

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated September 22, 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.	—	▲ 3.6 %	▲ 2.2 %
Class IV Milk Price (Sept)	\$16.40/cwt.	—	▲ 3.9 %	▲ 29.3 %
Corn (December)	\$ 5.25/bushel	▼ 1.4 %	▼ 4.8 %	▲ 42.1 %
SBean Meal (October)	\$337.9/ton	▲ 0.2 %	▼ 4.1 %	▼ 1.2 %
Milk Margin (July)*	\$ 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."

- Total milk production in US in August is up 1.1 percent from a year ago to 18.8 billion pounds. The nation's dairy herd is up 106,000 head from last year to 9.48 million head in August, while production per cow was down 1 pound from a year ago to 1,987 pounds for the month. Cow numbers are starting to shrink, though, with the nation losing 19,000 head from last month, while milk per cow fell 26 pounds from last month.
- Most of the major dairy states still posted increases, with California up 0.7 percent, Wisconsin up 2.6 percent, Idaho up 1.1 percent, New York up 0.3 percent, Texas up 3.2 percent, and Michigan up 3.9 percent. Minnesota was up 2.3 percent, while Pennsylvania's milk production was flat. Pennsylvania held its cow numbers for the sixth month in the row but was down 7,000 head from a year ago. Milk production per cow in the Commonwealth was up 25 pounds to 1,770 pounds for the month, still about 217 pounds behind the national average.
- USDA's Cold Storage Report shows total cheese stocks falling 21 million pounds or about 1 percent from July to 1.428 billion pounds in August, up 4 percent from last year. The month-to-month decline is smaller than the five-year average drawdown for this time of year, and total cheese inventories are their highest on record for August. Cheddar cheese production helped to drive inventories. On the flipside, butter inventories were down, falling 7 percent from a year ago to 366.95 million pounds, about 1 percent less than was in inventory a month ago. With more milk going into cheese, the butter drawdown was larger than the five-year average.
- The Consumer Price Index (CPI) for groceries increased 0.4 percent in August compared to July, according to the Bureau of Labor and Statistics. CPI for food eaten away from home also rose 0.4 percent. Labor and ingredient shortages are driving the increases. On the contrary, the CPI for dairy fell 1 percent from a year ago.

Government and Industry:

- 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.
- The Center opened the application period for its on-farm grants earlier this month. Four grants are available on a first-come, first serve basis, including the Dairy Profit Team, Dairy Transition Team, Dairy Transformation Team and Dairy Decisions Consultant Grants. The Dairy Excellence Grant is a competitive grant program that offers a 50 percent match of up to \$5,000 to dairy farmers to make improvements that impact cow comfort, production and efficiency. Farms have until October 15 to apply. To learn more, go to centerfordairyexcellence.org/dairy-excellence-grants/ or call 717-346-0849.