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# Cornell Cooperative Extension

Southwest NY Dairy, Livestock and Field Crops Program

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A partnership between Cornell University  
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Allegany, Cattaraugus, Chautauqua, Erie, and Steuben.

**Dairy Market Watch**  
Newsletter  
April 2022

An educational newsletter to keep producers informed of changing market factors affecting the dairy industry.

Milk Component Prices			Milk Class Prices				Statistical Uniform Price & PPD				
Month	Butterfat	Protein	I (Boston)	II	III	IV	Jamestown, NY		Albany, NY		Albany \$/gal. to farmer
Mar 21	\$1.72	\$2.70	\$18.45	\$15.07	\$16.15	\$14.18	\$15.35	(\$0.80)	\$15.95	(\$0.20)	\$1.38
Apr 21	\$1.94	\$2.81	\$18.76	\$15.56	\$17.67	\$15.42	\$16.21	(\$1.46)	\$16.81	(\$0.86)	\$1.45
May 21	\$1.98	\$3.13	\$20.35	\$16.22	\$18.96	\$16.16	\$17.19	(\$1.77)	\$17.79	(\$1.17)	\$1.53
June 21	\$1.96	\$2.53	\$21.54	\$16.66	\$17.21	\$16.35	\$17.35	\$0.14	\$17.95	\$0.74	\$1.55
July 21	\$1.89	\$2.49	\$20.67	\$16.83	\$16.49	\$16.00	\$16.91	\$0.42	\$17.51	\$1.02	\$1.51
Aug 21	\$1.85	\$2.45	\$20.15	\$16.51	\$15.95	\$15.92	\$16.54	\$0.59	\$17.14	\$1.19	\$1.48
Sep 21	\$1.93	\$2.60	\$19.84	\$16.89	\$16.53	\$16.36	\$16.81	\$0.28	\$17.41	\$0.88	\$1.50
Oct 21	\$1.94	\$3.01	\$20.33	\$17.08	\$17.83	\$17.04	\$17.29	(\$0.54)	\$17.89	\$0.06	\$1.54
Nov 21	\$2.15	\$2.75	\$21.23	\$18.40	\$18.03	\$18.79	\$18.39	\$0.36	\$18.99	\$0.96	\$1.64
Dec 21	\$2.29	\$2.59	\$22.42	\$19.84	\$18.36	\$19.88	\$19.34	\$0.98	\$19.94	\$1.58	\$1.74
Jan 22	\$2.95	\$2.35	\$22.96	\$22.83	\$20.38	\$23.09	\$21.59	\$1.21	\$22.19	\$1.81	\$1.91
Feb 22	\$3.02	\$2.31	\$24.89	\$23.79	\$20.91	\$24.00	\$22.52	\$1.61	\$23.12	\$2.21	\$1.99
Mar 22	\$3.09	\$2.71	\$26.13	\$24.76	\$22.45	\$24.82	\$23.59	\$1.14	\$24.19	\$1.74	\$2.09

**March Utilization (Northeast): Class I = 29.2%; Class II = 23.4%; Class III = 30.4%; Class IV = 17.0%.**  
*Class I = fluid milk; Class II = soft products, cream, and yogurt; Class III = cheese (American, Italian), evaporated and condensed products; Class IV = butter and milk powder.*

**Dairy Commodity Markets** (Excerpt from USDA Dairy Market News – Volume 89, Report 16, April 22nd, 2022)

**Dry Products:** Low/medium heat nonfat dry milk (NDM) price ranges are mixed through the regions. Markets have quieted down following the holiday week and while international interests have slowed down. Dry buttermilk prices held steady in the Central/East, while the bottom of the Western range moved up. Demand, generally, is overshadowing production/ availability of dry buttermilk loads. Dry whole milk, also tighter regarding inventories, remains steady on both market tone and price range.

