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**Dairy** EXCELLENCE  
Dairy Week In Review

Dated August 17, 2022



## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (August)	\$20.06/cwt.	▼ 0.6 %	▼ 10.9 %	▲ 25.1 %
Class IV Milk Price (August)	\$24.80/cwt.	▲ 0.8 %	▼ 4.1 %	▲ 57.2 %
Corn (September)	\$ 6.56/bushel	▲ 6.6 %	▲ 11.1 %	▲ 19.0 %
SBean Meal (September)	\$467.7/ton	▲ 6.1 %	▲ 7.1 %	▲ 32.8 %
DMC Margin (June)*	\$ 11.92/cwt.	—	▼ 4.8 %	▲ 97.7 %

*\*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.*

- Total milk production in the US was up just 0.2 percent in July, increasing to 19.1 billion pounds for the month. The increase was driven entirely by a 19 pound increase in production per cow, with the nation's dairy herd averaging 2,033 pounds during the hottest month of the year. Cow numbers in the nation's dairy herd were down 67,000 head from a year ago to 9.42 million head, up 1,000 head from June. This marks the eleventh straight month of little to no growth in the nation's total milk supply, with June's total milk production recalculated to 19.14 billion pounds, down 0.1 percent from a year ago.
- Milk production in the major milk producing states was mixed. California's milk production was up 2.2 percent, while Wisconsin fell 0.3 percent from a year ago. Idaho was up 1.5 percent, while New York's milk production was flat. Texas was up 6 percent, while Michigan and Minnesota were both down, falling 3.8 and 1.1 percent, respectively. Texas was the only major dairy state with a significant jump in cow numbers, with 25,000 more head in that state than a year ago.
- Pennsylvania's total milk production was down 0.9 percent, with 8,000 fewer head than a year ago but 15 pounds more milk per cow. Cow numbers in the Commonwealth have remained flat for the past five months.
- According to USDA's Cold Storage report, total cheese stocks were up 1 percent from a month ago and up 5 percent from a year ago to 1.522 billion pounds. American cheese stocks were also up 5 percent from a year ago and 2 percent from a month ago. Butter stocks were down significantly, falling 5 percent from last month to 314.5 million pounds. Butter stocks plummeted from a year ago, down 20.7 percent. Typically, the drawdown from June to July for butter inventories is about 5.4 million, but this year's drawdown was much larger at 16.5 million pounds. Butter stocks are now at their lowest for July since 2017.
- Class III and IV milk prices have stabilized some since this time last month. On August 22, the 12-month average Class III price was \$20.05 per cwt, up 6 cents compared to July 21 closing prices. The average Class IV price fell 13 cents per cwt compared to last month to \$21.61. Domestic demand is being challenged by higher food prices, with retail data showing that families are still buying dairy products but are buying less volume to potentially be better able to afford the total grocery bill.

## Government and Industry:

- On September 14, the Center will host its 13<sup>th</sup> annual Dairy Financial and Risk Management Conference: "Adjusting the Lens." The future of dairy may look blurry, but all we need to do is bring our lens into focus. At this year's conference, learn how you and/or your dairy clients can create a clear vision for future profitability. Those who attend will hear from a wide range of speakers covering topics such as 2022/2023 dairy market dynamics, crop production costs and feeding management considerations, and dairy financial and production performance indicators. For more information, visit [centerfordairyexcellence.org](http://centerfordairyexcellence.org) or call 717-346-0849.