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**Dairy** EXCELLENCE  
Dairy Week In Review

Dated August 17, 2022



**Markets:**

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (August)	\$20.17/cwt.	▲ 0.7 %	▼ 10.6 %	▲ 24.6 %
Class IV Milk Price (August)	\$24.60/cwt.	▲ 0.2 %	▼ 3.9 %	▲ 56.2 %
Corn (September)	\$ 6.15/bushel	▼ 1.0 %	▲ 4.2 %	▲ 9.6 %
SBean Meal (September)	\$440.6/ton	▼ 17.0 %	▲ 0.9 %	▲ 23.2 %
DMC Margin (June)*	\$ 11.92/cwt.	—	▼ 4.8 %	▲ 97.7 %

\*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.

- The latest USDA World Supply and Demand Estimates report reduced corn acres a slight 100,000 acres (-0.1%) to 89.8 million acres, while yield was adjusted down 1.6 bushels (bu) per acre, or 0.9 percent, compared to last month's report to 175.4 acres. There were 3.6 million fewer acres planted in corn this year compared to last year. As a result, fewer acreage with lower yield translates to less production as indicated by the total corn production estimate of 14.4 billion bu, a 756 million bu (-5%) drop compared to last year. Corn use is expected to be similar in terms of total use through this marketing year compared to last year, with an average cost of \$6.65 per bu, 70 cents more than last year.
- Soybean production was increased relative to last month's estimates and is expected to be a larger crop than one year ago. About 88.0 million acres of soybeans were planted this year, 800,000 acres (+1%) more than last year. Yield is also estimated to be 0.5 bu more than last year. This results in a total soybean crop estimated to yield 4.5 billion bu of beans, 96 million bu (+2%) more than last year. Despite a larger estimated supply, price remains elevated relative to last year because of stronger demand. The average price for soybeans for the 2022/23 marketing year is expected to average \$14.35 per bu, 95 cents per bu more than last year.
- One factor driving the demand for soybeans is oil production. This helped to increase the expected soybean meal production to total 52.9 million tons, 1.2 million tons (+2%) more than last year. This could help to reduce the price of SBM with the price this marketing year expected to average \$390 per ton, \$45 less than last year.
- According to the latest USDA *Crop Progress* report, 94% of the corn in the top 18 corn producing states has silked, with 63% in the dough stage, and 16% dented. Corn condition is still good overall with 57% of the corn crop considered to be in "good" or "excellent" condition. Pennsylvania's corn crop is slightly better than the 18-state average condition with 62% of its corn in good or excellent condition. However, the Keystone corn crop is not as mature with only 79% silked, 38% in the dough stage, and only 2% dented. The soybean crop in the top 18 soybean producing states continues to be in good shape overall as well. The majority of the crop (93%) has bloomed or is blooming, and 74% of the plants are setting pods. 58% of the soybean crop in the top 18 soybean producing states is in "good" or "excellent" condition.
- USDA announced the September Class I milk price at \$23.62 per cwt., down \$1.51 from August but still \$6.72 above year-ago levels. So far this year, the Class I base price has averaged \$23.83 per cwt., with only three months in the year left to go.

**Government and Industry:**

- The Center's Risk Education Program Manager Zach Myers will host the next Protecting Your Profits call on Wednesday, August 24, at 12 p.m. Anyone interested in learning more about recent dairy market trends and risk management options should plan to join. Call 717-346-0849 or email Zach at [zmyers@centerfordairyexcellence.org](mailto:zmyers@centerfordairyexcellence.org) for more information.