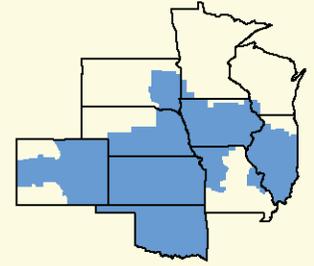


MAY 2021

Marketing Service

# Bulletin

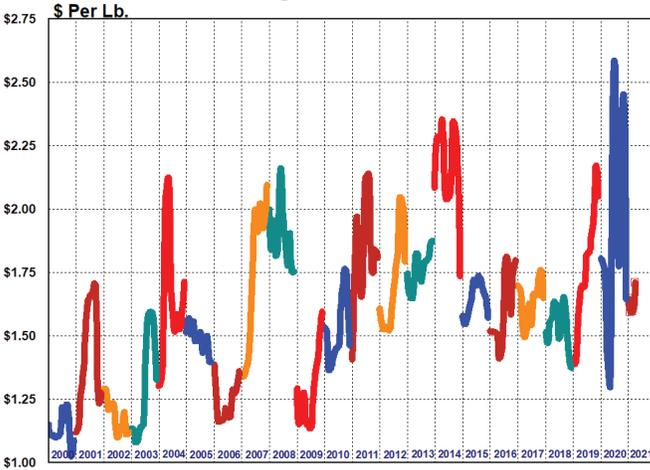
Facilitating the efficient marketing of milk and dairy products.



CENTRAL MARKETING AREA



AMS / NASS Wtd. Avg. Block/Barrel Cheese Prices\*

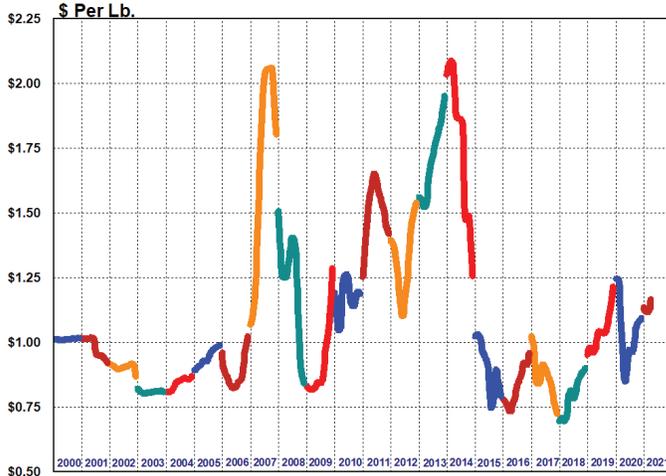


A variety of economic factors affecting the U.S. dairy industry are illustrated by the graphs in this bulletin. These graphs depict monthly data for 15 selected factors from January 2000 through April of this year. A cursory examination of this data provides insight into the milk marketing environment in the U.S. during this time frame.



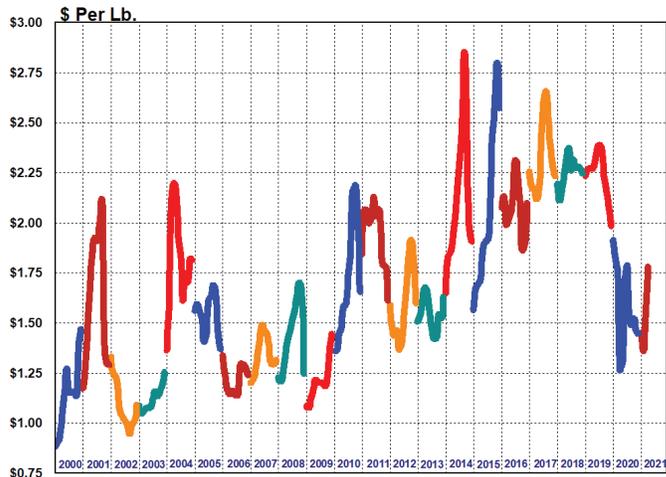
Most of the price series depicted in this bulletin reached record high levels during 2014, with noticeable exceptions being AMS Block/Barrel cheese and Producer & Handler Protein prices which reached their record highs in 2020. During 2015 through 2018, all of the commodity prices depicted in this bulletin, with the exception of butter, were at levels much lower than those recorded in 2014. All of the 15 selected price series factors began 2020 in decline, but rebounded later in the year and into 2021. AMS Block/Barrel Cheese prices reached an all time high during 2020, a 10.0% increase from its record in 2014.

