

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated November 30, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Nov)	\$18.04/cwt.	▲ 0.6 %	▲ 1.1 %	▲ 18.8 %
Class IV Milk Price (Nov)	\$18.70/cwt.	—	▲ 9.6 %	▲ 37.9 %
Corn (December)	\$ 5.67/bushel	▼ 2.3 %	▲ 1.7 %	▲ 35.3 %
SBean Meal (December)	\$348.8/ton	▼ 3.7 %	▲ 5.4 %	▼ 10.5 %
Milk Margin (September)*	\$ 10.68/cwt.	—	▲ 8.76 %	▼ 2.11 %

*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 released its Ag Prices report, showing that the All-Milk price increased \$1.30 from last month to \$19.70 per hundredweight in October, the highest price so far in 2021 but still 30 cents lower than October 2020. Corn prices fell 43 cents from September to \$5.02 per bushel, still \$1.41 higher than a year ago. Soybean meal prices were announced at \$325.43 per ton, down \$18.12 from a month ago. Blended alfalfa hay prices were up \$3.50 from last month to \$230 per ton in October, up \$44 from a year ago. Based on these prices, the October Dairy Margin Coverage is estimated to be \$8.77 per hundredweight, up \$1.84 from September and the highest margin so far this year, but still below the \$9.50 threshold for the highest coverage level in the program.
- A National Farm Bureau annual survey shows that the cost to host Thanksgiving dinner was up 17 percent in 2021, with the average cost per person being about \$5.32 for the dinner, compared to \$4.70 a year ago. The cost for the turkey was up 24 percent, while most other items included in a traditional dinner were up to 11 - 12 percent. Butter prices were up 29 percent from a year ago.

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.
- After receiving numerous phone calls and emails about the status of the Pandemic Market Volatility Assistance Program (PMVAP) payments, or more commonly known among dairy farmers as the negative producer price differential (PPD) reimbursement, Center Dairy Risk Education Manager Zach Myers reached out via email to the Agricultural Marketing Service (AMS) to get a status update. Zach was told that AMS was in the process of compiling and verifying the data it had received from milk handlers across the country. This is a process that will take time to ensure accuracy in the datasets. After everything is verified, the data will be used to calculate the pooled region payrates and milk handlers will be notified of this payrate. As of November 24, USDA/AMS plans to have funds distributed to milk handlers in early winter. Once the funds are received by the milk handlers, they will have 30 days to pay these funds to eligible producers. The funds will be dispersed as a separate payment to eligible dairy farmers rather than in a normal milk check. Zach had heard rumors that some milk handlers had received funds. AMS clarified this as false. Since they are still receiving and compiling data, no payrates have been calculated. Therefore, no funds have been distributed to any milk handlers. An exact timeline for payments has not been announced. Participating milk handlers will be reimbursed administrative fees for implementing the PMVAP program. However, the administrative reimbursement is a different allocation of funds than what they receive to pay producers. After participating milk handlers distribute funds to their members, they will be audited by AMS to ensure the funds were distributed as intended.
- The Center for Dairy Excellence is offering a \$100 discount for dairy producers to participate in a "Farm Spanish Basics" online course hosted by Katie Dotterer from January 18 - March 10, 2022. The course is hosted live on Tuesday and Thursday evenings, with recordings made available later for those who are unable to participate live. The total cost to register with the discount is \$350 per person. A Beginner and an Intermediate Course are available. To register, go to centerfordairyexcellence.org and click on the link under "Upcoming Events."