



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated June 15, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (June)	\$17.25/cwt.	▲ 0.9 %	▼ 8.6 %	▼ 20.3 %
Class IV Milk Price (June)	\$16.48/cwt.	—	▲ 1.5 %	▲ 23.4 %
Corn (July)	\$ 6.67/bushel	▼ 2.0 %	▼ 1.3 %	▲ 203 %
SBean Meal (July)	\$372.4/ton	▼ 4.4 %	▼ 7.8 %	▲ 26.5 %
Milk Margin (April)*	\$10.35/cwt.	—	▲ 12.01 %	▲ 16.69 %

*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."

- The US Census shows combined spending at grocery stores, bars and restaurants is at an all-time high of \$139.2 billion in May, up 22.8 percent from May 2020 and 3.5 percent higher than 2019, after inflation is factored in. Higher restaurant sales drove some of the year over year increase. However, grocery stores maintained much of the sales they gained last year, falling just 1 percent from the extreme high levels they experienced in the height of the pandemic.
- The latest U.S. Drought Monitor shows nearly 10 percent of the contiguous U.S. is now under an "exceptional drought," which is the highest the rate has been since 2011. Monday's Crop Progress Report from USDA showed soil moisture conditions continue to decline. Just over half of the country soil's are considered to have "adequate" soil moisture, while 38% of the country is experiencing soil moisture conditions in the "short to very short" categories. USDA estimated that 53% of hay, 24% of corn, and 23% of soybeans were located in drought areas.
- The USDA's Agricultural Supply and Demand Estimates report reported lower estimates of both beginning and ending corn stocks, with beginning stocks down 150 million bushels with higher projected corn usage of both ethanol and exports. Ending stocks were also lowered by 150 million bushels, while the season-average farm price at the producer level was unchanged at \$5.70 per bushel. On the flip side, the report projected higher beginning and ending stocks of soybeans, with the higher beginning stocks reflecting a lower crush forecast for the current year. Soybean oil exports and domestic meal usage were both lowered, with the ending stocks projected raised 15 million from last month. The season average producer price was unchanged.

Government and Industry:

- The USDA has announced that it will allocate additional aid to agricultural producers and businesses as part of the USDA Pandemic Assistance for Producers initiative. Since January, USDA has allocated \$11 billion to producers and food and ag business. Among the aid was included specific dairy initiatives to be implemented within the next 60 days, including \$400 million for the new Dairy Donation Program to address food insecurity and mitigate food waste and loss, additional pandemic payments targeted to dairy farmers that have demonstrated losses that have not been covered by previous pandemic assistance, and approximately \$580 million in supplemental Dairy Margin Coverage for small and medium farms.
- The Center's Dairy Risk Management Education Manager Zach Myers will host the June Protecting Your Profits webinar on Wednesday, June 23, at 12 p.m. With unusually high feed costs this year, the webinar will offer strategies for maximizing milk production while input costs remain high. Dr. Jud Heinrichs, Penn State Professor of Dairy Nutrition, will serve as guest speaker. Visit www.centerfordairyexcellence.org/JunePYP on Wednesday, June 23 at noon to launch the webinar or join through a phone line by dialing 1-646-558-8656 and using 848 3416 1708 as the Meeting ID of and 474057 as the passcode.