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Dairy EXCELLENCE
Dairy Week In Review

Dated January 27, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Jan)	\$16.14/cwt.	▼ 0.2 %	▲ 2.8 %	▼ 10.7 %
Class IV Milk Price (Jan)	\$13.80/cwt.	—	▲ 2.8 %	▼ 17.5 %
Corn (March)	\$5.34/bushel	▲ 2.5 %	▲ 14.6 %	▲ 40.5 %
SBean Meal (March)	\$436.5/ton	▼ 1.4 %	▲ 5.1 %	▲ 47.4 %
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."*

- US milk production was up 3.1 percent year-over-year in December to 18.94 billion pounds, with cow numbers up 100,000 head from a year ago and milk production per cow up 40 pounds. The US annual milk production in 2020 was up 2.1 percent from a year ago to 18.94 billion pounds, with milk production per cow up 384 pounds for the year.
- All top eight dairy states showed growth, with California up 3.2 percent, Wisconsin up 2.6 percent, Idaho up 1.2 percent, and New York up 2.2 percent. Texas surpassed New York in December, up 7.5 percent to 1.3 billion pounds. Michigan was up 4.9 percent, while Minnesota was up 4.7 percent, surpassing Pennsylvania by 14 million pounds for the month. Pennsylvania was up 1.5 percent, with 45 pounds more milk per cow but 5,000 head fewer cows than a year ago.
- The latest USDA Livestock Slaughter report indicates 273,500 dairy cows were culled in December, up 3 percent from a year ago. However, culling was down 5 percent as a whole for 2020, with 160,700 fewer dairy cows sent to slaughter last year than in the previous year.
- Dairy product stocks are also building, according to the latest USDA Cold Storage Report. Total natural cheese stocks were up 4 percent from November to 1.397 billion pounds, up 6 percent from a year ago. Butter stocks grew 44 percent from a year ago to 273.7 million pounds, up 9 percent from last month. Butter stocks are at their highest level in nearly three decades.
- The increase in both milk production and dairy stocks weighed heavily on markets this week, with the six-month average price for Class III milk futures falling 76 cents from a week ago to \$16.50 per cwt, as of Jan. 27. The Class IV six-month average price also fell 75 cents to \$14.50 per cwt.
- The February Class I milk price was announced at \$15.54 per cwt., up 40 cents from last month but down \$2.01 from a year ago.

Government and Industry:

- The Pennsylvania Dairy Summit is planned for the week of February 8th and will be held as a virtual event. Hosted by the Professional Dairy Managers of Pennsylvania and the Center for Dairy Excellence, the Dairy Summit will feature renowned keynote speakers from across the nation and more than 10 educational breakout sessions. The Dairy Summit is nationally recognized as one of the best conferences for dairy professionals in all types of production. Despite being virtual, this year's event will feature creative ways to connect and engage, including networking opportunities, virtual giveaways, music and entertainment. To learn more about the Dairy Summit, visit padairysummit.org or call the Summit Business Office at 814-326-5993.
- The USDA Office of Rural Development has opened the Value-Added Producer Grant Program to help agricultural producers enter into value-added activities related to the processing and marketing of new products. Farms interested in pursuing the grant opportunity should visit www.rd.usda.gov/programs-services/value-added-producer-grants/. You can contact your nearest USDA Rural Development office for information.