



For Immediate Release

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February 14, 2022

JOIN “PROTECTING YOUR PROFITS” MONTHLY WEBINAR ON FEBRUARY 23

The Discussion Will Take Place on Feb. 23 at 12 p.m. and Will Focus on Dairy Export Numbers

Harrisburg, Pa. – The Center for Dairy Excellence is hosting its monthly “Protecting Your Profits” webinar on Wednesday, February 23 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. This month’s discussion will focus primarily on dairy export numbers.

“Due to the timing of this month’s ‘Protecting Your Profits’ call and USDA reports, the February Milk Production report will not be available until after the webinar. This gives us a great opportunity to dive deeper into export numbers and discuss domestic and international demand,” Myers shared. “In 2021, dairy exports represented over 17 percent of the U.S. milk supply, which was an all-time high, so there are a lot of exciting opportunities to discuss.”

During the webinar, Myers will highlight the Class III and IV futures milk price forecasts and share data on dairy exports:

- Class III and IV milk futures continued their upwards trajectory through January and into the first half of February. As of Feb. 11, Class III milk prices are up an average of \$1.13 per cwt. for the next 12 months to \$21.68.
- Class IV milk prices increased an average of \$1.20 per cwt. behind strong domestic demand for butter and international demand for butter powder. Class IV is projected to remain higher than Class III for the rest of the year and into 2023.
- Cheese, powder and butter are in somewhat of a short supply situation because of the increased demand and reduced global supply.
- Domestic and international demand are expected to remain high for the foreseeable future. According to the U.S. Dairy Export Council (USDEC), 2021 U.S. dairy exports set both volume and value records. Annual volume improved to over 2.3 million metric tons (MT) milk solid equivalent, which was 10 percent more than the previous record set in 2020. Export value rose 18 percent relative to 2020 to total \$7.75 billion. 2021 is only the second time in the history of dairy exports to eclipse the \$7 billion mark.

In addition, Myers will share updates on Dairy Margin Coverage (DMC) margins. The DMC and Supplemental DMC 2022 enrollment period will remain open until March 25, 2022. The December DMC margin was announced as \$9.53 per cwt.

“Even though the DMC Decision Tool is currently not projecting a payout this year, it is still my advice to consider enrolling in DMC for 2022. For 15 cents per cwt., you can set an all-milk price floor of nearly \$22. There is no other option to set a price floor that high for that low of a price,” Myers said. “I encourage you to avoid making your decision based on projections. Risk management is ultimately insurance that protects against unpredictable circumstances, and projections are not reality. We will discuss this more during the ‘Protecting Your Profits’ call.”

Myers will provide additional updates on the Dairy Revenue Protection (DRP) program to guide decision making by sharing quarterly price floors. DRP policies are available for quarter two 2022 through quarter two 2023 until March 15, 2022. As of Feb. 11, some quarterly DRP price floors for III and IV are well above \$20.

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/FebruaryPYP on Wednesday, February 23 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, February 23 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 February 23 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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