

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated March 31, 2021



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (March)	\$16.20/cwt.	▼ 0.3 %	▲ 3.9 %	▲ 4.9 %
Class IV Milk Price (March)	\$14.30/cwt.	—	▲ 7.7 %	▼ 4.1 %
Corn (May)	\$5.40/bushel	▼ 2.4 %	▼ 3.4 %	▲ 61.7 %
SBean Meal (May)	\$398.2/ton	▼ 0.3 %	▼ 7.1 %	▲ 26.4 %
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 dairy price index on the latest Global Dairy Trade auction on March 16 fell 3.8 percent to \$4,089 per metric ton, marking the first decrease in the price since November 3, 2020. Steep declines in the whole milk powder price pulled down the average price, with whole milk powder prices falling 6.2 percent from the last auction. Butter prices were also down 2.8 percent. Cheddar cheese prices were flat, and skim milk powder prices were up 0.7 percent.
- The latest USDA Livestock Slaughter report shows dairy cow slaughter was up 3.2 percent this February compared to a year ago, when adjusted for Leap Year. Dairy cow slaughter was up 5.8 percent from January, when adjusted on a daily basis. Despite the increase in February, dairy cow slaughter in 2021 is still down 2.3 percent, when adjusted for Leap Year, from a year ago. Lower slaughter numbers is evident in the growth of the nation's dairy herd, with cow numbers now 81,000 head above where they were a year ago.
- The all-milk prices fell 40 cents from last month to \$17.10 per hundred-weight, according to the latest USDA Ag Prices report. The corn price was up 49 cents to \$4.75 per bushel, while soybean prices were up \$1.80 per bushel and the alfalfa hay price rose 4 cents. Based on these prices, the USDA announced the February Dairy Margin Coverage Margin as \$6.22 per hundredweight. This triggers an indemnity for anyone protected at the \$6.50 margin coverage or higher.

Government and Industry:

- USDA announced the Pandemic Assistance for Producers (PAP) package of government aid totaling \$12 billion. \$6 billion is earmarked to create new programs and expand current initiatives, including the Dairy Donation Program designed to assist dairy producers. There is \$500 million of new funding made available to existing programs, and a third part allocates \$6 billion to expand CFAP payments to commodity and specialty farmers, as well as to cattle producers. The fourth part of the program reopens CFAP Round 2 and provides \$2.5 million to target socially disadvantaged farmers.
- The Center for Dairy Excellence is offering assistance in helping dairy farms develop a business plan. On Wednesday, April 21, from 1 – 3 p.m., the Center will partner with Penn State Extension to host a virtual Business Planning Roundtable Meeting. On Wednesday, April 28, Phil Taylor, a business consultant with AgChoice Farm Credit, will join the Center's Protecting Your Profits webinar to share business planning fundamentals. Finally, the Center has announced a grant opportunity providing up to \$1,000 for a dairy farm to work with a paid consultant to create a business plan. For more information about any of these opportunities, contact Zach Myers at 717-346-0849 or zmyers@centerfordairyexcellence.org.