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**Dairy** EXCELLENCE  
 Dairy Week In Review

Dated August 9, 2023



## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (August)	\$17.35/cwt.	▼ 0.9 %	▲ 25.1 %	▼ 13.4 %
Class IV Milk Price (August)	\$18.90/cwt.	▲ 0.5 %	▲ 4.7 %	▼ 22.3 %
Corn (September)	\$ 4.81/bushel	▼ 1.5 %	▼ 12.4 %	▼ 23.0 %
SBean Meal (August)	\$426.3/ton	▼ 5.6 %	▲ 1.1 %	▼ 18.4 %
DMC Margin (June)*	\$ 3.65/cwt.	—	▼ 24.6 %	▼ 69.4 %

\*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 latest USDA Dairy Products report shows total cheese production up 0.4 percent from a year ago to 1.17 billion pounds, but down 2.8 percent from May 2023. Hard cheeses saw the greatest increases in production, with Parmesan output up 9.4 percent. Soft cheese production was down, with ricotta falling 9.5 percent from a year ago. In total, Italian type cheese production was down 1.3 percent from a year ago to 479 million pounds, while American type cheese production was up 2.7 percent to 478 million pounds. Butter production was up 2.3 percent from a year ago to 163 million pounds, down 16.4 percent from last month. Class II products showed growth this month, with cottage cheese production up 11 percent, sour cream output up 2.2 percent, and yogurt production up 1.1 percent.
- US dairy export volumes fell 13.7 percent year-over-year to 485.7 million pounds, the lowest June volume since 2019. Cheese exports fell 19 percent to 78.8 million pounds, while whey exports were down 31.9 percent to 91.9 million pounds, the lowest level in 16 months. On a positive note, US exports of nonfat dry milk were up year over year, increasing 2.1 percent to 152.2 million pounds. Year to date through June, US export volumes were down 5 percent, while export values were down 10 percent. Low-protein whey and cheese posted the steepest declines, down 17 percent and 7 percent year to date. Nonfat dry and skim milk powder were more steady, slipping only by 1 percent.
- USDA announced the Class III milk price for July at \$13.77 per cwt, down \$1.14 from a month ago, down \$8.75 from a year ago, and the lowest Class III price since May 2020. The Class IV milk price was announced at \$18.26 per cwt., flat from June but down \$7.53 from a year ago. Looking ahead for the last five months of the year, Class III milk prices rebound to an average of \$18.01 per cwt., while Class IV prices are forecasted to average \$18.97 for the remainder of the year.

## Government/Industry:

- **Reminder:** if you enrolled in the Dairy Margin Coverage (DMC) program for 2023 and still have premium balances, that balance is due by the end of business on September 1, 2023. If you have a premium balance, you will be receiving a letter from your local Farm Service Agency stating how much premium you owe with instructions on how to pay that remaining balance. If you elected to have your premiums deducted from payments, you likely have no remaining balance. At the \$9.50 margin coverage, the January and February payments were enough to cover the premium cost for the year.