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Dairy EXCELLENCE
Dairy Week In Review

Dated June 8, 2022



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (May)	\$24.30/cwt.	▼ 4.6 %	▼ 2.4 %	▲ 42.3 %
Class IV Milk Price (June)	\$25.76/cwt.	▲ 2.8 %	▲ 4.9 %	▲ 56.3 %
Corn (July)	\$ 7.64/bushel	▲ 4.5 %	▼ 4.8 %	▲ 12.3 %
SBean Meal (July)	\$415.6/ton	▲ 0.7 %	▲ 3.7 %	▲ 6.6 %
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.

- USDA announced the May Class III price at \$25.21 per hundredweight, up 79 cents from April and \$6.25 above a year-ago levels. May's Class III price was the highest so far this year and was the first month that the Class III price was higher than the Class IV price. May's Class IV price was \$24.99 per cwt., down 32 cents from April but up \$8.83 from a year ago. Prices remain strong on the futures markets, with Class III prices for the remainder of 2022 averaging \$24.39 per cwt., while Class IV prices average \$25.27 per cwt.
- At \$27.10 per cwt, the U.S. all-milk price hit a record high in April for the second month in a row. This is \$1.20 more than March's U.S. all-milk price at \$25.90 per cwt which had eclipsed the previous record of \$25.70 set in September 2014. Suppressed milk production growth across the world is keeping milk supply tight across the globe and continues to support upward movement in domestic and global dairy product and milk prices.
- US dairy exports were up 1 percent on a volume basis to 213,193 metric tons in April, setting a new record for the month and marking only the fifth time that US dairy exports topped 200,000 MT. The value of US dairy exports in April was also up, increasing 22 percent to \$845.6 million, second only to March 2022 for the highest monthly US export value. US cheese exports grew 2 percent to 41,375 metric tons in April, while total butterfat exports were 25 percent to 6,762 metric tons. Butter exports were down 10 percent from a year ago to 4,476 metric tons, marking the first time butter exports fell year-over-year in 17 months. Exports of nonfat dry milk powder and skim milk powder were down, falling 6 percent, while whole milk powder exports were down 14 percent.
- According to the latest *Crop Progress* report, corn and soybean planting has caught up with the five-year average. As of the week ending June 5, 94% of corn acreage has been planted in the top 18 corn producing states compared to the five-year average of 92%. In the top 18 soybean producing states, 78% of the bean acreage has been planted compared to the five-year average of 79%. Corn and soybean emergence is also mostly on schedule. Of the corn acreage planted, 78% has emerged compared to an 81% five-year average. Soybean emergence is also three percentage points behind the five-year average with 56% of planted acreage emerged.

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.