

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated March 3, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Feb)	\$16.40/cwt.	▲ 5.2 %	▲ 5.2 %	▼ 3.5 %
Class IV Milk Price (Feb)	\$14.62/cwt.	▲ 7.7 %	▲ 8.3 %	▼ 6.5 %
Corn (March)	\$5.50/bushel	▼ 1.7 %	▼ 0.4 %	▲ 44.4 %
SBean Meal (March)	\$420.2/ton	▼ 2.0 %	▼ 3.6 %	▲ 38.3 %
Milk Margin (January)*	\$10.06/cwt.	—	▼ 4.46 %	▼ 23.21 %

**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."*

- February's Class III milk price was announced at \$15.75 per hundred-weight, down 29 cents from January and \$1.25 below year-ago levels. The Class IV price was announced at \$13.19 per cwt., down 56 cents from January and \$3.01 below February 2020's price.
- With the USDA Ag Prices report released last week, the January Dairy Margin Coverage (DMC) margin was announced as \$7.14 per cwt. This triggers indemnity payments at the \$7.50 margin coverage and greater. The margin decreased \$1.64 per cwt. from December's \$8.78 announced margin. The DMC feed cost as determined by soybean meal, corn and a blended alfalfa hay price rose an additional \$0.64 per cwt. compared to December to reach \$10.32, the highest DMC feed cost since DMC began in January of 2019. January's USDA price for corn was the highest since June 2014. The January U.S. all-milk price fell to \$17.50 per cwt. compared to December's \$18.50.
- The dairy price index on the latest Global Dairy Trade auction jumped 15 percent to \$4,231 per metric ton, marking the eighth consecutive session-to-session increase and the largest jump since September 2015. Butter prices were up 13.7 percent, while whole milk powder prices increased 21 percent. The skim milk powder price was up 3.5 percent, and the Cheddar cheese price was up 1.3 percent.
- Milk production in New Zealand was up 0.8 percent from a year ago to 5.5 billion pounds in January 2021. With one-third of the production season left, milk production for the season is up about 0.8 percent from a year ago.

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.
- March 15, 2021, is the deadline to enroll in the Dairy Revenue Protection Program (Dairy R-P) for the second quarter of 2021. With Class III prices rebounding somewhat on the CME over the past week, now may be a good time to look into the Dairy RP Program. It offers market-based price coverage for the next five quarters, which currently includes the second quarter of 2021 through the second quarter of 2022. The program allows you to put a floor under your milk price. To learn more, contact your crop insurance agent. A list of agents is available on the RMA website at www.rma.usda.gov/tools/agent.html.
- The March 15, 2021 Crop Insurance deadline is rapidly approaching. Contact your Crop Insurance agent or your local USDA Service Center for more details. With row crop prices expected to be higher this year than the last several years, do not miss out on Crop Insurance to help protect the revenue if grain commodities drop unexpectedly or a weather event occurs.