



Dated February 14, 2024

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Feb)	\$16.16/cwt.	▲ 1.8 %	▲ 6.6 %	▼ 9.9 %
Class IV Milk Price (Feb)	\$19.90/cwt.	▼ 1.2 %	▲ 3.2 %	▲ 4.9 %
Corn (March)	\$ 4.24/bushel	▼ 2.4 %	▼ 4.3 %	▼ 37.8 %
SBean Meal (March)	\$ 343.3/ton	▼ 2.6 %	▼ 11.2 %	▼ 30.2 %
DMC Margin (December)*	\$ 8.44/cwt.	—	▼ 11.8 %	▼ 22.6 %

**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.*

- The latest data shows that US total annual dairy export volumes were down 7 percent in 2023 to 2.240 million metric tons in milk solid equivalents. US Dairy Export Council attributed the decline to a soft demand and increased competition from other dairy exporters. The total dollar value of dairy exports was down 16 percent year-over-year to \$8.105 billion in 2023. Despite the drop from a year ago, the total value is still the second largest value on record. The top four dairy products exported in 2023, based on total volume, included skim milk and nonfat milk powders (SMP/NFDM), dry whey products, cheese, and lactose. Of those top dairy exports, only lactose increased in total volume sold, up 5 percent. Whey shipments were down 17 percent, while both SMP/NFDM and cheese shipments were down 3 percent. Butterfat exports were down 55 percent from a year ago, while whole milk powder exports were down 33 percent.
- Global prices for dairy have showed strength in the last few Global Dairy Trade auctions. The average dairy price index in the latest auction was up 4.2 percent from the previous session to \$3,571 per metric ton. This is the fifth consecutive session-to-session increase, with the price increase starting back in November 2023. All commodity prices were up in this week's auction other than Mozzarella, with butter up 10.3 percent, the total cheese price increasing 6.3 percent, and whole milk powder prices up 1.2 percent.

Government/Industry:

- USDA has indicated that enrollment in the 2024 DMC Program is not likely to open until March. This will allow USDA additional time to implement changes made in last fall's Farm Bill extension, which permanently folded the Supplemental Dairy Margin Coverage program into the underlying DMC program. The Supplemental DMC allows USDA to make supplemental payments to producers on 75 percent of the difference between their 2019 milk production and the original DMC production history established in 2014. To make it permanent, USDA's Farm Service Agency needs to update their software and finalize a rule to be published in the Federal Register.
- USDA data is indicating a record year of payments for both USDA's Dairy Margin Coverage Program and its Dairy Revenue Protection Program, administered through the Crop Insurance Services division. Nationwide, 17,059 farms are enrolled in the program, with about 155.33 billion pounds protected. Total DMC payments in 2023 across the US before December's announcement were at \$1.27 billion. DRP payments are expected to be more than \$415 million across the US in 2023. This is the highest since the program was created in 2019.