AMS / NASS Nonfat Dry Milk Prices\*



Most Federal Milk Order (FMO) Class prices have remained well below the peak levels posted during 2014. The exception were Class III prices during a few months of 2020, which recorded a near record high in July (\$24.54) and posted another spike in November (\$23.34). The Central Order Statistical Blend Price has also declined substantially since 2014, with current levels approximately 36.0% less than the all-time high of \$24.83 posted in September 2014.

AMS / NASS Butter Prices\*



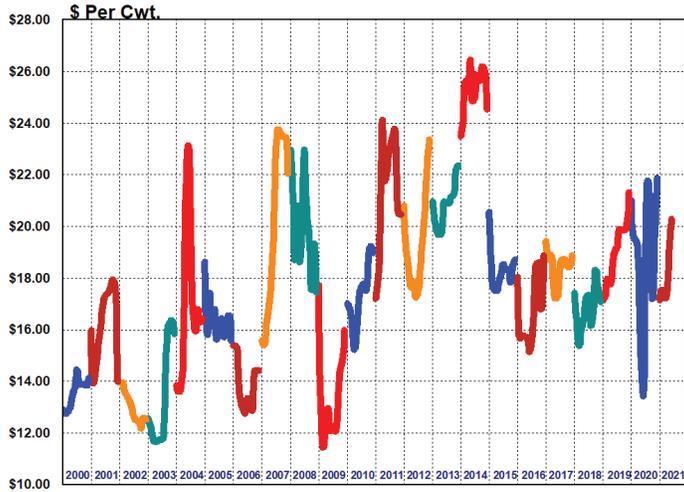
Prices for soybeans and corn registered all-time highs in mid-year 2012, but remained substantially below those levels in the following years. The price decreases for these two important feed grains helped to lessen the impact of lower producer milk prices on dairy producers' income over feed costs (IOFC). However, starting around mid-year 2020 both corn and soybean prices have posted large increases, putting significant pressure on dairy producers' IOFC.

Two non-price data series are depicted in this bulletin – U.S. milk production and FMO Class I producer receipts. U.S. milk production, portrayed in the bottom left graph on page three, indicates a persistent upward trend since 2001. Year-over-year milk production has increased in 22 out of the last 24 years, with the only exceptions occurring in 2001 and 2009. In contrast to U.S. milk production, FMO Class I producer receipts were on a downward trajectory from 2009 through late 2018, as indicated by the third graph on page three. This downward trend has been reversed with the implementation of the California order in November 2018.

The graphs on this page illustrate three commodity price series that have a direct impact on Federal Milk Order minimum prices. The six graphs on page two along with the first graph on page three depict FMO prices applicable to dairy farmers and/or regulated milk processors. A variety of factors that directly and indirectly influence the economic environment for milk production and processing are portrayed by the remaining graphs on page three.

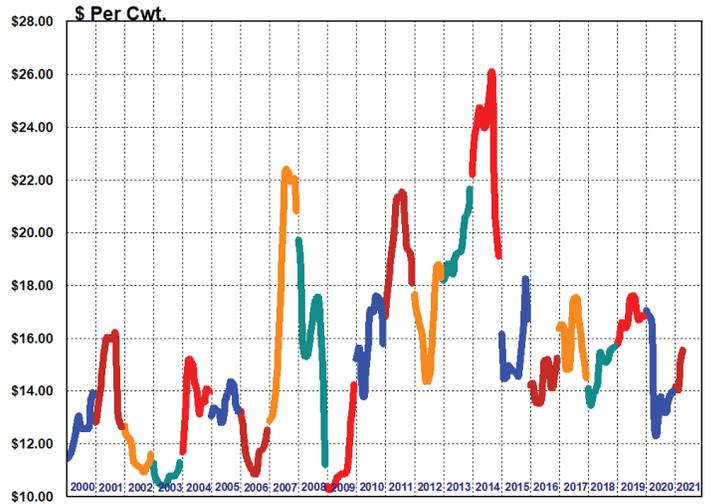
\*NASS prices prior to April 2012.

