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Dairy EXCELLENCE
Dairy Week In Review

Dated November 8, 2022



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Nov)	\$20.88/cwt.	▲ 1.0 %	▼ 6.6 %	▲ 15.3%
Class IV Milk Price (Nov)	\$22.82/cwt.	▲ 2.0 %	▼ 11.4 %	▲ 22.2 %
Corn (December)	\$ 6.67/bushel	▼ 3.0 %	▼ 2.5 %	▲ 17.2 %
SBean Meal (December)	\$419.0/ton	▼ 1.2 %	▲ 4.1 %	▲ 22.5 %
DMC Margin (Sept)*	\$ 8.62/cwt.	—	▼ 18.6 %	▼ 5.7 %

*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.

- The US continues to send record volumes overseas, with September dairy exports up 7.7 percent from a year ago in volume. The total value of dairy exports in September was up 20.3 percent. Whey powder exports were up 20.1 percent, with US prices compared to global prices helping to boost sales. US cheese exports were also strong in September, up 4.8 percent to 78.8 million pounds. Butterfat shipments were up 49 percent from a year ago. However, with US prices showing strength over the global price, butterfat exports may struggle for the last two months of the year. Exports into Mexico were strong, with nonfat and skim milk powder sales up 22 percent and cheese up 11 percent.
- The average dairy price index on the latest Global Dairy Trade session was down 3.9 percent to \$3,537 per metric ton, marking the third consecutive session to session decline. Only two sessions out of the last 10 boasted increases. The skim milk powder price took the biggest hit, down 8.5 percent while whole milk powder prices were down 3.4 percent. Both Cheddar cheese and butter managed to have small increases in price, with Cheddar up 0.9 percent and butter up 0.2 percent.
- The latest USDA Dairy Products report shows milk continuing to move into cheese production. Total cheese production was up 0.4 percent from a year ago to 1.139 billion pounds. Italian type cheese production was up 3.2 percent from a year ago and up 0.5 percent from August to 491 million pounds. American type cheese production fell 2.6 percent from a year ago. Butter production was down both from last year and last month, falling 1.4 percent from September 2021 and 1.3 percent from August 2022 to 142 million pounds for September 2022.

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. According to the online DMC Decision Tool, the DMC margin is expected to remain below the maximum margin coverage throughout all of 2023. To sign up to participate in the 2023 DMC Program, visit your local FSA office before December 9.
- The National Milk Producers Federation Board of Directors voted to support a proposal that would modernize the Federal Milk Marketing Order system at the organization's annual meeting last month. Key recommendations in the proposal include returning to the "higher of" Class I mover; discontinuing the use of barrel cheese in the protein component price formula; extending the current 30-day reporting limit to 45 days on forward priced sales on nonfat dry milk and dry whey to capture more exports sales in the USDA product price reporting; updating milk component factors for protein, other solids and nonfat solids in the Class III and Class IV skim milk price formulas; developing a process to ensure make-allowances are reviewed more frequently through legislation directing USDA to conduct mandatory plant-cost studies every two years; and updating dairy product manufacturing allowances contained in the USDA milk price formulas.