

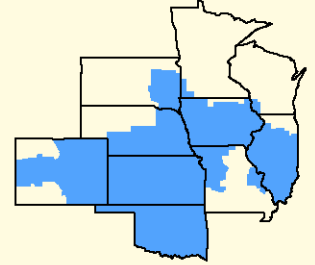
MAY 2023

Marketing Service

# Bulletin

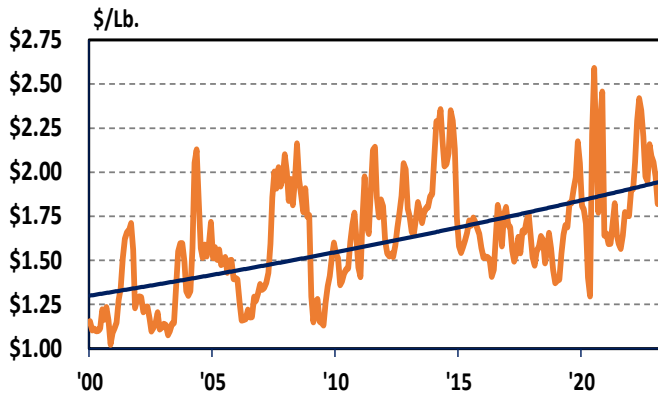


Facilitating the efficient marketing of milk and dairy products.

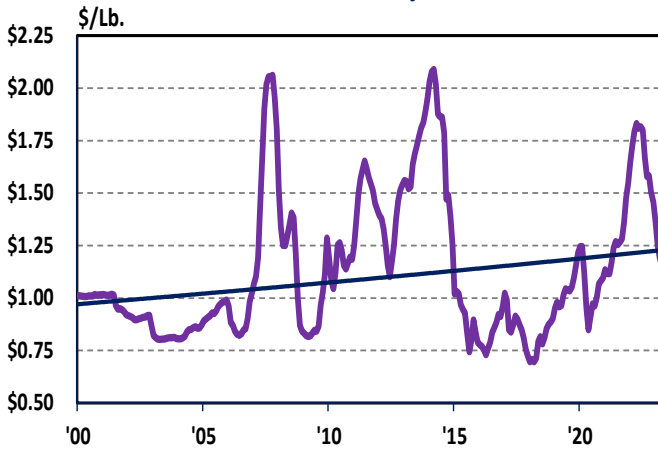


**CENTRAL MARKETING AREA**

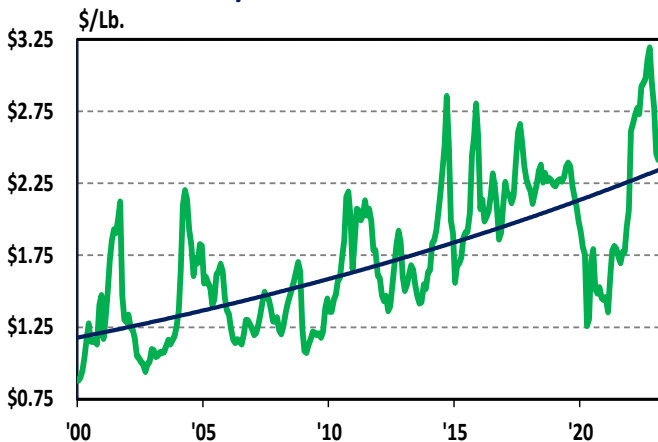
### AMS / NASS Wtd. Avg. Block/Barrel Cheese Price



### AMS / NASS Nonfat Dry Milk Price



### AMS / NASS Butter Price



A variety of economic factors affecting the U.S. dairy industry are illustrated by the graphs in this bulletin. These graphs depict monthly data for 15 selected factors from January 2000 through the most current month of this year. A cursory examination of this data provides insight into the milk marketing environment in the U.S. during this time frame. While many of the price series depicted in this bulletin reached record high levels during 2022, AMS Block/Barrel cheese and Producer & Handler Protein prices reaching record highs in 2020. Recently prices have been trending down since their peak in 2022 but when looking at the last 22 years they can be seen trending up.

