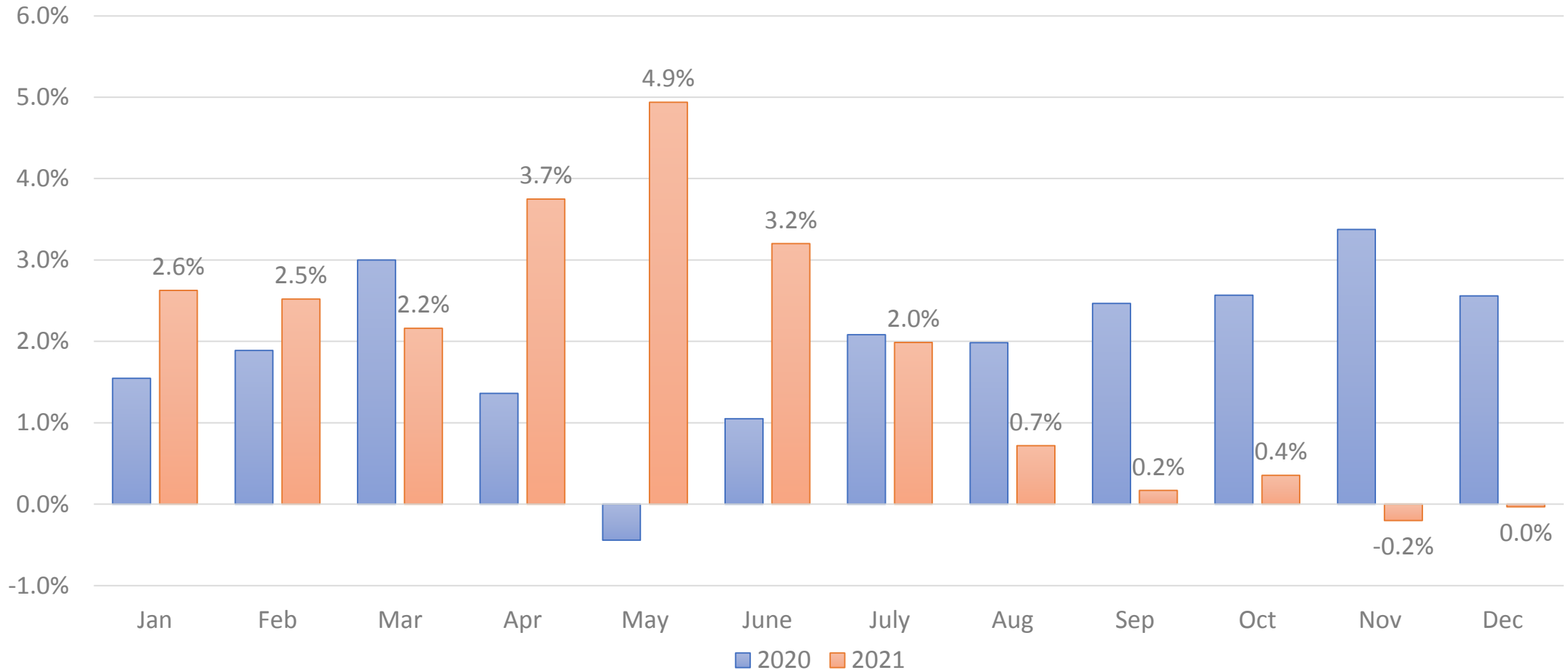




February 10, 2022
Dairy Market Update

Nathan Peabody – Economist
email: npeabody@agrimark.net

Percent Change in Milk Production, 24 Select States

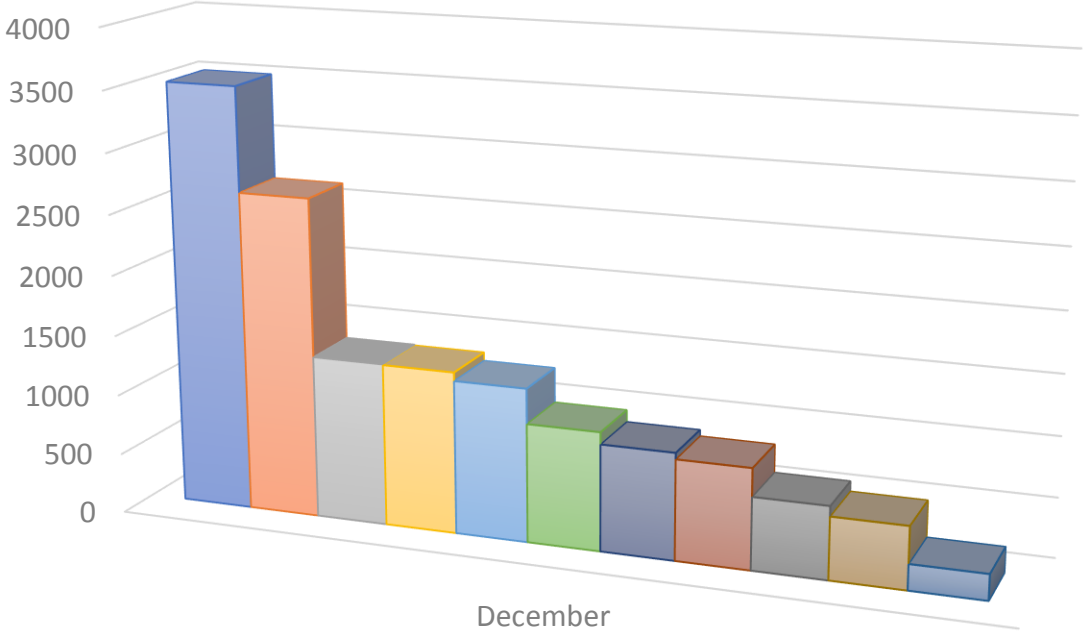


Percent Change in Milk Production, 24 Select States

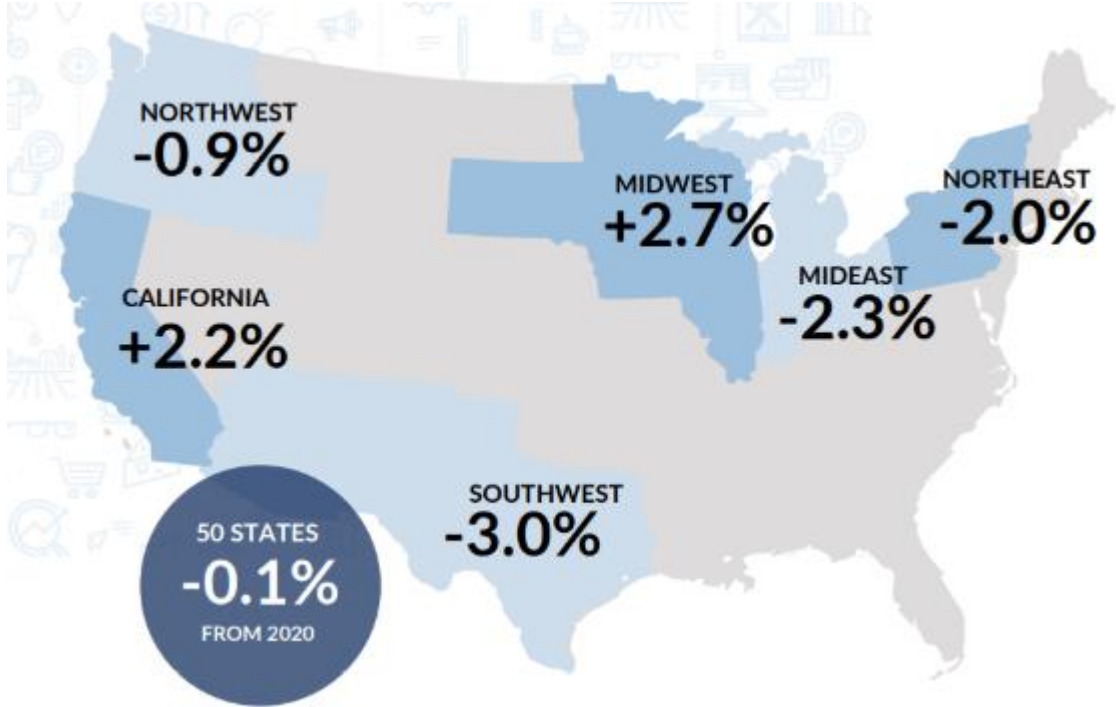


State Milk Production

Milk Production by State



- California
 Wisconsin
 Idaho
 Texas
- New York
 Michigan
 Minnesota
 Pennsylvania
- New Mexico
 Washington
 Vermont

