



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated March 23, 2022



Markets:

| Dairy Prices | Price | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|------------------------------|----------------|---------------------|----------------------|---------------------|
| Class III Milk Price (March) | \$22.42/cwt. | ▲ 0.2 % | ▲ 7.2 % | ▲ 38.1 % |
| Class IV Milk Price (March) | \$24.85/cwt. | ▲ 0.2 % | ▲ 4.0 % | ▲ 73.8 % |
| Corn (May) | \$ 7.58/bushel | — | ▲ 14.9 % | ▲ 37.1 % |
| SBean Meal (March) | \$485.1/ton | ▲ 0.2 % | ▲ 3.0 % | ▲ 21.6 % |
| 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."*

- Total milk production in the US was down for the second month in a row in February, falling 1 percent from a year ago to 17.5 billion pounds. Production per cow was up 1 pound from a month ago to 1,869 pounds for the month. The nation's dairy herd continues to shrink, falling 96,000 head from last February to 9.37 million head, up 3,000 head from January.
- The only three states in the top eight milk producing states that didn't show a year-over-year decline in milk production were Idaho, Wisconsin and Texas. Idaho's milk production was flat from a year ago, while Texas was up 4.3 percent and Wisconsin was up 0.7 percent. California was down 0.2 percent, while New York was down 0.8 percent. Michigan was down 2.9 percent, while Minnesota was down 3.2 percent. Pennsylvania's milk production was down 0.9 percent, with 7,000 fewer cows than a year ago. However, the Commonwealth's milk production per cow was up 10 pounds or 0.5 percent to 1,690 pounds for the month, still nearly 200 pounds below the national average in milk production per cow.
- Total natural cheese stocks are growing, according to USDA's Cold Storage report. Stocks at the end of February were up 2 percent from the previous month and 2 percent from a year ago to 1.469 billion pounds. American cheese stocks were up 2 percent from a year ago but flat with January, while other cheese stocks were up 5 percent from a year ago and up 2 percent from last month. Butter stocks were up 20 percent from last month but down 17 percent from a year ago to 263.0 million pounds.
- The dairy price index in the latest Global Dairy Trade fell 0.9 percent to \$5,039 per metric ton. This was the first decline in the dairy price in 2022. Cheddar cheese prices fell 0.3 percent, while butter prices were down 1.8 percent. Whole milk powder prices were down 2.1 percent, while skim milk powder prices were up 1.6 percent.
- Class III and IV milk prices continued to increase. Class III increased more drastically than did Class IV. The 12-month average Class III price improved \$1.67 per cwt since the end of February to \$23.42 as of the March 21 closing prices. The Class IV 12-month average milk price increased an additional 70 cents over the last few weeks to \$24.32 per cwt. The announced February Class IV milk price of \$24.00 per cwt set a record. Based on March 21 closing prices, Class IV milk price will eclipse the previous month's record each month through May topping out at \$25.15 per cwt before steadily declining into the upper \$21 range by next February. During the same timeframe, Class III is expected to continue to increase reaching a high of \$24.62 per cwt in June before declining to the mid-\$21s by next February.

Government and Industry:

- The next Mental Health Train the Trainer Workshop for ag professionals will be held in Lancaster on Tuesday, March 29. At these meetings, you'll gain specific training on how to navigate mental health issues in the farm community. These workshops are ideal for anyone who is in contact with livestock producers and is concerned about their mental wellness and overall well-being. To learn more or register, call 717-346-0849 or visit www.centerfordairyexcellence.org/workshops.
- The March Protecting Your Profits Webinar was hosted by Zach Myers on Wednesday, March 23. The short webinar highlighted current market dynamics and prices while reviewing risk management options. It is now available to listen to as a recording or as a podcast. To access the recording, go to www.centerfordairyexcellence.org/protecting-your-profits or download the podcast on Spotify, Apple or Amazon Music. Search for "Protecting Your Profits" to find the podcast.
- The USDA announced this week a new partnership with the Northwest Seaport Alliance (NWSA) to enhance access to a dedicated space for repositioning containers of agricultural goods near port terminals to help improve service for shippers of U.S. grown agricultural commodities. This would help reduce operational hurdles and costs, making it so containers can more quickly be loaded on ships at the export terminals.