



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review



Dated May 9, 2019

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (May) **	\$17.41/cwt.	▲ 1.9 %	▲ 2.5 %	▲ 7.0 %
Corn (May)	\$3.55/bushel	▲ 0.5 %	▼ 8.2 %	▼ 9.9 %
SBean Meal (May)	\$284.8/ton	▼ 3.4 %	▼ 8.2 %	▼ 26.9 %
Milk Margin (March)*	\$11.90/cwt.	—	▲ 4.9 %	▲ 20.1 %

*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 dairy price index on the latest Global Dairy Trade auction was up 0.4 percent from the previous week, with all dairy products averaging \$3,490 per metric ton. Cheddar cheese prices fell 2.4 percent, while butter prices were flat. Skim milk powder prices were up 2.8 percent, while whole milk powder prices fell 0.5 percent. This is the eleventh session in a row that the average price increased.
- The USDA's Dairy Products report shows total cheese output down 0.7 percent year-over-year in March, falling to 1.10 billion pounds, still up 11 percent from February. American type cheese production fell 1.8 percent year-over-year to 435 million pounds, up 11.3 percent from February. Butter production was down 3.9 percent from a year ago to 175 million pounds, still 6.3 percent above February 2019. This was the lowest butter production level for March since 2015. Nonfat dry milk powder totaled 163.7 million pounds, while skim milk powder production totaled 49.6 million pounds. Combined production of the two fell 3.1 percent from March 2018.

Government and Industry:

- The USDA announced last week that milk producers are now eligible to receive a refund for a portion of their insurance premiums paid into the Margin Protection Program. Farmers can request a refund for additional premiums paid into MPP for margins greater than \$4.00 per hundredweight during program years 2014-2017. Eligible dairy farmers should soon receive a letter from FSA informing them that they qualify for a refund. A 75% refund is offered to dairy farmers who wish to use the refund to pay for DMC premiums. Alternatively, dairy farmers can request a one-time 50% refund as cash.
- Enrollment in the new Dairy Margin Coverage program is expected to open on June 17. Milk production will retroactively be covered starting January 1, 2019. The actual margins for January, February and March are \$7.99, \$8.22 and \$8.85 per hundredweight, respectively
- Dairy Revenue Protection (Dairy R-P) coverage for the last half of 2019 and first three quarters in 2020 is now available from authorized crop insurance agents. Farms can choose to cover any of the five upcoming quarterly (three month) periods, but they must enroll first. The program allows you to put a floor under your milk price, and you can choose to price your milk either based on your Class utilization or on your components. To learn more, contact your crop insurance agent. 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 Dairy Decisions Consultant Program remains open and available to those farms who want assistance in making those critical decisions affecting the future of their farm. Once accepted into the program, farms can receive up to \$3,500 in funds to work with a DDC. Call 717-346-0849 to learn more or visit centerfordairyexcellence.org.

Dairy Opportunity of the Month:

- A 200-cow dairy farm is seeking a next generation to lease or purchase the facility. It is located in Juniata County, with 450 acres available to supply feed for the herd. The current owner has 250 acres of owned ground with an additional 200 rented. Cows are housed in a bedded back barn and managed in two production groups. The property also has access to rotationally grazed pasture, a pre-fresh barn, tunnel ventilated freestalls for far off cows, a 60-stall heifer barn. For more information, contact the PA Farm Link at 717-705-2121 or visit pafarmlink.org.