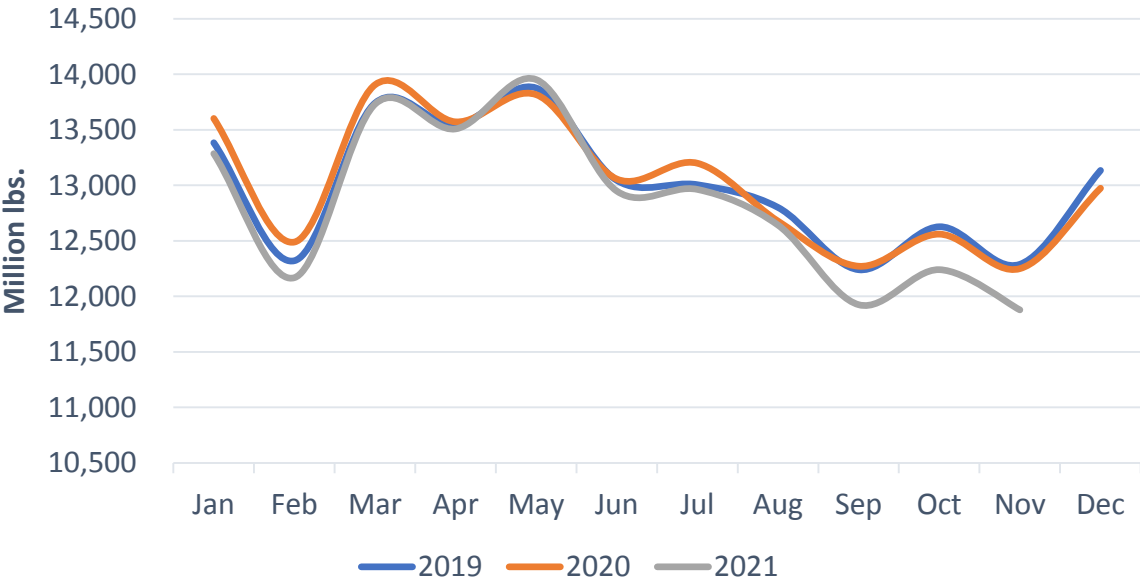


Source: Blimling and Associates

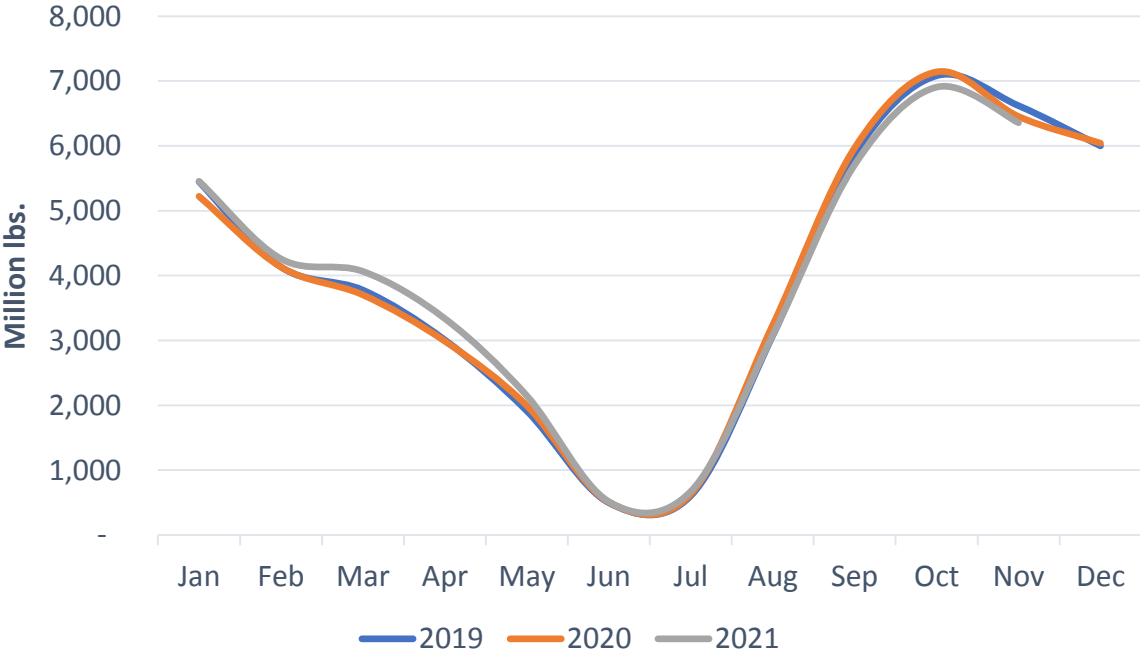
Economic Factors: International Milk Production

Year over Year Growth						
	June	July	Aug	Sep	Oct	Nov
Europe	-0.8%	-1.8%	-0.3%	-2.8%	-2.6%	-3.0%
New Zealand	1.7%	6.6%	-4.8%	-4.4%	-3.3%	-1.5%

