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Dairy EXCELLENCE
Dairy Week In Review

Dated October 13, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Oct)	\$17.88/cwt.	▼ 1.5 %	▲ 7.7 %	▼ 16.2 %
Class IV Milk Price (Oct)	\$16.95/cwt.	▲ 0.5 %	▲ 3.4 %	▲ 25.9 %
Corn (December)	\$ 5.12/bushel	▼ 3.8 %	▼ 3.8 %	▲ 30.9 %
SBean Meal (October)	\$313.3/ton	▼ 2.2 %	▼ 7.2 %	▼ 12.1 %
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."

- USDA raised forecasts for both corn and soybean production estimates in its latest World Agricultural Supply and Demand Estimates (WASDE) report. The total estimated corn harvest was increased by 23 million bushels from September's forecast to 15.019 billion bushels. In contrast, industry grain analysts were calling for a 23 billion bushel reduction. USDA raised corn yield estimates by 0.3 bushels to 176.5 bushels per acre, with carryout now expected to reach 1.5 billion bushels, up 92 million bushels from last month. Soybean yields were also increased, up 74 million bushels from last month's forecast to 4.45 billion bushels, slightly higher than industry estimates. Average yield estimates were increased by 0.9 bushels to 51.5 bushels per acre, with carryout increased by 135 million bushels to an estimate of 320 million bushels.
- For the second straight month, the WASDE report pointed to reduced milk production forecasts and increased projected milk prices for both 2021 and 2022. For 2021, the milk production forecast was lowered 800 million pounds from last month's estimate to 227 billion pounds, with the Class III projected milk price raised 40 cents to \$17.05 per hundredweight and the Class IV projected milk price raised \$1.10 to \$17.15 per cwt. The 2021 all-milk price projection was increased 30 cents from last month to \$18.45 per cwt. Milk production forecasts for 2022 were lowered by 900 million pounds to 229.7 billion pounds, up about 1.1 percent from 2021. The 2022 all-milk price was increased by 80 cents to \$19.20 per cwt.
- USDA recently released consumption data for 2020, showing that fluid milk consumption was basically flat from 2019 to 2020. Increased sales of whole and 2% reduced fat milk nearly offset losses in skim, low fat, and flavored milks. Per capita consumption of total dairy products increased for the third year in a row, up 3 pounds from 2019 to 655 of milk-fat equivalent pounds of dairy products. This represents a 0.5 percent increase in consumption across all dairy. Cheese consumption was relatively flat year-over-year, while ice cream and butter consumption both increased. The average American ate 6.3 pounds of butter in 2020, up 1.6 percent from 2019, while they ate 12.7 pounds of ice cream, up 3.3 percent.
- After three consecutive sessions of increasing prices, the average dairy price index was flat on the latest Global Dairy Trade auction, averaging \$3,977 per metric ton. Most dairy prices were within 1 percent of the last session's prices, with butter milk the only product to show a huge increase, up 9.7 percent. Whole milk powder was the only product to fall, down 0.4 percent.

Government and Industry:

- The October Protecting Your Profits webinar will be held on Wednesday, October 27 from 12-1 p.m. The event will feature Phil Plourd, President of Blimling and Associates, who will break down the current dairy market situation and share what producers can expect heading into the new year. To join through a conference call, dial 1-646-558-8656 and use Meeting ID: 848 3416 1708 and Passcode: 474057.