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Dairy EXCELLENCE
 Dairy Week In Review



Dated January 3, 2024

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Jan)	\$15.31/cwt.	▼ 5.2 %	▼ 11.2 %	▼ 18.8 %
Class IV Milk Price (Jan)	\$19.33/cwt.	▲ 1.3 %	▼ 6.9 %	▼ 0.5 %
Corn (March)	\$ 4.65/bushel	▼ 1.5 %	▼ 2.2 %	▼ 28.8 %
SBean Meal (Jan)	\$ 381.0/ton	▼ 5.6 %	▼ 11.4 %	▼ 21.1 %
DMC Margin (November)*	\$ 9.58/cwt.	—	▲ 1.5 %	▼ 13.1 %

**Each issue of "Dairy Week in Review" will report on the most recent Milk Margin published through USDA's Dairy Margin Coverage Program. This margin is published each month after the USDA Ag Prices Report is released.*

- USDA announced the November margin under the Dairy Margin Coverage Program at \$9.58 per cwt, the highest margin posted this year and up 14 cents from October's levels. The margin is just 8 cents above the \$9.50 maximum threshold, so no indemnity payment will be provided for this month. Feed costs were down 4 cents from last month, with a 27 cent drop in the per-bushel corn price and a \$7 drop in the per-ton alfalfa hay price partially offset by a \$48.11 jump in the soybean meal price. The All-Milk price was up 10 cents from October to \$21.70 per cwt. With one month yet to go, the DMC Program has provided more than \$24,000 in net benefit for each 1 million pounds covered in 2023. Enrollment for the 2024 Program Year is expected to open soon.
- USDA isn't announcing the December Class III and Class IV milk price until Thursday of this week, but Class III went off the CME board at \$16.08 per hundredweight while Class IV went off at \$19.19 per cwt. If these prices hold true, that will mean the Class III milk price averaged \$17.02 per cwt in 2023, while the Class IV price averaged \$19.11 for the year. Based on those prices, 2023 will have closed with Class III slightly below the five-year average of \$17.92 per cwt., while Class III will have closed about \$1.70 above the five-year average of \$17.40.
- Looking ahead to 2024, milk prices don't seem to be much different than where they were in 2023. Based on January 2 closing prices, the Class III milk price is expected to dip below \$16 for the first quarter of 2024 before rebounding to an average of \$17.66 in the second quarter and then increasing to an average of \$18.44 for the last six months of the year. Class IV futures prices average \$19.15 for the first quarter, increasing to an average of \$19.56 for the second quarter, and peaking in the last half of the year at a six-month average of \$19.95.
- USDA is expecting to see dairy exports increase in 2024, according to its recent Dairy: World Markets and Trade report. Cheese exports are expected to increase 8.1 percent to 465,500 metric ton. US milkfat exports are forecast to increase 12.5 percent to 41,400 MT, while skim milk powder is forecast to grow by 3.4 percent to a record high of 837,500 MT.
- The dairy price index was up 1.2 percent from the previous session to 1.2 percent on the latest Global Dairy Trade auction, with butter and whole milk powder prices up while both cheddar and SMP were down.