

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated September 8, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Sept)	\$16.70/cwt.	▼ 1.4 %	▲ 3.9 %	▲ 0.4 %
Class IV Milk Price (Sept)	\$16.40/cwt.	▲ 1.2 %	▲ 5.5 %	▲ 27.8 %
Corn (September)	\$ 4.98/bushel	▼ 3.4 %	▼ 9.3 %	▲ 42.3 %
SBean Meal (September)	\$337.4/ton	▼ 2.9 %	▼ 6.4 %	▲ 8.6 %
Milk Margin (June)*	\$ 9.79/cwt.	—	▼ 4.0 %	▼ 22.7 %

*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 75-pound herd in the latest "PA Dairy Industry Performance Scorecard."

- The Global Dairy Trade dairy price index jumped 4 percent to \$3,927 per metric ton during the latest session, after more the ten sessions of staying flat or decreasing. The increase was driven by increases in all products, with skim milk powder prices showing the greatest increase, up 7.3 percent from last session. Butter prices were up 3.7 percent, while Cheddar cheese and whole milk powder prices were up 3.6 and 3.3 percent, respectively.
- The latest USDA Dairy Products report shows more milk moving into cheese production, with total cheese output up 3.5 percent from a year ago to 1.149 million pounds in July. Italian-type cheese production was up 6.5 percent, while Mozzarella production was up 3.5 percent. Cheddar cheese production fell 0.3 percent. Butter production also fell in July, down 0.8 percent year-over-year to 1515.7 million pounds, marking the first year-over-year decline since April. Dry whey production was also down, falling 6.2 percent year over year. Nonfat dry milk and skim milk powder production also fell year over year, with July production dropping 5.3 and 16.8 percent, respectively.
- US dairy export volumes, on a milk solids equivalent, rose 7 percent year over year to 195,029 metric tons in July, marking the 6th consecutive monthly increase. The total value of dairy exports marked in July was also up, increasing 20.6 percent to \$667.9 million. Butterfat exports were up 86.1 percent, with nearly 8 million pounds of butter sold overseas during the month, while cheese exports were up 26.8 percent, Whole milk powder exports grew by 29.8 percent, while skim milk and nonfat dry mil powder exports fell 3.1 percent from a year ago. Year to date, total dairy exports were 11.6 percent larger than in the first seven months of 2020.

Government and Industry:

- The USDA finalized rules implementing the new Dairy Donation Program enacted by Congress last year. The new Dairy Donation Program expands the original Milk Donation Reimbursement Program and has one-time funding of \$400 million to reimburse farmers, cooperatives, and other dairy organizations for the full cost of raw milk needed to make finished dairy products for consumers. The International Dairy Foods Association (IDFA) and the National Milk Producers Federation (NMPF), as well as Feeding America, are among the groups that came out in support of the program.
- On Tuesday, September 14 from 12:30 – 1:30 p.m., the Center for Dairy Excellence will be hosting a Dairy Industry Conference Call. A panel of representatives from National Milk Producers Federation (NMPF) and the USDA's Farm Service Agency (FSA) and Agricultural Marketing Service (AMS) will be on the call to talk about the recent relief payments authorized by the USDA as part of the Administration's Pandemic Volatility Assistance Program and changes to the Dairy Margin Coverage program that are expected to be finalized within the next couple of weeks. One of those changes will be to adjust the price of high-quality alfalfa compared to the current average price of mid-grade and high-quality alfalfa, retroactive to January 2020. To join the conference call, dial toll free (978) 990-5000 and enter the access code 553371, followed by the # sign, when prompted. You will be automatically entered into the conference call.