

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated March 15, 2023



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (March)	\$17.99/cwt.	▲ 1.9 %	▲ 0.3 %	▼ 19.6 %
Class IV Milk Price (March)	\$18.30/cwt.	▼ 0.5 %	▼ 2.0 %	▼ 26.8 %
Corn (March)	\$ 6.26/bushel	▼ 1.6 %	▼ 7.4 %	▼ 18.2 %
SBean Meal (March)	\$479.9/ton	▼ 5.3 %	▼ 3.1 %	▼ 0.8 %
DMC Margin (January)*	\$ 7.94/cwt.	—	▼ 18.7 %	▼ 31.2 %

*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 conventional milk sales declined to 40.425 billion pounds in 2022. This is 2.4 percent less than 2021. For several years, the largest declines in conventional fluid milk sales have come from low fat (1% milkfat) and fat free milk. This trend did not change. Low fat milk sales dropped 8% during 2022 to 4.634 billion pounds, and fat free milk sales dropped 9% to 2.274 billion pounds. Flavored whole milk and reduced fat (2% milkfat) milk experienced diminished sales, both falling by more than 5% to 759 million pounds and 12.721 billion pounds, respectively. Buttermilk sales is the smallest category reported and finished 2022 at 452 million pounds. Buttermilk sales were relatively flat with a slight 1% decline, or just over 4 million pounds less compared to 2021, according to the USDA’s Agricultural Marketing Services.
- Three of the eight categories experienced growth compared to 2021. After declining by more than 5% during 2021, whole milk sales reversed and increased slightly by 1.3% to 14.818 billion pounds. Whole milk sales represent the largest volume category, boasting 2.097 billion pounds more than reduced fat milk sales, the second largest category by volume. Together, whole milk and reduced fat milk accounted for 68% of fluid milk sales in 2022. Flavored fat-reduced milk sales also increased last year by 3% to 3.366 billion pounds. The flavored fat-reduced category is the combined sales of any flavored milk that is not made with whole milk. The sales report does not separate the sales of flavored fat free, low fat, or reduced fat milks. Thus, it is not possible to determine what the driver of the increased sales was for that category. It would be interesting to see these fat concentrations further subdivided to know if the net effect of sales from one or more categories was driving growth for the entire category.
- The last category to experience growth compared to 2021 was the “other fluid milk” category. It includes lactose-free milks (flavored and unflavored) and any other Class I product not already mentioned above. This category has experienced year-over-year growth every year since 2018. The other milks category was down 1.4% in 2017. However, in 2018 and in the years following, the emergence of several new fluid milk products that fall under the “other” category as lactose-free dairy products has caused the category to climb two spots from the smallest volume category of the eight to the sixth largest. From 2018 through 2022, the other fluid milk products category has increased from 168 million pounds to end 2017 to 1.402 billion pounds in 2022. This is a total increase of 1.234 billion pounds, or 735% in five years.
- US dairy export volumes were up 16 percent year-over-year on a milk solids equivalent basis to 181,676 metric tons in January 2023, with the total value of dairy exports up 21 percent to \$710.9 million. All core product categories grew by double digits, including cheese, nonfat dry milk, skim milk powder, and whey. Products with more milkfat struggled. Cheese exports were up 16 percent, while exports of nonfat and skim milk powder were up 15 percent. Butterfat exports were down 13 percent, while whole milk powder exports were down 44 percent. Demand from Mexico surged in January, with total dairy exports to the country to our south up for the fifth straight month.

Government and Industry:

- The Center will join the Professional Dairy Managers of Pennsylvania and the Pennsylvania Beef Council to host a series of five animal care workshops across the state in March and April. Next week on Thursday, March 23, a workshop will be held from 9:30 a.m.—2:30 p.m. at Willow Behrer Farms in Huntingdon County. Registration is still open, and walk-ins are welcome. These workshops will focus on hands-on skill-building to help farmers and their employees meet National FARM compliance. Stations will include calf care, dry cow management, biosecurity, and animal handling. A certificate of completion will be provided at the end of each workshop. For more information or to register, visit centerfordairyexcellence.org/animal-care or call 717-346-0849.