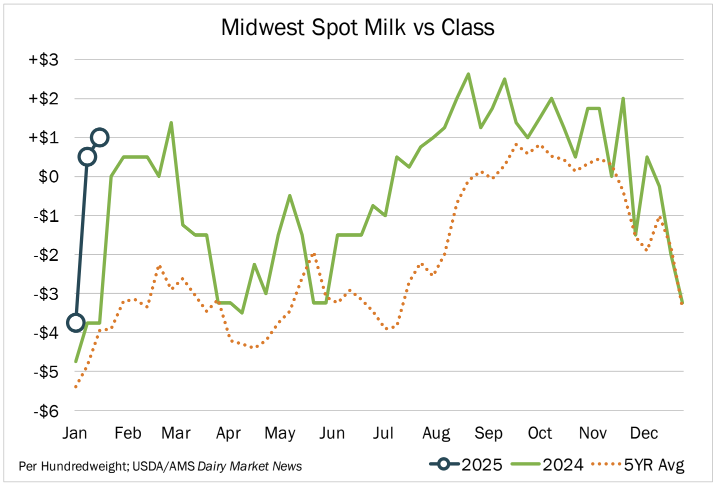
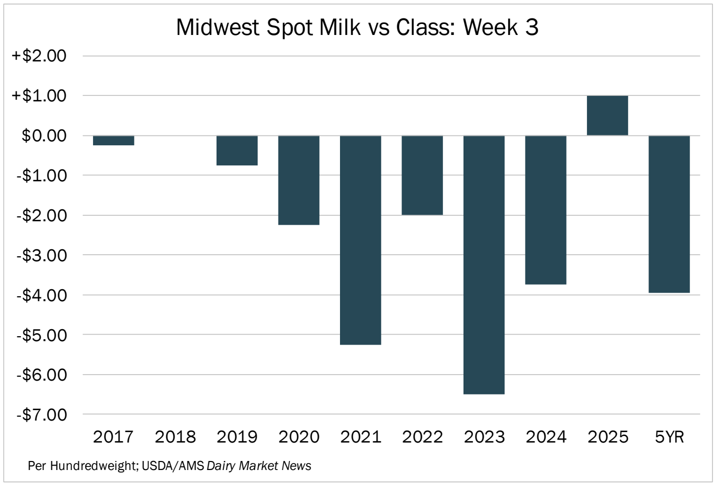
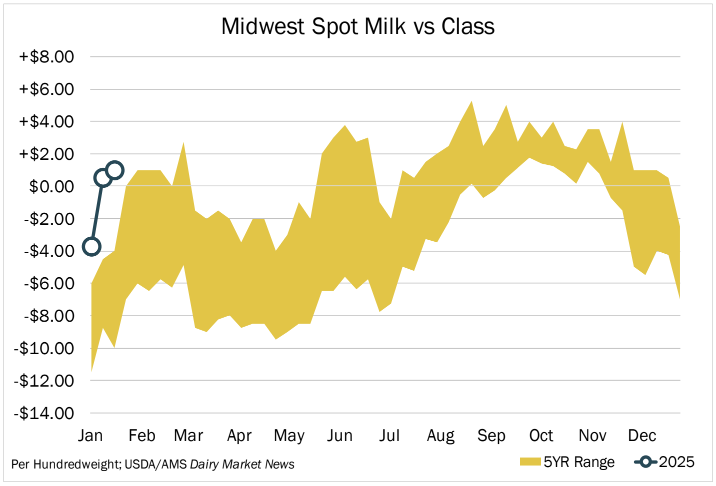
MILK PREMIUMS

January 16, 2025



Midwest Spot			
	Low	High	Midpoint
This Week	+$0.50	+$1.50	+$1.00
Last Week	$0.00	+$1.00	+$0.50
Last Year	-$7.00	-$0.50	-$3.75
5-Year Avg	-$10.00	$0.00	-$3.95





Here is what USDA/AMS had to say:

MIDWEST: Milk output has continued to tick higher, as winter temperatures have done the opposite, throughout the region. Contacts continue to report year-over-year records in regards to component levels (milkfat and protein) after some relayed their December monthly report numbers this week. Some expect peak component values to level off around this time of the year. Milk availability has grown tighter following the holiday onslaught. Class I demands have been notably busy. Schools being back in session and retailers needing to stock up ahead of the various winter storms, or at least frigid temperatures, are the two major catalysts in keeping bottlers actively seeking out milk. Cheesemakers reported spot milk prices between $1- and $1.50-over Class III this week. Cheesemakers are running somewhat active production schedules and healthier cheese market prices are expected to keep the processing momentum moving further into the new year.

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EAST: The cold temperatures of winter are bearing down on a large part of the country. Farmers across the East region are managing herd comfort, and as a result farm level milk production is increasing in both the northeast and southeast. Temperatures in the teens and twenties are freezing the northeast. The southeast is bracing for temperatures just above freezing, while Florida's temperate climate is holding onto the 50s. Class I and Class III demand has rebounded as institutions tip off their spring semesters. Bottlers are receiving steady milk orders, and institutions are placing their weekly food service orders. Contacts are reporting spot milk prices are bouncing back along with demand.

WEST: In California, week-to-week milk production is stronger. However, handlers indicate milk production continues to be down compared to last year in terms of a year-over-year comparison. Stakeholders in some parts of the state convey milk volumes are very snug, and spot loads are tight if any are available to secure. Class I demand is stronger. Class II, III, and IV, demands are steady. According to the California Department of Water Resources, as of January 14, 2025, statewide precipitation for the 2024-25 water year is below the historical mean, and as of January 15, 2025, statewide reservoir storage is 26.10 million-acre-feet, which is above the historical average. Milk production in Arizona is seasonally strengthening. Class I demand is stronger, while all other Class demands are steady. Handlers in New Mexico indicate milk production is seasonally strengthening as well. Demand for Class I milk is stronger, while demands for all other Classes remain steady. In the Pacific Northwest, handlers convey farm level milk output is in line with or ahead of anticipated volumes. Processors note milk volumes continue to be ample for production schedule plans. Class I milk demand is stronger. All other Class manufacturing demands are steady. Processors in the mountain states of Idaho, Utah, and Colorado generally indicate farm level milk output is seasonally strengthening week-to-week. Stakeholders convey milk volumes are generally accommodating spot buyers looking to secure spot milk loads. Stakeholders indicate demands for Class I, II, III, and IV milk are stronger.