



CENTER FOR
DairyEXCELLENCE
Dairy Week In Review

Dated February 24, 2022



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Feb)	\$20.92/cwt.	▲ 0.8 %	▲ 3.4 %	▲ 34.1 %
Class IV Milk Price (Feb)	\$23.90/cwt.	—	▲ 5.3 %	▲ 71.7 %
Corn (March)	\$ 6.83/bushel	▲ 5.5 %	▲ 12.0 %	▲ 22.2 %
SBean Meal (March)	\$471.1/ton	▲ 4.8 %	▲ 18.9 %	▲ 10.1 %
Milk Margin (December)*	\$ 14.29/cwt.	—	▲ 6.01 %	▲ 35.71 %

*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."

- Total milk production in the US fell 1.6 percent from a year ago to 19.05 billion pounds in January 2022, with 82,000 head fewer cows in the nation's dairy herd than a year ago, according to the latest USDA Milk Production Report. Cow numbers fell 5,000 head from December. Milk production per cow also fell from a year ago, down 15 pounds or 0.8 percent to 2,034 pounds for the month.
- In 2021, the nation's total milk production was up 1.3 percent from 2020 to 226 billion pounds. Annual total milk production has increased 12.8 percent from 2012. Production per cow in the United States averaged 23,948 pounds for 2021, 171 pounds above 2020. The average annual rate of milk production per cow has increased 10.2 percent from 2012. The average number of milk cows on farms in the United States during 2021 was 9.45 million head, up 0.6 percent from 2020.
- Each year with the February report, USDA announces the number of licensed dairy farms. Total dairy farms in the US fell 5.7 percent to 29,858 farms across the US. Pennsylvania lost 230 dairy farms last year, falling 4.3 percent to 5,200 total dairy farms in the Commonwealth.
- For the month of January, the only state to post a major increase in milk production was South Dakota, up 18 percent. Of the top eight producing states, California, New York, Michigan, and Pennsylvania all posted declines, falling 0.3, 0.5, 1.2, and 2.6 percent, respectively. Wisconsin, Idaho, Texas, and Minnesota all had slight increases, up 1.0, 1.4, 2.8, and 0.1 percent, respectively.
- In Pennsylvania, cow numbers fell 8,000 head to 470,000, flat from November's numbers, while milk production per cow was down 15 pounds to 1770 pounds for the month. Milk production in the Commonwealth remains nearly 250 pounds below the national average.
- The March Base Class I milk price was announced at \$22.88 per cwt, up \$1.24 from February and \$7.68 above a year ago. It is the highest Class I milk price since December 2014.

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. Dairy producers should consider visiting their local FSA office to enroll in the program.
- 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. The workshops are free to attend, but pre-registration is requested. Visit www.centerfordairyexcellence.org/animal-care to learn more.
- 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.