DE DAIRY MARKETS & MANAGEMENT UPDATE

On workforce trends: Anyone who has looked for qualified candidates to fill roles in your dairy business may have felt like that is a harder task than it was even just five years ago. That feeling is very real. Since the pandemic, worker expectations and needs have shifted. There is also more competition with higher pay from other industries. Fewer workers in general are available because our population is slowly aging, and fewer people are participating in the labor force now than they were just a decade ago.

Recently I had the opportunity to hear a report on workforce trends affecting dairy processors and producers given by Jill Smith with Cornerstone HR & Management. She spoke about these trends and shared how it is affecting those who are employing people in the agriculture sector. In 2022, the Great Resignation led to about 3% (or 4.5 million people) of the workforce quitting their jobs each month, mostly due to pandemic burnout. In 2023, there was the Great Reshuffle, when more than 44 million additional Americans quit their jobs and found other jobs in new occupations and industries that offered an improved work-life balance and more flexibility.

That all led to where we find our society now, with more workers not willing to take jobs that do not offer the opportunity for remote work. When you look at ag production jobs, like dairy farming and manufacturing, those jobs unfortunately do not lend themselves to remote work. Other manufacturing industries, like warehouses and trucking, have attempted to compensate for the inability to offer remote work by offering much higher salary levels. Unfortunately, in dairy, profit margins make it incredibly difficult to match those higher

Concerns related to immigration and a foreign-born workforce could add to this difficulty. According to the latest U.S. Census, the vast majority of farms across the country employ immigrants, with foreign-born workers making up about half of the labor force on dairy farms. Current Visa programs are not adequate for dairy farms, because they do not offer a year-round option.

Enforce ment office. With all these challenges, the number of people

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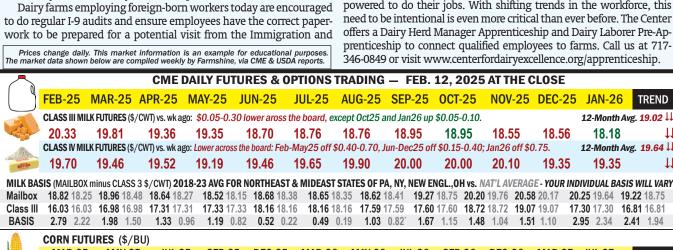
employed on farms is actively declining, down 7.4% on average in the last five years from 2020 to 2025.

The average farm now employs 3.4 workers, and the jobs available on farms have shifted to include more focus on technology and precision agriculture related tasks. Food manufacturing jobs, though, are increasing, with the number of people employed in the dairy product production industry up 1.6% on average in the past five years. The average dairy processing business has about 182.4 employees. Jobs there have shifted, too, and include more artificial intelligence and machine learning and transparency and sourcing related jobs

Jill offered a few takeaways for employers in the dairy production and processing industries based on these trends. On the hiring side, she recommended being creative about where you are sourcing po tential employees. Working with tech education programs and local schools is a good place to start. Talk with high school career counselors about cooperative education opportunities and utilize apprenticeships and internships. Job boards and local career centers are another good option, and a referral bonus program to have existing employ ees refer new people to your organization is another good strategy.

She also emphasized the need for clarity in your roles and transpar ency in your culture. Make sure you have well-written job descriptions for all the roles on your farm, from the calf feeder to the herd manager to the cropping team. Identify your core values and the standards of behavior that align with those values. Talk with your employees and understand their priorities. Create a culture of learning and work to build trust in your management team and organization.

Having dedicated, capable employees is critical to the success of any business. It's also something that only happens with intentionality by the management team to make those employees feel valued and empowered to do their jobs. With shifting trends in the workforce, this 346-0849 or visit www.centerfordairyexcellence.org/apprenticeship.



SEP-25 JUL-27 MAR-25 JUL-25 DEC-25 MAR-26 MAY-26 **JUL-26** SEP-26 DEC-26 MAR-27 MAY-25 4.902 4.920

SOYMEAL FUTURES (\$/TON)

302.3 309.4 311.7 312.7 313.3 316.9 U.S. AVG PREMIUM ALFALFA & ALFALFA / GRASS HAY 20-22% CP - Source: USDA Monthly National Dairy Comprehensive Report OCT-23 NOV-23 DEC-23 JAN-24 FEB-24 AUG-24 SEP-24 OCT-24 MAY-24 JUN-24 MAR-24 APR-24 JUL-24 NOV-24 DEC-24 *JAN-25 192.20 184.82

231.70 254.85 224.50 205.02 220.17 175.00 211.69 185.21 196.44 199.57 206.63

DMC OFFICIAL GROSS MARGINS per cwt(USDA All-Milk, com, alfalfa & III. soybean, feed for ALL CLASSES of dairy cattle on farm)

