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Dairy EXCELLENCE
Dairy Week In Review

Dated July 12, 2023



Markets:

| Dairy Prices | Price | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|-----------------------------|----------------|---------------------|----------------------|---------------------|
| Class III Milk Price (July) | \$13.87/cwt. | ▼ 1.0 % | ▼ 9.0 % | ▼ 39.0 % |
| Class IV Milk Price (July) | \$18.05/cwt. | ▲ 0.5 % | ▼ 0.4 % | ▼ 30.0 % |
| Corn (July) | \$ 5.49/bushel | ▲ 0.1 % | ▼ 9.8 % | ▼ 22.3 % |
| SBean Meal (July) | \$421.4/ton | ▲ 0.9 % | ▲ 6.3 % | ▼ 14.3 % |
| DMC Margin (May)* | \$ 4.83/cwt. | — | ▼ 17.3 % | ▼ 61.0 % |

*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 dairy exports fell 13 percent year-over-year in May, with overseas shipments at the equivalent of 29,295 metric tons of milk solids. Nearly all products fell below prior-year levels. Cheese exports fell 18 percent, with US prices struggling to compete with global dairy prices right now. It was the largest year-to-year volume decline since 2015. However, cheese exports to Mexico were up 21 percent in May. Nonfat dry milk and skim milk powder exports were down 3 percent. Year to date, total exports are down 4 percent in volume and down 7 percent in value. Almost every major category is down in volume year to date, with butterfat and whole milk powder showing the greatest declines, at -40 and -38 percent. Cheese exports are down 4 percent year to date, while dry whey products are down 10 percent. Skim milk and nonfat dry milk powders are down 2 percent.
- USDA's Dairy Products report shows total cheese production in May down 0.2 percent from a year ago to 1.20 billion pounds, up 2.8 percent from April's production levels. Italian-type cheese production was down 2.2 percent from a year ago, while American type cheese production was up 4.2 percent from last May to 509 million pounds. Butter production was up 8.1 percent from a year ago to 194 million pounds, down 1.2 percent from April 2023. Nonfat dry milk powder production was up 7 percent to 206 million pounds, while skim milk production was down 30.3 percent to 35.4 million pounds.
- USDA's latest World Agricultural Supply and Demand Estimates report increased estimates for the 2023-24 corn crop by 55 million bushels, with increased estimates in acres harvested offset by a 4 bushel reduction in yield. Beginning stocks were lowered by 50 million bushels, with the combined effect of the increased harvest and increased demand leaving ending stocks estimated up 5 million bushels from last month. The season-average farm price was unchanged at \$4.80 per bushel.
- The report lowered projections for the soybean harvest, decreasing the 2023-24 production by 210 million bushels to 4.3 billion bushels. Harvested acres was lowered by 4 million acres from last month, while the soybean estimated yield was left unchanged at 52 bushels per acre. With lower supplies offset by reduced use, ending stocks were lowered from last month by 50 million bushels to be projected at 300 million bushels. The season-average soybean price estimate was increased by 30 cents to \$12.40 per bushel, with soybean meal price estimates increased by \$10 to \$375 per ton.
- Global food prices continue to fall, according to the latest Food Price Index (FFPI) published by the Food & Agriculture Organization of the United Nations. The FFPI fell 1.4 percent from last month and was down 20.9 percent from a year ago to 122.3 points in June. The dairy price index also fell to 116.8 points in June, down 0.8 percent from May and 22.2 percent below a year ago, which was when the dairy price index was at its highest level since 2014. The organization attributed lower cheese and whole milk prices to the decline in the dairy price index.