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Dairy EXCELLENCE
Dairy Week In Review

Dated January 11, 2023



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Jan)	\$19.58/cwt.	▲ 3.8 %	▼ 4.7 %	▼ 5.2 %
Class IV Milk Price (Jan)	\$19.63/cwt.	▲ 1.1 %	▼ 8.3 %	▼ 14.0 %
Corn (March)	\$ 6.56/bushel	▲ 0.5 %	▲ 2.6 %	▲ 6.7 %
SBean Meal (January)	\$505.0/ton	▲ 4.7 %	▲ 10.7 %	▲ 17.2 %
DMC Margin (November)*	\$ 10.89/cwt.	—	▲ 1.7 %	▲ 6.7 %

*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.

- Dairy exports were up 8.7 percent year over year in November to 520.7 million pounds moving overseas, a record volume for November. Year to date overseas shipments are up 5 percent in volume with only one month left of data, poised to set a record in 2022. For the first 11 months of 2022, \$8.78 billion of US products were exported, up 15.4 percent or \$1.12 billion over the prior full-year record set in 2023. Cheese exports were up 12.9 percent to 82.7 million pounds in November, a new record, while butter exports were at 18.6 million pounds, the largest volume since March 2014.
- Total cheese product was up 1.6 percent year over year to nearly 1.15 billion pounds in November, with year to date production on pace to top the prior year's production by 1.8 percent. Cheddar cheese production was up 1.7 percent in November, while Mozzarella production was up by 1.5 percent. Year to date, Mozzarella production was up by 3.7 percent, while Cheddar production was down 1.1 percent. Butter production was up 8.9 percent from a year ago to 170 million pounds.
- USDA announced the December Class III milk price at \$20.51 per cwt., down 51 cents from November but up \$2.36 from a year ago. The Class IV price was announced at \$20.22, down \$1.18 from last month but up \$2.24 from a year ago. For all of 2022, Class III prices averaged \$21.96 per cwt., up \$4.88 from a year ago. Class IV prices averaged \$24.47 per cwt., up \$8.38 from a year ago. Class III prices forecast for 2023 averaged \$19.49 per cwt., while Class IV prices for the next 12 months averaging \$19.68.

Government and Industry:

- If the current projected margins become reality, the \$9.50 per cwt DMC margin coverage would provide a net benefit to enrolled dairy farms of \$9,494 per 1 million pounds of enrolled production history, or \$47,469 for an operation that maxes out the 5-million-pound cap. With margins projected to be tight this year, that money can be helpful to fill in the gaps left by narrow margins. These margins are not guaranteed, but the USDA is projecting a 100% probability that DMC will provide a net benefit this year. The deadline to enroll in DMC for this program year was extended until January 31, 2023. Visit your local Farm Service Agency (FSA) office to enroll.
- The 2023 Pennsylvania Dairy Summit is planned for February 8 - 9 at the Penn Stater in State College, Pa. Thanks to funding and grants provided by PDMP, CDE, Summit Sponsors, and the Northeast Dairy Business Innovation Center, discounted registration fees are available to dairy producers from any state. The dairy producer registration fee for the two-day Summit is \$100 with \$50 single-day registrations also available. Discounts are available for additional registrants from the same farm. Additionally, free transportation will be available for Pennsylvania dairy farmers from the Quarryville and Belleville, PA areas. Registration can be completed online at www.padairysummit.org or by calling 814-355-2467. Transportation reservations can also be made by calling the same phone number.