



CENTER FOR  
**Dairy EXCELLENCE**  
**Dairy Week In Review**

Dated January 26, 2022



**Markets:**

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Jan)	\$20.34/cwt.	▲ 0.5 %	▲ 10.4 %	▲ 26.0 %
Class IV Milk Price (Jan)	\$22.80/cwt.	▲ 0.4 %	▲ 14.7 %	▲ 65.2 %
Corn (March)	\$ 6.27/bushel	▲ 2.7 %	▲ 3.8 %	▲ 17.4 %
SBean Meal (March)	\$400.5/ton	▲ 1.7 %	▲ 3.7 %	▼ 8.2 %
Milk Margin (October)*	\$ 12.47/cwt.	—	▲ 16.76 %	▼ 10.26 %

\*Each issue of "Dairy Week in Review" will report on current "Milk Margin," or the dollars remaining per one hundred lbs. of milk after feed is paid for, based on data for a 75-pound herd in the latest "PA Dairy Industry Performance Scorecard."

- US total milk production was down 0.1 percent to 18.825 billion pounds in December, with 67,000 fewer head in the nation's dairy herd from a year ago, down 7,000 head from last month. Milk production per cow across the nation was actually up 11 pounds or 0.7 percent for the month, according to the latest USDA Milk Production Report. Milk production in the top eight milk producing states was mixed. California, Wisconsin, Idaho, Texas, and Minnesota all posted gains, up 2.4, 1.8, 1.7, 3.4, and 1.7 percent, respectively. New York, Michigan, and Pennsylvania posted losses, falling 1.7, 1.2 and 2.6 percent, respectively. Pennsylvania lost 8,000 head since a year ago, falling 2,000 head from last month. The Commonwealth also saw a 15-pound loss in milk production per cow for the month, down 0.9 percent from a year ago.
- The Class I base price for February was announced at \$21.64 per cwt., up \$1.93 from January 2022 and up \$6.10 from a year ago levels. The Class I price was bolstered by strong Class III and IV milk prices in the previous month. While softening a little this week, they remain strong, with the average Class III for the next 12 months at \$20.72 per cwt., \$1.20 higher compared to this time last month and \$3.89 more than one year ago. The 12-month average Class IV price averaged \$22.21 per cwt., based on January 24 prices. This is \$1.74 per cwt more compared to the end of December and \$6.87 more than this time one year ago.
- Total cheese stocks were up 2 percent from November to 1.445 billion pounds on December 31, increasing 3 percent from a year ago. American cheese stocks were up 6 percent from a year ago, while other cheese stocks were flat from a year ago. Butter stocks fell 27 percent from a year ago to 199.05 million pounds, down 5 percent from last month, according to USDA's Cold Storage Report.
- November dairy export volume grew to 192,278 metric tons (MT), 30,600 MT (+19%) more than November 2020. November export value was even more impressive at \$667.4 million, 32% more than November 2020. Increased export volume coupled with increased dairy product costs contributed to the significant increase in value. Nonfat dry milk/skim milk powder and cheese led export growth during November.

**Government and Industry:**

- Dairy farmers are encouraged to visit their local FSA Office to sign up for the Dairy Margin Coverage Program in 2022. DMC should be looked at as an insurance policy that sets a milk price floor, not whether it is projected to provide a benefit. Based on the USDA's online DMC Decision Tool, the DMC feed cost is expected to average \$11.74 per cwt in 2022. If a dairy farmer elects the maximum \$9.50 per cwt margin coverage for 15 cents per cwt., that sets a U.S. all-milk price floor of \$21.24 for up to 5 million pounds of production history. DMC 2022 enrollment closes on February 18, 2022.
- The deadline for livestock producers and ag professionals to complete a mental health and wellness survey has been extended to February 15. The confidential survey results will be used to assess the mental well-being of those involved in agriculture in Pennsylvania. They will also be used to develop future programming to help farmers and agriculture workers manage mental wellness issues. Visit [centerfordairyexcellence.org/mental-wellness-survey](http://centerfordairyexcellence.org/mental-wellness-survey) to access the surveys.
- The 2022 Pennsylvania Dairy Summit will be held in person next week in Lancaster. The premier dairy conference will be held at the Lancaster Marriott and Convention Center on February 2 - 3. The program is filled with a mix of farm, herd, financial, and family business insight. Walk-ins are welcome, dairy farmer registration fees are deeply discounted, and one day rates are available. For program details, visit [padairysummit.org](http://padairysummit.org) or call the Summit business office at 814-355-2467.