



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated May 12, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (May)	\$18.89/cwt.	▼ 1.4 %	▲ 8.0 %	▲ 48.4 %
Class IV Milk Price (May)	\$16.07/cwt.	▼ 0.5 %	▲ 4.1 %	▲ 59.6 %
Corn (May)	\$ 7.59/bushel	▲ 0.8 %	▲ 37.0 %	▲ 234 %
SBean Meal (May)	\$449.5/ton	▲ 6.1 %	▲ 12.3 %	▲ 56.8 %
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."*

- USDA released its World Agricultural Supply and Demand Estimates report, supporting the need for higher feed prices. The report projected increasing supplies with higher yields and reduced exports. With total U.S. corn supply rising and use declining, the report projected ending stocks up 250 million bushels from last year. The report projected the season-average corn price at \$5.70 per bushel, up \$1.35 from a year ago when much of the crop was marketed at lower prices. Soybean exports are also expected to fall, down 205 million from 2020/21, while domestic use is expected to increase. Both total acreage and yields are expected to rise, increasing total production. Ending stocks are projected to be up from the 2020/2021 forecast to 140 million bushels. The report projects US season-average soybean prices to be about \$13.80 per bushel, up \$2.60 from a year ago, with soybean meal prices forecasted at \$400 per ton. Wheat prices are also expected to increase to a season-average farm price of \$6.50 per bushel, with projected 2021/22 ending stocks down 11 percent lower than last year.
- The dairy price index on the latest Global Dairy Trade auction was down 0.7 percent to \$4,162 per metric ton. Cheddar cheese prices fell 4.5 percent, while butter prices fell 12.1 percent. Skim milk powder prices were up 2 percent and whole milk powder prices were up 0.7 percent.

Government and Industry:

- 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. If you want help in better understanding the program, contact Zach Myers at 717-346-0849.
- The National Dairy FARM Program released the 2021 Milk & Dairy Beef Drug Residue Prevention Reference Manual last week. The manual and companion pocket guide provide a comprehensive list of FDA-approved drugs for use in cattle. It can be purchased on their website at nationairyfarm.com/2021-drug-residue-and-prevention-manual/.