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Dairy EXCELLENCE
 Dairy Week In Review

Dated August 23, 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 %
Com (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.

- For the first time since May 2022, US total milk production is down, falling 0.5 percent in July to 19.075 billion pounds, with 13,000 head fewer cows in the nation's dairy herd, now at 9.4 million head. Milk per cow nationally also fell, dropping 0.5 percent from a year ago to 2,029 pounds per cow. Hotter temperatures across the country were a factor in the decline.
- Production in the top eight dairy states was mixed, with the largest dairy state of California falling 5.5 percent year over year to 3,327 million pounds. Wisconsin was up 0.9 percent, Idaho was up 2.0 percent, and New York was up 3.7 percent. Texas fell 4.3 percent in milk production, while Michigan and Minnesota both posted increases, up 4.1 and 0.3 percent, respectively.
- Pennsylvania's milk production was down 0.8 percent to 829 million pounds, with 1,000 fewer cows than a year ago and 10 pounds less milk per cow. Cow numbers have stayed flat at 466,000 head for the past six months. Incidentally, Pennsylvania's milk production per cow is 267 pounds below the nation average.
- Milk production growth worldwide is also slowing. Milk production in the European Union and United Kingdom was up slightly in June, increasing 0.34 percent to 30.5 billion pounds. In Australia, milk production levels in June were at 1.3 billion pounds, up 1.2 percent from a year ago. June marks the end of the milking season for the Oceania state, with the final three months of the season totaling 3.9 billion pounds.
- According to the USDA Cold Storage Report, butter stocks were up 5 percent from a year ago to 331.6 percent in July, down 5 percent from last month. Total cheese stocks were up 2 percent from last year to 1.488 billion pounds, up 1 percent from last month. American cheese stocks were down 3 percent from a year ago, while other cheese stocks were down 1 percent from a year ago.
- USDA announced the September Class I base milk price at \$18.90 per cwt, up \$2.28 from August and the highest price since May. It is still down \$4.72 from year-ago levels.
- The dairy price index fell 7.4 percent from the previous session on the latest Global Dairy Exchange, falling to an average price of \$2,875 per metric ton. The only product to post an increase was Cheddar cheese, with its price up 5.8 percent. Whole milk prices fell 10.9 percent, while skim milk powder prices were down 5.2 percent. Butter prices fell 3 percent.

Government/Industry:

- **Reminder:** Dairy farms that opted to pay their premium for USDA's Dairy Margin Coverage Program at the end of the program year have until September 1 to do so. Contact your local FSA Office with any questions.