



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated August 18, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (August)	\$16.19/cwt.	▲ 0.7 %	▼ 2.9 %	▼ 18.4 %
Class IV Milk Price (August)	\$15.75/cwt.	▲ 1.2 %	▼ 1.4 %	▲ 19.7 %
Corn (September)	\$ 5.61/bushel	▲ 2.1 %	▼ 2.0 %	▲ 71.6 %
SBean Meal (August)	\$357.6/ton	▼ 0.9 %	▼ 2.2 %	▲ 20.6 %
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 production in the European Union and the United Kingdom totaled nearly 14 million metric tons, just below 31 billion pounds, according to preliminary data from Eurostate. European milk collections were 0.8 percent higher than a year ago and up 1.8 percent from May. USDA estimates the European milk cow herd will average 22.4 million head this year, falling 224,000 head from 2020. However, milk production this year is still expected to exceed year-ago levels. New Zealand's production also continues to grow, with June milk production up 1.8 percent from a year ago to 234,000 metric tons, setting a record for the month. USDA is predicting that milk production in 2021 will grow about 2.2 percent from 2020.
- USDA's Food and Nutrition Services has extended its free lunch program, part of the Families First Coronavirus Response Act, through June 30, 2022, which means students will again be able to receive free lunch in schools this year. USDA data shows that school meal sales declined last year by 2.2 billion meals, or about 30 percent. If a half pint of milk is included with every school milk, the loss equated to about 137 million gallons of milk, or about 1.183 billion pounds. Currently, about half of all public schools are back in session, which should increase school milk sales.
- The average dairy price index on the latest Global Dairy Trade auction was up 0.3 percent from the last session to \$3,827 per metric ton. This marks the first increase in the last nine sessions, with a 4 percent increase in butterfat, a 2.8 percent increase in Cheddar cheese, and a 1.1 percent increase in skim milk prices leading the way. Whole milk prices fell 1.5 percent session over session.
- USDA announced the September 2021 Class I base price at \$16.59 per cwt., down 31 cents from August and down \$1.85 from a year ago.

Government and Industry:

- On Wednesday, Pennsylvania Secretary of Agriculture Russell Redding joined Senator Elder Vogel Jr. and Senator Judy Schwank, chairs of the Senate Ag Committee, to celebrate the passing of Senate Bill 434 into law. The law strengthens Pennsylvania's competitiveness in the dairy marketplace while increasing consumer choices and reducing food waste. Originally a recommendation made by the Dairy Future Commission, Governor Tom Wolf signed the bill into law on June 30 to offer flexibility to processors in sell-by and best-by coding options.
- The Biden Administration has revised the Supplemental Nutrition Assistance Program (SNAP) benefits to Americans. The revision gives the estimated 42 million SNAP users more than \$36 per month to use on SNAP benefits. The payment change begins on October 1. SNAP is the largest federal nutrition assistance program, which helps feed one in eight Americans.