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Dairy EXCELLENCE
Dairy Week In Review



Dated August 28, 2024

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Aug)	\$20.64/cwt.	▲ 0.2 %	▲ 4.1 %	▲ 20.1 %
Class IV Milk Price (Aug)	\$21.66/cwt.	—	▲ 1.1 %	▲ 14.5 %
Corn (Sept)	\$ 3.67/bushel	▼ 0.6 %	▼ 5.4 %	▼ 20.4 %
SBean Meal (Sept)	\$ 317.3/ton	▲ 2.0 %	▼ 9.9 %	▼ 25.0 %
DMC Margin (June)*	\$ 11.66/cwt.	—	▲ 10.8 %	▲ 231.5 %

*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.

- Seasonal, warm weather resulted in decreased milk production and component levels across West Europe, tightening dairy product inventories. The UK recovered to match last year's production despite a slow start. In France, farmers confront a potential outbreak of bluetongue disease. East Europe shows growth in Belarus's milk production, but drought conditions are negatively affecting crop yields. European butter prices are rising due to reduced stock levels and higher cream costs. Skim milk powder (SMP) prices are steady to higher as supplies remain tight, while dry whey prices have crept up slightly due to steady demand. Whole milk powder (WMP) prices climbed upward, though high costs hinder its market competitiveness and limit production.
- In Oceania, Australia's milk exports fell 23.5% to 181,799 metric tons from July 2023 to June 2024. High feed prices persist despite average rainfall. Milk production rose 3.1% for the season. In New Zealand, the milk price forecasts for 2024-2025 increased to \$8.66 per kilogram of milk solids due to rising WMP prices. Cow slaughter rates decreased, and butter prices dropped amid strong retail but weak food service demand. SMP prices fell with weak international demand, while cheese prices varied, and whole milk powder prices rose due to increased milk output and global interest.
- Dairy production benefits from favorable weather in South America, keeping milk output steady in Brazil, Uruguay, and Argentina. High demand for butter, SMP, and WMP keeps processors busy. SMP prices, although slightly lower, remain above global averages due to strong orders from Brazil and Algeria. WMP prices remain stable with increased production meeting strong international interest.

Government/Industry:

- The Pennsylvania Department of Agriculture is encouraging all Pennsylvania dairy farms to enroll in the voluntary Lactating Dairy Cow Health Monitoring Program. Enrolled farms will benefit by no longer being required to individually test cattle prior to interstate movement. Testing will be performed at no cost to producers, and the Department or USDA will provide necessary sampling supplies after enrollment. To ask questions or request an enrollment form, please contact the Department at 717-307-3259 or RA-ahds@pa.gov.
- The Pennsylvania Department of Ag is also encouraging dairies to submit biosecurity plans for evaluation. Approved plans will be necessary for obtaining permits to move milk and dairy animals off a farm in the event that avian influenza has been detected on that farm. An approved plan is also required for enrollment in the PA Lactating Dairy Cow Health Monitoring Program. Biosecurity plans and questions about the plans can be submitted by email to: RA-AGBioplans@pa.gov.