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Dairy Week In Review

Dated October 26, 2022



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Oct)	\$21.78/cwt.	▲ 0.1 %	▲ 9.5 %	▲ 22.0 %
Class IV Milk Price (Oct)	\$24.91/cwt.	▲ 0.2 %	▲ 1.5 %	▲ 46.1 %
Corn (December)	\$ 6.85/bushel	▲ 1.0 %	▲ 2.2 %	▲ 27.0 %
SBean Meal (December)	\$408.7/ton	▲ 1.7 %	▼ 3.1 %	▲ 23.6 %
DMC Margin (August)*	\$ 8.08/cwt.	—	▼ 18.6 %	▲ 22.0 %

*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.

- US total milk production was up 1.5 percent year over year to 18.282 million pounds in September. The increase was driven by 6,000 more head of cows and 27 pounds more milk per cow. Although cow numbers were up from a year ago, they fell 2,000 head from August and were down 8,000 head from their peak in May.
- All five top producing dairy states posted increases in milk production, with California up 0.5 percent, Wisconsin up 0.9 percent, Idaho up 2.4 percent, New York up 2.2 percent, and Texas up 8.5 percent. Michigan's milk production fell 0.7 percent, while Minnesota was up 0.6 percent. Pennsylvania production was down 0.1 percent to 798 million pounds for the month, with 5,000 fewer cows and 15 pounds more milk per cow.
- Milk production in other dairy regions across the globe continues to fall. In the European Union, milk production was down 0.8 percent year-over-year to 29.2 billion pounds. Year to date through August, milk production is below year-ago levels in the top five milk producing countries in the EU. However, Poland, the sixth top producing company, is up 1.9 percent.
- According to the latest USDA Cold Storage report, butter stocks fell 17.6 percent year-over-year to 267.3 million pounds, marking the 14th month in a row for year-over-year decreases. September butter stocks were at their lowest level since 2017, with retail and export demand remaining strong, supporting butter prices of more than \$3 per pound.
- Cheese stocks, however, were at or near record levels at nearly 1.47 billion pounds, up 0.8 percent from a year ago but setting a new record for total cheese inventories. From August to September, total cheese stocks were down 0.8 percent, or nearly 12 million pounds, which contradicts the five-year average increase that typically occurs from August to September. American cheese inventories were down 0.1 percent from a year ago to below 843 million pounds, while other cheese stocks were up 2 percent from a year ago to 603.5 million pounds.

Government and Industry:

- Enrollment for the 2023 DMC program year will begin on Monday, October 17 and continue through Friday, December 9, 2022, at your local Farm Service Agency (FSA) office. Current projections show that the DMC margin is expected to remain below the maximum \$9.50 per cwt margin coverage each month next year. To sign up to participate in the 2023 DMC Program, visit your local FSA office before December 9.
- The Professional Dairy Managers of Pennsylvania and the Center for Dairy Excellence will host a Fall Forum on Farm Transition on Thursday, November 10, in Fleetwood, Berks County. The "Own Your Future" forum will feature a panel discussing how to navigate the transition process and a farm tour of Vista Grande Farms. To register, go to www.pdmp.org.
- Penn State Extension Dairy Team will host a "Women in Dairy" conference on Wednesday, November 9, at the Sheraton Harrisburg Hershey. The conference will include topics on animal welfare, health and well-being, financial management, and others. To register, search "Penn State Women in Dairy Conference."