**Cheese:** Cheese inventories are available for spot purchasing in the Northeast and West, though some Midwest stakeholders report that they are slimming some orders to fulfill others. Across the country demand for cheese is strong in retail markets. Stakeholders in the Northeast and West say that food service demand is increasing and international demand is strong. Contacts, in the West, report that port congestion is preventing them from increasing the volume of cheese loads that they are sending to international markets

Friday CME Cash Prices					
Dates	2/25	3/4	3/11	3/18	3/25
Butter	\$2.58	\$2.68	\$2.71	\$2.72	\$2.79
Cheese (40# Blocks)	\$1.94	\$2.15	\$2.19	\$2.13	\$2.27

**Butter:** Cream inventories are mixed throughout the country. Contacts in the Northeast and West report that strong ice cream production is pulling on regional cream supplies. Demand for butter is steady in retail markets, while retail sales are, reportedly, slowing in the Northeast and West. Stakeholders say that rising grocery store butter prices may be contributing to decreased consumer demand.

**Fluid Milk:** Milk production trends are increasing in most areas around the country. Class I demand reports are mixed throughout the country. Firm interests in the Northeast are being offset by slowdowns in the South. A number of contacts say Class I demand is unchanged.

**February 2022 Retail Prices (FMMO):** The U.S. sale of total organic milk products was 225 million pounds, down 3.9 percent from February 2021 and down 4.7 percent year-to-date. Organic half gallon milk national weighted average price, \$3.98, compared to the \$1.95 conventional half gallon milk national weighted average price, led to a \$2.03 organic premium.

Weekly Average CME Cash Price - 2017 to Present



### Dairy Situation and Outlook, April 20, 2022

By Bob Cropp, Professor Emeritus, University of Wisconsin Cooperative Extension, University of Wisconsin-Madison

Originally published: <https://fyi.extension.wisc.edu/kewauneeag/files/2022/04/Dairy-Situation-and-Outlook-April-2022.pdf>

Milk prices continue well above a year ago. The Class III price being above \$20 averaged \$5.27 higher January through March than a year ago. The Class IV price being above \$23 averaged \$10.30 higher January through March than a year ago. April prices will strengthen more. The Class III price will be near \$24.25, about \$6.60 higher than a year ago and the Class IV price will be near \$25.25, about \$9.80 higher than a year ago. Domestic sales of butter and cheese continue to run above year ago levels while fluid (beverage) milk sales have been running about 3% below a year ago. Sales are expected to continue above a year ago with food service improving as restaurants continue to return to more normal. However, inflation has reduced consumer spending power and could dampen domestic sales.

While dairy export volume continues to run below year ago levels they remain at a level to support milk prices. The volume of February exports on a milk solids equivalent basis was 1% lower than a year ago, the third straight monthly decline. The decline is due to a 11.5% decline in nonfat dry milk/skim milk powder exports and a 4.5% decline in whey product exports. Lower nonfat dry milk/skim milk exports were led by lower exports to the two top markets, Mexico and Southeast Asia. Lower exports of dry whey to the number one market, China led the decline in whey exports. While 2022 exports will be hard to match the record 2021 exports, exports should remain relatively strong as all U.S. dairy products

are price competitive with Oceania and Western Europe and milk production in these two regions continue to run below a year ago. But the major driver of much higher milk prices is milk production. March milk production for the U.S. was estimated to being 0.5% lower than 2021, the third consecutive decline from a year ago. The decline in milk production was due to fewer milk cows and slight increase in milk per cow. March milk cows were 87,000 fewer, a decline of 0.9% and milk per cow was up just 0.4%. Milk cow numbers after peaking in May 2021 declined month to month June through January of this year but reversed the decline with 3,000 added cows in February and another 5,000 in March.

USDA is forecasting no increase in 2022 milk production over 2021. Milk cows are forecasted to average 78,000 fewer than 2021, a 0.8% decline and milk per cow to increase just 0.9%. Milk production could increase some second half of the year. But higher feed costs, labor costs, building costs, cost to plant and harvest this year's crops and fewer available dairy replacements will curtail increases in milk production. This means milk prices well above a year ago for the remainder of the year. Current dairy futures have Class III in the \$24's through July and then in the \$23's for the remaining of the year. Class IV is in the \$24's and \$25's through November. It is not certain milk prices this high will materialize but it seems unlikely prices would drop below \$20.