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Dairy EXCELLENCE
Dairy Week In Review

Dated October 25, 2023



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Oct)	\$16.89/cwt.	▲ 0.4 %	▼ 8.1 %	▼ 22.5 %
Class IV Milk Price (Oct)	\$21.65/cwt.	▲ 0.3 %	▲ 14.6 %	▼ 13.1 %
Corn (December)	\$ 4.80/bushel	▼ 1.9 %	▼ 0.7 %	▼ 29.1 %
SBean Meal (December)	\$429.2/ton	▲ 7.4 %	▲ 26.1 %	▼ 10.8 %
DMC Margin (August)*	\$ 6.46/cwt.	—	▲ 83.5 %	▼ 20.1 %

*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 across the US was essentially flat in September, according to the latest USDA Milk Production report, with the nation's dairy herd producing 17.465 billion pounds. Average milk production per cow was up 3 pounds from a year ago, while the nation's dairy herd lost 16,000 head in the past 12 months. The US herd size dropped another 2,000 cows from August to September, with herd numbers now dipping to levels not seen since April 2022.
- Milk production across the different regions was mixed, though. The Southwest continued to see a decline in both cow numbers and total production, while milk production in the Upper Midwest is still increasing. New Mexico had the largest decline in total milk production, falling 7.2 percent with 19,000 fewer cows than there were a year ago. On the flipside, South Dakota's milk production was up 5.9 percent with 12,000 more cows. The only other state with more growth than South Dakota was Florida, which saw 12 percent growth from last September to this September.
- Looking at the top eight dairy producing states, Wisconsin's total milk production was up 1.1 percent with 1,000 fewer cows but 15 pounds more milk per cow. California was down 1.8 percent with 9,000 fewer cows and 25 pounds less milk per cow. Idaho, the third largest producing state, was down 0.6 percent in total milk production, while New York was up 2 percent. Both states saw a 5,000-head increase in their herd size. However, Idaho lost 30 pounds in milk production per cow, while New York gained 25 pounds per cow. Texas' milk production was down 1 percent, with 20,000 fewer cows but 45 pounds more milk per cow.
- Michigan's milk production was up 2.7 percent, with 11,000 more cows and 5 pounds more milk per cow. Minnesota's total milk production was down 0.6 percent, with 3,000 fewer cows. Milk production per cow in that state was flat. Pennsylvania's total milk production was down 0.1 percent to 785 million pounds, with 2,000 fewer cows than a year ago but 5 pounds more milk per cow. Cow numbers in the Commonwealth have remained consistently at 466,000 head for the past nine months.
- The nation's dairy herd may be starting to stabilize, according to the latest USDA Livestock Slaughter report. Dairy cow slaughter was down 7.6 percent year over year in September, after several months over year-over-year increases in the number of dairy cows sent to market. Still, year to date, the industry has sent 4.5 percent more, or 101,500 more head, dairy cows to slaughter than were sent during the same period in 2022.
- The latest USDA Cold Storage report shows butter inventories up 3 percent from a year ago to 275.4 million pounds as of September 30. That is down 16.3 million pounds from August 31, which is higher than the typical August to September drawdown that is expected. Total cheese stocks fell 23 million pounds to 1.47 billion pounds, up 0.2 percent from a year ago and the largest amount on record for the end of September. Still, cheese inventories were down 23 million pounds from August. American-type cheese inventories were up 0.9 percent from year-ago levels.