



CENTER FOR  
**Dairy**EXCELLENCE

## For Immediate Release

**Media Contact:** Emily Barge, 717-346-0849; [ebarge@centerfordairyexcellence.org](mailto:ebarge@centerfordairyexcellence.org)

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### **MAY “PROTECTING YOUR PROFITS” RECORDING NOW AVAILABLE WITH DAIRY MARKET UPDATES**

*Watch or Listen Back to Hear Dairy Market Updates From May 2023*

**Harrisburg, Pa.** – The Center for Dairy Excellence has published its monthly “Protecting Your Profits” discussion with updates about the May 2023 milk marketplace. The discussion is recorded each month in podcast and webinar format and is led by Zach Myers, Risk Education Manager with the Center. Myers reviews current data and updates about the milk marketplace to guide decision-making and risk management strategies.

“The ‘Protecting Your Profits’ webinars provide a massive amount of global, domestic and regional dairy market information that demonstrate where the markets have been and help indicate which direction they are going. I could go to all of the individual data sources myself to accumulate all of that information, but Zach compresses the data into about a 15-minute presentation,” said Michael John, Executive Vice President, Milk Marketing at Maryland & Virginia Milk Producers Cooperative Association. “Easy to consume, the ‘Protecting Your Profits’ webinars are a huge time-saver for me. It’s always recorded and available to listen at my convenience.”

Throughout the May “Protecting Your Profits” recording, Myers shared the latest export numbers and Class III and IV futures milk price forecasts – and what they mean for dairy producers and industry professionals.

“April milk production was up a slight 0.3 percent to 19.210 billion pounds. With the spring flush in full swing, dairy product production is up across the main categories, but dairy product disappearance (demand indicator) was mixed. Butter disappearance was up 19 percent, total cheese disappearance was down 2 percent, and nonfat dry milk/skim milk powder was up 1.4 percent,” Myers shared during the discussion.

View highlights from the May “Protecting Your Profits” discussion:

- Based on May 23 closing prices, the 12-month average Class III price was 78 cents less than last month at \$17.91 and 14 cents below the five-year average of \$18.05 for the first time in recent history.

- Class IV price was just 7 cents below last month at \$18.75. This is still \$1.45 more than the five-year average price of \$17.30.
- March exports were down year-over-year for the second consecutive month at 227,500 metric tons of milk solid equivalent. March export value was down year-over-year for the second consecutive month at \$815 million or -3 percent.
- National milk per cow was flat year-over-year at 2,037 pounds. Herd size at 9.430 million increased 26,000 year-over-year but declined 16,000 since March.
- Pennsylvania milk production per cow increased 2 percent to 1,869, offsetting the loss in cow numbers to keep production constant.

As part of the risk management portion of the conversation, Myers shared the latest Dairy Margin Coverage (DMC) margins. March DMC margin was \$6.08 and triggered a \$3.42 per cwt. indemnity at the maximum \$9.50 margin coverage. January, February and March indemnities, at \$9.50, provide a total net benefit for the year of 50 cents/cwt. Myers also provided an update on the Dairy Revenue Protection (DRP) Program. Third Quarter DRP policy sales end on June 15, 2023. After June 15, DRP sales shift to Quarter Four 2023 through Quarter Four 2024.

“Despite lower floor prices, DRP premiums are the cheapest they have been in over a year. Depending on where a dairy operation’s Class III and Class IV breakeven prices are, current floors may provide a decent floor and perhaps are worth considering,” Myers added.

To access the “Protecting Your Profits” recording in a format that is most convenient for you, the Center offers the series in a webinar and podcast format each month at no cost. Visit [www.centerfordairyexcellence.org/pyp](http://www.centerfordairyexcellence.org/pyp) to watch the webinar or listen to the podcast. Subscribe to get notified via a text alert when the recordings are released each month. The June 2023 discussion is expected to be released the last week of the month.

For more information about risk management planning, call 717-346-0849 or email Myers at [zmyers@centerfordairyexcellence.org](mailto:zmyers@centerfordairyexcellence.org).

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The Center for Dairy Excellence is a non-profit organization initiated by the Pennsylvania Department of Agriculture in 2004. Bringing together people from more than 40 different dairy organizations in Pennsylvania, the Center’s mission is to enhance the profitability of the dairy industry by empowering people, creating partnerships, and increasing the availability and use of resources. Learn more at [centerfordairyexcellence.org](http://centerfordairyexcellence.org).

**Center for Dairy Excellence ▼ 2301 North Cameron St., Harrisburg, PA 17110 ▼ 717-346-0849 ▼ [www.centerfordairyexcellence.org](http://www.centerfordairyexcellence.org)**