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Dairy EXCELLENCE
 Dairy Week In Review

Dated June 21, 2023



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (June)	\$14.95/cwt.	▼ 1.0 %	▼ 7.8 %	▼ 38.6 %
Class IV Milk Price (June)	\$18.11/cwt.	—	—	▼ 30.0 %
Corn (July)	\$ 6.71/bushel	▲ 9.8 %	▲ 14.3 %	▼ 11.2 %
SBean Meal (July)	\$439.2/ton	▲ 12.5 %	▲ 9.2 %	▲ 1.8 %
DMC Margin (April)*	\$ 5.84/cwt.	—	▼ 4.0 %	▼ 52.5 %

*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.

- US total milk production was up 0.6 percent year over year to 19.9 billion pounds in May. Production per cow was up 10 pounds, while the nation's dairy herd was up 13,000 head to 9.43 million head. The herd size remained flat from April 2023. Six out of the eight top producing dairy states showed growth in May, with Wisconsin, Idaho, New York and Texas all having modest growth, at 1.3, 3.1, 2.1, and 0.8 percent, respectively. Michigan and Minnesota were both up, increasing by 2.1 and 2.5 percent respectively. California's milk product was down 0.7 percent, with 3,000 head fewer cows and 10 pounds less milk production.
- Pennsylvania's milk production was down 0.6 percent to 878 million pounds in May. Cow numbers in the Commonwealth fell 1,000 head from a year ago to 466,000 head. However cow numbers in Pennsylvania were flat since the beginning of the year when they increased by 1,000 head. Milk production per cow was down 5 pounds from a year ago.
- The dairy price index in the latest Dairy Trade Auction stayed flat from the previous session at \$3,479 per metric ton after two consecutive session-to-session declines. Butter prices were up 5.5 percent, while Cheddar cheese and skim milk powder prices were down, falling 3.3 and 2.3 percent, respectively. Whole milk powder prices were flat from the previous session.
- USDA has projected U.S. beef production will fall 4.2% this year and decline another 8.4% in 2024, dropping to a nine-year low. With dairy margins tight at the farm gate and higher beef prices for cull cows, dairy producers are helping to fill that shortage, with 38,200 more dairy cows sent to slaughter in April and May than in the same time period a year ago.
- Fewer people are eating out, based on US Census Bureau data that shows restaurant sales declining 1.5 percent since January. A recent National Restaurant Association survey are eating out less due to rising inflation. The survey conducted in May showed that 44 percent of adults did not go to restaurants and 34 percent did not order takeout or delivery as much as they would like. The data also shows that restaurant traffic in May is down 6 percent from May 2019, still up from 2021's COVID levels but below 2022 traffic levels.

Government & Industry:

- Cooperatives Working Together (CWT) member cooperatives accepted 20 offers of export assistance from CWT that helped them capture sales contracts for 1.2 million pounds (526 MT) of American-type cheese and 562,000 pounds (255 MT) of cream cheese. The product is going to customers in Asia, Central America, the Caribbean, and Oceania, and will be delivered from May through September 2023. CWT-assisted member cooperative year-to-date export sales total 19.7 million pounds of American-type cheeses, 594,000 pounds of butter (82% milkfat), 2,000 pounds of anhydrous milkfat, 24.6 million pounds of whole milk powder and 4.1 million pounds of cream cheese. The products are going to 19 countries in five regions. These sales are the equivalent of 407.6 million pounds of milk on a milkfat basis.