



CENTER FOR
Dairy EXCELLENCE
 Dairy Week In Review



Dated November 28, 2018

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Nov) **	\$15.49/cwt.	▼ 0.4 %	▼ 6.2 %	▼ 13.4 %
Com (Dec)	\$3.60/bushel	▼ 0.6 %	▼ 2.2 %	▲ 6.5 %
SBean Meal (Jan)	\$307.9/ton	▲ 0.7 %	▲ 0.3 %	▼ 5.6 %
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.*

- The December Class I Milk Price was announced by USDA at \$15.05 per hundredweight, down 47 cents from November and \$1.83 below year-ago levels.
- The latest USDA Cold Storage report has butter stocks falling 52.5 million pounds, or 19 percent, from September to October, falling to 230.7 million pounds. That is the largest decline in 25 years. However, butter stocks are still up 5.9 percent from a year ago. Cheese stocks fell slightly month over month to 1.372 billion pounds, up 8 percent from a year ago. American cheese stocks were up 1 percent from a month ago and 10 percent from a year ago, while other cheese stocks were down 3 percent from a year ago and up 5 percent from last month. Despite the drawdown in butter stocks, butter prices on the CME Exchange actually fell this week.

Government and Industry:

- Dairy remains a sticking point between the United States and Canada as the countries prepare to sign a new North American trade pact this week, according to four sources familiar with the matter. U.S. objections to Canada's protected internal market for dairy products was a major challenge facing negotiators during talks on the new U.S.-Mexico-Canada Agreement (USMCA), and the issue remains a problem.
- Dairy Revenue Protection (Dairy R-P) coverage is now available from authorized crop insurance agents. Farms can choose to cover any of the five upcoming quarterly (three month) periods. Producers can choose to cover any of the 2019 quarterly coverage periods or the first quarter (January -March) of 2020 until December 15, 2018. Dairy Revenue Protection offers two pricing options: the class pricing option and the component pricing option. A list of crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/tools/agent.html.
- The comment period to provide input to the FDA regarding the standards of identity for milk has been extended to January 25, 2019. To submit comments, go to www.regulations.gov, search for Docket "FDA-2018-N-3522- 0001," and click on the blue "Comment Now!" box.
- 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.