



For Immediate Release

Media Contact: Emily Barge, 717-346-0849; ebarge@centerfordairyexcellence.org

February 16, 2021

'PROTECTING YOUR PROFITS' WEBINAR ON FEB. 24 TO SHARE ANNUAL MILK PRODUCTION SUMMARY

Join the Monthly Event on Wednesday, Feb. 24 at 12 p.m. Via Webinar or Conference Call

Harrisburg, Pa. – The Center for Dairy Excellence is hosting its monthly “Protecting Your Profits” webinar on Wednesday, February 24 at 12 p.m. Held the fourth Wednesday of every month and led by Zach Myers, Risk Education Manager with the Center, dairy farmers and industry professionals will review current data and updates about the milk marketplace to guide decision-making and risk management strategies. Myers will also share annual summary data and findings from the latest USDA *Milk Production* report. Individuals can join via conference call, webinar, or podcast format.

“The next USDA *Milk Production* report will be released the day before we hold this month’s ‘Protecting Your Profits’ webinar. The February report provides an annual summary of the previous year,” Myers explained. “Join us for a timely discussion on some of the numbers included in the report, and see how production, cow numbers, and dairy farm numbers fared in Pennsylvania and the United States over the last year.”

In addition to the *Milk Production* report, Myers will share an overview of the most recent milk prices and break down some of these numbers:

- As of February 15, the current average Class III milk price for the next 12 months has improved since the beginning of January. The announcement of a fifth round of the Farmer to Families Food Box program is credited for this increase. The average Class III price for the next 12 months is \$17.41 per cwt, up \$0.56 since the beginning of January.
- The 12-month average Class IV is virtually the same as last month, up \$0.03 per cwt to \$15.35.

Myers will also share the latest Dairy Margin Coverage (DMC) margins. The December Dairy Margin Coverage margin was announced as \$8.78 and triggers an indemnity at the \$9.50 margin coverage for the fifth time in 2020. This triggers a \$0.72 per cwt. indemnity for December production history, bringing the net benefit of the 2020 DMC program, after fees and premiums, to \$0.54 per cwt.

“According to the USDA, the 2021 Dairy Margin Coverage program is projecting a net benefit to those enrolled in DMC with nearly 100% probability. On February 3, the USDA’s DMC Decision Tool estimates that the average U.S. all-milk trigger price will average \$20.27 per cwt. this year,” Myers shared. “For reference, 2014 was the last year that the U.S. all-milk price eclipsed \$20, making this very good news for dairy producers enrolled in the 2021 DMC program. I will discuss these estimates in more detail and answer any questions individuals have.”

Dairy Revenue Protection Policies are also available for sale for second quarter 2021 through second quarter 2022 until March 15, 2021. With the recent increase in Class III and Class IV futures prices, Myers says that favorable Class III and IV milk price floors can be set. Volatility is still causing higher premiums, so he will share information on how DRP can cover a portion of milk production if individuals are not enrolled in DMC or DMC does not adequately protect their cost of production.

To join the risk management discussion and access the information in a format that is most convenient for you, the Center offers the series in a webinar, podcast, and conference call format. There is no cost to participate in the monthly ‘Protecting Your Profits’ discussion, and no registration is necessary.

Webinar Format

Visit www.centerfordairyexcellence.org/FebruaryPYP on Wednesday, February 24 at noon to launch the webinar.

Conference Call Format

Individuals who would prefer to connect via conference call can dial the following number on Wednesday, February 24 at noon:

Dial: 1-646-558-8656

Meeting ID: 848 3416 1708

Passcode: 474057

Podcast Format

Visit www.centerfordairyexcellence.org/pyp to listen to the “Protecting Your Profits” podcast and subscribe to get notified when new episodes are released. Episodes are expected to be published after the live webinar and conference call are concluded each month.

Join the Center on February 24 to find out how these programs and the conventional price risk management tools can fit in to your marketing plan. For more information, call 717-346-0849 or email Myers at zmyers@centerfordairyexcellence.org. The webinar will start promptly at noon and last approximately 15 minutes. They are recorded and posted on the Center for Dairy Excellence website for those who are unable to join the live session.

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The Center for Dairy Excellence is a non-profit organization initiated by the Pennsylvania Department of Agriculture in 2004. Bringing together people from more than 40 different dairy organizations in Pennsylvania, the Center's mission is to enhance the profitability of the dairy industry by empowering people, creating partnerships, and increasing the availability and use of resources. Learn more at centerfordairyexcellence.org.

**Center for Dairy Excellence ▼ 2301 North Cameron St., Harrisburg, PA 17110 ▼ 717-346-0849 ▼
www.centerfordairyexcellence.org**