



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated December 21, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Dec)	\$18.47/cwt.	▼ 0.6 %	▲ 2.9 %	▲ 17.6 %
Class IV Milk Price (Dec)	\$19.78/cwt.	—	▲ 6.5 %	▲ 47.4 %
Corn (March)	\$ 5.98/bushel	▲ 2.0 %	▲ 3.1 %	▲ 28.3 %
SBean Meal (January)	\$394.0/ton	▲ 5.8 %	▲ 9.8 %	▼ 5.1 %
Milk Margin (October)*	\$ 12.47/cwt.	—	▲ 16.76 %	▼ 10.26 %

**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."*

- U.S. cow numbers have fallen 47,000 head (-0.50%) since last November but recent month-to-month declines have resulted in 122,000 less cows since May 2020's high. The U.S herd is now 9.385 million head. Total U.S. milk production fell along with cow numbers. At 18.035 billion pounds, milk production fell 0.4% compared to November 2020. Production per cow remained relatively flat compared to a year ago at 1,922 pounds per cow per month, only three pounds less than last November. The average U.S. cow produced about 73.6 pounds of milk this past November, two tenths of a pound more than she did one year ago, according to the USDA Milk Production report.
- Total milk production in Pennsylvania fell 3.5% to 800 million pounds. This represents a reduction of 29 million pounds of milk compared to last year. A declining dairy cow herd and decreased milk production per cow contributed to the total production loss. The state's dairy herd has shrunk by 10,000 head (-2%) since November 2020 and 3,000 head since October 2021. At 472,000 head, November marked the first month this year that the Keystone State was not able to maintain 475,000 head of dairy cattle. The average dairy cow produced 1,695 pounds (-3.5%) of milk during November which is 25 pounds less than she did one year ago.
- Six out of seven of the top producing dairy states posted increases in milk production, despite the overall decline across the US. California was up 1 percent from a year ago, while Wisconsin was up 2.2 percent. Idaho was up 0.4 percent, while Texas and Minnesota were both up, increasing 2.8 percent and 1.9 percent. New York and Michigan were the only states in the top seven to post declines, falling 0.2 and 0.8 percent, respectively. Pennsylvania is firmly in the 8th spot for the top producing dairy states, being surpassed by Minnesota earlier this year.

Government and Industry:

- Those who couldn't join the Center's Dairy Industry conference call on Wednesday can now access a recording. The call covered the recent Dairy Margin Coverage (DMC) changes and the expected roll-out for Pandemic Market Volatility Assistance Program (PMVAP) relief payments for dairy producers. Our panelists provided helpful information on the new DMC supplemental production history rules and the expected timeline for PMVAP payments. To listen to a recording, call the following number to listen to a playback on your phone: Dial 978-990-5099 and enter Access Code: 553371# and Reference Number 13#.
- 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 second quarter of 2022 through the second 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.