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Dairy EXCELLENCE
 Dairy Week In Review

Dated August 16, 2023



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (August)	\$17.34/cwt.	▼ 0.1 %	▲ 25.3 %	▼ 14.1 %
Class IV Milk Price (August)	\$18.90/cwt.	—	▲ 3.6 %	▼ 23.2 %
Corn (September)	\$ 4.69/bushel	▼ 2.5 %	▼ 14.0 %	▼ 23.8 %
SBean Meal (September)	\$404.5/ton	▼ 5.2 %	▼ 8.7 %	▼ 8.2 %
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 dairy price index on the latest Global Dairy Trade session fell 7.4 percent from the previous session to its lowest level since April 2020. The price fell to \$2,875 per metric ton, marking the seventh consecutive session-to-session drop in the price. Whole milk powder prices fell 10.9 percent to a seven-year low, while skim milk powder, anhydrous milkfat, and butter prices all fell as well, down 5.2, 5.3, and 3.0 percent, respectively. Cheddar cheese was the only product to post a price increase, up 5.8 percent.
- The latest Consumer Price Index shows inflation starting to slow. July's CPI released by the US Bureau of Labor Statistics was up just 0.2 percent from June and up 3.3 percent from a year ago. That is drastically lower than a year ago, with the CPI growth rate was 8 percent or more compared to the same month in 2021. The Food CPI showed more growth, with the CPI for food purchased away from home up 7.1 percent from a year ago.
- Corn and soybean meal prices continued to erode, despite that USDA decreasing its yield projections for both corn and soybean production in the latest World Agricultural Supply and Demand Estimates report. Average yield for the corn crop was lowered by 1.4 percent to 175.1 bushels per acre. Even with the decline in average yield, USDA estimates this year's corn crop will be 10.1 percent larger than last year at 15.111 billion bushels, making it the second highest ever. Ending stocks forecasted for corn were lowered by 60 million bushels, which pushed the average estimated farm price up 10 cents to \$4.90 per bushel. Soybean average yields were also projected to be lower, which pushed the forecasted total production down 2.2 percent to 4.205 billion bushels. Ending soybean stocks were lowered, pushing the average soybean price estimate up \$5 to an average of \$380 per ton.

Government/Industry:

- A new bipartisan Dairy Nutrition Incentives Program Act of 2023 was introduced by House Ag Committee members Reps. Jim Costa, D-CA, and Nick Langworthy, R-NY. This bill would scale up the Healthy Fluid Milk Incentive projects created in the 2018 Farm Bill to incentivize dairy product purchases among SNAP participants.
- EPA denied two petitions sent by environmental and community groups asking it to revise its Clean Water Act regulations for the National Pollutant Discharge Elimination System (NPDES) Concentrated Animal Feeding Operations (CAFOs) program. As part of this action, EPA announced it will conduct a comprehensive evaluation of the CAFO program that includes issues raised in these petitions. The evaluation will include a detailed study of the CAFO effluent limitation guidelines as well as a convening of the Federal Advisory Committee subcommittee, called the Animal Agriculture and Water Quality subcommittee, under the existing Farm, Ranch, and Rural Communities Committee (FRRCC) through which a diverse array of stakeholders will help to inform EPA's efforts to improve its CAFO program.