

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated July 20, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (July)	\$16.66/cwt.	▼ 1.0 %	▼ 3.8 %	▼ 31.5 %
Class IV Milk Price (July)	\$15.96/cwt.	—	▼ 3.0 %	▲ 15.6 %
Corn (September)	\$ 5.72/bushel	▼ 16.2 %	▼ 13.3 %	▲ 78.0 %
SBean Meal (August)	\$365.5/ton	▲ 2.9 %	▲ 0.6 %	▲ 27.5 %
Milk Margin (May)*	\$11.43/cwt.	—	▲ 10.43 %	▲ 68.34 %

*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."

- Milk prices continue to slide, with Class III prices for the last six months of 2021 now averaging \$17.15 per hundredweight, down more than \$1 since their peak this spring. Class IV prices are averaging \$16.06 per cwt for the last six months of the year, down nearly 50 cents since their peak.
- The dairy price index on the latest Global Dairy Trade fell 2.0 percent from the last session to \$3,839 per metric ton, marking the seventh consecutive session-to-session decrease. Cheddar cheese was the only product to post an increase in price, up 0.8 percent from the last session. Skim milk and whole milk powder both fell significantly, down 5.2 and 3.8 percent, respectively. Butter prices fell 0.8 percent.
- The Consumer Price Index (CPI) increased 0.9% from May to June on a seasonally adjusted basis, according to data released last week by the U.S. Bureau of Labor Statistics.

Government and Industry:

- Pennsylvania Governor Tom Wolf has signed legislation that will allow milk processors more flexibility in dating products. Act 62 of 2021, introduced as Senate Bill 434, will allow processors to use a "best by" date instead of a "sell by" date, which will allow Pennsylvania milk to better compete with milk processed in other states. The "best by" date replaces a 17-day "sell-by" date milk code previously required by Pennsylvania. This legislation was recommended by the Dairy Futures Commission in 2020.
- The US Senate Agricultural Subcommittee on Dairy, Livestock, Poultry, local food systems, food safety and security will be having a hearing to discuss modifications to the Class I pricing formula, the effects of the 2018 Farm Bill, the FMMO hearing process, and the impact of the USDA food box program on cheese prices.
- The Center for Dairy Excellence Board of Directors is requesting nominations to fill two open board positions. The available positions are for a dairy producer from the Central Pennsylvania region and a dairy sales and service representative. Anyone who would like to submit a nomination can send those to Jayne Sebright at jsebright@centerfordairyexcellence.org.
- The Dairy Revenue Protection Program offers market-based price coverage for the next five quarters, which currently includes the fourth quarter of 2021 through the fourth quarter of 2022. The program allows you to put a floor under your milk price. To learn more, contact your crop insurance agent. A list of agents is available on the RMA website at www.rma.usda.gov/tools/agent.html. If you want help in better understanding the program, contact Zach Myers at 717-346-0849.
- The Center will host its monthly "Protecting Your Profits" webinar on Wednesday, July 28 at 12 p.m. Led by Center Risk Education Manager Zach Myers, the webinar will review current data and updates about the milk marketplace to guide producer decision-making and risk management strategies. Visit www.centerfordairyexcellence.org/JulyPYP on Wednesday, July 28 at 12 p.m. to launch the webinar or call in through a conference call at 1-646-558-8656. Use 848 3416 1708 as the meeting ID and 474057 as the passcode.