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**Dairy** EXCELLENCE  
**Dairy Week In Review**

Dated September 20, 2023



**Markets:**

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Sept)	\$18.28/cwt.	▼ 0.8 %	▲ 5.4 %	▼ 8.1 %
Class IV Milk Price (Sept)	\$18.76/cwt.	▲ 0.8 %	▼ 0.8 %	▼ 24.3 %
Corn (September)	\$ 4.82/bushel	▲ 2.9 %	▲ 2.7 %	▼ 30.3 %
SBean Meal (October)	\$397.2/ton	▼ 2.0 %	▼ 1.8 %	▼ 11.8 %
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 announced the October Class I base price at \$19.47 per hundred-weight, up 57 cents from September but down \$3.24 from a year ago.
- Total milk production in the US is down for the second month in a row, with August production levels slipping 0.2 percent from a year ago to 18.975 billion pounds nationwide. Cow numbers stayed flat from July but were down 16,000 head year over year at 9.39 million head, with the nation's dairy herd now at its lowest level since February 2022. Milk production per cow was down just 1 pound from a year ago at 2,021 pounds for the month. Production was mixed across the country, with states in the Southwestern region posting significant losses, while states in the upper Midwest and Northeast had flat to moderate growth.
- Looking at the top eight dairy states, California was down 3.7 percent in total milk production, with 11,000 fewer cows and 55 pounds less milk per cow. Wisconsin's milk production was up 1.2 percent, with 3,000 fewer cows but 30 pounds more milk per cow. Idaho was up 1 percent, with 11,000 more cows but 15 pounds less milk per cow. New York was up 3.8 percent, with 6,000 more cows and 60 more pounds milk per cow. Texas was down 3.2 percent, with 20,000 fewer cows and 5 pounds less milk per cow. Michigan was up 3.7 percent, with 13,000 more cows and 15 pounds more milk per cow. Minnesota was down 0.7 percent with 2,000 less cows and 5 pounds less milk per cow. Pennsylvania reversed the declines it posted in recent months to be up 0.5 percent with 15 pounds more milk per cow but 2,000 fewer cows than a year ago. Cow numbers in the Commonwealth have stayed flat for the past eight months.
- Dairy cow slaughter rates in the US have reached the highest level since 1986 during the Whole Herd Buyout Program. The latest USDA Livestock Slaughter report shows 2023 dairy cow slaughter through July up 6.4 percent from a year ago, with 112,400 more dairy cows sent to auction so far this year than were in last year. Weekly slaughter reports are showing that trend continuing into August and September.
- In the European Union, milk production is increasing slightly, up 0.2 percent from a year ago to 13.8 million metric tons, or 30.5 billion pounds, in July. Output in Germany was up 2.1 percent, while France and the United Kingdom were down, falling 2.9 and 3.8 percent, respectively.
- The US Bureau of Labor and Statistics released August's Consumer Price Index, showing the inflation measure increased 0.6 percent from July, the largest month-to-month increase since June 2022. The August CPI was also up 3.7 percent from July 2022.
- The dairy price index on the latest Global Dairy Trade auction was up 4.6 percent from the previous session to \$2,957 per metric ton, marking the second session in a row with an increasing price index after seven sessions of flat or no growth in prices. Skim milk powder prices were up 5.4 percent, while butter prices were up 3.8 percent. Cheddar cheese prices fell 1.7 percent from the previous session.