

USDA's Dairy Revenue Protection Update

Nielsen retail data shows that during the week ending 14 Mar dairy product sales were on a rocket ship. Sales of fluid milk were up 32%, cheese was up 45%, and yogurt was up 29% compared to one year earlier.

Last week, various dairy manufacturers told me they had record sales of products, including yogurt, ice cream, fluid milk, cheese, butter, and nutrition powders. This week, I am hearing that grocery stores are starting to be restocked; that the record sales growth and panic buying is beginning to slow. Questions call (435) 881-7203 or e-mail: wyatt@usdainsurance.com

CLASS PRICING											
Class	Pricing	2020 Jul-Sep		2020 Oct-Dec		2021 Jan-Mar		2021 Apr-Jun		2021 Jul-Sep	
Class III	Futures Price	15.74	0.21	15.81	0.23	15.60	0.14	16.05	0.20	NA	0.00
	95% Coverage (insured price)	14.95	0.20	15.02	0.22	14.82	0.13	15.25	0.19	NA	0.00
	Your Cost	0.26		0.29		0.28		0.31			
Class IV	Futures Price	13.79	0.43	14.56	0.40	15.01	0.49	15.72	0.15	NA	0.00
	95% Coverage (insured price)	13.10	0.41	13.83	0.38	14.26	0.47	14.93	0.15	NA	0.00
	Your Cost	0.28		0.40		0.40		0.47			

*This is NOT a quote and costs vary by state.

COMPONENT PRICING											
Class	Pricing	2020 Jul-Sep		2020 Oct-Dec		2021 Jan-Mar		2021 Apr-Jun		2021 Jul-Sep	
Butterfat	Expected Value per pound	NA	0.0000	NA	0.0000	NA	0.0000	NA	0.0000	NA	0.0000
Protein	Expected Value per pound	NA	0.0000	NA	0.0000	NA	0.0000	NA	0.0000	NA	0.0000
Other Solids	Expected Value per pound	NA	0.0000	NA	0.0000	NA	0.0000	NA	0.0000	NA	0.0000
Total	Calculated Value per CWT*	NA	0.0000	NA	0.0000	NA	0.0000	NA	0.0010	NA	0.0000
	Guarantee Per CWT*	NA	0.0000	NA	0.0000	NA	0.0000	NA	0.0010	NA	0.0000
	Cost*										

*This is NOT a quote, but an estimate based upon 5% butterfat and 4% protein. Costs vary by state.

RECENT USDA ANNOUNCED PRICES						
Class	October	November	December	January	February	
Class III	18.72	20.45	19.37	17.05	17.00	
Class IV	16.39	16.60	16.70	16.65	16.20	
Butterfat	2.4031	2.3195	2.1952	2.1117	1.9813	
Protein	3.1700	3.9118	3.6515	2.9606	3.0309	
Other Solids	0.1447	0.1112	0.1341	0.1417	0.1750	
Calculated Value per CWT*	25.52	27.88	26.34	23.21	23.03	

*Value Per CWT based upon 5% Butterfat, 4% Protein and 5.7% Other Solids

WE PROVIDE THE INFORMATION – SO THAT YOU CAN MAKE THE DECISIONS.

- **Weekly Market Analysis:** Matt Gould, one of the nations leading dairy market analyst will provide a summary of current market conditions.
- **Weekly Market Call:** Every Wednesday at 5:30pm Mountain Time Matt will lead a conference call going over current information about dairy markets. He will also answer any questions from the group.
- **Individual Analysis:** Your success will be impacted by the quality of information provided by your agent. Let us share the tips we have learned about Dairy RP.
- **Lock in Coverage:** It's easy to lock in coverage that gives you the peace of mind that your revenue is protected. It protects you from unexpected low prices and allows you to capture any price increases.

Call us at (866) 374-2112 or (435) 881-7203