**Federal Order Class I Price (\$2.00 Differential) \***

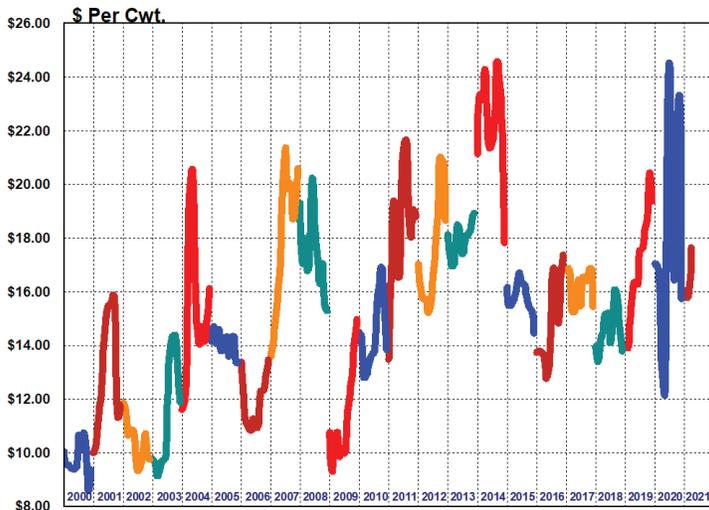


\* Through May 2020

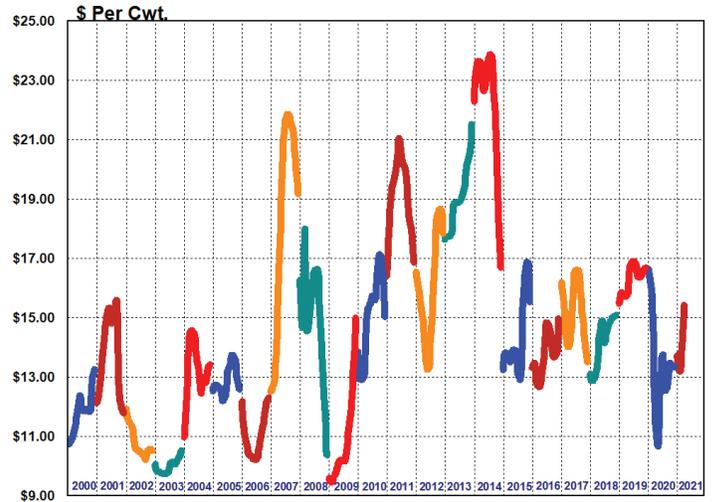
**Federal Order Class II Price**



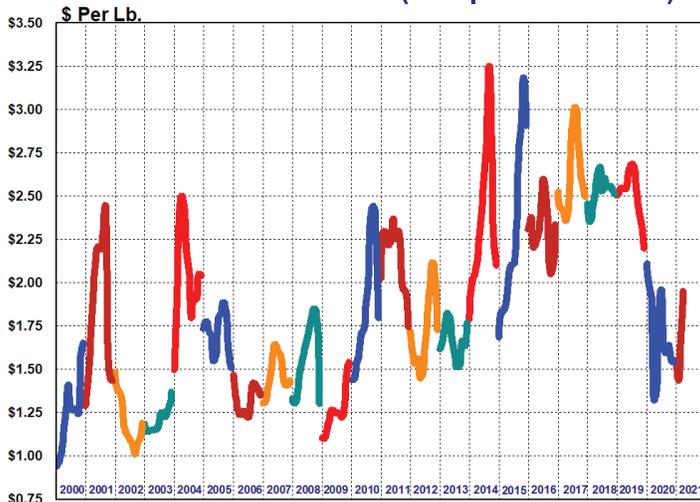
**Federal Order Class III Price**



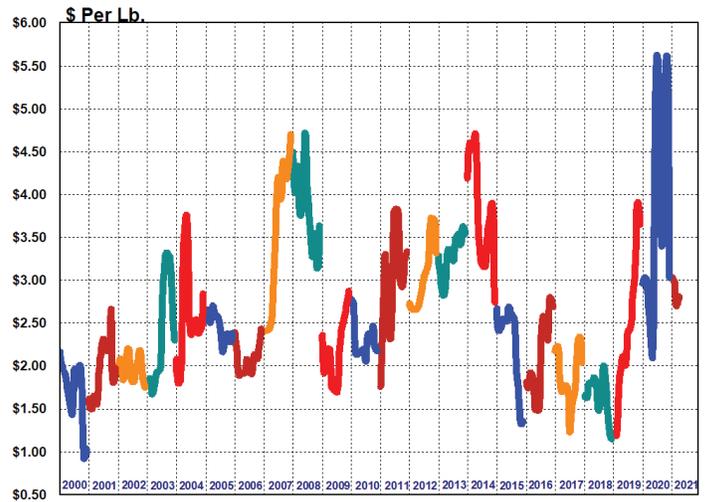