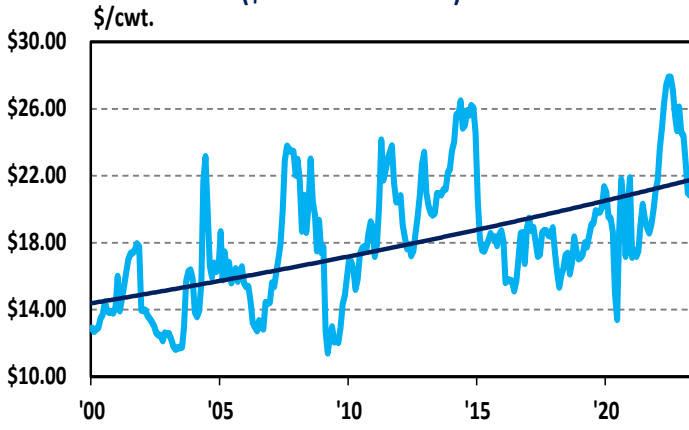


Federal Milk Order (FMO) Class prices went up significantly in 2022. The Federal Order Class I Price (\$2.00 Differential) for June reached a high of \$27.87 and stayed there for two months while the Federal Order Class IV Price reached a high as well, closing June at \$25.83. The Central Order Statistical Blend Price has also increased substantially, with June's \$25.37 price setting a new all time high. Prices for soybeans registered an all-time high in mid-year 2022 while corn was \$0.25 below its record at that time, and after a slight drop both have stayed at an elevated price compared to the previous five years. This has put significant pressure on dairy producers' income over feed costs (IOFC).

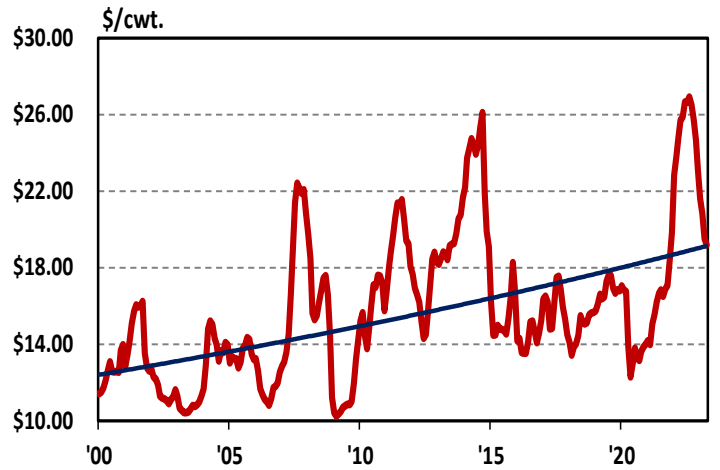
Two non-price data series are depicted in this bulletin – U.S. milk production and FMO Class I producer receipts. U.S. milk production, portrayed in the bottom left graph on page three, has registered year-over-year monthly increases in 2023 thus far. In the past 25 years annual milk production has only decreased twice versus the previous year. In contrast to U.S. milk production, FMO Class I producer receipts were on a downward trajectory from 2009 through late 2018, as indicated by the third graph on page three. This downward trend had been reversed with the implementation of the California order in November 2018, but has gone back to trending down since 2020.

The graphs on this page illustrate three commodity price series that have a direct impact on Federal Milk Order minimum prices. The six graphs on page two along with the first graph on page three depict FMO prices applicable to dairy farmers and/or regulated milk processors. A variety of factors that directly and indirectly influence the economic environment for milk production and processing are portrayed by the remaining graphs on page three.

