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Dairy EXCELLENCE
Dairy Week In Review

Dated November 29, 2023



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Nov)	\$17.15/cwt.	▼ 0.2 %	▲ 1.5 %	▼ 13.6 %
Class IV Milk Price (Nov)	\$20.87/cwt.	▲ 1.3 %	▼ 3.7 %	▼ 3.7 %
Corn (December)	\$ 4.49/bushel	▼ 5.7 %	▼ 6.5 %	▼ 42.2 %
SBean Meal (December)	\$444.3/ton	▼ 2.0 %	▲ 3.4 %	▲ 6.5 %
DMC Margin (September)*	\$ 8.44/cwt.	—	▲ 30.7 %	▼ 2.1 %

**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.*

- In USDA's latest Cold Storage Report, butter stocks fell 11 percent from September and 1 percent from a year ago to 238.28 million pounds. September butter stocks were also revised to their lowest level for any September since 2017. Cheese stocks also declined seasonally in October, falling 1 percent from September but up 1 percent from a year ago to 1.46 billion pounds.
- The US isn't the only region where milk production is declining. Milk production in the European Union and Britain fell year-over-year in both August and September. The latest figures show September milk collections were down 0.8 percent from a year ago to just below 12.6 million metric tons or about 27.8 billion pounds.
- The dairy price index on the latest Global Dairy Trade was flat from the last session at \$3,268 per metric ton. The whole milk powder price was up 1.9 percent, while Cheddar cheese prices fell 9.7 percent, butter was down 1.1 percent and skim milk powder prices were down 3.8 percent.
- USDA announced the December Class I milk price at \$19.76 per hundred-weight, up just a penny from November but down \$2.82 from a year ago. Class I prices for 2023 have averaged \$19.20 per cwt, down \$4.46 from the average Class I price in 2022.

Government:

- Dairy Revenue Protection (DRP) is a federal Crop Insurance program that is implemented and administered by the USDA's Risk Management Agency. It guarantees a minimum quarterly revenue for up to 100% of quarterly milk production without giving up any upside. DRP premiums are subsidized by 44% up to 55% depending on the price protection amount chosen by the dairy farmer. Policies are available nearly every day that milk production is traded on the Chicago Mercantile Exchange (CME) with a few exceptions. Policies are available up to 5 months in advance. Currently, policies for the first quarter of 2024 through the first quarter of 2024 are available for purchase. DRP is highly customizable and can be made to closely match your milk check. Farms can choose between a Class and a component option. The Class option allows you to purchase 100% Class III policies, 100% Class IV policies or any combination of average Class III and IV in 5% increments. The component option allows you to protect your milk price based on the level of components you produce. For more information, contact your crop insurance agent.
- A U.S-Mexico-Canada Agreement (USMCA) dispute panel allowed Canada to restrict the dairy access that the United States negotiated for in the agreement. An earlier panel ruled in January 2022 that Canada had improperly restricted access for U.S. dairy products. In response, Canada made inadequate changes to its dairy tariff rate quota (TRQ) system, resulting in a second challenge by the United States. The decision means Canada is not obligated to make further changes, a disappointment to U.S. dairy farmers and exporters.