spot load availability is in-line with recent weeks. All Class demands are steady. In New Mexico, farm level milk output is strengthening. Like its neighboring states, spot milk load availability is close to recent prior weeks. All Class manufacturing demands are steady. Handlers in the Pacific Northwest note steady or strengthening milk production. In terms of anticipated milk output, most handlers convey volumes are right on forecast. Some handlers note milder weather where farms are located is contributing to being on the plus side of forecasts. Demands for all Classes are steady. Farm level milk output in the mountain states of Idaho, Utah, and Colorado, varies from steady to stronger. Availability of spot milk loads is somewhat looser recently due to some unplanned down time at processing facilities in parts of the mountain states area. Class I and IV demands are steady. Class II and III demands vary from steady to lighter. Specifically regarding Class II demand from ice cream manufacturers, some stakeholders note demand during 2024 has been lighter in general.

