



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review



Dated January 10, 2019

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Jan) **	\$15.05/cwt.	▲ 1.6 %	▲ 2.3 %	▲ 1.8 %
Corn (Mar)	\$3.82/bushel	▲ 1.8 %	▲ 1.6 %	▲ 9.6 %
SBean Meal (Jan)	\$319.0/ton	▲ 2.5 %	▲ 2.6 %	▲ 1.9 %
Milk Margin (Nov)*	\$12.31/cwt.	—	▲ 5.4 %	▼ 1.9 %

*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 announced the December Class III milk price at \$13.78 per hundredweight, down 66 cents from December and \$1.76 below year-ago levels. Class III milk prices averaged \$14.61 per hundredweight in 2018, down \$1.56 from 2017 and the lowest level since 2010.
- The December Class IV milk price was announced at \$15.09 per cwt., up 3 cents from the previous month and \$1.58 higher than a year ago. The average Class IV milk price in 2018 was \$14.23 per cwt., down 93 cents from 2017's average.
- The dairy price index on the latest Global Dairy Trade auction increased 2.8 percent to \$2,986 per metric ton, driven in part by strong skim milk powder prices which increased 7.9 percent from the previous auction to the highest price since June 20, 2017. Whole milk powder prices were up 1.2 percent, while butter increased by 3.9 percent and Cheddar cheese was up 3.2 percent.
- Milk production in Canada decreased 0.1 percent year-over-year in October, marking the first year-over-year decline since May 2014. Collections totaled about 1.72 billion pounds for the month, according to Statistics Canada. If the country's milk production in the last two months of the year is similar to October's, the country's annual milk production will be up 2.8 percent year-over-year in 2018, according to *Daily Dairy Report*.

Government and Industry:

- The federal government's partial shutdown, including the U.S. Department of Agriculture and Farm Service Agency, will delay the release of various dairy pricing and market reports available from the USDA. Essential functions such as food-safety inspections will continue. Data-collection and other activities, such as the granting of new rural development loans, are frozen. Any movement of releasing the rules associated with the 2018 Farm Bill signed into law in December will be suspended until the government re-opens.
- The availability of the new Dairy Revenue Protection (Dairy R-P) program could also be disrupted during the shutdown, with limited staff to administer it. If available, the Dairy RP Program allows farms to choose to cover any of the five upcoming quarterly (three month) periods. 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.