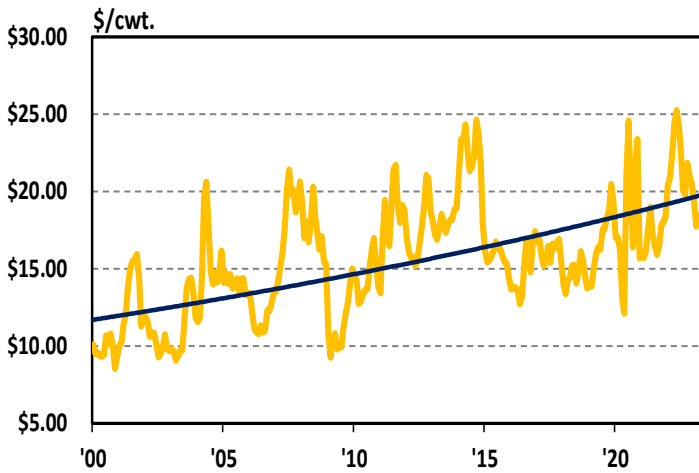
### Federal Order Class I Price (\$2.00 Differential)



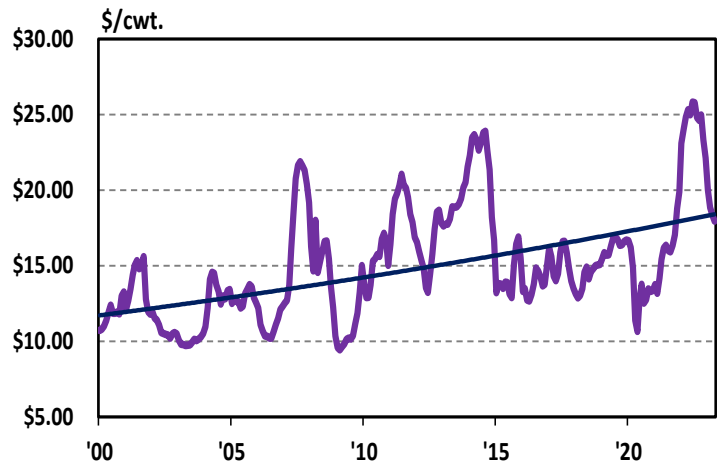
### Federal Order Class II Price



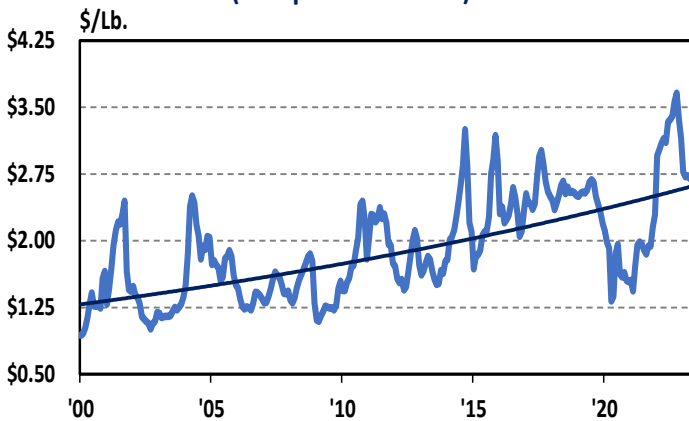
### Federal Order Class III Price



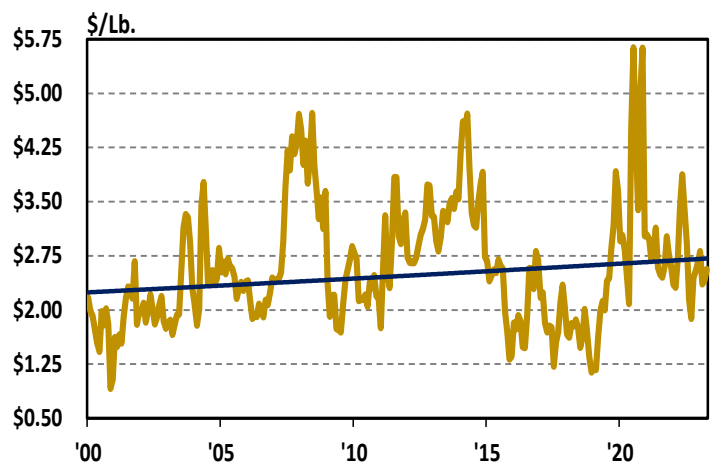
### Federal Order Class IV Price



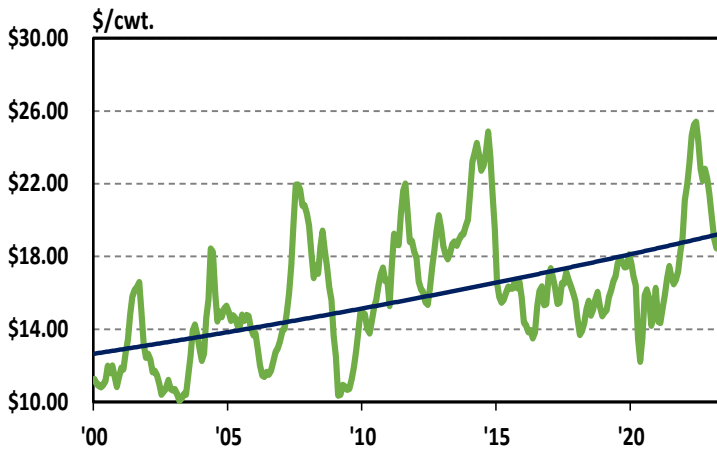