Germany, France, Netherland Milk Production

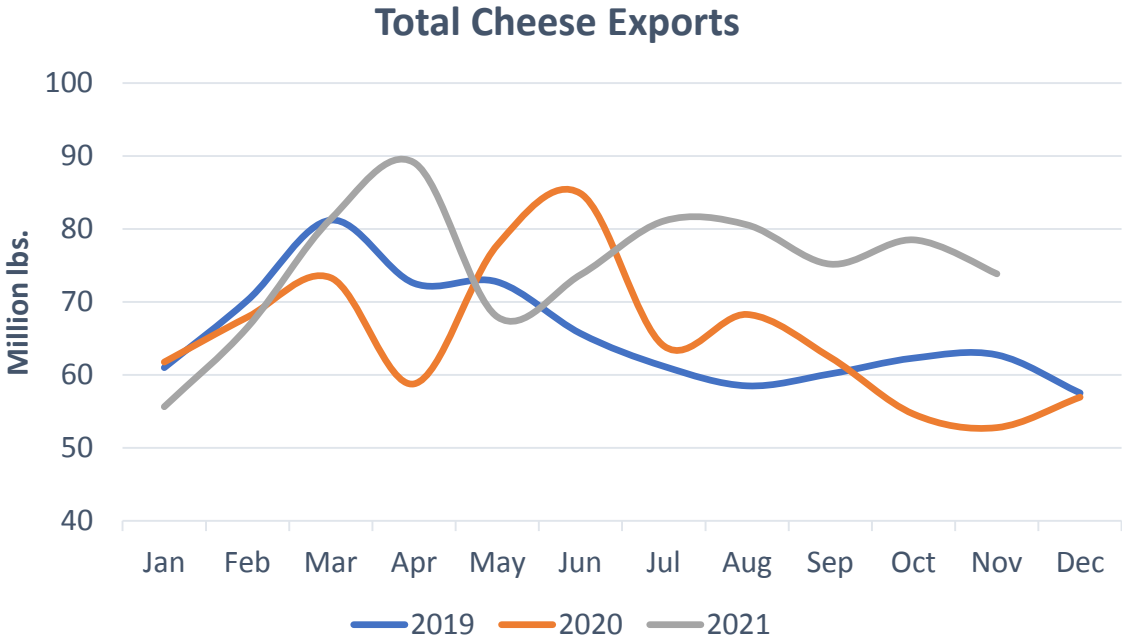


New Zealand Milk Production



US Dairy Exports

- By product
- Latest Month & Year-To-Date

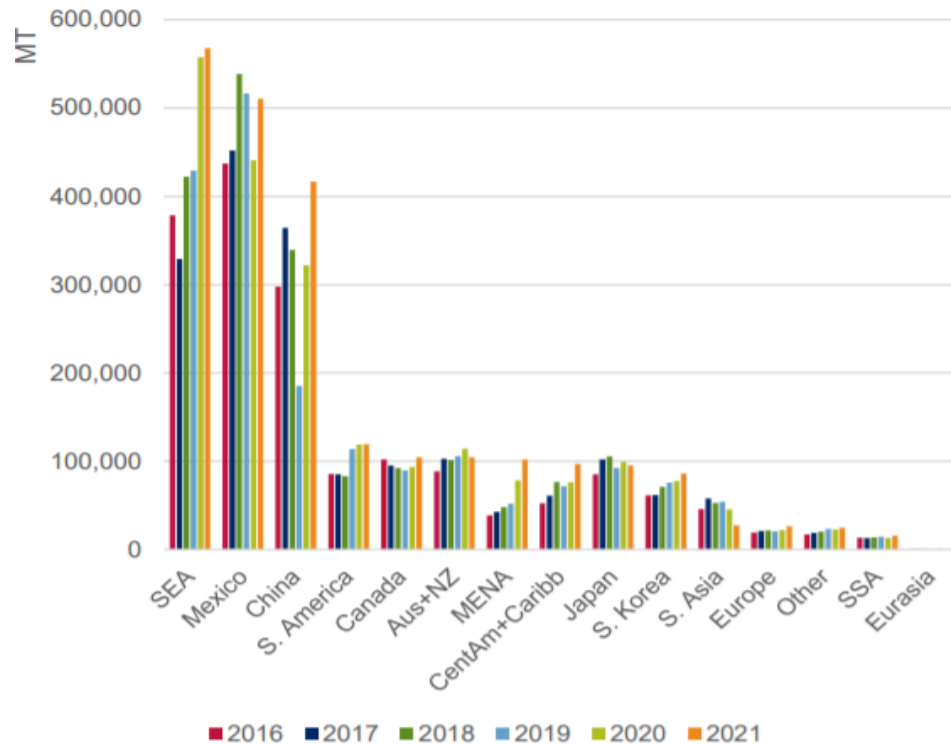


PRODUCT	Dec YOY % change	Year to Date
NDM/SMP	-4%	10%
Cheese	20%	14%
Butterfat	29%	121%
Total Whey	-25%	10%
Total Volume	-4%	10%
Total Value	18%	18%

US Dairy Exports

- By country
- Dec 2021

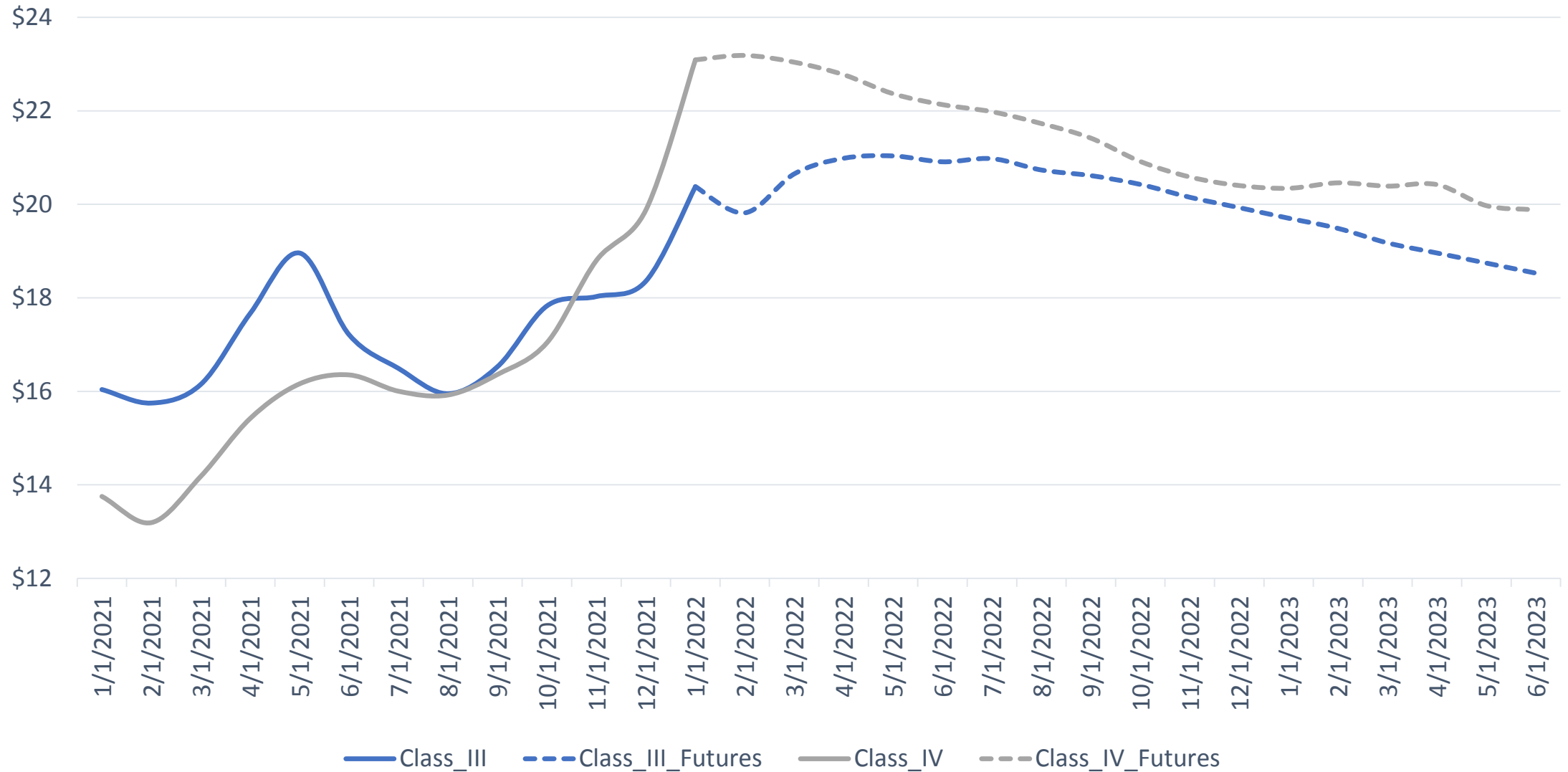
U.S. Total Milk Solids Exports: World YTD



Top Market	World	SEA	MEX	China
% Total Exports		20%	24%	21%
Volume	158,851	38,208	39,989	21,991
YOY Change	-6,252	5,926	1,062	-11,900
YOY % Change	-4%	18%	3%	-35%

