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Dairy EXCELLENCE
Dairy Week In Review

Dated August 30, 2023



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (August)	\$17.19/cwt.	▼ 0.9 %	▼ 0.8 %	▼ 12.4 %
Class IV Milk Price (August)	\$18.91/cwt.	—	▲ 0.5 %	▼ 21.3 %
Corn (September)	\$ 4.61/bushel	▼ 0.8 %	▼ 5.6 %	▼ 31.6 %
SBean Meal (September)	\$423.0/ton	▲ 4.3 %	▼ 6.3 %	▼ 7.9 %
DMC Margin (June)*	\$ 3.65/cwt.	—	▼ 24.6 %	▼ 69.4 %

**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.*

- Higher cull values coupled with tighter dairy margins are continue to drive dairy cow slaughter levels. Dairy cow slaughter was up 6.1 percent, or about 14,000 head, from a year ago to 244,200 head culled in July. Dairy cows culled in July did fall from June, though, according to the latest USDA Livestock Slaughter report, dropping 4.5 percent from month to month. Year to date, dairy cow slaughter is at 1.863 million head sent to auction, up 6.4 percent from year-to-date levels a year ago.
- Fifty-one percent of the nation's corn crop is in the dented stage, as of August 27th, according to the latest USDA Crop Progress Report. That's up about 16 percent from a month ago, with the dented stage typically when corn silage begins to come off. Just over half of the nation's corn crop is rated in good to excellent condition. About 17 percent is in the poor to very poor stage. About 58 percent of the nation's soybean crop is rated as good to excellent, with 14 percent in the poor or very poor categories. Crop conditions in the latest report are very similar to crop conditions reported at this time a year ago.

Government/Industry:

- Wednesday, August 23, was the first day for public hearings held by the USDA to consider proposals seeking changes to the Federal Milk Marketing Order System. Forty proposals have been submitted to USDA by stakeholders for consideration. Twenty-one of the proposals directly impact the uniform pricing formulas, with recommendations to milk composition factors, commodity product prices, Class III and Class IV formula factors, base Class I skim milk, and Class I and Class II differentials all addressed in the various proposals. The hearings will likely continue for several weeks. After the initial presentations, the hearings will launch into discussions on specific issues. After hearings have concluded, those involved in the process will have a period of time to respond to the testimony, followed by a USDA draft decision, then more discussion, and ultimately a vote among dairy farmers on the final proposal. That will likely come in the second half of 2024.
- Cooperatives Working Together assisted with dairy product sales in 2023 that resulted in a total of 27.6 million pounds of American-type cheese, 809,000 pounds of butter, 24,000 pounds of anhydrous milkfat, 5.9 million pounds of cream cheese, and 31.4 million pounds of whole milk powder. That is about 548.9 million pounds in total milk equivalents on a milkfat basis.
- The Environmental Protection Agency (EPA) and Army Corps of Engineers have revised the definition of the "Waters of the United States" (WOTUS) and published a final rule that conforms to a recent Supreme Court ruling. The update limits federal jurisdiction to traditional navigable waters and adjacent wetlands with continuous surface connection to those waters, providing greater clarity and certainty for dairy farmers.