



For Immediate Release

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FEBRUARY “PROTECTING YOUR PROFITS” RECORDING TO BE RELEASED ON FEB. 24

A Recording of the Monthly Discussion Will Be Available on February 24

Harrisburg, Pa. – The Center for Dairy Excellence will publish a recording of its monthly “Protecting Your Profits” webinar on Friday, February 24. Led by Zach Myers, Risk Education Manager with the Center, the recording will be available in both webinar and podcast format. It will review current data and updates about the milk marketplace to guide decision-making and risk management strategies.

“Although there has been a recent increase in Class III and IV milk futures, they’re still well below where they were in 2022, and the increases don’t yet make up for increased input costs on the feed side, energy, and crop costs. With higher milk prices come opportunities to layer in some more favorable milk price floors than what you could have had even two weeks ago,” Myers shared. “I encourage you to evaluate your options, whether it be Dairy Revenue Protection or fixed contracts, and see if there are milk price floors that meet your operation’s financial needs before the markets drop again. I’ll dive deeper into some of these risk management options in the ‘Protecting Your Profits’ recording that will be available on February 24.”

During the recorded webinar, Myers will highlight export numbers and the latest Class III and IV futures milk price forecasts:

- As of February 13 closing prices, Class III and IV prices are mixed compared to mid-January, but both classes have rebounded some since the end of January.
- At \$19.29/cwt., the 12-month average milk price is down four cents per cwt. since mid-January. It is up 25 cents per cwt. from January 30 closing prices.
- The 12-month Class IV price is 39 cents per cwt. more than mid-January but 90 cents per cwt. more than January 30 closing prices.
- Cheese and whey powder demand is giving a boost to Class III. After a year of lackluster powder exports due to a lack of milk supply to shunt powder production, international demand for nonfat dry milk/skim milk powder is picking up and the milk supply is there to meet demand. Class IV is getting a boost from increased powder demand along with strong international and domestic butter demand.

- 2022 dairy exports set a new volume record for the third consecutive year and value record for the second consecutive year. 2022 export volume reached 2.401 million metric tons (MT) behind record cheese, lactose, and whey exports. 2022 export value surpassed the 2021 record by nearly \$2 billion, reaching \$9.614 billion.

In addition, Myers will share updates on Dairy Margin Coverage (DMC) margins. The December DMC margin fell to \$9.76/cwt. After a couple months of improving margins, increased feed cost and decreased milk price took a toll on the margin in December. Feed price increased 23 cents per cwt. compared to November behind increased corn and soybean meal prices to \$14.94/cwt. Milk price dropped 90 cents per cwt. to \$24.70/cwt. The result was a \$1.13/cwt. drop in the margin to \$9.76.

To access the full recording of the February risk management discussion with an in-depth analysis of these numbers, visit www.centerfordairyexcellence.org/pyp on February 24. View the webinar recording to watch from your device or listen to the audio version via the “Protecting Your Profits” podcast.

Join the Center on March 22, 2023 for the next live “Protecting Your Profits” discussion, and 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. All monthly webinars 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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