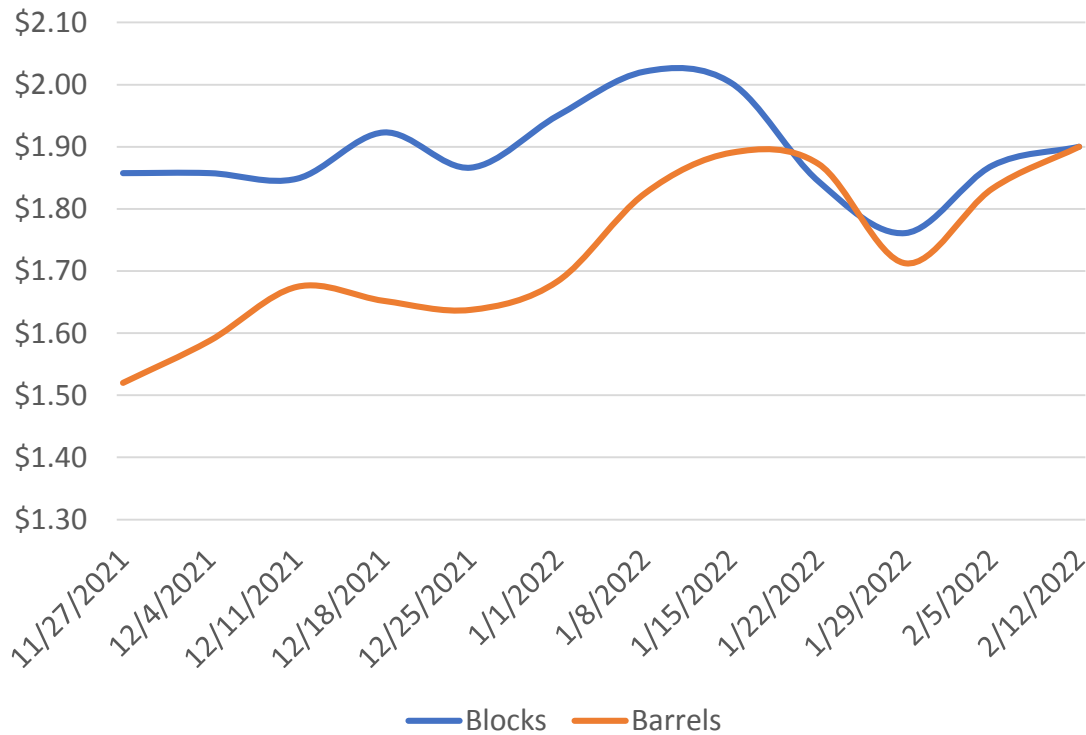
Source: USDEC

Class II vs Class IV Futures

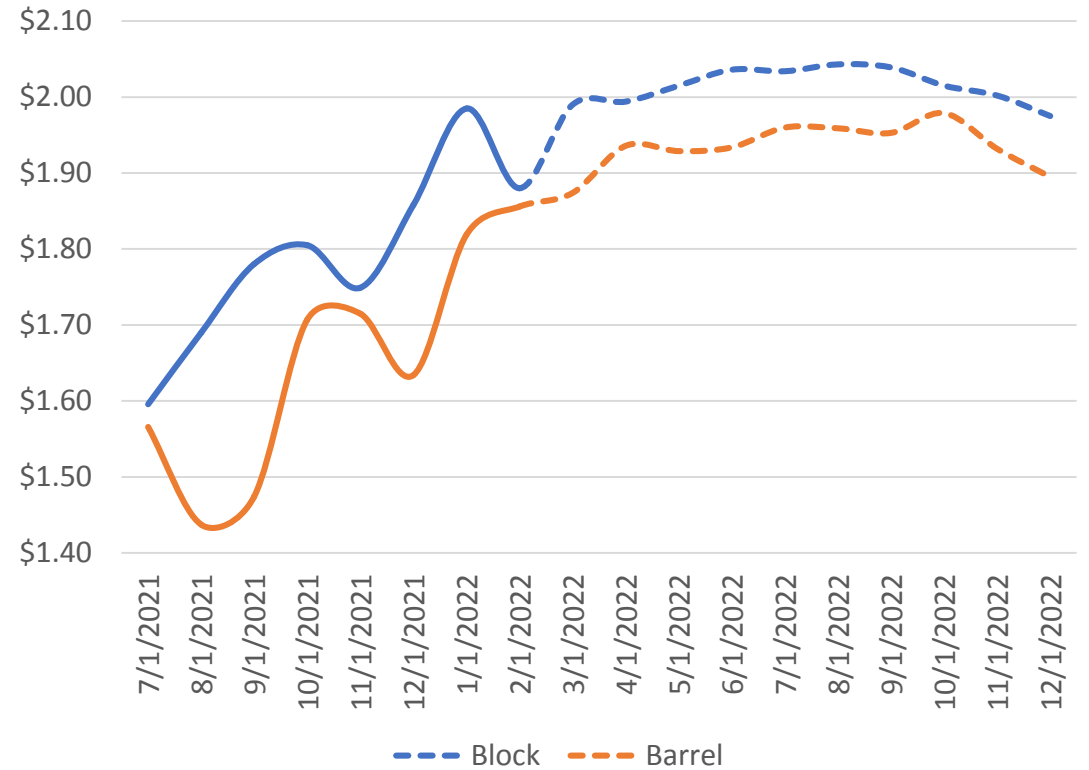


Cheese: Block \$1.90 Barrel \$1.86

Recent Spot Cheese Price

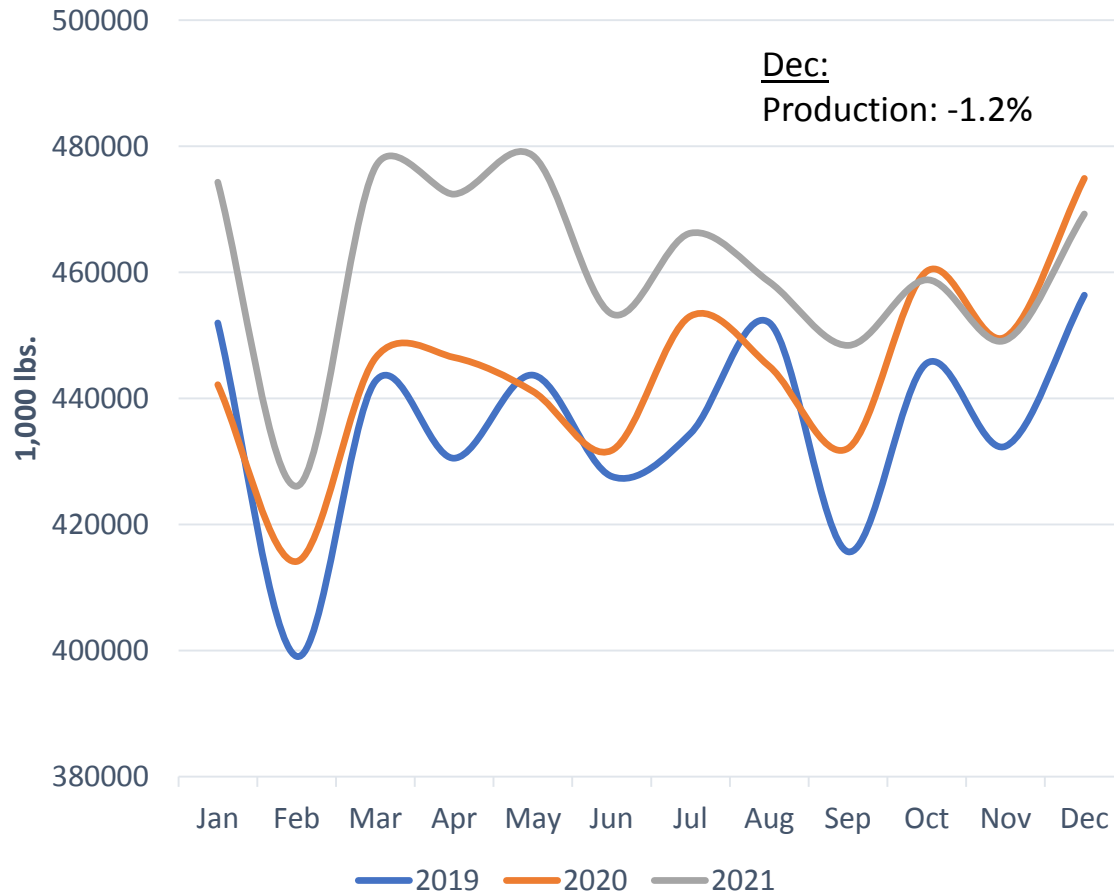


Cheese Futures

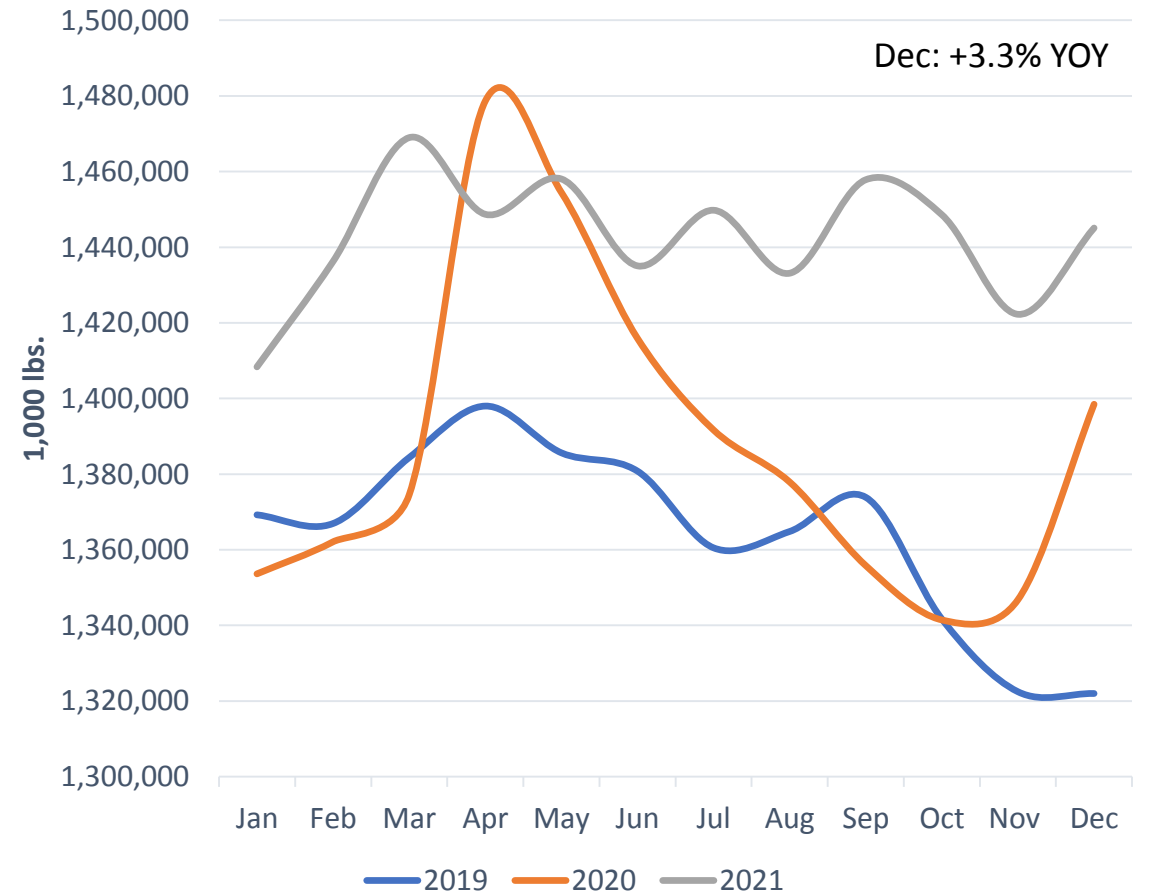


Cheese: Fundamentals

American Cheese Production



