

CENTER FOR
DairyEXCELLENCE
Dairy Week In Review

Dated February 17, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Feb)	\$15.63/cwt.	▲ 3.2 %	▼ 3.6 %	▼ 13.9 %
Class IV Milk Price (Feb)	\$13.46/cwt.	▼ 0.3 %	▼ 2.5 %	▼ 17.4 %
Corn (March)	\$5.53/bushel	▼ 0.1 %	▲ 6.2 %	▲ 45.5 %
SBean Meal (March)	\$431.7/ton	▼ 0.9 %	▼ 2.5 %	▲ 47.1 %
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."*

- The latest USDA Livestock, Dairy and Poultry Outlook summarized the 2020 dairy situation by pointing to strong dairy export growth, a Class III price that exceeded the weighted-average Class I price in all but four months of the year, and dairy product stocks that built considerably during the year. On a milk-fat basis, ending dairy stocks totaled 15.625 billion pounds, 2.002 billion pounds higher than at the end of 2019. For 2021, the report increased the milk production forecast to 227.4 billion pounds, 0.7 billion pounds higher than last month's forecast. The report also lowered the all-milk forecast to \$17.15 per cwt., down 50 cents from last month's forecast. Dairy exports are expected to continue to be strong.
- The average dairy price index increase 3 percent in the most recent Global Dairy Trade session to \$3,746 per metric ton, making this the seventh session-to-session increase in a row. All products boasted increases, with whole milk powder up 4.3 percent, Cheddar up 2.4 percent, butter up 2 percent and skim milk powder up 0.3 percent.
- Despite slower growth in December, the European Union ended 2020 with 1.2 percent more milk than in 2019. Milk production in three of the region's largest milk producing countries – Germany, France, and the Netherlands – contracted by 1.1 percent, 1.4 percent, and 0.4 percent, respectively, during the month of December, with higher feed costs pressuring producer margins.

Government and Industry:

- The Northeast Dairy Business Innovation Center (NE-DBIC) recently opened the Multi-Business Dairy Agritourism Grant to fund projects to dairy farmers, processors and producer associations throughout 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 for the development and marketing of geographically contiguous agritourism activities designed to raise awareness and consumption of regionally produced dairy products. To find information on the grant, search "Multi-Business Dairy Agritourism Grant."
- The Center for Dairy Excellence hosted a webinar on Friday to share findings of the 2020 Pennsylvania Dairy Producer Survey. The purpose of the survey was to evaluate current demographics and trends within the Pennsylvania dairy farm community, as well as study the impacts 2020 and the COVID-19 pandemic may have had on the dairy farm community. The survey covered questions within four different categories: farm demographics, impacts of the pandemic, farm management practices, and cooperative and milk marketer related questions. More than 5,000 surveys were mailed to Pennsylvania dairy farms in June 2020, with 711 farms returning the survey. Of the farms completing the survey, 83 percent, or 588 farms, were still in the dairy business. For results of the survey, visit centerfordairyexcellence.org/2020-dairy-producer-survey-results/.