



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated November 10, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Nov)	\$18.10/cwt.	▲ 0.1 %	▼ 0.3 %	▼ 22.9 %
Class IV Milk Price (Nov)	\$18.68/cwt.	▲ 0.4 %	▲ 10.8 %	▲ 38.0 %
Corn (December)	\$ 5.69/bushel	▲ 0.8 %	▲ 7.0 %	▲ 36.4 %
SBean Meal (December)	\$342.7/ton	▲ 0.8 %	▲ 7.0 %	▼ 11.5 %
Milk Margin (August)*	\$ 9.40/cwt.	—	▼ 4.0 %	▼ 15.3 %

*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."

- US dairy export volumes were up 16 percent to 186,020 metric tons in September, marking the ninth consecutive month in a row. Dairy export volumes are also increasing up nearly 28 percent from a year ago to \$655 million. If growth continues through the end of the year, 2021 will outpace the record value of exports set in 2014 at nearly \$7.1 billion. All major dairy export categories grew year over year, with several showing record growth for the month. Nonfat dry milk powder and skim milk powder accounted for 38 percent of the total exports, with this category setting a new record for the month of September. Whey exports accounted for 27 percent of the total and increased 5 percent from a year ago. Cheese exports accounted for 18 percent of the total and were up 20.5 percent from a year ago. Although butterfat exports do not represent a major percentage of total exports, growth in this category was 223 percent from a year ago. A slowing global milk supply coupled with competitive US prices helped contribute to the growth in dairy exports.
- The US World Agricultural Supply and Demand Estimates Report shows higher feed costs contributing to a slowing US milk supply in both 2021 and 2022. The total milk production estimate for 2021 was lowered 0.3 percent from last month to 226.4 billion pounds. USDA lowered the 2022 total milk production estimate even more, dropping it 0.7 percent to 228.1 billion pounds. The All-Milk price for 2021 was increased by 5 cents to \$18.50 per hundredweight, while the All-Milk price for 2022 was increased by more than a dollar to \$20.25 per cwt. Estimates in total exports were unchanged, while projections for domestic use of dairy fell about 0.8 percent.

Government and Industry:

- With dairy futures markets showing strength right now, especially in Class IV futures prices, right now may be a good time to consider using the Dairy Revenue Protection Program to protect your profits for the coming year. Dairy RP offers market-based price coverage for the next five quarters, which currently includes the first quarter of 2022 through the first quarter of 2023. The program allows you to put a floor under your milk price. To learn more, contact your crop insurance agent. A list of agents is available at www.rma.usda.gov/tools/agent.html. If you want help in better understanding the program, contact Zach Myers at 717-346-0849.
- This coming week is the last week of dairy roundtable meetings being hosted by the Center for Dairy Excellence and the Penn State Cooperative Extension Dairy Team across the state. Meetings will be held in Martinsburg and Grove City on Tuesday, November 16, and in Chambersburg on Thursday, November 18. Walk ins are welcome at these meetings, with the program focused on business planning on the farm. To register, visit centerfordairyexcellence.org or call 717-346-0849.