

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated April 13, 2022



Markets:

| Dairy Prices | Price | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|------------------------------|----------------|---------------------|----------------------|---------------------|
| Class III Milk Price (April) | \$24.22/cwt. | ▲ 1.1 % | ▲ 8.3 % | ▲ 38.5 % |
| Class IV Milk Price (April) | \$25.25/cwt. | ▲ 0.4 % | ▲ 1.8 % | ▲ 63.6 % |
| Corn (May) | \$ 7.84/bushel | ▲ 3.7 % | ▲ 3.4 % | ▲ 32.0 % |
| SBean Meal (May) | \$458.2/ton | ▼ 0.7 % | ▼ 5.4 % | ▲ 15.1 % |
| 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."

- Recent data released by the USDA's Economic Research Service shows US farm profitability increasing 25 percent in 2021 to an estimated \$119.1 billion, with higher cash receipts in 2021 offsetting the high government payments received in 2020. Farm profitability levels, or net farm income, is expected to decline 4.5 percent in 2022 due to increased expenses. On dairy farms, cash receipts in 2021 were up 3.5 percent to nearly \$42 million, but net farm income fell on a per-farm basis by more than 25 percent to an estimated average of \$242,100 in 2021. Lower milk sales receipts and government payments contributed most to the decline.
- The Food Price Index released monthly by the Food & Agriculture Organization was up 12.6 percent in March, reaching its highest level since the index began in 1990, at 159.3 points. The month-over-month increase in March was the third consecutive increase, up 36.6 percent from a year ago. All food indexes rose in March, but the Dairy Price Index rose at a slower rate, up 2.6 percent to 145.2 points and still 7.2 percent below the record 156.5 points set in December 2013. The Dairy Price Index has risen for seven consecutive months in a row.
- Like other major dairy regions, Australia continues to post year-over-year declines in milk production. The Oceania region's milk production was down 6.1 percent in February 2022 to slightly below 1.3 billion pounds. Dairy Australia expects a 1—3 percent decline in milk production for the season.

Government and Industry:

- With the planting season coming into full swing, the Center for Dairy Excellence has farm safety signs available to remind family members and employees to be safe around equipment and livestock. To request a free set of farm safety signs that you can use on your dairy operation, visit www.centerfordairyexcellence.org/farm-safety or call us at 717-346-0849.
- Pennsylvania's agriculture industry has launched a Pennsylvania Agriculture Mentor Program, leveraging the SCORE (Service Core of Retired Executives) successful mentoring program to pair five mentors with extensive agriculture backgrounds with new and beginning farmers and agribusiness entrepreneurs. To learn more about the program, go to: pafarmlink.org/mentor/ or call Farm Link at 717-705-2121.
- The Center for Dairy Excellence has transitioned its remaining Mental Health Workshop to a virtual event on Tuesday, April 26, from 10 - 12 p.m. Agricultural producers and others working with livestock producers are invited to join to learn how to navigate mental health issues in the farm community. To learn more or register, call the Center at 717-346-0849 or visit www.centerfordairyexcellence.org/workshops.
- The Center will also host a special edition of its monthly Protecting Your Profits Webinar on "Rising Interest Rates and Their Impact on Dairy." The webinar will be held on Wednesday, April 27, from 12—1 p.m. and will feature Sam Miller, managing director of agriculture banking at BMO Harris Bank. You can join the discussion through webinar, conference call or podcast format. To join the conference call, dial 1-646-558-8656 and use the Meeting ID of 848-3416-1708 and 474057# as the passcode.
- Cooperatives Working Together (CWT) member cooperatives accepted ten offers of export assistance from CWT that helped them capture sales contracts for 104,000 pounds (47 MT) of American-type cheese, 44,000 pounds (20 MT) of whole milk powder, and 604,000 pounds (274 MT) of cream cheese. The product is going to customers in Asia and South America and will be delivered from April through June 2022. CWT-assisted member cooperative year-to-date export sales total 36.5 million pounds of American-type cheeses, 37,000 pounds of butter (82% milkfat), 14.7 million pounds of whole milk powder and 4 million pounds of cream cheese. The products are going to 17 countries in five regions. These sales are the equivalent of 477 million pounds of milk on a milkfat basis.