

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated January 6, 2021



Markets:

| Dairy Prices | Price | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|----------------------------|---------------|---------------------|----------------------|---------------------|
| Class III Milk Price (Jan) | \$16.66/cwt. | ▲ 6.1 % | ▲ 9.7 % | ▼ 8.0 % |
| Class IV Milk Price (Jan) | \$13.85/cwt. | ▲ 3.2 % | ▲ 2.1 % | ▼ 17.6 % |
| Corn (March) | \$4.94/bushel | ▲ 6.0 % | ▲ 11.2 % | ▲ 28.6 % |
| SBean Meal (January) | \$443.3/ton | ▲ 7.5 % | ▲ 13.8 % | ▲ 49.3 % |
| Milk Margin (October)* | \$13.68/cwt. | — | ▲ 33.3 % | ▲ 4.5 % |

**Each issue of "Dairy Week in Review" will report on current "Milk Margin," or the dollars remaining per one hundred lbs. of milk after feed is paid for, based on data for a 65-pound herd in the latest "PA Dairy Industry Performance Scorecard."*

- USDA announced the December 2020 Class III milk price at \$15.72 per hundredweight, down \$7.62 from November's price and \$3.64 below year ago levels. Class III prices averaged \$18.16 per cwt. in 2020, up \$1.20 from 2019's average price. The December Class IV price was announced at \$13.36 per cwt., up 6 cents from November but down \$3.34 from a year ago. The 2020 average Class IV price was \$13.49 per cwt., down \$2.96 from the 2019 average Class IV price. Class III milk futures prices for the first six months of 2021 jumped in the past week, with the average price up about \$1.50 to \$18.01 per cwt. from January - June 2021.
- According to the USDA Ag Prices report, the All-milk price for November was \$21.30, up 90 cents from October. Feed prices were also up, reaching a multi-year high and yielding a milk margin price under USDA's Dairy Margin Coverage Program of \$11.87 per cwt. The higher all-milk price balanced out the higher feed prices, still yielding the second highest margin in 2020. Higher feed prices and lower milk prices are expected to weigh on margins in December and into 2021, with potential payments under the program anticipated.

Government and Industry:

- The USDA announced that it will spend another \$1.5 billion on food products, including milk and dairy, to extend the Farmer to Families Food Box program. The department will begin awarding contracts by January 19 with deliveries expected to begin shortly thereafter and continue through April. This brings the total spent of the food boxes to more than \$5 billion in total, with about 20 percent of the first four rounds spent on dairy. Class III prices rallied with the recent announcement.
- The Center for Dairy Excellence will host a "Mental Health and Wellness" Live Chat on Tuesday, January 12, from 7 p.m.—8:30 p.m. with Dr. Michael Rosmann from Agricultural Behavior Health for those in Pennsylvania's agriculture industry who may be struggling right now. You do not have to register to participate, and you can call in anonymously to listen if you would like. We will be livestreaming the event on our Facebook and YouTube page, and it will be made available to download as a recording afterwards. To join the discussion, which will be held on Tuesday, January 12, 2021 from 7:00 – 8:30 p.m., you can click "Join a Meeting" at www.zoom.us and use 881 7109 4287 as the meeting ID and 227335 as the passcode. You can also dial (669) 900-9128 and use the same meeting ID and password listed above to join the call.
- The Center will also host a "Stories of Innovation" Panel Discussion as part of the 2021 Virtual Pennsylvania Farm Show next Wednesday, January 13, from 11 a.m.—12 p.m. The panel will feature three of the Pennsylvania Dairy Investment Program (PDIP) recipients who will share how they have been working to bring innovation to their dairy business. To participate, go to zoom.us and click on "Join a Meeting." Enter 895 3813 6689 as the meeting code. You can also join via conference call by dialing (669) 900-9128 and using the meeting code above. For a complete schedule on PA Farm Show activities, go to farmshow.pa.gov.