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Dairy EXCELLENCE
Dairy Week In Review

Dated June 1, 2022



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (May)	\$25.20/cwt.	▲ 0.5 %	▲ 1.9 %	▲ 45.5 %
Class IV Milk Price (May)	\$25.07/cwt.	▲ 0.2 %	▲ 2.5 %	▲ 50.5 %
Corn (July)	\$ 7.31/bushel	▼ 5.2 %	▼ 9.1 %	▲ 6.3 %
SBean Meal (July)	\$412.7/ton	▼ 3.3 %	▼ 4.4 %	▲ 4.7 %
DMC Margin (April)*	\$ 12.29/cwt.	—	▲ 6.4 %	▲ 96.0 %

**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 April all-milk price was announced at \$27.10 per cwt., up \$1.20 from March and \$8.70 above last April's price. It was the highest all-milk price announced since the USDA Dairy Margin Program was established in 2019. Feed costs were also higher this month, with the corn price at \$7.08 per bushel, up 52 cents from March, and the alfalfa hay price up \$2 per ton to \$271. Soybean meal prices fell \$17.28 to \$476.70 per ton. The feed costs per hundredweight was announced at \$14.81, up 46 cents from March and \$3.18 above year-ago levels, according to USDA's Ag Prices report. The final DMC margin after feed costs were deducted from the all-milk price was \$12.29 per cwt., up 66 cents from a year ago and 74 cents above last month. The April DMC margin is tied with July 2020 for the highest on record since the DMC Program started in 2019.
- Despite record milk prices, milk production in key dairy regions across the globe continues to decrease. Milk production in the 26 reporting countries in the European Union and the United Kingdom fell 1 percent in March from a year ago, while year-to-date collections are down 0.4 percent. New Zealand's milk production fell 5.6 percent in April from a year ago to 1.43 million metric tons. In Australia, milk production fell 6.6 percent year-over-year to below 1.3 billion pounds in April.
- Fewer dairy cows are heading to market than were a year ago, according to the latest USDA Livestock Slaughter report. In April, 237,800 dairy cows went to slaughter, down 19,700 head from a year ago. Year to date, dairy cow slaughter is down 3.7 percent, with 39,900 fewer head going to market for the first four months of the year.

Government and Industry:

- June 15 is the last day to purchase Dairy Revenue Protection (DRP) policies for third quarter 2022. Based on May 31 closing prices, a 95% price protected Class III policy set a Class III milk price floor of \$19.55 per cwt for 22 cents per cwt. This floor price is \$2.44 per cwt higher than the five-year average price for the third quarter. Likewise, a 95% price protected Class IV milk price floor of \$24.46 could be set for 18 cents per cwt. This Class IV milk price floor is \$9.09 cents per cwt higher than the five-year third quarter average of \$15.37. DRP is a federal Crop Insurance program that sets a guaranteed quarterly revenue that you can customize to match your operation. The 95% price protected policy is subsidized by the U.S. Government by 44%. Policies must be purchased through an authorized insurance provider. To learn more, contact your crop insurance agent or call Zach Myers at 717-346-0849.
- USDA announced additional support to American agriculture exporters through the new Commodity Container Assistance Program (CCAP), which will provide FSA funds to exporters to reduce the cost of sourcing containers at the newly announced "pop-up" port locations. The goal of this new program is to address port and ocean freight challenges causing bottlenecks in the supply chain for agricultural producers.