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Dairy EXCELLENCE
Dairy Week In Review



Dated January 30, 2024

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Jan)	\$15.20/cwt.	▲ 0.1 %	▼ 5.9 %	▼ 21.8 %
Class IV Milk Price (Jan)	\$19.25/cwt.	—	▲ 0.8 %	▼ 3.0 %
Com (March)	\$ 4.47/bushel	▼ 2.0 %	▼ 5.3 %	▼ 33.7 %
SBean Meal (Jan)	\$ 363.3/ton	—	▼ 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.*

- In the latest USDA Cold Storage report, year-end cheese stocks were at 1.443 billion pounds, up 5.9 million pounds from November but down 0.2 percent from a year ago. American-style cheese inventories, including Cheddar, were up 1.5 percent from a year ago to 837.8 million pounds, while other type cheese inventories were down 2.1 percent from a year ago to 583.6 million pounds. Butter inventories were down 13 million pounds from November to December, representing the largest month-to-month decline for this time of year since 2004. A total of 199.53 million pounds of butter was held in storage at the end of December, 7.8 percent less than a year ago.
- Class III and IV milk futures prices saw their first significant rally this year coming off the heels of last week's lackluster USDA Milk Production Report. The CME futures market showed strength last week in dairy commodity prices, pulling up both Class III and Class IV prices. Class III milk futures prices for the first six months of 2024 increased about 45 cents from a week ago to an average of \$16.86 per hundred-weight. CME Class IV futures prices for the next six months increased an average of about 65 cents to \$19.89 per cwt.
- Milk production in other key dairy regions globally is mixed. Milk production in the European Union and United Kingdom was down 2.5 percent from a year ago to 26.6 billion pounds in November, the lowest milk production for the month since 2018. It was also the fourth month in a row of year-over-year declines. On the flip side, New Zealand's milk production was up year over year for the first time in the current season, increasing 0.9 percent in December to 5.758 million pounds.

Government/Industry:

- If you're looking at risk management strategies for 2024, you'll have to wait a little while longer to leverage the USDA Dairy Margin Coverage Program. Late last fall, USDA did announce an extension of the existing Farm Bill through September 30, 2024, which would allow for the DMC program authorized under this Farm Bill to be extended through the calendar year of 2024. However, details on the 2024 enrollment process have yet to be announced. Last week USDA sent out a notice that they are updating their DMC software. Current expectations are that enrollment may open in February or March, with any payments retroactive to January's milk.
- 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 or call 814-355-2467.