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**Dairy**EXCELLENCE  
**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 (March)	\$22.26/cwt.	▲ 6.4 %	▲ 9.4 %	▲ 35.7 %
Class IV Milk Price (March)	\$24.74/cwt.	▲ 3.5 %	▲ 8.5 %	▲ 68.1 %
Corn (March)	\$ 7.39/bushel	▲ 8.1 %	▲ 17.8 %	▲ 46.3 %
SBean Meal (March)	\$463.7/ton	▼ 1.6 %	▲ 6.5 %	▲ 10.4 %
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."

- The average dairy price index on the latest Global Dairy Trade auction increased 5.1 percent to \$5,065 per metric ton, marking the fourth consecutive session of significant growth and its largest increase this year. All products posted gains in price, with Cheddar cheese up 10.9 percent. Butter was up 5.9 percent, while whole milk and skim milk powder were up 5.7 and 4.7 percent, respectively.
- Global milk supplies continue to decline. In December, collective milk output in Argentina, Australia, the European Union, New Zealand, and the United States were below year-ago levels by 1.3 percent, with a total loss of 748.9 million pounds for the month. It was the deepest year-over-year contraction since late 2016, according to the *Daily Dairy Report*.
- Recent USDA Agricultural Marketing Service (AMS) data shows that fluid milk sales fell 4.1 percent in 2021, with 44.3 billion pounds, or about 5.16 billion gallons, marketed through retail and food service outlets.

## Government and Industry:

- USDA is seeking comments on nutritional standards for milk served in schools. This follows transitional guidance which continued current rules until a new policy can be adopted. USDA says that it will be based on Dietary Guidelines for Americans 2020-2025. Those interested in providing comments related to the value of fuller fat milks in schools can provide comments to the USDA. Comments are due March 24 to the USDA Food & Nutrition Service. Comments regarding the value of whole milk may be directed to Tina Namian, Chief, School Programs Branch, FNS, 1320 Braddock Place, Alexandria, VA 22314. Refer to FNS-2020-0038-2936. Another way to comment is to use the comment button at [www.regulations.gov/documents/FNS-2020-0038-2936](http://www.regulations.gov/documents/FNS-2020-0038-2936) by March 24.
- USDA announced the January Dairy Margin Coverage margin at \$11.54 per cwt., well above the \$9.50 maximum threshold for the program. Currently the DMC Decision Tool is projecting margins to average \$11.74 for 2022. Even though milk futures prices are the best they have been since 2014, feed prices are expected to increase much of this year and could keep the dairy margin tighter than desired. The longer the conflict between Ukraine, a large wheat and corn exporter, and Russia, a major energy and fertilizer exporter lasts, the more likely it becomes that U.S. dairy farmers will see even tighter margins because of higher energy, fertilizer and feed costs. USDA's Dairy Margin Coverage Program protects that margin against unexpected milk price decreases and feed price hikes. DMC should be looked at as an insurance policy that sets a milk price floor, not whether it is projected to provide a benefit. Farmers have until March 25 to visit their FSA Office to enroll.
- 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](http://www.centerfordairyexcellence.org/animal-care) to learn more.