



For Immediate Release

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JUNE "PROTECTING YOUR PROFITS" RECORDING NOW AVAILABLE WITH DAIRY MARKET UPDATES

Watch or Listen Back to Hear Dairy Market Updates From June 2023

Harrisburg, Pa. – The Center for Dairy Excellence has published its monthly "Protecting Your Profits" discussion with updates about the June 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.

Throughout the June "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.

"Milk production in the U.S. is increasing along with global milk supply. The result of ample milk on the world market is causing milk price and dairy product prices to decline," Myers shared during the discussion. "Dairy product prices are mixed relative to world prices. Butter is higher than the world price, cheese is less, and nonfat dry milk is similarly priced to the world market."

View additional highlights from the June "Protecting Your Profits" discussion:

- U.S. May milk production increased to 19.875 billion pounds YOY (+0.6%). Herd size increased 13,000 cows relative to last May at 9.430 million (+0.1%). Milk per cow increased by 10 pounds per cow compared to May 2023 and reached 2,108 pounds.
- Pennsylvania milk production dropped 5 million pounds compared to May 2023 at 878 million pounds. The PA herd size decreased by 1,000 cows. Milk production per cow dropped 5 pounds per cow during May 2023 compared to one year ago at 1,885 pounds per cow.
- The 12-month average Class III price on June 26 was \$17.15, 76 cents less than one month ago and 92 cents below the \$18.07/cwt five-year average.
- The 12-month average Class IV price was \$18.37, 38 cents less than a month ago but still \$1.01 higher than the \$17.36/cwt five-year average.

As part of the risk management portion of the conversation, Myers shared the latest Dairy Margin Coverage (DMC) margins. According to Myers, DMC projections show payments each month of 2023 with June and July margins at or lower than the \$4.00 catastrophic DMC coverage. He shared information about other programs, including the Dairy Revenue Protection (DRP) Program, to help producers weigh their options.

“DRP floor prices continue to fall compared to previous months with continued degradation of milk prices. However, depending on your cost of production, the program may set Class III and Class IV decent milk price floors – especially on the Class IV side since Class IV prices are still above the five-year average,” 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 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 July 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.

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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.

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