US Dairy Market & Policy Situation

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Take Home Message:
2022 looks to be the highest farm milk price year since 2014 BUT there are many sources of uncertainty

Demand factors
• Inflation
• COVID/income
• Trade

Supply factors
• Feed
• Labor
• Base programs
Average Daily U.S. Milk Production

Updated 2/23/22

DMaP 
Dairy Markets and Policy

Cornell CALS College of Agriculture and Life Sciences
NASS Price Received for Cull Cows

Updated 2/28/22
U.S. Milk per Cow per Day

Pounds Milk
Jan 62.01
Feb 62.51
Mar 63.01
Apr 63.51
May 64.51
Jun 65.51
Jul 66.51
Aug 67.51
Sep 68.01
Oct
Nov
Dec

2019
2020
2021
2022

Updated 2/23/22
Factors in Supply Response

1. Weather

2. Feed Prices

3. Base programs
Current Sierra Nevada Snowpack 60-67% Average
Why are we watching Russia closely from a #fertilizer POV? From a world export perspective, they represent:

Urea - 14%
UAN - 27%
DAP/MAP - 11%

They and Belarus represent around 1/3rd of global potash operating capacity.
- Corn (Dec) $6.43/bu
- Soybeans (Nov) $14.60/bu
- Wheat (Sep) $10.74/bu

- Planting Intentions Report March 31
Figure 1. Intended Total Planted Crop Acreage in the U.S. and the Price of Corn in the Previous Year

Source: Irwin and Janzen
## Cornell DFBS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021P</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$/cwt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grain and Concentrates</td>
<td>$5.98</td>
<td>$6.68</td>
<td>12%</td>
</tr>
<tr>
<td>Dairy Feed and Crop Expense</td>
<td>$7.38</td>
<td>$8.26</td>
<td>12%</td>
</tr>
<tr>
<td>Total Operating cost</td>
<td>$17.74</td>
<td>$18.73</td>
<td>6%</td>
</tr>
<tr>
<td>Government Receipts</td>
<td>$2.49</td>
<td>$0.17</td>
<td>-93%</td>
</tr>
<tr>
<td>Net Milk Price</td>
<td>$17.28</td>
<td>$18.44</td>
<td>7%</td>
</tr>
</tbody>
</table>
Total Milk Solids Exports

U.S. Total Milk Solids Exports: World YTD

<table>
<thead>
<tr>
<th>Top Markets</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>SEA</td>
<td>Mexico</td>
<td>China</td>
</tr>
<tr>
<td>% of Total Exports</td>
<td>27%</td>
<td>21%</td>
<td>15%</td>
</tr>
<tr>
<td>Volume</td>
<td>2,299,481</td>
<td>567,684</td>
<td>510,419</td>
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<tr>
<td>YOY Change</td>
<td>214,698</td>
<td>10,116</td>
<td>69,435</td>
</tr>
<tr>
<td>YOY % Change</td>
<td>10%</td>
<td>2%</td>
<td>16%</td>
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</table>

Total Milk Solids: Month Of

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</thead>
<tbody>
<tr>
<td>World</td>
<td>Mexico</td>
<td>SEA</td>
<td>China</td>
</tr>
<tr>
<td>% of Total Exports</td>
<td>24%</td>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td>Volume</td>
<td>158,851</td>
<td>39,989</td>
<td>38,208</td>
</tr>
<tr>
<td>YOY Change</td>
<td>-6,252</td>
<td>1,062</td>
<td>5,926</td>
</tr>
<tr>
<td>YOY % Change</td>
<td>-4%</td>
<td>3%</td>
<td>18%</td>
</tr>
</tbody>
</table>

U.S. DAIRY EXPORT COUNCIL
Global Supply in the Key Exporters of Dairy Products
Players considered: EU-27, USA, New Zealand, Australia, Argentina, Ukraine, Belarus, Chile, Uruguay
Processed by CLAL
Global Production by 30-day Month
US, NZ and EU milk prices up to January 2022

U.S. and New Zealand Milk Prices Evolution

- **US Milk - class III prices adjusted for 4.2% fat**
- **NZ Milk - Based on 'season advance rate' ( Fonterra) adjusted for 4.2% fat and 3.35% protein**
- **EU* Raw Milk price**

Source: USDA, LTO.nl, CLAL, Fonterra

*without UK from 02/2020 onwards*
Global Dairy Prices

GDT Price Index over 10 years

The GDT Price Index is calculated from the total quantity sold in a Trading Event across all products, contract periods and sellers. For more information on the price index calculation, please go to our "How GDT Events work" page.