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Dairy EXCELLENCE
Dairy Week In Review

Dated May 4, 2022



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (May)	\$24.72/cwt.	▲ 1.7 %	▲ 8.4 %	▲ 37.1 %
Class IV Milk Price (May)	\$24.45/cwt.	▼ 3.0 %	▲ 1.4 %	▲ 62.5 %
Corn (May)	\$ 7.98/bushel	▼ 2.1 %	▲ 10.4 %	▲ 30.2 %
SBean Meal (May)	\$428.0/ton	▼ 5.1 %	▼ 4.7 %	▲ 13.2 %
DMC Margin (March)*	\$ 11.55/cwt.	—	▲ 5.2 %	▲ 84.5 %

*Each issue of "Dairy Week in Review" will report on the most recent Milk Margin published through USDA's Dairy Margin Coverage Program. This margin is published each month after the USDA Ag Prices Report is released.

- The March Dairy Margin Coverage (DMC) margin was announced as \$11.55 per hundredweight. This is a 57 cents per cwt improvement from February and becomes the fourth straight month not to trigger an indemnity at any margin coverage. Feed costs continued to increase relative to February, but milk price increased enough to offset rising feed prices to improve the DMC margin. Feed prices continue to rise for all three DMC feedstuffs. Supreme alfalfa hay price increased \$3 to \$269.00 per ton compared to February, while soybean meal (SBM) rose \$13.02 per ton, and corn jumped 46 cents to \$6.56 per bushel. The corn price represents an increase of \$46.50 per ton compared to February or a total price of \$234.29 per ton. The total DMC feed cost equaled \$14.35 per cwt, the highest feed price since the DMC program began. Fortunately, the U.S. all-milk price climbed \$1.20 to reach \$25.90 per cwt, also a DMC record, to improve the overall DMC margin relative to February.
- USDA announced the April Class III milk price at \$24.42 per cwt., up \$1.97 from March and \$6.75 above year-ago levels. The April Class IV milk price was announced at \$25.31 per cwt., up 49 cents from March and \$9.89 above last year's April price. Although prices peak in April, futures prices on the CME remain high throughout 2022. The Class IV futures prices averaged \$23.67 for April – December, while the Class III price averaged \$23.50, as of May 4.
- Production of both cheese and butter increased in March compared to a year ago, according to the latest USDA Dairy Products report. More than 202.58 million pounds of butter were produced, up 1.5 percent from a year ago. Cheese production was also up from a year ago by 1.1 percent to 1.196 billion pounds. Italian varieties of cheese were up 2.1 percent, while American type cheese was down 1.4 percent. Cheddar cheese production was down 2.9 percent.
- According to the Annual Dairy Products report, also released this week, total cheese production grew in 2021 by 3.8 percent, while butter production fell by 3.2 percent. The combined production of skim milk and nonfat dry milk powder was up 3.1 percent. American cheese production was up 4.6 percent, while Cheddar production was up 3 percent.

Government and Industry:

- With dairy futures markets continuing to show strength right now, 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 third quarter of 2022 through the third 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.
- 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.