



**CENTER FOR**  
**Dairy EXCELLENCE**  
**Dairy Week In Review**

Dated October 27, 2021



## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Oct)	\$17.85/cwt.	▼ 0.3 %	▲ 7.9 %	▼ 17.6 %
Class IV Milk Price (Oct)	\$17.05/cwt.	—	▲ 4.0 %	▲ 26.1 %
Corn (December)	\$ 5.57/bushel	▲ 5.0 %	▲ 4.6 %	▲ 38.9 %
SBean Meal (December)	\$330.9/ton	▲ 1.5 %	▼ 1.9 %	▼ 12.2 %
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."

- The USDA updated August milk production and cow number data showing a larger shrinkage in cow numbers that led to even slower growth in milk production compared to what was originally reported last month. After reporting an August herd size of 9.480 million head in September's *Milk Production* report, the USDA revised that down 33,000 head to 9.447 million. Total August production was reduced by 101 million pounds to 18.739 billion. These revisions further reduced the August milk production growth from 1.1% year-over-year (YOY) to just 0.6% growth. Further reductions in cow numbers relative to August and decreased milk production per cow led to further slowing in milk production during September compared to a year ago.
- The U.S. dairy herd fell an additional 25,000 head in September compared to August but is a slight 0.3% increase YOY. At 9.422 million head, the U.S. herd is up 27,000 head compared to September 2020. Total milk production was up a slight 0.2% compared to one year ago to 18.075 billion pounds. This is the slowest growth rate in 16 months. However, September milk production slipped 0.1% YOY to 1,918 pounds per cow. The average U.S. cow produced about three tenths of a pound less per day in September than she did one year ago. For the fifth month in a row dairy cow slaughter increased YOY. At 264,600 head, 14,200 (+5.7%) more dairy cows went to market than in September 2020.
- While the U.S. herd size has shrunk by 85,000 head since May's high of 9.507 million, Pennsylvania has been able to maintain 475,000 head for all of 2021 so far. Unfortunately, the current herd size is 1.5% less than last year. Despite maintaining herd size, total milk production across the state continues to decline. Total production in September was 798 million pounds, 17 million (-2.1%) pounds less than last September. Milk production per cow also dropped and compounded the milk production decline. At 64.4 pounds per day, the average Keystone dairy cow produced 0.4 pounds less than she did one year ago.
- For the seventh straight month, exports grew YOY. In August, U.S. dairy exports increased 13% over August 2020 to 198,032 metric tons. 2021 exports continue to be on pace to surpass 2020's record volume. August exports were valued at \$689.5 million. This represents a 26% increase in value compared to one year ago. If milk prices continue to improve, export value is likely to eclipse 2014's record.

## Government and Industry:

- Dairy producers and dairy industry professionals are invited to one of six free roundtable meetings being held across Pennsylvania this November. Hosted by the Center for Dairy Excellence in partnership with the Penn State Cooperative Extension Dairy Team, the events will be focused on business planning for dairy operations. Meetings will be held in Lancaster on November 5, Milton and Mansfield on November 9, Martinsburg and Grove City on November 16, and Chambersburg on November 18. To register, visit [centerfordairyexcellence.org](http://centerfordairyexcellence.org) or call 717-346-0849.