**Federal Order Class IV Price**



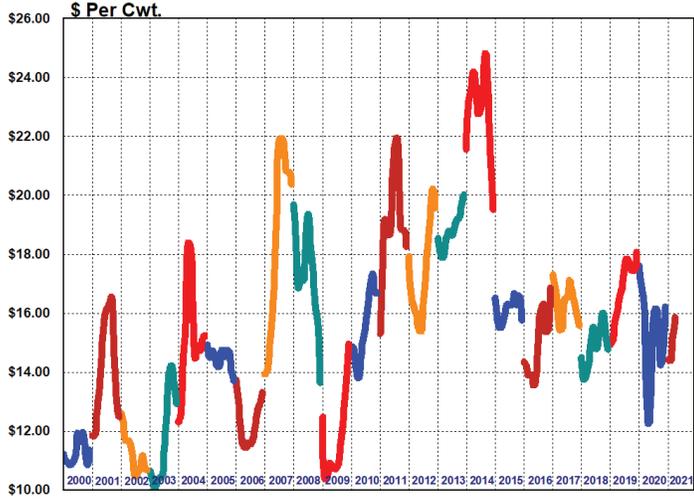
**Producer Butterfat Price (component orders)**



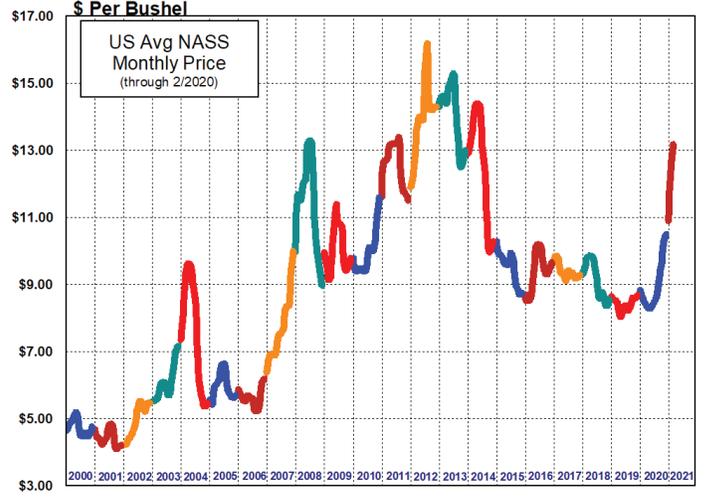
**Producer & Handler Protein Price**



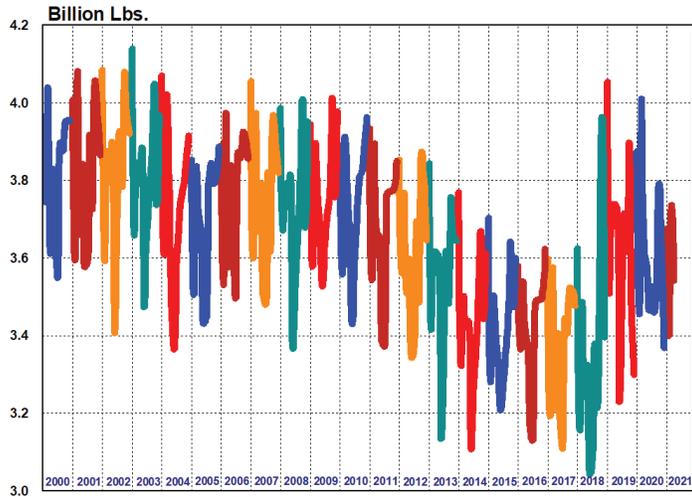
### Central Federal Order Statistical Blend Price



