



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review
Dated February 9, 2022



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Feb)	\$20.66/cwt.	▲ 1.7 %	▲ 1.4 %	▲ 32.6 %
Class IV Milk Price (Feb)	\$23.57/cwt.	▲ 3.3 %	▲ 3.4 %	▲ 74.9 %
Corn (March)	\$ 6.46/bushel	▲ 3.0 %	▲ 7.8 %	▲ 17.0 %
SBean Meal (March)	\$461.9/ton	▲ 7.0 %	▲ 7.0 %	▲ 6.1 %
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."

- Strong global demand and tight supply helped drive U.S. dairy exports to a second consecutive volume record in 2021 and a new all-time high in value. U.S. export volume last year increased 10% over 2020 to more than 2.3 million metric tons (MT) milk solid equivalent. The value of dairy exports rose 18% to \$7.75 billion in 2021, equivalent to more than 17% of U.S. milk produced last year, also an all-time high. The U.S. set annual export records in cheese, nonfat dry milk/skim milk powder (NFDMSMP), whey, lactose, and fluid milk and cream. U.S. cheese shipments topped 400,000 MT for the first time and whey surpassed 600,000 MT for the first time. NFDMSMP fell just shy of 900,000 MT, topping out at 892,528 MT, according to the US Dairy Export Council.
- Cooperatives Working Together (CWT) member cooperatives accepted 34 offers of export assistance in January from CWT that helped them capture sales contracts for 2.7 million pounds (1,216 MT) of American-type cheese, 304,000 pounds (138 MT) of whole milk powder, and 525,000 pounds (238 MT) of cream cheese. The product is going to customers in Asia, Central America, Middle East-North Africa, and South America, and will be delivered from January through June. The products are going to ten countries in four regions. These sales are the equivalent of 31.1 million pounds of milk on a milkfat basis.
- The latest USDA World Agricultural Supply and Demand Estimates report did not cut supplies as much as expected. The 2021/22 US corn supply and use was unchanged from last month, with the season-average price remaining at \$5.45 per bushel. World supplies of corn was lowered by 2.7 million tons to 1.497 billion bushels. Soybean ending stock estimates were lowered with expected increases in soybean crush. Ending stocks were reduced by 25 million bushels to 325 million bushels. The season-average soybean price was forecasted at \$13 per bushel, up 40 cents from last month, partly reflecting the impact of the drought in South America.

Government and Industry:

- USDA has extended the deadline to sign up for the Dairy Margin Coverage Program until March 25 to allow dairy farmers time 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.
- With dairy futures markets showing strength right now, especially in Class IV futures prices, right now may be a good time to consider using the Dairy Revenue Protection Program to protect your profits for the coming year. Dairy RP offers market-based price coverage for the next five quarters, which currently includes the second quarter of 2022 through the second quarter of 2023. The program allows you to put a floor under your milk price. To learn more, contact your crop insurance agent. If you want help in better understanding the program, contact Zach Myers at 717-346-0849.
- 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 to access the surveys.
- The Center will host four animal care workshops being held on dairy farms across the state throughout March, with support from the PA Beef Council. The workshops will focus on hands-on skill-building to help meet National FARM compliance. A Spanish interpreter will be present, making the workshops ideal for both English and Spanish-speaking employees. Visit www.centerfordairyexcellence.org/animal-care to learn more.