



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated March 9, 2022



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (March)	\$22.69/cwt.	▲ 2.0 %	▲ 9.6 %	▲ 38.4 %
Class IV Milk Price (March)	\$24.80/cwt.	▲ 0.2 %	▲ 5.2 %	▲ 70.8 %
Corn (March)	\$ 7.54/bushel	▲ 0.5 %	▲ 16.7 %	▲ 34.2 %
SBean Meal (March)	\$490.9/ton	▲ 5.8 %	▲ 6.5 %	▲ 16.9 %
Milk Margin (January)*	\$ 16.86/cwt.	—	▲ 17.98 %	▲ 96.96 %

**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."*

- USDA announced the February Class III price at \$20.91 per cwt., up 53 cents from January and up \$5.16 from a year ago. The February Class IV price was announced at \$24 per cwt., up 91 cents from January and \$10.25 per cwt. from a year ago. Class III futures prices on the CME average \$23.20 per cwt. for the remainder of the year, while Class IV futures prices average \$24.40 per cwt.
- USDA's Dairy Products Report shows total cheese output (excluding cottage cheese) at 1.17 billion pounds in January, up 2.8 percent from a year ago and up 1.8 percent from a month ago. American cheese production was up 1.1 percent from a year ago, while Italian-type cheese production was 1.7 percent from a year ago. Total butter production was at 195 million pounds, down 6.9 percent from January 2021 but up 8.5 percent above December 2021. Nonfat milk production was down 13.8 percent, while skim milk powder was up 20.6 percent.
- Australian milk production was down 6.3 percent to 714 million liters in January. For the season, which started in July, the Oceania state was below the prior season by 2.6 percent.

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 re 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 a comment button at www.regulations.gov/documents/FNS-2020-0038-2936 by March 24.
- 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.
- 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 last of four Animal Care Workshops hosted by the Center for Dairy Excellence and the Pennsylvania Beef Council will be held on Tuesday, March 15, at Hemsarth Dairy in Millville. The workshop 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 workshop is free to attend, but pre-registration is requested. Visit www.centerfordairyexcellence.org/animal-care or call 717-346-0849 to learn more.