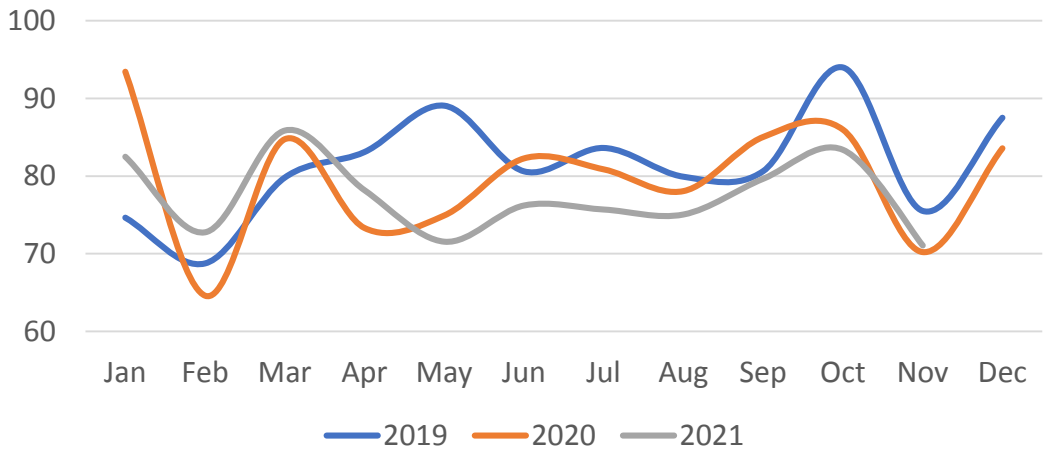
Cold Storage: Total Natural Cheese



Dry Whey: \$0.83

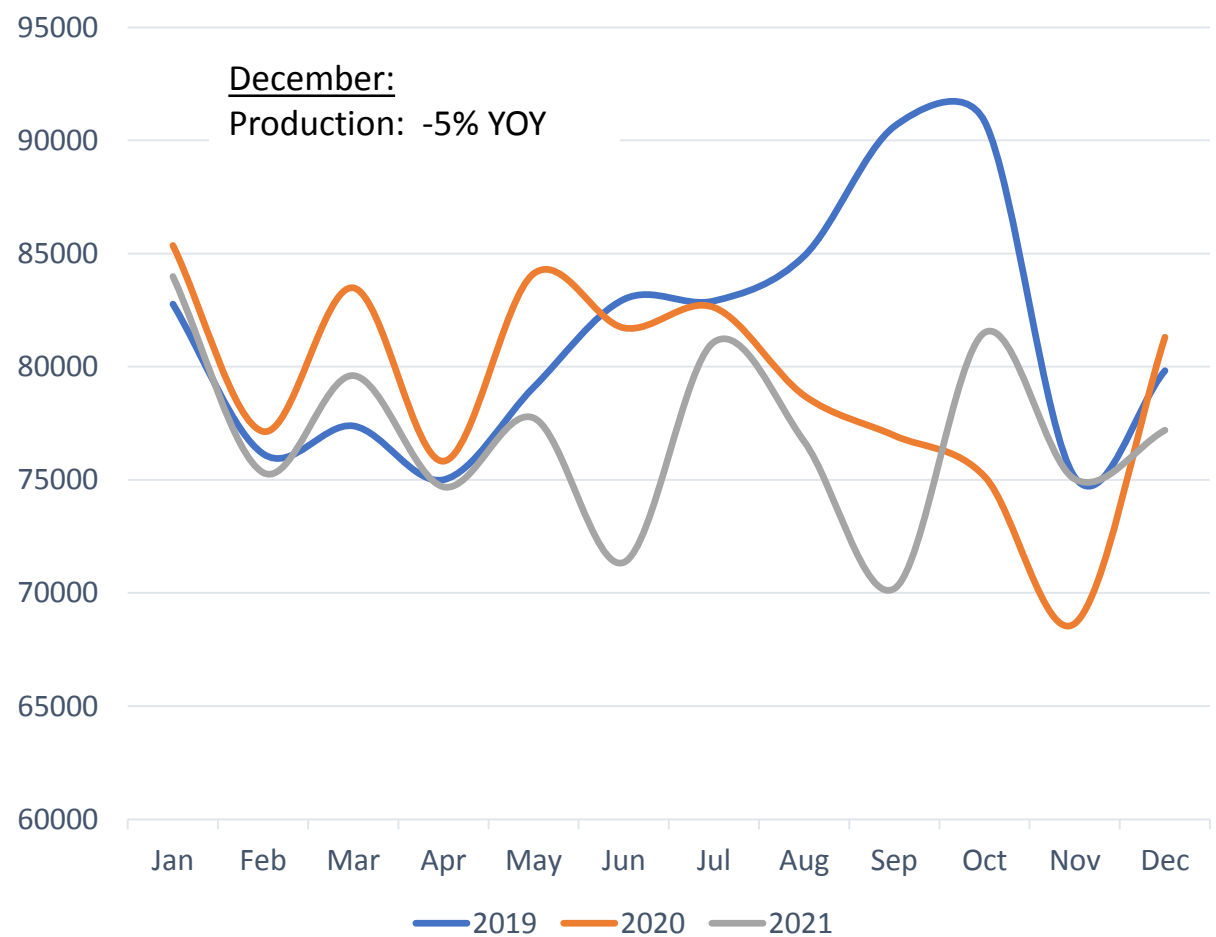
Dry Whey CD

Nov: +1.2YOY

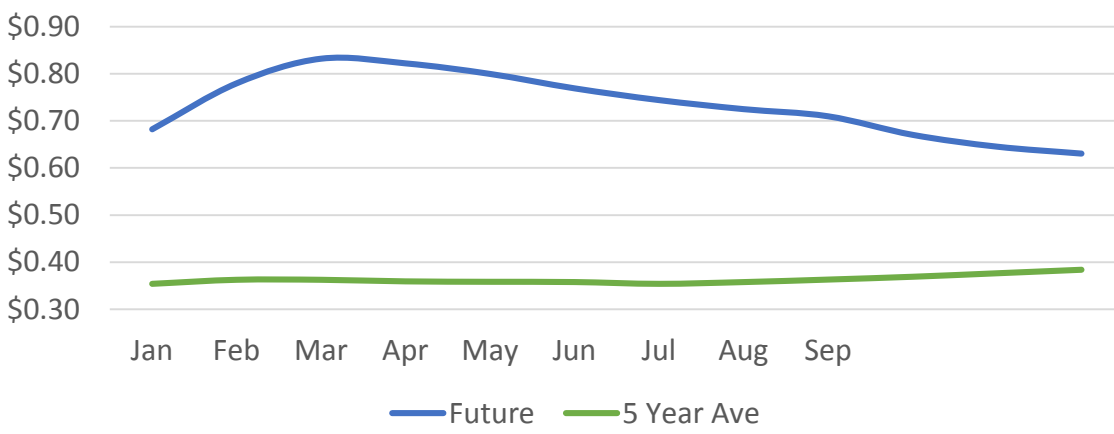


Dry Whey Production: 2019-2021

December:
Production: -5% YOY

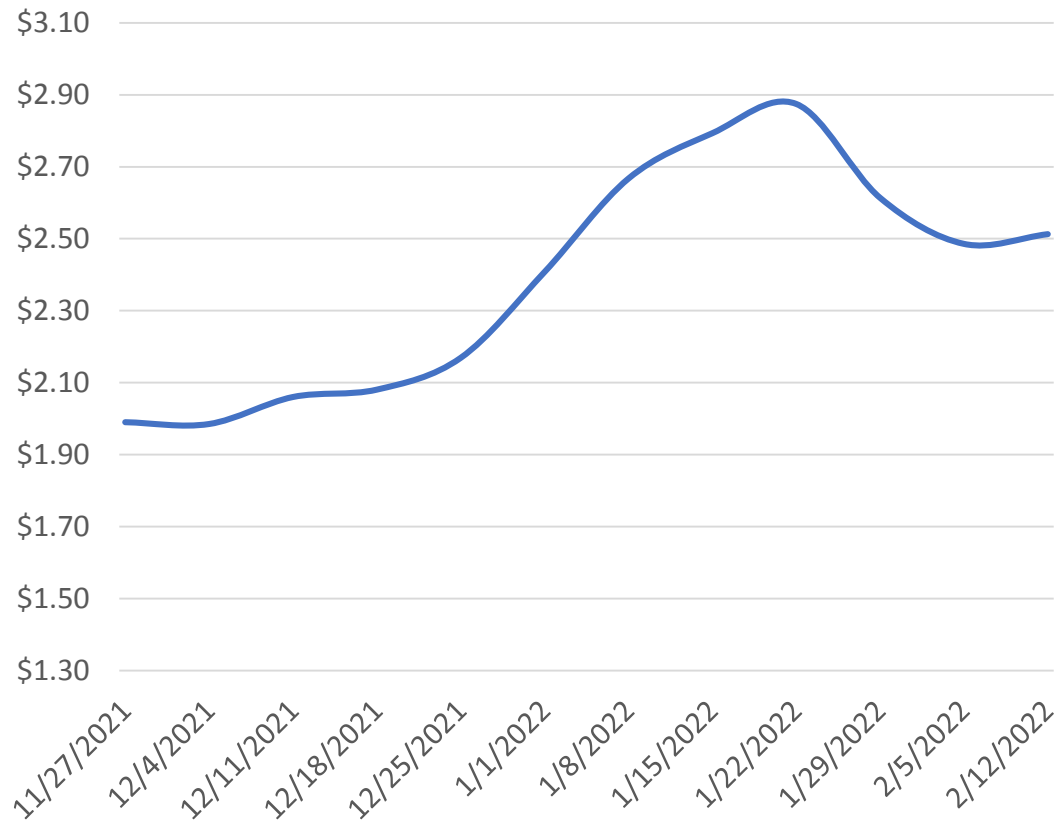


Dry Whey Futures

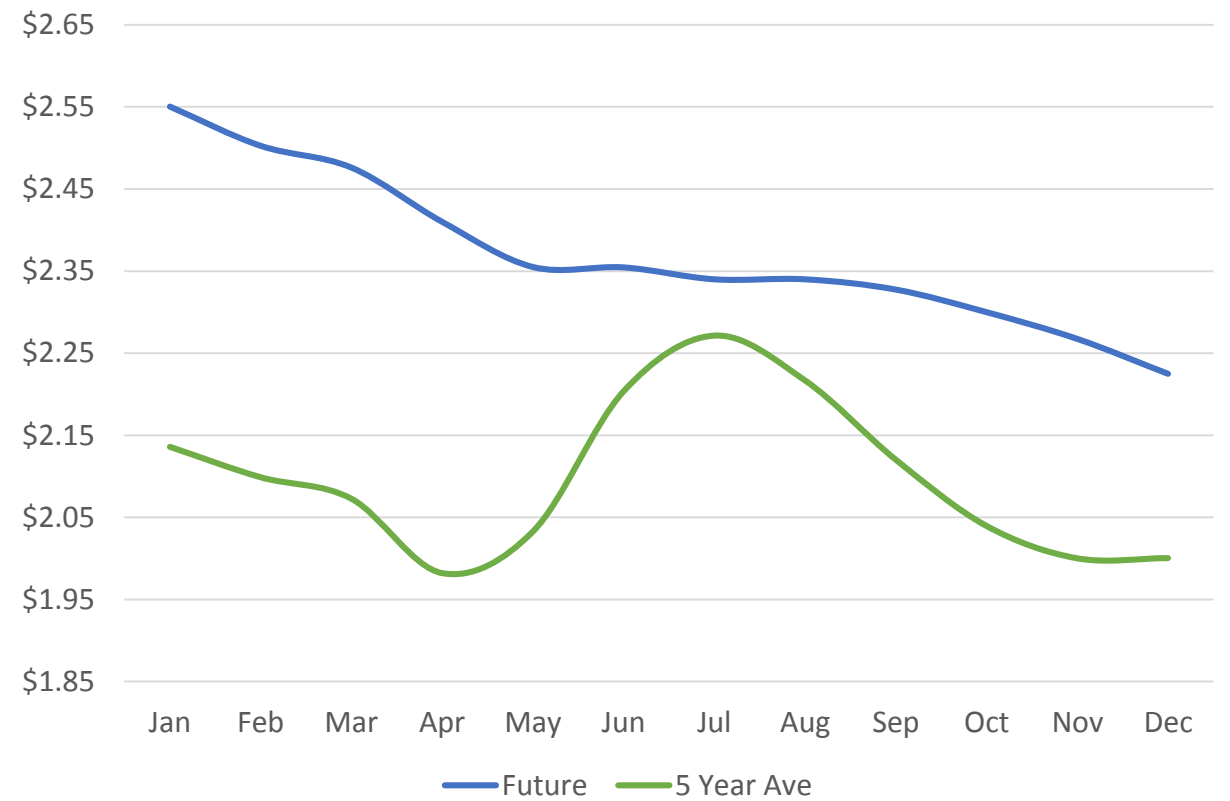


