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**Dairy** EXCELLENCE  
**Dairy Week In Review**

Dated May 5, 2021



**Markets:**

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (May)	\$19.15/cwt.	▲ 8.6 %	▲ 9.2 %	▲ 53.2 %
Class IV Milk Price (April)	\$16.20/cwt.	▲ 4.4 %	▲ 5.7 %	▲ 59.6 %
Corn (May)	\$ 7.53/bushel	▲ 5.6 %	▲ 34.5 %	▲ 242 %
SBean Meal (May)	\$424.3/ton	▼ 0.4 %	▲ 3.7 %	▲ 49.8 %
Milk Margin (February)*	\$9.57/cwt.	—	▼ 4.87 %	▼ 21.56 %

\*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 65-pound herd in the latest "PA Dairy Industry Performance Scorecard."

- April's Class III milk price was announced at \$17.67 per hundredweight, up \$1.52 from March and \$4.60 above last April's price. The Class IV price was announced at \$15.42 per cwt., up \$1.24 from April and \$4.02 above a year ago. April's Class IV price was the highest since February 2020.
- US dairy exports reached an all-time high in March, with 215,557 metric tons of milk solids equivalent dairy products marketed overseas, up 24 percent from a year ago. The value of total US dairy exports was also up in March, increasing 16 percent from a year ago to \$688 million, the highest since 2014. US dairy exports in March were equivalent to 18.6 percent of total milk solids produced in the US that month, which was also an all-time high. Shipments of nonfat dry milk and skim milk powder into Mexico grew by 29 percent, while total cheese exports grew by 11 percent.
- Dairy product production in March was also strong, with total cheese production in the US at 1.18 billion pounds, up 4.8 percent from a year ago. Butter production was at 199 million pounds, down 0.6 percent from a year ago, but up 6.8 percent from February. Nonfat dry milk production was up 14 percent, while skim milk powder production was down 31 percent.
- The dairy price index in the latest Global Dairy Trade auction fell 0.7 percent to \$4,162 per metric ton. The butter price fell by 12.1 percent, while the Cheddar cheese price was down 4.5 percent. Skim milk powder and whole milk powder both posted price increases, up 2.0 and 0.7 percent, respectively.
- March's All-Milk Price was announced at \$17.40 per cwt., according to the USDA Ag Prices report. On the feed side, the corn price was announced at \$4.89 per bushel, while blended alfalfa hay was announced at \$195.50 per ton and soybean meal was at \$410.02 per ton, for a total feed cost per hundredweight of \$10.94.

**Government and Industry:**

- The USDA announced the March Dairy Margin Coverage (DMC) margin at \$6.46 per cwt. this week, based on the US Ag Prices data. At the maximum \$9.50 DMC margin coverage, it means there will be a \$3.04 per cwt. payment for March production history. This is a payment of about \$2,270 per 1 million pounds of production history up to the Tier 1 cap of 5 million pounds of production history. So far this year, DMC has provided a net benefit of about 53 cents per cwt. or about \$6,500 per 1 million pounds of production history
- With Class III and Class IV milk futures prices strengthening, now may be a good time to look into the Dairy Revenue Protection Program. It offers market-based price coverage for the next five quarters, which currently includes the second quarter of 2021 through the second quarter of 2022. The program allows you to put a floor under your milk price. To learn more, contact your crop insurance agent. A list of agents is available on the RMA website at [www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html). If you want help in better understanding the program, contact Zach Myers at 717-346-0849.