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Dairy EXCELLENCE
Dairy Week In Review

Dated April 12, 2023



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (April)	\$18.66/cwt.	▲ 3.0 %	▲ 2.6 %	▼ 23.0 %
Class IV Milk Price (April)	\$17.88/cwt.	▼ 2.2 %	▼ 2.3 %	▼ 29.2 %
Corn (May)	\$ 6.56/bushel	▲ 0.6 %	▲ 4.7 %	▼ 16.4 %
SBean Meal (May)	\$460.2/ton	▼ 2.2 %	▼ 4.2 %	▲ 0.4 %
DMC Margin (February)*	\$ 6.19/cwt.	—	▼ 22.1 %	▼ 43.7 %

*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.

- USDA's Dairy Products report shows total cheese output up 0.4 percent from a year ago to 1.11 pounds, down 7.9 percent from a month ago. Italian type cheese production was down 1.4 percent from a year ago to 460 million pounds, while American type cheese production was up 2.4 percent to 453 million pounds. Butter production was up 1.6 percent from a year ago to 186 million pounds. Powder production posted huge gains, with nonfat dry milk powder up 4.5 percent to 178 million pounds and skim milk powder production up 28.9 million pounds to 38.2 million pounds.
- Exports of US dairy products fell for the first time since January 2022, with February 2023 exports down 0.3 percent from last year's record volumes to 458.5 million pounds. February exports were still the second largest ever in February, well above February 2021 levels of 10.8 million pounds. The value of dairy exports last month fell more significantly, due to lower prices, down 3.3 percent from a year ago to \$665.6 million. Exports of all major product groups were down, with cheese exports down 0.2 percent to 72.5 million pounds and whey exports down 6.2 percent to 96.1 million pounds.
- The latest USDA World Agricultural Supply and Demand Estimates report reduces global production of both soybeans and corn. The global soybean production was cut by 5.5 million metric tons to 369.6 million, while the corn production was lowered by 7 million metric tons to 1.44 billion. The global production for both crops was lowered due to lower than expected production levels in South America.
- Total milk production in Australia is falling, while production in the European Union is up. Australian milk production was down by 5.3 percent to 1.2 billion pounds in February. Meanwhile, production in the United Kingdom and European Union was up 1 percent to more than 28 billion pounds in January. Germany, the EU's largest milk-producing country, increased its production by 3.6 percent to 6 billion pounds in January.

Government and Industry:

- The International Dairy Foods Association (IDFA) has petitioned USDA to raise the make allowances used in the Federal Milk Marketing Order (FMMO) milk price calculations, a move that the National Milk Producers Federation (NMPF) opposes. USDA has until April 29 to decide whether to call a hearing on IDFA's petition. IDFA filed its petition after it became clear that it could not reach an agreement with NMPF on how FMMO pricing should be adjusted. In response, NMPF sent a letter to USDA's Agricultural Marketing Service urging it to deny the petition and will submit a more comprehensive plan to adjust FMMO milk price calculations. Make allowances for cheese, whey, butter, and skim solids are used in Class III and IV milk price calculations to determine what share of the milk price processors should receive to cover processing costs.
- The last of five Animal Care Workshops will be held on Tuesday, April 25, at Hoffman Family Farm LLC in Shinglehouse, Potter County. The Center, Professional Dairy Managers of Pennsylvania and the Pennsylvania Beef Council hosted a series of five animal care workshops across the state in March and April. Registration is still open, and walk-ins are welcome. The workshop 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.
- Cooperatives Working Together-assisted member cooperative year-to-date export sales total 13.5 million pounds of American-type cheeses, 550,000 pounds of butter (82% milkfat), 2,000 pounds of anhydrous milkfat, 17.9 million pounds of whole milk powder and 2.5 million pounds of cream cheese. The products are going to 18 countries in five regions. These sales are the equivalent of 287.7 million pounds of milk on a milkfat basis.