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**Dairy** EXCELLENCE  
Dairy Week In Review

Dated December 13, 2023



**Markets:**

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Dec)	\$16.21/cwt.	▼ 0.2 %	▼ 5.3 %	▼ 21.1 %
Class IV Milk Price (Dec)	\$19.08/cwt.	▼ 0.9 %	▼ 7.5 %	▼ 12.7 %
Corn (December)	\$ 4.56/bushel	▼ 2.6 %	▼ 3.0 %	▼ 28.7 %
SBean Meal (December)	\$421.1/ton	▼ 2.8 %	▼ 10.3 %	▼ 7.7 %
DMC Margin (October)*	\$ 9.44/cwt.	—	▲ 11.8 %	▼ 11.9 %

\*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 US dairy exports shipped overseas was down 6.6 percent on a milk solids basis in October, which is the smallest year over year decline since March. Year over year cheese exports were down 4 percent in October, with shipments into Japan and Korea down 40 percent year over year. Cheese shipments into Mexico were up 54 percent, and shipments to China were up 145 percent. Total US skim milk powder exports fell 11 percent year over year in October, while whole milk powder exports were up 10 percent year over year.
- The dairy price index was up 1.6 percent from the previous session to \$3,323 per metric ton on the latest Global Dairy Trade auction. Cheddar cheese prices were up 9.7 percent, while whole milk powder and skim milk powder prices were up 2.1 and 1.2 percent, respectfully. Butter prices were up 0.7 percent.
- USDA released its latest Agricultural Supply and Demand Estimates report, projecting that soybean stocks will be at an eight-year low of 245 million bushels as of the end of this crop year on August 31, 2024. Corn ending stocks, in contrast, are expected to be at a five year high of 2.13 billion bushels as of August 31, 2024. The report lowered milk production forecasts for both 2023 and 2024 due to slower growth in milk per cow and decreased expectations in cow numbers.
- Butterfat and protein levels in US produced milk are increasing. US butterfat output was up 7.2 percent in the first 10 months of 2023 compared to a year ago. Protein production was up 5.2 percent, while nonsolid production was up 4.1 percent. Despite standardized testing formulas having milk component levels at 3.5 percent butterfat and 2.99 percent protein, the nation's herd is steadily increasing component levels. In the first 10 months, milk marketed through the Federal Milk Marketing Order system averaged 4.08 percent butterfat and 3.24 percent protein.

**Government:**

- USDA announced that producers may begin receiving the second round of Pandemic Market Volatility Assistance Program payments later this month. In the first round of the Pandemic Market Volatility Assistance Program, USDA distributed over \$250 million in pandemic assistance payments to more than 25,000 eligible dairy farmers who received a lower value due to market abnormalities caused by the pandemic and ensuing Federal policies. The first round of payments were made on production up to 5 million pounds. USDA will now make PMVAP payments to eligible dairy farmers for fluid milk sales between 5 million and 9 million pounds from July through December 2020. This level of production was not eligible for payment under the first round of the PMVAP.
- USDA's hearings to review proposals for modernizing the Federal Order system adjourned for the year last week, with the hearings expected to reconvene on January 16, 2024, to receive additional testimony before concluding.