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Dairy EXCELLENCE
Dairy Week In Review



Dated March 6, 2019

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Mar) **	\$16.12/cwt.	▲ 7.9 %	▲ 7.9 %	▲ 6.5 %
Corn (Mar)	\$3.66/bushel	—	▼ 3.7 %	▼ 3.5 %
SBean Meal (Mar)	\$305.6/ton	▲ 0.8 %	▼ 1.2 %	▼ 19.8 %
Milk Margin (Dec)*	\$11.60/cwt.	—	▲ 2.7 %	▼ 4.3 %

*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 *Cattle Report* shows milk cow inventories on January 1, 2019, down 0.8 percent to 9.35 million head. Replacement heifer inventories fell 1.4 percent to 4.7 million head. This marks the third straight year that dairy heifer inventories fell, with the numbers falling 3.6 percent since they peak in 2016. Dairy cow slaughter reached a 32-year high in 2018.
- USDA announced the Class III milk price for February at \$13.89 per hundredweight, down 7 cents from January but up 49 cents from February 2017. The Class IV milk price was announced at \$15.86 per cwt., up 38 cents from a month ago and \$2.99 above year ago prices.
- The USDA Dairy Products shows year-over-year cheese production in December down 1.2 percent to 1.12 billion pounds. Cheddar cheese production was down 6.3 percent to 306.3 million pounds. Hard Italian cheese was also down, falling 3.8 percent to 37.7 million pounds. Mozzarella production was up 3.7 percent to 379 million pounds. US butter production was down 0.1 percent year-over-year to 171 million pounds.
- The dairy price index on the latest Global Dairy Trade Auction was 3.3 percent to \$3,309 per metric ton. Both Cheddar cheese and whole milk prices were up 6.0 percent, while the butter milk price was up 11 percent and the butter price was up 3.6 percent. The skim milk powder price was the only price to fall, down 4.3 percent.

Government and Industry:

- Farmers can enroll in the Dairy Revenue Protection (Dairy R-P) Program. Producers can choose to cover the second through fourth quarterly coverage periods of 2019 or the first and second quarters of 2020 until March 15, 2019. Dairy Revenue Protection offers two pricing options: the class pricing option and the component pricing option. Available pricing is based off of CME prices and offers minimal coverage against unforeseen changes in the market. Farmers must first enroll in the program before they can choose to buy coverage. Dairy RP coverage is being sold through approved crop insurance agents. 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.
- USDA Secretary Perdue announced at a congressional hearing last week that the sign-up for the new Dairy Margin Coverage program will begin on June 17, with payments generated to farmers the following month. He said farmers will be notified by the end of April about the amount of any refunds or credits for which they are eligible, if they used the MPP program between 2014 and 2017. Payments are expected to be distributed in July.
- The National Dairy Farmers Assuring Responsible Management (FARM) Program, the dairy industry's on-farm quality assurance program, this week released proposed Animal Care Version 4.0 standards for input from industry stakeholders. Visit nationaldairyfarm.com to learn more.