### Producer Butterfat Price (Component Orders)



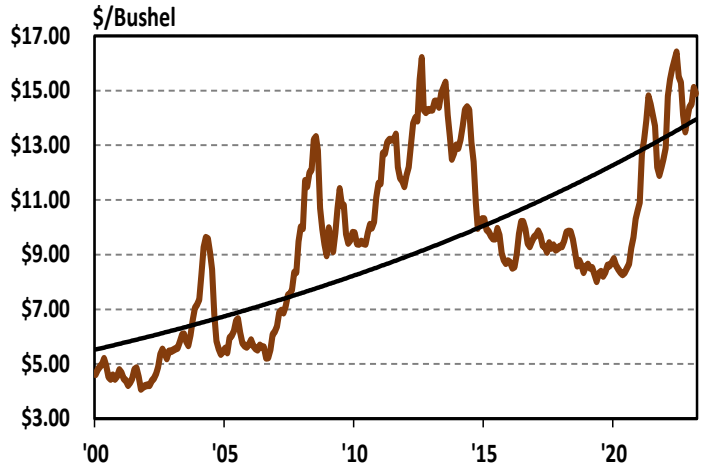
### Producer & Handler Protein Price



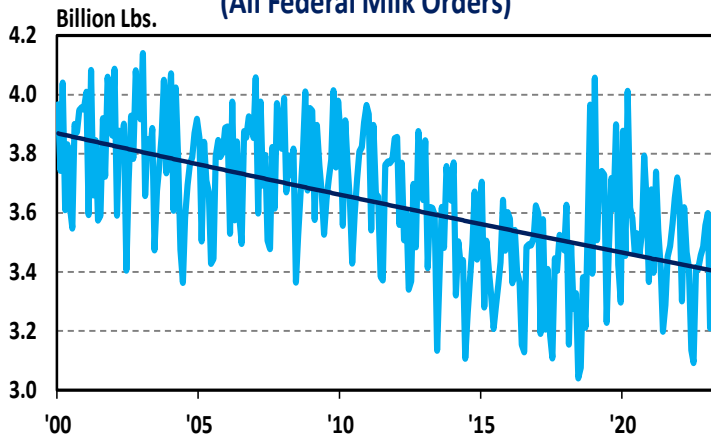
### Central Federal Order Statistical Blend Price



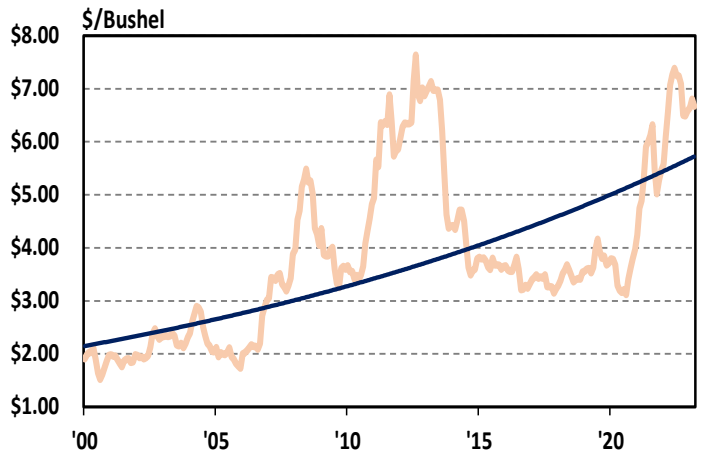
### Soybeans - US Avg Price



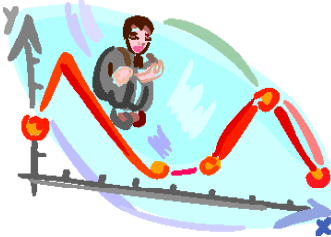
### Class I Producer Receipts (All Federal Milk Orders) \*



