

CENTER FOR
Dairy EXCELLENCE
 Dairy Week In Review

Dated November 1, 2018



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Oct) **	\$16.54/cwt.	▲ 0.2 %	▼ 3.3 %	▼ 6.2 %
Corn (Dec)	\$3.64/bushel	▼ 1.1 %	—	▲ 4.5 %
SBean Meal (Nov)	\$305.1/ton	▼ 0.6 %	▼ 0.8 %	▼ 2.2 %
Milk Margin (Sept)*	\$11.78/cwt.	—	▲ 17.3 %	▼ 10.3 %

*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." Milk margin is affected by both milk & feed prices. ** The milk price reported is the Class III futures price for the next month plus a basis of \$1.00, an estimate of what could be on your milk check next month.

- USDA's Ag Prices report shows September's margin up 83 cents based on the Dairy Margin Protection Program (Dairy-MPP) calculations to \$8.26 per cwt., making it the highest margin in 2018 but still below any monthly margin in 2017. The All-milk price was up 80 cents to \$16.70 per cwt., still \$1.20 below a year-ago levels. Corn and hay prices were both up slightly, but the soybean meal price fell \$14.18 per ton.
- Dairy cow slaughter reported in the USDA Livestock Slaughter report was down 0.9 percent year-over-year to 257,400 head in September. However, there were 5 fewer business days this year than last year. Weekly slaughter volumes are up, topping 60,000 head in every non-holiday week since early August.

Government and Industry:

- AgChoice Farm Credit will host a webinar on November 20 from 12 - 1 p.m. on the new Dairy Revenue Protection Program, now available through the American Farm Bureau. Producers can utilize the new program to protect a floor on their milk price for any of the five upcoming quarterly (three-month) periods. To utilize the program, you must enroll through a crop insurance agent. A list of crop insurance agents qualified to sell the insurance is available on the RMA website at www.rma.usda.gov/tools/agent.html. The AgChoice webinar will cover how the Dairy-RP program differs from other insurance programs and how it may fit into your farm's marketing strategy. To register, go to agchoice.com/dairyrpwebinar or call AgChoice Farm Credit at 800-349-3568 ext. 6016.
- During its annual meeting, the National Milk Producers Federation called for the Trump Administration to recognize the significant economic losses milk producers are suffering because of the administration's implementation of tariffs. Recent studies from the National Milk Producers Federation and Informa Economics estimate the tariffs will cost dairy producers around \$1.5 billion this year, a loss of 70¢ per hundredweight of milk production. The Center for North American Studies at Texas A&M University puts the damage at \$1.17 billion. The dairy industry received \$127 million from USDA in the first round of trade mitigation payments and commodity purchases, a sum inadequate for an industry in decline.
- The Center's Dairy Decisions Consultant (DDC) Program remains open and provides up to \$3,500 in funding to work with an outside consultant to evaluate your operation and identify opportunities to enhance your performance and overall profitability. Dairy farm families can also now apply to receive a grant from the Center to support a dairy profit, transition or transformation team on their farm. The grants cover the cost of paid team members and discovery-related costs associated with the team's work. Learn more by calling Melissa Anderson at 717-346-0849 or emailing her at manderson@centerfordairyexcellence.org.