Butter: \$2.53

Recent Spot Butter Price

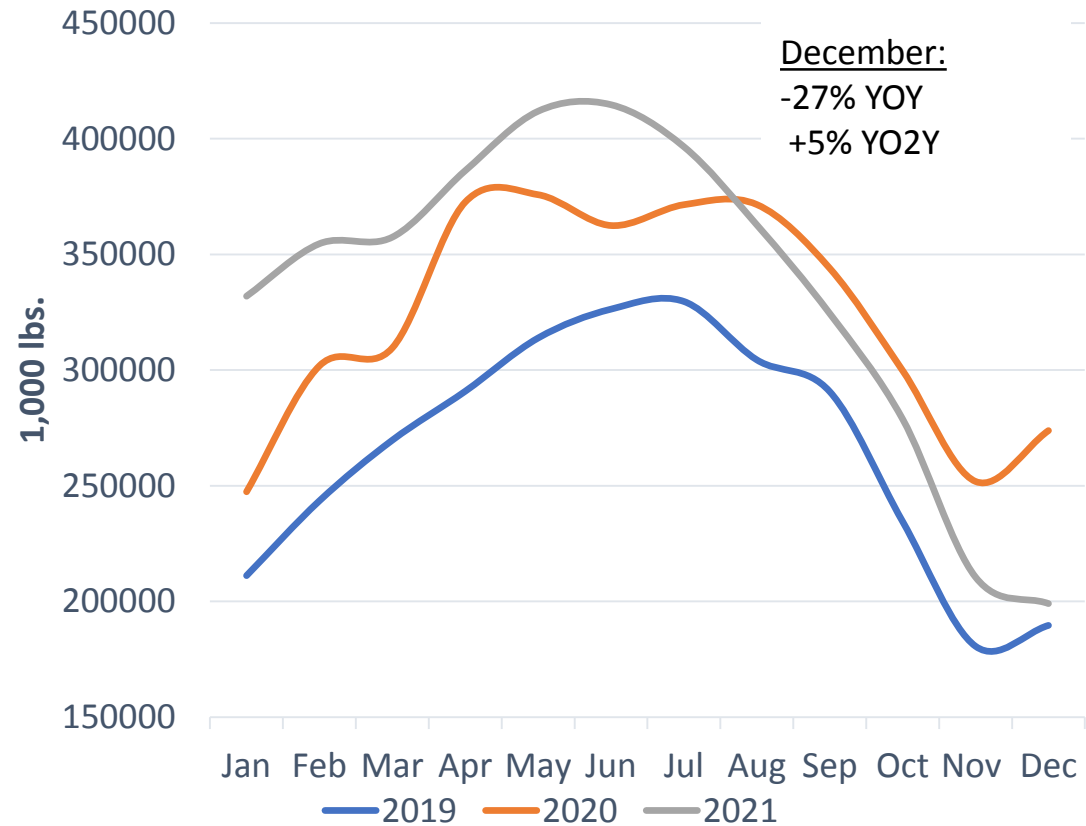


Butter Futures

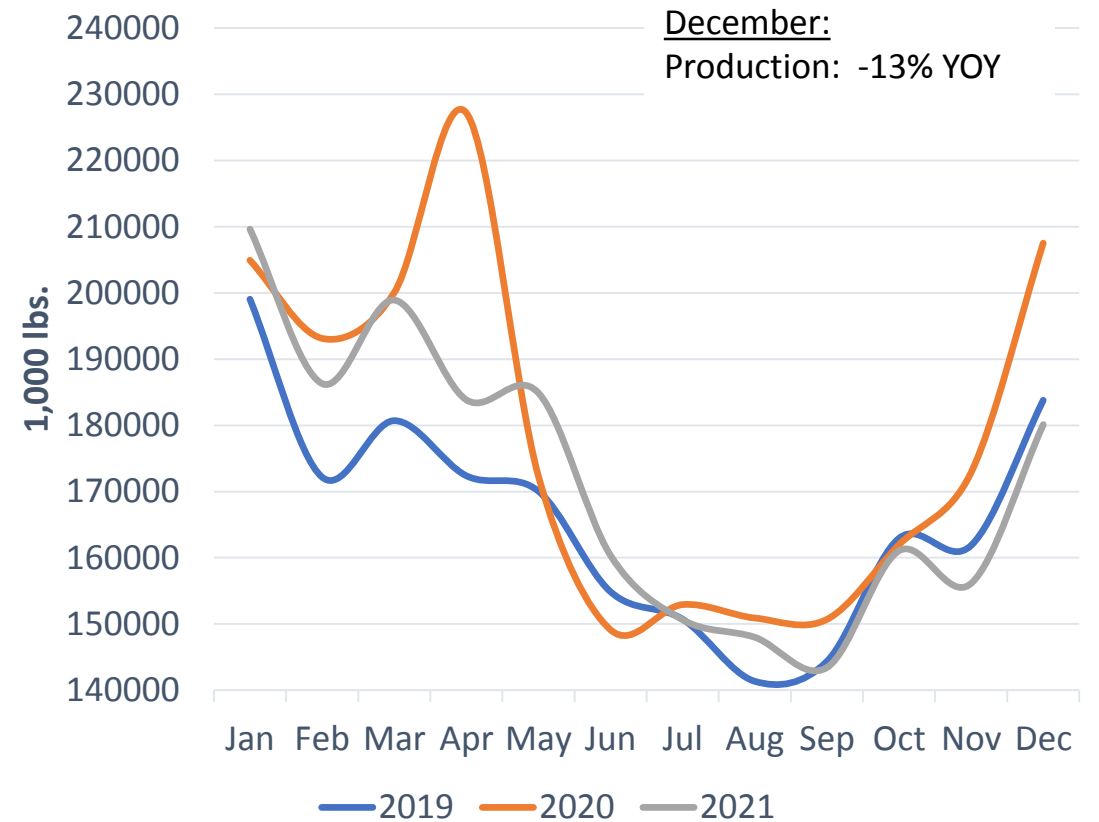


Butter: Fundamentals

Cold Storage – Butter

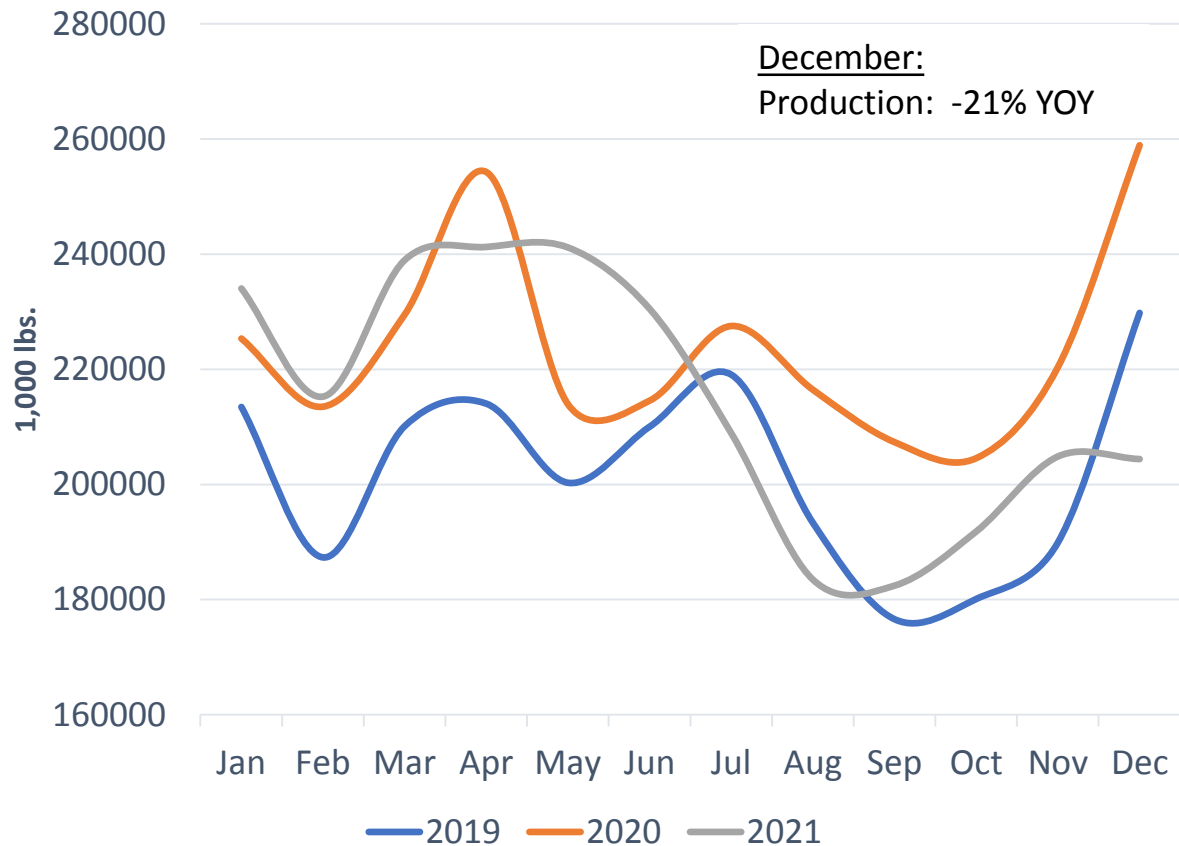


Butter Production

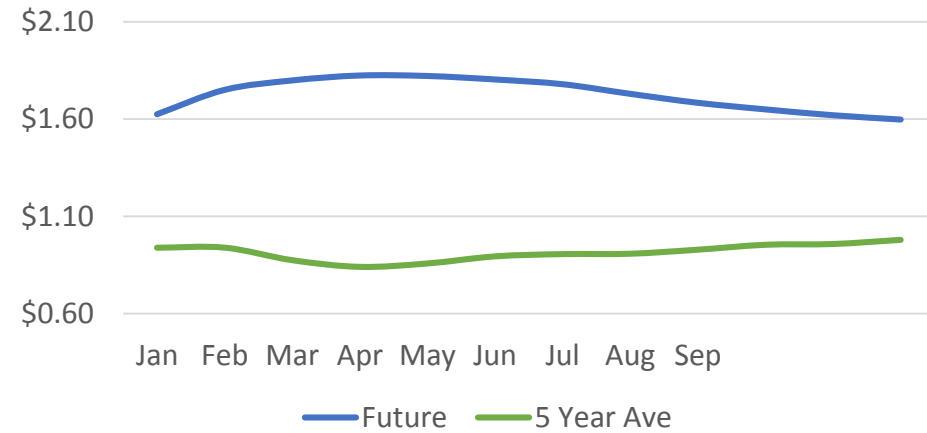


Nonfat Dry Milk \$1.87

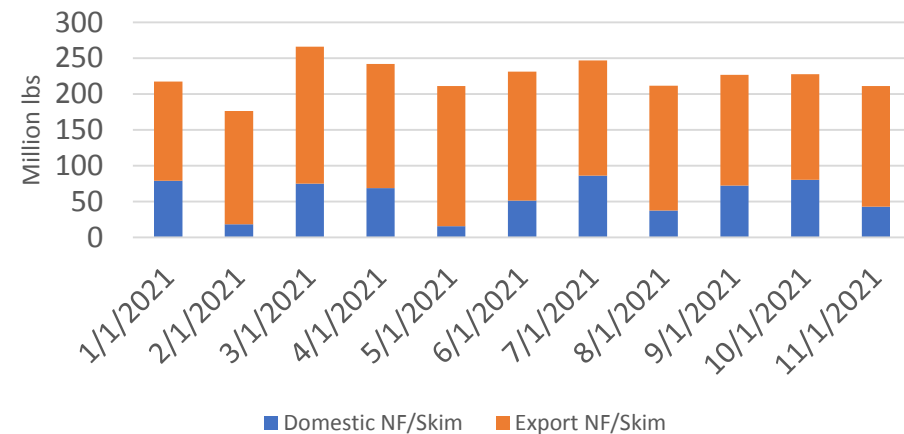
