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Dairy EXCELLENCE
Dairy Week In Review

Dated December 19, 2023



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Dec)	\$16.14/cwt.	▼ 0.5 %	▼ 5.7 %	▼ 21.4 %
Class IV Milk Price (Dec)	\$19.08/cwt.	—	▼ 7.5 %	▼ 16.6 %
Corn (March)	\$ 4.72/bushel	▲ 3.5 %	▼ 0.4 %	▼ 27.7 %
SBean Meal (March)	\$ 403.2/ton	▼ 4.3 %	▼ 14.1 %	▼ 10.9 %
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 milk production across the US was down 0.6 percent in November, according to the latest USDA Milk Production Report, falling to 18.08 billion pounds. Total cow numbers fell 44,000 head, or about 0.5 percent, to 9.36 million head, down another 10,000 head from October's revised number. Milk production per cow in the US was down just 3 pounds year-over-year to 1,948 pounds for the month of November.
- The shift in cow numbers east continues, with the western region losing 56,000 head year over year. The top dairy producing states in the Midwest and East collectively gained 32,000 head. California's milk production dropped 1.7 percent, while Wisconsin was up 0.2 percent. Idaho was up 0.3 percent, while New York was up 0.5 percent. Texas' milk production was down 2.2 percent, while Michigan was up 1.9 percent. Both Minnesota and Pennsylvania were down in total milk production, falling 0.7 and 1.4 percent, respectively. Pennsylvania lost 1,000 cows from a year ago, but has stayed flat in cow numbers for the past 11 months. Milk production per cow in the Commonwealth, however, was down significantly, falling 1.2 percent, or about 20 pounds, year-over-year in November.
- The dairy price index price was up 2.3 percent on the latest Global Dairy Trade auction, increasing to \$3,388 per metric ton. The butter price was up 9.9 percent, while the Cheddar cheese price was up 6.9 percent. The whole milk powder price was up 2.9 percent, while skim milk powder prices fell 1.3 percent.
- Class III milk futures prices dipped below \$16 per hundredweight this week, with the first quarter of 2024 now averaging \$15.95 per cwt. before rebounding to \$17.81 per cwt in the second quarter. That's down about 75 cents from where Class III futures in the first six months of 2024 were a month ago. Class IV milk futures are still hovering around \$19 per cwt. for the first half of 2024, averaging \$19.13 per cwt., as of December 19.

Government:

- Last week was a great week for both our dairy industry and for school children across the country. That's because the US House of Representatives passed the "Whole Milk for Healthy Kids Act" with a resounding 330-99 bipartisan margin. This measure, which was led by Representatives GT Thompson and Kim Schrier, will increase the varieties of milk options schools could make available, adding whole milk and 2 percent milk back on the menu. The bill now will be sent to the Senate, which already has a companion bill with bipartisan support.
- On behalf of everyone at the Center for Dairy Excellence and the Dairy Excellence Foundation, we are wishing you and your families a wonderful holiday season and blessed New Year. Thank you for your part in keeping Pennsylvania's dairy industry strong all year through.