



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (March)	\$22.37/cwt.	▼ 1.5 %	▲ 7.8 %	▲ 36.7 %
Class IV Milk Price (March)	\$24.80/cwt.	—	▲ 3.7 %	▲ 72.7 %
Corn (May)	\$ 7.58/bushel	▲ 0.5 %	▲ 17.1 %	▲ 35.8 %
SBean Meal (March)	\$484.0/ton	▼ 1.3 %	▲ 7.6 %	▲ 19.8 %
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."

- US cheese and butter exports were up from a year ago in January, while powder exports were down. Cheese exports totaled 64.9 million pounds for the month, up 16.7 percent from a year ago and the highest January volume since 2014. Butter and milkfat exports were up 53.1 percent to 4,906 metric tons. US exports of nonfat dry milk were down 5.5 percent 131 million pounds. While January's total export value grew 16 percent from a year ago (+\$80.6 million to \$586 million), the volume of dairy solids declined by 3 percent (-4,438 metric tons).
- The dairy price index on the latest Global Dairy Trade auction fell 0.9 percent to \$5,039 per metric ton, marking the first time in six sessions that the price fell. Skim milk powder prices were up 1.6 percent, while Cheddar cheese prices were up 0.3 percent. Butter prices fell 1.8 percent, while whole milk prices were down 2.1 percent.

Government and Industry:

- March 25 is the deadline for dairy farmers 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.
- March 25 is also the deadline to enroll for supplemental DMC coverage. Supplemental DMC (SDMC) allows dairy farmers who have expanded since 2014 the option to increase their production history. SDMC production history is calculated by subtracting 2019 actual milk production from current production history and multiplying that by 75%. For example, if a dairy farm's 2019 production has doubled to 2 million pounds, the dairy's new production history with SDMC would be (2 million – 1 million) * 0.75 + 1 million (current production history) = 1.75 million pounds. That is 750,000 pounds more than previously allowed.
- The US Senate passed a \$1.5 trillion omnibus appropriations bill to fund the government for the remainder of fiscal year 2022, through September 30th. The Agriculture Department, Food and Drug Administration, and other rural-related agencies are slated to receive \$25.125 billion in direct appropriations under the measure, a \$1.4 billion increase from FY 2021 levels but a decrease from the initial House and Senate bills crafted for this year. The package includes several dairy priorities, including provisions on animal feed additives, broadband, nutrition measures, farm stress, and dairy innovation.
- 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.