

## Topic of the Month

*Newsletter of White Oak Veter.*

### **Milk Pricing, Margin Protection, and International Politics**

This week, I have been listening to a podcast from the Center for Dairy Excellence regarding milk pricing outlook for 2022. It is very relevant now since the current deadline to sign up for the Dairy Margin Coverage program is February 18.

I think most people are aware that the milk futures for 2022 look better; however, the prices of other things like fuel and fertilizer may offset gains in milk pricing.

Interesting market changes may be in store. As the program noted, people eat differently when they are at home during a pandemic versus when they are eating out at restaurants and going about their normal lives.

Further complicating things are global politics. I will never forget the changes between 2014 and 2015. Prices ran high in '14 owing largely to dairy exports to China. In '15, though, China did not import as much of our dairy, and there were some other factors. Additionally, sanctions were placed on Russia in response to aggression toward the Ukraine and Russia retaliated by banning dairy imports. Similar tensions are occurring now, but there was a huge amount of milk at the end of '14 and the supply is tighter now. Will it make a difference?

Dairy pricing is complicated. Once upon a time, I decided that vet students rotating through our practice should understand how milk is priced. I found a 30 page document about it. I got 3 pages into it and fell asleep. Nevertheless, we are approaching a decision point for margin coverage. The CDE won't tell you what to do, but it will present factors to consider when making your decision. The discussion is about an hour long and can be accessed through the Center for Dairy Excellence website under the Protecting Your Profits tab.

### **Scholarship Opportunity**

The National Dairy Promotion and Research Board is accepting applications for scholarships given to undergraduate college students enrolled in programs emphasizing dairy. There are up to eleven \$2,500 scholarships and one \$3,500 scholarship available. Find out more at <https://www.usdairy.com/about-us/dmi/scholarship>

### **Practice News**

- We have a selection of calf jackets available for purchase in sizes for Jersey and Holstein calves.

### **Product Update**

- **Pirsue** intramammary tubes for the treatment of mastitis have been discontinued. The product will no longer be available once the current inventory has been exhausted.
- **Draxxin KP** is a newly released version of Draxxin, which also includes ketoprofen, a non-steroidal anti-inflammatory drug. Recognizing that bovine pneumonia is both inflammatory and infectious, this drug is along the same rational as Resflor Gold (Nuflor plus banamine), treating bovine respiratory disease in a single dose.
- **Bovikalc Dry** is a product that uses two boluses containing both calcium and anionic salts to decrease milk production at dry off. This is offered as a way to dry off heavy milking cows comfortably without having to

### **Commodity Futures Prices**

As of January 31, 2021

Corn (March)	\$6.26/bu
Soybean Meal	\$418.90/ton
Milk (Class III)	\$20.37/cwt
Beef (Live cattle)	\$139.58/cwt