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Dairy EXCELLENCE
 Dairy Week In Review

Dated May 31, 2023



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (May)	\$16.17/cwt.	▼ 0.2 %	▼ 13.2 %	▼ 35.9 %
Class IV Milk Price (May)	\$18.12/cwt.	▲ 0.1 %	▲ 0.7 %	▼ 27.8 %
Corn (July)	\$ 5.94/bushel	▲ 1.1 %	▼ 7.4 %	▼ 18.8 %
SBean Meal (July)	\$393.4/ton	▼ 2.2 %	▼ 7.7 %	▼ 4.7 %
DMC Margin (March)*	\$ 6.08/cwt.	—	▼ 1.8 %	▼ 47.8 %

**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 All-milk price fell to \$20.70 per hundredweight, according to the USDA Ag Prices report, down 40 cents from March and \$6.30 below year-ago levels. This is the lowest All-milk price since October 2021. Corn prices were announced at \$6.70 per bushel, up 3 cents from last month but down 37 cents from a year ago. Soybean prices were at \$14.90 per bushel, flat from March but down 90 cents from a year ago. Alfalfa hay prices were announced at \$287 per ton in April, up \$20 from March and \$30 from a year ago. The expected margin under the USDA Dairy Margin Coverage program based on these prices is \$5.84 per cwt., down 24 cents from April and the lowest since August 2021.
- Higher beef prices keeping more dairy cows moving to market. In April, dairy producers sent 243,600 head to cull markets, up 5,000 from last year at this time. On a daily basis, culling rates in April were still down about 1,500 head per day from March 2023's high levels.
- China is expected to ramp up domestic milk production, with their milk production expected to expand 4 percent this year to more than 42 million metric tons. Higher feed costs and lower milk prices could slow that growth, though, according to a Global Agricultural Information Network (GAIN) report. The additional milk production is expected to be made into milk powders to feed low-income consumers, while imports of butter and cheese are expected to continue to increase as higher-income urban populations benefit from lifting COVID restrictions.
- Dairy markets continue to soften, with cheese block prices on the CME now at their lowest since 2020. The June 2023 Class III price closed at \$15.14 per cwt on May 31, while Class III prices forecast for the remainder of this year average \$17.31 per cwt. Class IV prices show a little more strength, averaging \$18.65 per cwt. for the remainder of the year.

Government & Industry:

- USDA plans to purchase various protein items to support activities to leverage American Agriculture to feed kids and families. Potential materials may include dairy, meat, fish, and poultry items. Up to 47.6 million pounds of cheese will be solicited by the agency as part of the program. The funds, provided through USDA's Commodity Credit Corporation, will support nearly \$1 billion to purchase food for emergency food providers like food banks.
- The Penn State Dairy Extension Team is hosting a series of Youth Dairy and Livestock Days across Pennsylvania. The six-hour workshop is free and is intended for youth ages 8—18. It will provide hands-on learning for youth in the following topics: farm culturing, biosecurity, parasites, and farm safety. Dates include June 8 in Elizabethtown, June 21 in Huntingdon, June 23 in New Milford, and June 26 in Meadville. To learn more or register, go to extension.psu.edu/youth-dairy-and-livestock-day.