



CENTER FOR
DairyEXCELLENCE
Dairy Week In Review

Dated July 28, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (July)	\$16.52/cwt.	▼ 0.9 %	▼ 3.9 %	▼ 32.3 %
Class IV Milk Price (July)	\$15.96/cwt.	—	▼ 2.7 %	▲ 16.9 %
Corn (September)	\$ 5.49/bushel	▼ 4.1 %	▼ 20.9 %	▲ 74.2 %
SBean Meal (August)	\$356.1/ton	▼ 2.6 %	▲ 2.0 %	▲ 24.5 %
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."*

- US total milk production grew 2.9 percent year over year to 18.955 billion pounds in June, down 900 million pounds from May. Milk per cow was up 1.3 percent, or 26 pounds for the month, while cow numbers were up 153,000 head from a year ago. However, this month marks the first month that the nation's dairy herd lost cows month over month since June 2020. Cow numbers were down 1,000 head from May. Milk per cow also fell month over month, down 1.4 percent when adjusted on a daily basis.
- Much of the growth in milk production is coming from the Midwest portion of the nation, with Michigan up 4.0 percent, Minnesota up 3.2 percent, Wisconsin up 2.8 percent, and South Dakota up 14.7 percent. California and Texas also posted increases, up 3.1 and 7.0 percent, respectively. New York's milk production was up 3.1 percent, while Pennsylvania was one of only five states in the top 24 to post decreases in milk production.
- For the sixth month in a row, Pennsylvania was able to maintain a herd size of 475,000 head of dairy cows. Unfortunately, this is still 7,000 (-1.5%) head less than last year. Milk production in the Keystone State only rose 0.2 pounds (+0.3%) per day compared to last year and was not enough of an increase to overcome the smaller herd size. Pennsylvania milk production fell 1.2% YOY to 846 million pounds this past June.
- USDA's Cold Storage shows dairy product supplies are building. A total of 1.435 billion pounds of cheese were in storage as of June 30, down 2 percent from last month but up 1 percent from a year ago. Butter supplies were at 414.489 million pounds, up 14 percent from a year ago and 1 percent from last month. Total cheese supplies typically fall from May to June. However, this year's drawdown was nearly four times the five-year average. Butter supplies also typically decrease from May to June, so the increase in stocks indicate that supplies are outpacing demand.
- Fluid milk demand continues to falter, with fluid milk sales falling 5.5 percent year-over-year in May, down 7 percent from two years ago. Beverage sales so far in 2021 have accounted for 19.5 percent of total dairy sales, falling from 21 percent in 2019 and 30 percent in 2017. Whole milk sales is also down from a year ago for the first five months of the year, down 6.3 percent from 2020 and 1.4 percent from 2019.
- The Consumer Price Index increased 0.9 percent from May to June, according to the US Bureau of Labor Statistics. It also jumped 5.4 percent from a year ago, the largest year-over-year increase since August 2008. The food index increased 0.8 percent from May. On a yearly basis, the index for the cost of food consumed at home was up 0.9 percent, while the CPI for food eaten away from home was up 4.2 percent from a year ago.

Government and Industry:

- 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.