



Dated January 24, 2024

## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Jan)	\$15.18/cwt.	▲ 0.1 %	▼ 6.0 %	▼ 21.9 %
Class IV Milk Price (Jan)	\$19.25/cwt.	▼ 0.2 %	▲ 0.8 %	▼ 3.0 %
Corn (March)	\$ 4.52/bushel	▲ 2.2 %	▼ 4.3 %	▼ 33.0 %
SBean Meal (Jan)	\$ 363.3/ton	▲ 1.3 %	▼ 9.9 %	▼ 22.0 %
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.

- Total milk production in the US was down 0.3 percent from a year ago to 18.843 billion pounds in December, with total cow numbers falling 39,000 head year over year to 9.357 million. Cow numbers in the nation's dairy herd are now at their lowest level since June 2020. Milk production per cow was up just 1 pound from a year ago to 2,030 pounds for the month. Based on this latest USDA Milk Production Report, the nation's dairy herd produces 226.551 billion pounds in 2023, with an average of 24,114 pounds per cow. Annually, both total milk production and milk production per cow was flat from a year ago.
- California's total milk production was down 1 percent in December, while Wisconsin's total milk production was up 0.5 percent. Idaho's milk production was down 0.7 percent, while New York was up 1.4 percent. Texas' milk production fell 0.7 percent year over year, while Michigan was up 0.9 percent. Minnesota's production was down 1.4 percent, while Pennsylvania's total milk production was down 0.8 percent.
- Cow numbers continue their shift from the west to eastern regions of the US. States in the western region of the country lost 51,000 cows year over year, based on December's report. States in the Midwest gained 29,000 head and states in the East were up 4,000 head. Pennsylvania's dairy herd stayed flat year over year at 465,000 head, falling 1,000 head from last month's report. Milk production per cow in the Commonwealth was down 15 pounds year over year for the month.
- Milk production in Australia has been up year-over-year for the 2023-24 season, according to Dairy Australia data. Year over year collections were up 2 percent to nearly 2 billion pounds in October, when the nation's production typically peaks. In November, milk collections were at 1.9 billion pounds, up 6.3 percent from a year ago.
- Milk production in Canada is starting to stabilize, with the nation's output up a modest 0.4 percent in 2023 to 10.31 million metric tons. From 2014 to 2018, Canada's milk production grew by 18 percent.
- USDA announced the February Class I base price at \$17.99 per hundredweight, down 49 cents from a month ago and down \$2.79 from February 2023.

## Government/Industry:

- The USDA hearing on the Federal Milk Marketing Order (FMMO) system resumed in Carmel, IN, Jan. 16-19, with the department primarily focused on Milk Innovation Group's (MIG) Proposal #20. The hearing concluded Friday and is recessed for this week before resuming on Monday for what is expected to be the final week of the hearing. Following next week's hearing conclusion, those testifying will have 60 days to file post-summary briefs with USDA.
- Dairy farmers and stakeholders are invited to unlock their potential at the PA Dairy Summit on February 6 - 8 at the Lancaster Wyndham. Walk in registrations are welcome, and one-day rates are available. Learn more or register at [www.padairysummit.org](http://www.padairysummit.org) or call 814-355-2467.
- According to the Food and Agriculture Organization, 1 billion people do not eat enough protein. This is a compounded issue in Central Africa and South Asia, where 30 percent of children do not consume enough protein. According to IFCN Research Network's senior dairy economist Katrin Fredrich quoted in *Daily Dairy Report*, developing regions will increase their demand for milk by 140 million tons by 2030, due to an increasing population and increasing per capita demand. Even with dairy production increases in those regions and in developed regions like the US, the FAO still expects a net deficit of 6 million tons, or about 12 billion pounds, to meet this growing demand.