



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review



Dated March 14, 2019

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Mar) **	\$15.91/cwt.	▼ 1.4 %	▲ 5.9 %	▲ 4.4 %
Corn (Mar)	\$3.57/bushel	▼ 2.5 %	▼ 5.6 %	▼ 6.8 %
SBean Meal (Mar)	\$300.2/ton	▼ 1.8 %	▼ 3.2 %	▼ 18.5 %
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.

- The latest USDA Milk Production report shows a 0.9-percent year-over-year increase in the US milk supply in January, increasing to 18.6 billion pounds and driven by a 1.7-percent increase in milk production per cow. Total cow numbers in the nation's dairy herd fell 83,000 head year-over-year to 9.355 head in January. However, cow numbers increased 2,000 head from December 2018 to January 2019.
- The Southwest continues to boast significant increases in milk production, with Colorado, Kansas, South Dakota, and Texas all up, 6.7, 6.2, 6.3 and 7.3 percent, respectively. California's milk production was up 0.8 percent, while Wisconsin was up 2.9 percent. Idaho was up 3.6 percent, and New York was up 3.4 percent. Michigan was up 1.1 percent.
- Pennsylvania was the only state in the Top Seven that posted a significant decrease, down 5.5 percent in total milk production with 25,000 fewer cows and a 0.9 percent decrease in milk production per cow. States bordering the Commonwealth were all down except New York.
- This month's report included the total number of licensed dairy herds in the nation at the end of 2018. The US had 37,468 dairy farms as of December 31, 2018, down 2,731 farms or 6.8 percent from a year ago. Pennsylvania had 6,200 dairy farms at the end of 2018, according to the report, down 5.7 percent or 370 farms from a year ago.
- USDA's Cold Storage report shows total natural cheese stocks as of Jan. 31 up 1 percent from a month ago to 1.359 billion pounds, up 6 percent from a year ago. American-style cheese stocks were up 8.6 percent from a year ago to 805.3 million pounds. Butter stocks were up 18 percent from a month ago to 211 million pounds, down 7 percent from the previous year. December-to-January's increase was smaller than the five-year average.
- Commercial disappearance of butter was up 2.1 percent in 2018, while commercial disappearance of cheese was up 2.3 percent year over year. Domestic commercial disappearance of nonfat dry milk and skim milk powder was down 18.6 percent and well below the five-year average.
- Suppliers shipped 152,952 tons of milk powders, cheese, butterfat, whey products and lactose in December, the lowest amount in nearly two years and down 21 percent from a year ago. Total US dairy exports were valued at \$428.9 million, down 9 percent from a year ago. December's dairy exports were equivalent to about 12.8 percent of the US milk supply on a total solids basis, bringing the full-year percentage to 15.8 percent.

Government and Industry:

- 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.

Dairy Opportunity of the Month:

- Third generation dairy farm with retail store and milk processing plan is available for a sale or lease to purchase opportunity. The facility is situated on 41 acres and has a 130-stall freestall barn and 40-stall heifer facility with a double-6 herringbone parlor. Additional land is available on separate deed. The farm is located in Chester County and has been bottling and selling its own milk since 1975. Contact PA Farm Link for more information at 717-705-2121 or visit pafarmlink.org.