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Dairy EXCELLENCE
Dairy Week In Review

Dated July 6, 2022



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (July)	\$22.39/cwt.	▼ 1.8 %	▼ 7.9 %	▲ 33.6 %
Class IV Milk Price (July)	\$25.60/cwt.	▼ 0.4 %	▼ 0.7 %	▲ 58.7 %
Corn (July)	\$ 7.51/bushel	▼ 1.5 %	▼ 1.8 %	▲ 14.1 %
SBean Meal (July)	\$462.6/ton	▼ 0.3 %	▲ 11.3 %	▲ 20.0 %
DMC Margin (May)*	\$ 12.51/cwt.	—	▲ 1.8 %	▲ 87.6 %

**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 Dairy Margin Coverage (DMC) margin at \$12.51 per hundredweight (cwt), a record high. This eclipsed the previous record originally set in July 2020 and April 2022 by 22 cents per cwt and is \$5.84 more than a year ago. May became the sixth straight month not to trigger an indemnity at any margin coverage. The U.S. all-milk price increased by 20 cents compared to April, which also sets a new record at \$27.30 per cwt. Increased milk price and decreased soybean meal (SBM) price offset increases in corn and alfalfa hay prices to keep the margin moving in a positive direction. For the second consecutive month, SBM price fell. Falling by \$35.42 per ton through May, SBM price settled at an average \$441.28 for the month. Average corn price increased for the fifth month in a row, rising 18 cents per bushel compared to April to settle at \$7.26 per bushel. Alfalfa hay price increased for the sixth consecutive month reaching \$274.00 per ton, an increase of \$3.00 compared to April. As a result of the SBM price decrease, total DMC feed cost fell for the first month since October 2021. However, at \$14.79 per cwt, it was only a slight difference of 2 cents per cwt compared to April.
- The USDA announced the June Class III milk price at \$24.33 per cwt., down 88 cents from April but still \$7.21 above year-ago levels. Class III milk futures on the CME are showing declines into the fall, with the average price for the next six months forecasted at \$21.83 per cwt. The June Class IV price was announced at \$25.83 per cwt., up 84 cents from May and \$9.48 above last June. Class IV futures prices also show slight declines into the last half of the year but remain at an average of \$23.74 per cwt. for the last six months of 2022.
- Total cheese production was up 2.1 percent from a year ago to 1.188 billion pounds, marking the 19th consecutive month of increasing cheese production. Italian-type cheese production was up 2.9 percent, while American-type cheese production was up only 0.3 percent. Cheddar cheese production was down 3.7 percent. Butter production was down 0.7 percent year over year to 181.7 million pounds, according to the latest USDA Dairy Products Report.
- According to U.S. Dairy Export Council (USDEC) data, the U.S. has exported 756,796 metric tons (MT) of milk solid equivalent dairy products through the first four months of the year, down slightly from the 766,409 MT exported during the same time in 2021. However, export values for this year have surpassed the first four months of 2021 by \$535 million to an estimated \$2.983 billion. 2021 ended up being a record year for both volume and value at 2.30 million MT, so 2022 is on track for record values.