



CENTER FOR  
**Dairy**EXCELLENCE  
 Dairy Week In Review

Dated September 27, 2023



**Markets:**

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Sept)	\$18.38/cwt.	▲ 0.5 %	▲ 6.9 %	▼ 7.6 %
Class IV Milk Price (Sept)	\$18.84/cwt.	▲ 0.4 %	▼ 0.4 %	▼ 23.3 %
Corn (September)	\$ 4.83/bushel	▲ 0.2 %	▲ 4.7 %	▼ 27.0 %
SBean Meal (October)	\$390.1/ton	▼ 1.8 %	▼ 7.8 %	▼ 7.6 %
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.*

- According to the latest USDA Cold Storage report, butter inventories are down 40.3 million pounds from July to August, or 12 percent, to 289.1 million pounds at the end of August. This is the largest August decline in inventories since 2015. Butter stocks were still up 4 percent from a year ago. Total cheese inventories were down slightly from a month ago but up 1 percent from a year ago to 1.489 billion pounds. American-style cheeses were up 1 percent from both last month and the previous year, while other type cheeses were flat from a year ago but down 2 percent from last month. The 3.5 million pound drop in total cheese stocks from July to August is well below historical trends, with cheese stocks typically dropping 25 million pounds between the two summer months.
- The average Dairy Price Index in the latest Global Dairy Trade auction was up 4.6 percent from the previous session to \$2,957 per metric ton. This is the second session of growth after seven consecutive sessions of declines.
- Globally, milk production in major exporting countries is declining. New Zealand's milk production was down 0.7 percent in July, while Argentina's production was down 0.2 percent. Australia and the European Union had slight gains of 0.1 and 0.2 percent, respectively.
- Higher beef prices and lower profit margins on dairies continue to move more dairy cows to market. In USDA's latest Livestock Slaughter report, more than 275,500 dairy cows went to market in August, up 12.8 percent from July and 3.5 percent from August 2022. Year to date, dairy cow slaughter numbers total 2.138 million head, up 6 percent or 121,900 head from a year ago.

**Markets:**

- USDA continues to work through the hearing process in evaluating proposals for Federal Milk Marketing Order reform. Last week USDA concluded its examination of make allowance proposals and began the discussion around returning to the "higher-of" price of Class III or Class IV to use as the monthly Class I skim milk mover, rather than the existing "average-of" established in the 2018 Farm Bill. The last major topic included in the FMMO hearing process will be the Class I differentials discussion. However, a potential government shutdown on October 1 would suspend the hearings. Anyone interested in following the hearing live can view the webinar while in session at [www.zoom.gov/j/1604805748](http://www.zoom.gov/j/1604805748).
- The Center opened its On-Farm Grant Programs. Several grant programs are now available, with the team program offering support for establishing a dairy profit, transition or transformation team. The Dairy Excellence Grant Program is also now open, offering up to \$5,000 in matching funds to support a low-cost improvement that enhances cow comfort, efficiency or profitability. For more information about the grant programs available, go to [www.centerfordairyexcellence.org](http://www.centerfordairyexcellence.org), click on the menu, then on "The Center", then on "Grant Programs." Or call 717-346-0849.