



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated May 19, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (May)	\$18.93/cwt.	▼ 0.4 %	▲ 6.9 %	▲ 51.4 %
Class IV Milk Price (May)	\$16.25/cwt.	▲ 1.2 %	▲ 4.7 %	▲ 59.6 %
Corn (May)	\$ 6.58/bushel	▼ 12.7 %	▲ 5.1 %	▲ 211 %
SBean Meal (May)	\$403.5/ton	▼ 10.3 %	▼ 3.2 %	▲ 42.5 %
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."*

- Total milk production in both New Zealand and the United Kingdom is up year over year, with the New Zealand milk production up 1.2 percent year to date to 2.2 million metric tons. Milk production in the United Kingdom and the EU-27 totaled almost 30 billion pounds in March, an increase of 0.8 percent from a year ago.
- The June Class I base price was announced at \$18.29 per hundredweight, up \$1.19 from May and up \$6.87 from a year ago. It is the highest Class I price since December. The USDA has yet to respond to National Milk Producers Federation (NMPF)'s request for the USDA to hold an emergency hearing to modify the current Class I price formula. USDA will have 30 days to respond to NMPF's request which would either allow the hearing process to proceed or deny the request. In determining the Class I price, the current formula adds \$0.74 per cwt to the average price of Class III and IV.
- In April, CWT members secured 46 contracts to sell 2.7 million pounds of American-type cheese, 1.1 million pounds of butter, 3.4 million pounds of anhydrous milkfat (AMF), 2.3 million pounds of whole milk powder (WMP), and 1.1 million pounds of cream cheese. These products are going to customers in Asia, Central and South America, the Middle East, North Africa, and Oceania. They will be shipped April through September 2021. These sales bring the total 2021 CWT-assisted dairy product exports to 14.5 million pounds of cheese, 9.9 million pounds of butter, 7.1 million pounds of anhydrous milkfat, 15.7 million pounds of whole milk powder, and 5.5 million pounds of cream cheese. Member cooperatives have captured sales contracts that will move overseas the equivalent of 706.8 million pounds of milk in 2021.

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.

Dairy Opportunity of the Month:

- A dairy farm family currently located in Butler County is seeking a dairy farm to rent to own with 100 or more acres, a facility for 60 – 200 cows, and a freestall/parlor set up with heifer housing. Family has two sons interested in continuing to farm, as well as a business and marketing plan. They are willing to locate for the right opportunity. If you have a farm that may match this family's goals to continue in the dairy business, send your information to farmland@pafarmlink.org or call 717-705-2121.