

CENTER FOR  
**Dairy** EXCELLENCE  
Dairy Week In Review

Dated June 29, 2022



**Markets:**

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (July)	\$22.80/cwt.	▼ 6.3 %	▼ 9.6 %	▲ 32.6 %
Class IV Milk Price (July)	\$25.68/cwt.	▲ 0.7 %	▲ 2.4 %	▲ 56.7 %
Corn (July)	\$ 7.70/bushel	▲ 1.3 %	▲ 5.3 %	▲ 11.0 %
SBean Meal (July)	\$463.3/ton	▲ 7.4 %	▲ 12.3 %	▲ 25.7 %
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.

- With a tight milk supply in the EU and New Zealand, U.S. dairy product prices remain competitive despite the increasing value of the U.S. dollar compared to other international currencies. April dairy exports set a month of April record at 213,193 metric tons (MT) of milk solids equivalent dairy products. April was also the first time this year for exports to post a YOY increase at 1% (+1,318 MT) above April 2021. Dairy export value was estimated as \$845.6 million or \$155 million (22%) more than April 2021. April export value was the second highest value behind March 2022's \$859.6 million. The increase in value was driven by higher dairy product prices compared to last year along with increased exports of higher value products like cheese (+2.3% YOY) and butterfat (+25% YOY).
- Weekly USDA *Crop Progress* reports published during the month of June show that virtually all corn and soybeans in the top producing states have been planted. Nearly all the corn has emerged with 4% of the crop silking, on par with the five-year average. 94% of the crop is listed as in fair to excellent condition. 91% of the soybeans planted have emerged. 7% are flowering which is four percentage points less than the five-year average of 11%. 94% of the soybeans are reported to be in fair to excellent condition.
- USDA announced the July Class I price at \$25.87 per hundredweight, flat from a month ago and up \$8.45 from last year. Based on current milk futures prices, this may be the highest Class I price of the year. High retail prices have weakened dairy product demand, resulting in continued reduction in Class III milk prices and stagnate to declining Class IV milk prices. The 12-month average Class III milk price, as of June 27, was \$22.42 per cwt, 52 cents less than this time last month. Current demand uncertainty is causing short term Class IV milk price declines. Average Class IV milk prices have only declined by 3 cents per cwt. since last month. However, Class IV prices for August and September are 34 and 23 cents less, respectively, from last month's futures prices.
- Total cheese inventories were up 2.1 percent in May, compared to April, increasing 3.7 percent from a year ago to 1.512 billion pounds, an all-time high for cheese stocks. American cheese stocks were up 3.6 percent from a year ago to 857.9 million pounds, while other cheese stocks were up 3.3 percent from a year ago to 628.3 million pounds. Butter inventories were down 22.3 percent from a year ago to 321.58 million pounds, up 7.8 percent from April.
- Fluid milk sales continues to decline, with April sales falling more than 2 percent from year-earlier levels to 3.7 billion pounds. The decline was well above the long-term trend of 1.9 percent annual declines.

**Government and Industry:**

- An Animal Ag Industry Breakfast will be held on Wednesday, August 10th, at Ag Progress Days to share the findings of a mental health survey conducted in January 2022. To learn more about the breakfast or to register, go to [www.centerfordairyexcellence.org/industry-breakfast/](http://www.centerfordairyexcellence.org/industry-breakfast/).