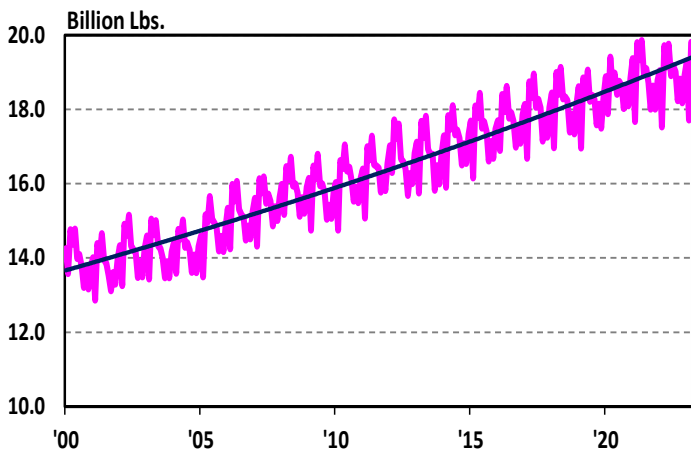
### Corn - U.S. Avg Price



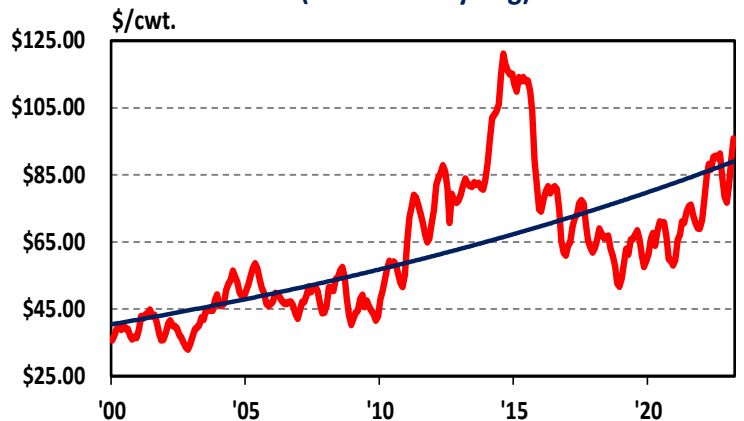
\*The California Order became effective November 2018



### Estimated U.S. Milk Production



### Beef & Dairy Cow Slaughter Prices (U.S. Monthly Avg)





**United States  
Department of  
Agriculture**

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U.S. POSTAGE  
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**FIRST CLASS**

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	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	<u>Apr '23</u>	<u>Mar '23</u>	<u>Apr '23</u>	<u>Mar '23</u>	<u>Apr '23</u>	<u>Mar '23</u>
Northeast	19.77	19.93	1.25	1.83	27.16	29.46
Appalachian	21.17	21.50	-----	-----	66.94	69.41
Florida	23.28	23.51	-----	-----	82.01	82.30
Southeast	21.54	22.12	-----	-----	63.55	74.10
Upper Midwest	18.64	18.29	0.12	0.19	6.39	5.66
<b>Central</b>	<b>18.45</b>	<b>18.48</b>	<b>-0.07</b>	<b>0.36</b>	<b>23.67</b>	<b>24.26</b>
Mideast	18.96	18.91	0.44	0.81	29.85	33.23
California	18.62	18.79	0.10	0.69	14.58	15.25
Pacific Northwest	18.38	18.50	-0.14	0.40	20.86	19.17
Southwest	19.20	19.44	0.68	1.34	25.42	27.08
Arizona	19.00	19.24	-----	-----	23.58	26.23

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