

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated March 17, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (March)	\$16.35/cwt.	▼ 0.4 %	▲ 4.6 %	▼ 5.7 %
Class IV Milk Price (March)	\$14.36/cwt.	▲ 0.5 %	▲ 6.7 %	▼ 3.4 %
Corn (March)	\$5.58/bushel	▼ 0.8 %	▲ 0.9 %	▲ 62.2 %
SBean Meal (March)	\$404.9/ton	▼ 3.5 %	▼ 3.8 %	▲ 33.1 %
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."

- The average dairy price on the latest Global Dairy Trade auction fell 3.8 percent, marking the first session-to-session decline since November 2020 and the largest decline since April 2020. Whole milk powder accounted for more than half the sales at this auction, with the whole milk price falling 6.2 percent. The butter price fell 2.8 percent, while Cheddar cheese prices were flat and skim milk powder was up 0.7 percent.
- The April 2021 Class I base price was announced at \$15.51 per hundred-weight, up 31 cents from March but still \$1.13 below last April's Class I price. With the gap between Class III and Class IV prices narrowing over the past couple of months, farmers should see mostly flat to positive PPDs (Producer Price Differentials) on their milk checks this spring. However, more and more industry groups are calling for Federal Milk Marketing Order reform to address situations like in 2020 when farmers saw significantly negative PPDs on their milk checks. One analyst's estimates show that the change in the Class I formula introduced in May 2019 has equated to a loss of \$51.1 million to Pennsylvania's dairy industry over the past two years.

Government and Industry:

- Governor Wolf announced last week that food and agriculture workers, including farmers and farm employees, would be included in an expanded effort to set up mass vaccination clinics with regionally supplied plans to vaccinate frontline workers. Under this plan, farmers and farm workers would be eligible to receive the Johnson & Johnson vaccine. The initiative is expected to begin in early April. More details will be announced soon, including how to access the vaccine and what is needed to document your role as an essential worker eligible to receive the vaccine.
- 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 Farm Workforce Modernization Act, a bipartisan bill HR 1603, was reintroduced and could be taken up by the full House within the week. The Act would expand the current H-2A seasonal worker program to include full-time, year-round workers for dairy and other ag businesses. Most dairy groups agree that, while not perfect, the bill is a good start in providing reform needed by the dairy farm community. Among other things, the Act would make available 60,000 year-round H-2A visas over the first three years, growing annually by 12.5 percent, with dairy guaranteed to have at least half of those visas. It would also stabilize the existing workforce by giving legitimate farmworkers a chance to get a five-year Certified Agriculture Worker (CAW) visa to work in US agriculture.
- Zach Myers, risk education program manager at the Center, will host a "Protecting Your Profits" webinar on March 24 at 12 p.m. You can connect via Zoom or through conference call. Go to zoom.us and click on "Join a Meeting." Enter 848 3416 1708 as the meeting ID and 474057 as the passcode. Or call 301-715-8592 and use the information above.