

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated March 23, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (March)	\$16.24/cwt.	▼ 0.7 %	▲ 4.2 %	▼ 6.1 %
Class IV Milk Price (March)	\$14.30/cwt.	▼ 0.5 %	▲ 7.7 %	▼ 4.1 %
Corn (May)	\$5.53/bushel	▼ 0.9 %	▼ 1.1 %	▲ 57.1 %
SBean Meal (May)	\$399.1/ton	▼ 1.5 %	▼ 6.9 %	▲ 21.3 %
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."*

- US total milk production was up 2 percent year-over-year to 17.63 billion pounds in February, when adjusted for leap year. This marks the ninth consecutive month of increased milk production. The US dairy herd grew 9.458 million head in February, up 3,000 head from January, an increase of 81,000 head from a year ago, and the most since 1995. This growth in cow numbers drove the increase in total milk production, with production per cow up about 1.2 percent from a year ago, when adjusted for leap year.
- Most of the key dairy states posted increases in milk production, when adjusted for leap year. California was up 2.1 percent, while Wisconsin was up 3.2 percent and Idaho was up 0.4 percent. New York was up 1.7 percent, while Texas was up 5.3 percent and Michigan was up 3.8 percent. Minnesota showed tremendous growth, up 5.8 percent and surpassing Pennsylvania by 11 million pounds. Pennsylvania's total milk production was down 0.8 percent, when adjusted for leap year, with 8,000 fewer cows than a year ago but 0.8 percent more milk production per cow.
- Dairy stocks continue to build, according to the latest USDA Cold Storage report. Butter stocks at the end of February reached 352.7 million pounds, up 20.8 million pounds from January and at historically high levels. However, the build-up from January to February is less than half of the five-year average build. Total cheese stocks were up 27.8 million pounds from January to 1.436 billion pounds at the end of February. The build-up was well above the five-year average build from January to February.
- The lactose-free dairy category continues to grow. In the United States, lactose-free milk is a \$1.7 billion retail segment, with 201 million gallons sold in 2020. Recent IRI data shows the category experienced 19 percent growth in 2020 on both a volume and dollar basis. An impressive 21 percent of households purchased lactose-free milk in 2020, up from 18 percent in 2019 and 15 percent in 2015.

Government and Industry:

- Food and agriculture workers, including farmers and farm employees, will 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 eligible to receive the vaccine.
- March 31 is the deadline to apply for the Center's new Dairy Excellence Grant. This 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. All grant applications must be submitted electronically or postmarked by March 31 to be considered.
- The House passed the Farm Workforce Modernization Act last week by a margin of 247-174. The legislation would give dairy employers the ability to use the H-2A guest worker program, and offer legal status for undocumented farm workers. Reform efforts now shift to the Senate, where a similar bill is expected to be introduced this spring.