Net NF/Skim Production



NFDM Futures

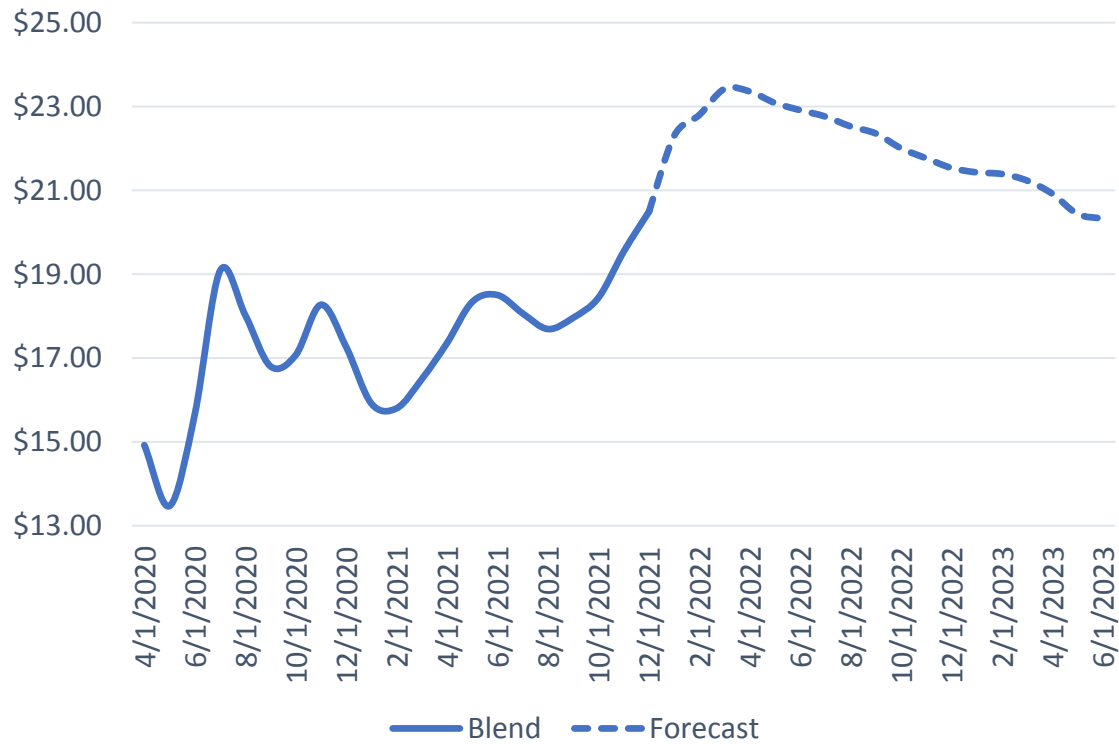


Nonfat/Skim Demand



Milk Price Forecast

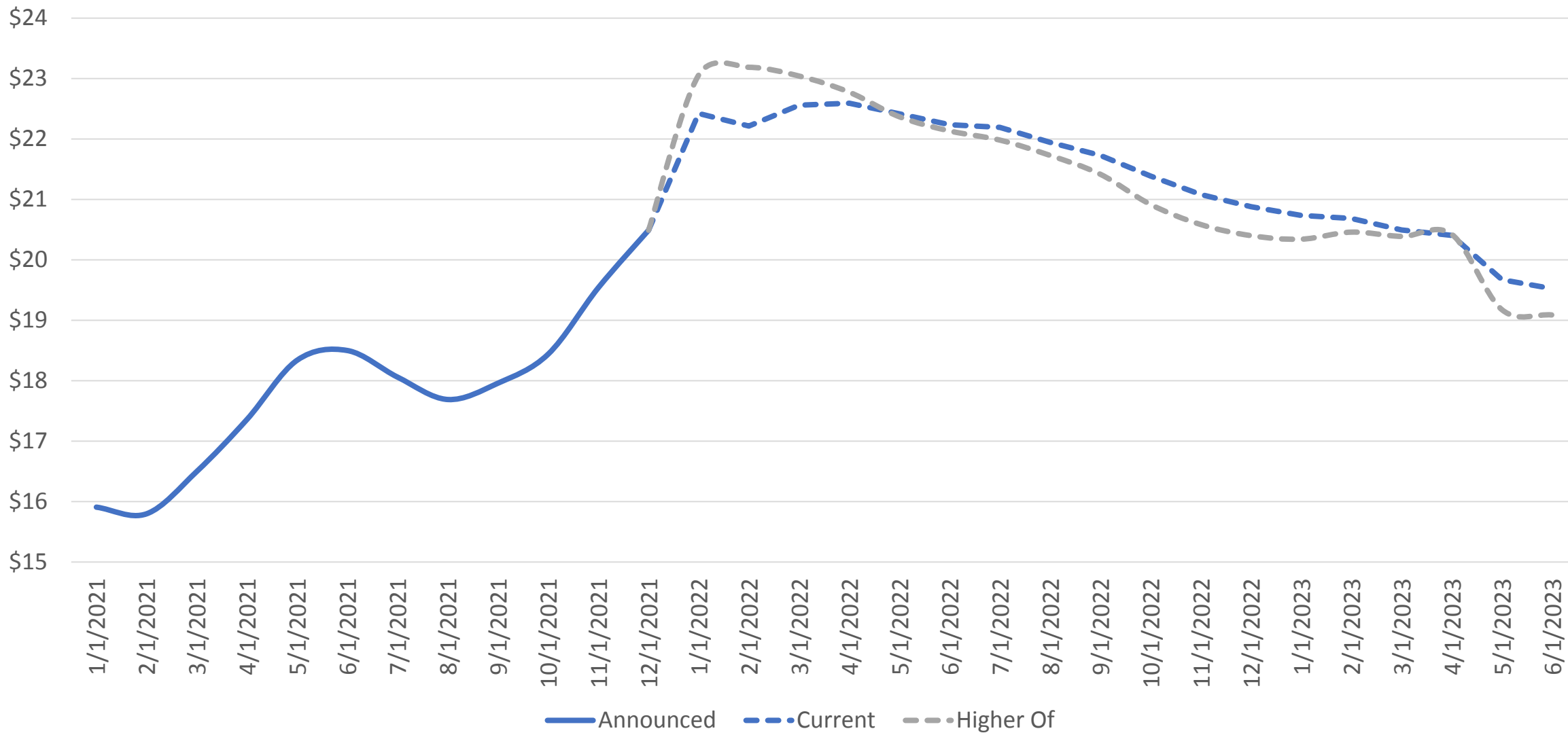
Boston Blend Forecast



January 28 Forecast

	BOSTON			
	BLEND			
	PRICE			DMC
	@3.5 bf	III	IV	Margin
2021 Ave	\$17.84	\$17.08	\$16.09	\$7.17
Forecast 2022 Ave	\$22.57	\$20.55	\$21.96	\$10.71
Difference	\$4.73	\$3.74	\$5.87	\$3.54

Class I Mover



USDA Risk Management

- **Extension: DMC Sign-up ends March 25th!**
 - Supplemental Production:
 - 2019 Base Year
 - Feed costs calculation:
 - 100% Premium/Supreme Alfalfa Hay, retroactive 2020
 - ~\$0.20/cwt impact on margin
- VT enrollment numba's
 - Jan 31: 19.9%