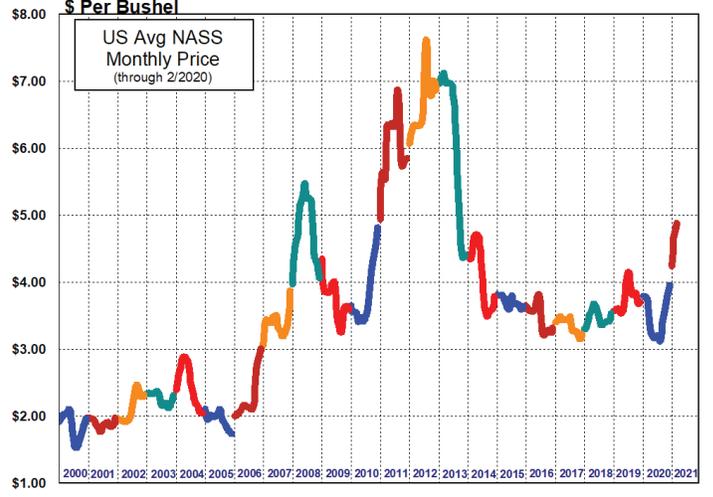
### Soybeans - US Avg Prices



### Class I Producer Receipts (All Federal Milk Orders)\*



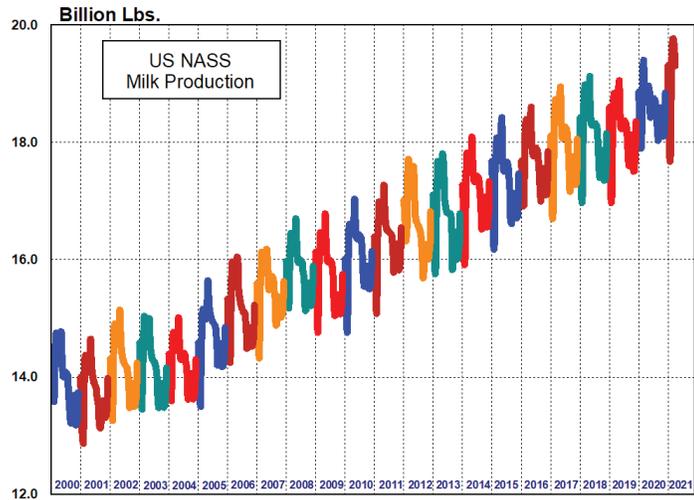
### Corn - U.S. Avg Prices



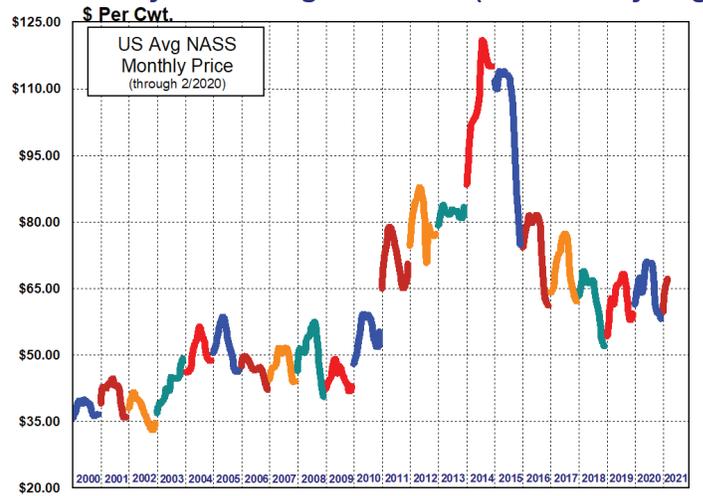
\*The California Order became effective November 2018



### Estimated U.S. Milk Production



### Beef & Dairy Cow Slaughter Prices (U.S. Monthly Avg.)





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Phone: 913-495-9300

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	<u>Apr '21</u>	<u>Mar '21</u>	<u>Apr '21</u>	<u>Mar '21</u>	<u>Apr '21</u>	<u>Mar '21</u>
Northeast	17.36	16.50	-0.31	0.35	30.05	30.44
Appalachian	18.43	17.94	-----	-----	69.21	68.10
Florida	20.21	20.11	-----	-----	80.97	84.38
Southeast	18.46	17.92	-----	-----	63.14	61.79
Upper Midwest	16.65	15.64	-1.02	-0.51	22.31	22.72
<b>Central</b>	<b>15.88</b>	<b>15.15</b>	<b>-1.79</b>	<b>-1.00</b>	<b>41.09</b>	<b>40.60</b>
Mideast	16.33	15.68	-1.34	-0.47	39.97	39.21
California	15.91	14.85	-1.76	-1.30	21.26	21.10
Pacific Northwest	16.28	15.15	-1.39	-1.00	22.57	22.19
Southwest	16.48	15.68	-1.19	-0.47	33.75	35.47
Arizona	16.43	15.55	-----	-----	32.34	31.67

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