



CENTER FOR
Dairy EXCELLENCE
 Dairy Week In Review



Dated December 13, 2018

Markets:

| Dairy Prices | Price | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|---------------------|---------------|---------------------|----------------------|---------------------|
| Milk Price (Dec) ** | \$14.71/cwt. | ▼ 0.9 % | ▼ 5.6 % | ▼ 10.2 % |
| Corn (Dec) | \$3.76/bushel | ▲ 0.5 % | ▲ 2.4 % | ▲ 11.5 % |
| SBean Meal (Dec) | \$310.8/ton | ▼ 0.4 % | ▲ 1.6 % | ▼ 4.4 % |
| Milk Margin (Sept)* | \$11.99/cwt. | — | ▲ 9.0 % | ▼ 6.3 % |

**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.*

- US dairy exports were flat in October, with lost sales to China offsetting a 14-percent growth to other regions of the world. On a total milk solids basis, US exports equaled 15.3 percent of the US milk production in October, bringing the year-to-date total to 16.3 percent, on track to break the calendar year record of 15.4 percent set in 2013.

Government and Industry:

- Congress is expected to vote on the 2018 Agricultural Improvement Act late this week, or the Farm Bill, which revamps the Margin Protection Program with a new name, Dairy Margin Coverage, and higher margin coverage levels for the first 5 million pounds of milk production. DMC offers coverage levels of \$8.50, \$9 and \$9.50 per cwt., and increases the maximum volume to 95 percent of production history. Zero-cost premium cover for Tier 1 is up to \$5 per cwt. Reduced premiums are also available for production levels above 5 million pounds. Dairy producers can enroll in DMC and the Dairy revenue Protection Program at the same time. If passed, the bill would take effect on January 1, 2019.
- The Farm Bill also includes other provisions for dairy, including a change in the Federal Milk Marketing Order Class I minimum skim milk price mover calculation to be the average of the advanced Class III and Class IV skim price plus 74 cents and the Milk Donation Program that requires USDA to reimburse dairy organizations for donations of consumer-packaged fluid milk products based on the difference between the Federal Order minimum Class I milk price and the lowest classified price for the applicable month.
- A final rule announced by Agriculture Secretary Sonny Perdue last week provides the option to offer flavored, low-fat milk to children participating in school meal programs and to participants ages six and older in the Special Milk Program for Children and the Child and Adult Care Food Programs. The final rule delivers on the USDA's promise in 2017.
- 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 On-Farm Program offers grants for business consultants and team resources. Learn more by calling Melissa Anderson at 717-346-0849 or emailing her at manderson@centerfordairyexcellence.org.