

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated February 24, 2021



Markets:

| Dairy Prices | Price | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|----------------------------|---------------|---------------------|----------------------|---------------------|
| Class III Milk Price (Feb) | \$15.59/cwt. | ▲ 0.3 % | ▼ 3.4 % | ▼ 9.4 % |
| Class IV Milk Price (Feb) | \$13.28/cwt. | ▼ 1.4 % | ▼ 3.8 % | ▼ 17.9 % |
| Corn (March) | \$5.59/bushel | ▲ 1.1 % | ▲ 4.7 % | ▲ 51.1 % |
| SBean Meal (March) | \$428.3/ton | ▼ 1.2 % | ▼ 1.9 % | ▲ 47.0 % |
| 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."*

- Total milk production in January was up 1.6 percent from a year ago to 19.17 billion pounds, with 85,000 head more cows and 0.6 percent more milk per cow. Cow numbers were up 8,000 head from December, with the nation's dairy herd at its largest since 1995. Total milk production for 2020 was up 2.2 percent from 2019, according to the USDA Milk Production report, with the nation's herd average at 23,777 pounds per cow, up 382 pounds from 2019 and up 11.5 percent in the past 10 years.
- Three of the top producing dairy states posted decreases in milk production in January, with California down 0.7 percent, Idaho down 0.3 percent, and Pennsylvania down 0.1 percent. Wisconsin, New York, and Texas were up 3.1, 0.7, and 5.3 percent, respectively. Michigan and Minnesota were both up significantly, increasing by 4.3 and 5.7 percent, respectively. Pennsylvania's cow numbers fell 5,000 head from a year ago, while milk production per cow only increased by 5 pounds or 0.2 percent. This was the first year-over-year decline in total milk production Pennsylvania posted since January 2020.
- Dairy farm numbers in the US fell 7.5 percent, or by 2,550 farms, to 31,657 farms as of the end of 2020, according to the report. Pennsylvania dairy farm numbers fell by 300 farms, or 5.3 percent, to 5,430 farms in the state. Pennsylvania continues to rank 2nd in the total number of dairy farms, with Wisconsin ranked number one with 7,110 farms. The Commonwealth also remains seventh in terms of total milk production, with 10.276 billion pounds produced in 2020, up 1.7 percent from a year ago. The top eight dairy states, in order, are California with 41.28 billion lbs., Wisconsin with 30.73 billion lbs., Idaho with 16.24 billion lbs., New York with 15.34 billion lbs., Texas with 14.83 billion lbs., Michigan with 11.68 billion lbs., Pennsylvania at 10.28 billion lbs., and Minnesota with 10.15 billion lbs.
- USDA's Cold Storage Report shows butter stocks climbing 20 percent from December to 328.4 million lbs. at the end of January. Total cheese inventories were up 0.2 percent month over month, while American cheese stocks fell 0.8 percent from December.
- USDA announced the March 2021 base Class I milk price at \$15.20 per hundredweight, down 34 cents from February and down \$2.26 from a year ago. Class I prices continue to be impacted significantly by the huge spread between the monthly Class III and Class IV prices.

Government and Industry:

- For a limited time (March 1-31), the Center is accepting applications for a new grant. The Dairy Excellence Grant is designed as a 50% matching grant, up to \$5,000, that can be used for anything related to improving dairy farm efficiency, cow comfort, milk facilities, housing facilities, or feeding systems. For more information, go to: centerfordairyexcellence.org/dairy-excellence-grants/ or call 717-346-0849.
- The Center released its summary of the 2020 Pennsylvania Dairy Producer Survey. The survey's purpose was to evaluate current trends within the Pennsylvania dairy farm community, as well as evaluate the impacts of the pandemic. To access the summary, go to centerfordairyexcellence.org/2020-dairy-producer-survey-results/ or call 717-346-0849.