

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated September 15, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Sept)	\$16.60/cwt.	▼ 0.6 %	▲ 2.5 %	▲ 1.6 %
Class IV Milk Price (Sept)	\$16.40/cwt.	—	▲ 4.1 %	▲ 29.3 %
Corn (December)	\$ 5.32/bushel	▲ 6.8 %	▼ 5.2 %	▲ 44.1 %
SBean Meal (October)	\$337.0/ton	▼ 0.2 %	▼ 5.8 %	▲ 5.6 %
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."

- USDA released its World Agricultural Supply and Demand Estimates report, increasing its corn production estimate from a month ago by 246 million bushels to 15 billion bushels and the projected yield by 1.7 bushels to 176.3 bushels per acre. USDA also increased expected harvested acres of corn by 600,000 to 85.1 million acres. On the flip side, USDA lowered its forecast for harvested soybean acreage by 300,000 acres to 86.4 million acres. An increase in 0.6 bushels per acre in the soybean yields offsets the reduced acres, though, with total output at 4.4 billion bushels, up 35 million bushels from last month. USDA increased demand estimates for corn by 150 million bushels to 14.8 billion, based on increases in exports, feed and residual uses. Despite the increases in both the soybean and corn supplies, prices for both commodities did increase this week.

Government and Industry:

- The Center for Dairy Excellence hosted a conference call regarding the new Pandemic Market Volatility Assistance Program (PMVAP) and the recent changes to the Dairy Margin Coverage Program. The conference call is recorded and can be accessed by dialing toll free: 978-990-5099 and entering access code: 553371#, then reference number 12#. During the call, representatives from National Milk Producers Federation, the USDA's AMS Division, and the Farm Service Agency discuss the program and changes recently released. Key items discussed included how the PMVAP payments will be calculated and disbursed, when farmers can expect the payments, and how soon the changes to the DMC program will go into effect. Erin Taylor from AMS also provided an email address that producers can call if they have additional questions about the PMVAP program. That email is pmvap@usda.gov.
- The US Senate Agriculture Committee Dairy Subcommittee hosted a hearing on milk pricing and the Federal Milk Marketing Order system this week. Dairy producers and processors from New York, Wisconsin, Iowa, Massachusetts and Mississippi testified during the hearing, which addressed the Class I mover formula challenges and the outdated structure of the FMMO system. To view a recording, go to agriculture.senate.gov/hearings/milk-pricing-areas-for-improvement-and-reform.
- The Pennsylvania Department of Environmental Protection has announced an Agricultural Energy Efficiency Rebate Program for agricultural producers. DEP has up to \$100,000 available for this program through State Energy Program funding from the US Department of Energy. The program is offering funding as a rebate voucher program for projects focusing on energy efficiency on the farm. All projects must be approved by DEP in advance by submitting an application. Vouchers will be awarded on a first come, first serve basis. For complete application instructions and program guidelines, visit the DEP agriculture and farming energy webpage at www.dep.pa.gov/agricultureenergy. You can also call 570-327-3783 or email RA-EPAGEnergyPrograms@pa.gov with questions.