DMC AUG-23 SEP-23 OCT-23 NOV-23 DEC-23 JAN-24 FEB-24 MAR-24 APR-24 1111.24 Alig-24 SFP-24 OCT-24 NOV-24 MAY-24 JUN-24 8.44 13.38 🎞 6.46 8.44 9.44 9.58 8.48 9.44 9.65 9.60 10.52 11.66 12.33 15.57 15.17 14.29 13.72 20.10 *23.30 20.70 10.90 11.48 11.14 10.47 9.88 10.03 * 9.92

PRODUCT

DAIRY COMMODITIES - GLOBAL BIWEEKLY Internet Auction (\$/LB) 02/04/25 ACTS per metric ton converted to \$/LB SKIM POWDER (SMP) 1.2863 1 4.7 Weighted Avg. 1 to 6 mo. FORWARD CONTRACTS per metric ton co NEXT GDT AUCTION 02/18/25 BUTTER 3.276811 3.4% BUTTER CHEDDAR(BULK) 2.279911 3.7% 3.069911 2.4% MOZZARELLA (BULK) CHEDDAR-500 1.8275 1 1.8200 11 0.476411 17.7%

Lean

U.S. CME SPOT DAILY (\$/LB) 02/12/25 U.S. WEEKLY USDA NDPSR (\$/LB) WK ENDING 02/08/25 NFDM 14.5 1.3691 2.4050 11 2.4050 11 BUTTER 3.9 2.526511 1.9153 CHEESE-500 1.8892 11

> * NFW JAN. 2025

COMPONENTS

Beef X

650.00

875.00

695.00 1085.00

ANNOUNCED FEDERAL ORDER PRICES (\$/CWT) *CL_IV↓↓ *ALI-MILK-U.S *ALI-MILK-PA CL_LADV11 *CL_II11 *CL III11 21.27(FEB) *20.34(JAN) *21.58(JAN) *20.73(JAN) *23.30(DEC) \$\frac{1}{4}\$ *24.20(DEC) \$\frac{1}{4}\$ - MONTH AGO -24.20 4.26F 20.38 21.28 18.62 20.74 25.00 4.27F

YEAR AGO 19.39

Breakers Boners

100.50

0.2003 **CHEESE** 1.8851 1.6848 11*PROT 2.3267 11 BUTTER 2.6042 0 1715 2.4327 ↑↑*B.FA1 2.946011 NFDM 1 3801 0.1678 1.2123 ↓↓*N.FAT 1.2002 0.1991 *DRYWHEY 0.7218 0.5227 ↑↑ *OTHER 0.538411 per head as reported by USDA Monthly National Dairy Comprehensive Rep MAY-24 JUN-24 JUL-24 AUG-24 SEP-24 OCT-24 NOV-24

675.00 11

725.00 11

NET

CURRENT FEDERAL ORDER VALUES (\$/LB)

*WEIGHTED AVG. 4-WK JAN. 1-FEB. 1, 2025

VALUE MAKE ALLOW



'common

U.S. AVG. BRED COWS & HEIFERS (3rd trimester) DEC-23 JAN-24 FEB-24 MAR-24 APR-24 1635 N/A N/A N/A 2016 N/A 2800 U.S. AVG. MILKING COWS per head as reported by USDA Monthly National Dairy Comprehensive Report N/A 1792 N/A N/A 2120 2254 1624 N/A N/A 2800 2489

DAIRY PURPOSES(\$/HD) USDA and other East and Midwest auction reports combined 4-w eek rolling average as of JAN, 24, 2025 **OPEN:** 300-600 lbs MILK COWS (NASS) U.S. Avg. **HEIFERS**: Springing Beef x 600-900 lbs Bred

\$2660 JAN-25 11 \$2600 OCT-24 2300 900 3150 1200 1800 **EAR AGO** 1400 1800 1975 700 N/A 1300 1150 \$1890 JAN-25 \$1850 OCT-23 PA Auction Markets Feb. 6-11, 2025
CULL MARKET COWS (\$/CWT LIVEWEIGHT FED STEERS (\$/CWT LIVE) Holstein WK AGO YR AGO Beef-X-Dairy Choice & Prime 1250-1550 lb

70-85 lbs

130.5011 123.501 113.251 Average to high **WEEK AGO** dressing N/A 138.50 130.75 120.50 YEAR AGO

107.50

Premium White

BULL CALVES: No. 1 & 2, 90-130 lbs

brought to you by

950.0011

1100.0011

415.00

425.00

735.00

725.00