



CENTER FOR
DairyEXCELLENCE

For Immediate Release

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JOIN “PROTECTING YOUR PROFITS” MONTHLY WEBINAR ON OCTOBER 26

The Discussion Will Take Place on October 26 at 12 p.m. and Provide Dairy Market Updates

Harrisburg, Pa. – The Center for Dairy Excellence is hosting its monthly “Protecting Your Profits” webinar on Wednesday, October 26 at 12 p.m. Held the fourth Wednesday of every month and led by Zach Myers, Risk Education Manager with the Center, the webinar will review current data and updates about the milk marketplace to guide decision-making and risk management strategies. Individuals can join via conference call, webinar, or podcast format.

“Feed prices continue to increase while milk prices continue to decrease. 2023 Dairy Margin Coverage enrollment is open now until December 9, 2022 at your local FSA office. Current projections show further degradation in the DMC margin in September before improving somewhat in October through December. However, payments are still projected for three of the four months remaining in 2022 that are yet to be announced. What do projections show for 2023? We will discuss all this and more on the upcoming ‘Protecting Your Profits’ webinar,” Myers shared.

During the webinar, Myers will highlight export numbers and the latest Class III and IV futures milk price forecasts:

- After falling 10 cents from mid-August to mid-September, the 12-month average Class III price decreased another 24 cents to \$20.64 per cwt. as of October 12 closing prices. Forecasted national milk production increases, along with demand uncertainty, are causing downward pressure on futures prices.
- Although butter is trading at near record high prices and powder production continues to show year-over-year declines, high retail butter price is tempering demand. Powder demand is down as well. The result is a lower average Class IV price compared to one month ago. The 12-month average Class IV price has declined 67 cents to \$21.94 per cwt.
- August exports grew for the fifth month in a row. Exports climbed 6% to 210,323 MT of milk solids equivalent dairy products. Export value also increased 23% to \$848.2 million, \$158.7 million more than last August. Year to date, exports continue at a record volume and value pace with a total of 1.613 billion MT of milk solids equivalent dairy products valued at nearly \$6.5 billion.

In addition, Myers will share updates on Dairy Margin Coverage (DMC) margins. August was the first month this year where the DMC margin triggered an indemnity. The August DMC margin was announced as \$8.08, a total of \$1.84 less than July’s margin. This was driven by a record high DMC milk price of \$16.22 per cwt., which amplified a \$1.40 drop in the U.S. all-milk price to \$24.30 per cwt.

compared to July. The August DMC payment covered about 11 cents per hundredweight of the 15 cents per cwt. premium for the maximum \$9.50 margin coverage.

“With August being the first month this year to trigger a DMC indemnity payment, we’ll discuss projections for 2023 so you can start building your risk management strategy for the year,” Myers added. “Despite declining Class III and IV milk prices, DRP policies are another option. They continue to set favorable milk price floors depending on your risk management budget and cost of production.”

To join the risk management discussion and access the information in a format that is most convenient for you, the Center offers the series in a webinar, podcast, and conference call format. There is no cost to participate in the monthly ‘Protecting Your Profits’ discussion, and no registration is necessary.

Webinar Format

Visit www.centerfordairyexcellence.org/OctoberPYP on Wednesday, October 26 at 12 p.m. to launch the webinar. Follow the Center on Facebook or YouTube to watch a live stream on social media as well.

Conference Call Format

Individuals who would prefer to connect via conference call can dial the following number on Wednesday, October 26 at 12 p.m.:

Dial: 1-646-558-8656

Meeting ID: 848 3416 1708

Passcode: 474057

Podcast Format

Visit www.centerfordairyexcellence.org/pyp to listen to the “Protecting Your Profits” podcast and subscribe to get notified when new episodes are released. Episodes are expected to be published after the live webinar and conference call are concluded each month.

Join the Center on October 26 to find out how these programs and the conventional price risk management tools can fit in to your marketing plan. For more information, call 717-346-0849 or email Myers at zmyers@centerfordairyexcellence.org. The webinar will start promptly at noon and last approximately 15 minutes. They are recorded and posted on the Center for Dairy Excellence website for those who are unable to join the live session.

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The Center for Dairy Excellence is a non-profit organization initiated by the Pennsylvania Department of Agriculture in 2004. Bringing together people from more than 40 different dairy organizations in Pennsylvania, the Center’s mission is to enhance the profitability of the dairy industry by empowering people, creating partnerships, and increasing the availability and use of resources. Learn more at centerfordairyexcellence.org.

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