



Dairy Week In Review

Dated February 21, 2024

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Feb)	\$16.18/cwt.	▲ 0.1 %	▲ 6.5 %	▼ 9.2 %
Class IV Milk Price (Feb)	\$19.91/cwt.	—	▲ 3.4 %	▲ 5.3 %
Corn (March)	\$ 4.11/bushel	▼ 3.1 %	▼ 9.1 %	▼ 39.1 %
SBean Meal (March)	\$ 343.3/ton	▼ 0.3 %	▼ 5.6 %	▼ 30.4 %
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.*

- Total milk production in the US was down 1.1 percent year over year to 19.09 billion pounds in January. Last month's milk production, however, was up about 1.3 percent from December 2023. The nation's milk production has fallen year over year in six out of the last seven months. Cow numbers in the nation's herd are now at 9.325 million head, down 76,000 head from a year ago and at its lowest since August 2019. Milk production per cow was down 7 pounds, or 0.4 percent, to 2,047 pounds for the month, according to the USDA Milk Production report.
- Only six of the top 24 dairy states posted increases in total production, with Wisconsin the only state in the top eight to increase in total milk production, up 0.9 percent with 20 pounds more milk per cow. California's milk production was down 0.1 percent, with 9,000 head fewer cows but 10 pounds more milk per cow from a year ago. Idaho, New York and Texas all posted modest declines, down 2.1, 0.4, and 3.9 percent, respectively. Michigan and Minnesota were down 0.6 and 0.8 percent. Pennsylvania's production fell 1.5 percent, with 1,000 fewer cows and 25 pounds less milk than a year ago. Two states had double digit changes from a year ago. South Dakota's total milk production was up 10.8 percent, while New Mexico fell 16 percent in milk output.
- In the report, total milk production, cow numbers, and farm numbers from 2023 were released. Total milk production in 2023 was at 226.364 billion pounds, with 9.386 million head of dairy cows producing an average of 24,117 pounds in annual milk production. Cow numbers fell to their lowest level since 2019, while milk production per cow reached a new high, up 0.1 percent from 2022. Total US milk production was down just 0.1 percent from the record high reached in 2022. Looking at the last decade, milk production per cow is up 8.3 percent from 2014.
- The total number of dairy farms in the US dropped by 1,642 from the previous year to 26,290 farms at the end of 2023, a decrease of about 5.8 percent. The average herd size in the nation now stands at 357 head, up 20 cows from a year ago. Wisconsin still has the most farms in the nation, at 5,920, with Pennsylvania closing in at second with 4,940 farms. Wisconsin's total dairy farm numbers fell by 6.8 percent or by 430 farms. Pennsylvania lost 60 farms last year or about 1.2 percent. Wisconsin's average herd size is now at 214 cows, up 14 cows from a year ago. Pennsylvania's herd size is now at 94 head, up just 1 cow, with an average milk production per cow of 21,157 pounds, down 0.5 percent from a year ago and 22.3 percent under the national average.
- The latest USDA Census data supports the consolidation evidenced in the latest Milk Production report. Census data shows that in 2022, nearly two-thirds of the US dairy herd was located on farms with more than 1,000 cows. Just 6.5 percent of the nation's herd was located on farms with less than 100 cows, which was down from 12.7 percent of the nation's herd found on farms with less than 100 cows in 2017. A recent analysis from Rabobank estimates that about 46 percent of the US milk production came from farms with more than 2,500 cows.
- On the latest Global Dairy Trade auction held earlier this week, the average dairy price index was up 0.5 percent to \$3,664 per metric ton. Butter and skim milk powder prices were both up slightly, increasing 0.1 percent and 1.3 percent respectively. Cheddar cheese prices fell 7.6 percent, while whole milk powder prices were down 1.8 percent. This session marks the sixth session-to-session increase in the GDT Price Index in a row. Translating the price per metric ton to price per pound would yield a \$2.96 per pound butter price and a \$1.879 per pound Cheddar cheese price.