

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated February 10, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Feb)	\$15.58/cwt.	▼ 3.5 %	▼ 6.5 %	▼ 7.8 %
Class IV Milk Price (Feb)	\$13.50/cwt.	▼ 2.2 %	▼ 2.6 %	▼ 19.3 %
Corn (March)	\$5.52/bushel	▲ 3.3 %	▲ 11.7 %	▲ 45.2 %
SBean Meal (March)	\$435.5/ton	▼ 0.3 %	▼ 1.8 %	▲ 51.5 %
Milk Margin (December)*	\$10.68/cwt.	—	▼ 23.3 %	▼ 22.5 %

*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's World Agricultural Supply and Demand Estimates report released last week indicated that producer margins could remain tight through 2021. With exports projected to be higher this year, the corn farm price is expected to average \$4.30 per bushel, up 74 cents from a year ago. Soybean export estimates were also increased, with ending stocks reduced to just 120 million bushels, the lowest ending stocks in seven years. The soybean meal price was increased by \$10 per ton to \$400 per ton. These higher feed prices compounded the effects of a lower milk price, with the report dropping the All-milk price estimate for the year by 50 cents to \$17.15 per hundredweight.
- USDA's Dairy Products report shows butter production reaching a new record in December, up 11.8 percent from a year ago. Annual butter production reached 2.1 billion pounds, up 6.2 percent from a year ago. Cheddar cheese production was up 0.5 percent in December to 1.128 billion pounds, while nonfat dry milk powder production was up 24.1 percent to 204.5 million pounds, a new high for the month.
- US dairy exports reached a six-year high in 2020, with \$6.5 billion worth of dairy products marketed overseas. Dairy export values were up 9.1 percent from a year ago, while total volumes were up 12.9 percent to 2.1 million metric tons of milk solid equivalent. More than 16 percent of the milk produced in 2020 was marketed overseas, based on total milk solids. Exports did soften in December, though, with a 1.1 percent decline in volumes from a year ago. December nonfat and skim milk powder exports fell 15 percent from a year ago. Cheese export volumes were down 20 percent.
- The dairy price index on the latest Global Dairy Trade auction was up 1.8 percent to \$3,614 per metric ton, marking the sixth consecutive session to session increase. Butter prices rose 6.2 percent, while both Cheddar and whole milk powder prices were up 2.3 percent. Skim milk powder prices fell 1.5 percent from the last session.

Government and Industry:

- Another new grant opportunity just opened up. The Northeast Dairy Business Innovation Center announced the "Multi-Business Dairy Agritourism Grant" opportunity available to dairy farmers, processors and producer associations in New England, Delaware, New Jersey, New York and Pennsylvania. Projects that support multiple farmers and processors will be eligible for grant funds of \$10,000 - \$25,000 to support agritourism activities. To apply, search "Northeast Multi-Business Dairy Agritourism Grant" or call 802-585-4571. The deadline to apply is March 16.
- The Center will host a webinar on Friday, February 19, from 12 - 1:30 p.m. to share the data, trends, and results from the 2020 Dairy Producer Survey that was sent to Pennsylvania dairy farms last year. The dairies that participated in the 2020 Dairy Producer Survey represent 10 percent of Pennsylvania's total dairies and 4 percent of annual milk production. The webinar is being hosted in conjunction with the Penn State Smeal College of Business. To register, call 717-346-0849 or go to: www.centerfordairyexcellence.org/SurveyResults.