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Dairy EXCELLENCE
Dairy Week In Review

Dated September 12, 2023



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Sept)	\$18.29/cwt.	▼ 1.2 %	▲ 5.5 %	▼ 8.1 %
Class IV Milk Price (Sept)	\$18.61/cwt.	▼ 0.2 %	▼ 1.6 %	▼ 24.9 %
Corn (September)	\$ 4.63/bushel	▼ 1.7 %	▼ 1.3 %	▼ 36.6 %
SBean Meal (September)	\$405.2/ton	▼ 0.8 %	▼ 0.2 %	▼ 11.6 %
DMC Margin (July)*	\$ 3.52/cwt.	—	▼ 3.4 %	▼ 64.5 %

**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.*

- USDA reported its June fluid milk product sales a couple of weeks ago, with total milk sales falling almost 300 million pounds, or 8.5 percent, from May to about 3.064 billion pounds, or about 356.2 gallons, in June. When fluid milk sales drop during the summer months, some of that milk is often diverted into cream sales, with ice cream consumption peaking.
- Year-over-year fluid milk sales continue to drop, with June's total fluid milk sales down about 1.1 percent from year-ago levels. Still, there are some bright spots. Whole milk sales in June were up 2.2 percent from a year ago to 1.226 billion pounds, or about 142 gallons, representing about 40 percent of the total fluid milk category sales for the month. Reduced fat flavored milk sales were also up 1.6 percent, and other fluid milk products, which would include products like Fairlife and other lactose-free varieties, jumped 8.5 percent from June 2022 to June 2023.
- USDA released its latest projections for the 2023-24 harvest in its monthly World Agricultural Supply & Demand Estimates report. Average yields for both corn and beans were lowered from previous estimates, while acres were increased. The nation's average corn yield is estimated at 173.8 bushels per acre, up slightly from a year ago but down 1.3 bushels from August projections. Soybean yields were also decreased down to 50.1 bushels per acre, dropping 0.8 bushels from August's estimates but still 0.6 bushels higher than year-ago averages. USDA increased the number of planted corn acres by 800,000 acres, while soybean planted acres were increased by 100,000 acres. Total corn production for this year is slightly higher than August estimates, while USDA's production projections for soybeans is down slightly from August. World ending stocks of corn were increased by 2.9 million tons to 314 million tons, while global ending stocks of soybeans were decreased by 0.2 million tons to 119.2 million.
- The US season-average soybean estimated price was increased by 20 cents from last month to \$12.90 per ton, while the soybean meal price estimate remained at \$380 for short ton. The season-average corn price for producers remained estimated at \$4.90 per bushel.
- On the dairy side, 2023 cow inventory estimates were reduced from last month, and production per cow was reduced, with USDA expecting margin pressure to continue. The 2023 all-milk price forecast was increased to \$20.40 per cwt., while the 2024 all-milk price estimated was increased to \$20.30 per cwt., according to the report.

Government/Industry:

- The Dietary Guidelines Advisory Committee held a hearing as part of the committee's information-gathering process for the next set of guidelines. The Dietary Guidelines Advisory Committee is convened every five years by the Department of Agriculture and the Department of Health and Human Services to make recommendations for American diets, affecting numerous federal nutrition programs. National Milk Producers Federation and other dairy advocates shared with the committee dairy's critical role in the diet.