



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated February 6, 2020



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Feb) **	\$17.89/cwt.	▼ 1.1 %	▼ 0.9 %	▲ 19.7 %
Corn (Mar)	\$3.80/bushel	▼ 1.0 %	▼ 1.2 %	▲ 0.8 %
SBean Meal (Jan)	\$287.4/ton	▼ 1.3 %	▼ 3.2 %	▼ 7.0 %
Milk Margin (December)*	\$14.83/cwt.	—	▼ 0.4 %	▲ 41.8 %

*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 January Class III milk price at \$17.05 per hundred-weight, down \$2.32 from December but up \$3.09 from a year ago. The Class IV price was \$16.65 per cwt., down 5 cents from December but up \$1.17 from January 2019.
- US dairy export volumes were strong in December, up 14 percent from a year ago to 179,382 tons. The total value of all dairy exports shipped that month was up 22 percent to \$523.3 million. On a total milk solids basis, exports represented 16 percent of the milk supply in December.
- US dairy export values topped \$6 billion in 2019, up 8 percent from a year ago, 25 percent since 2016 and topping \$6 billion for the first time since 2014. Cheese exports volumes were up 3 percent in 2019, the most in five years. Total whey exports fell 18 percent, while nonfat dry milk and skim milk powder exports for the year were down 2 percent. On a total milk solids basis, exports were equivalent to 14.5 percent of the total US milk supply, down from 15.7 percent in 2018.
- The USDA Livestock Slaughter report indicated dairy cow slaughter was up 3.5 percent from a year ago in December, with total dairy cow slaughter for the year topping 3.2 million head, up 2.3 percent from 2018 and the most since 1986.

Government and Industry:

- The Dairy Revenue Protection Program (Dairy R-P) offers market-based price coverage for the next five quarters, which include the second quarter of 2020 through the second quarter of 2021. 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 agents is available on the RMA website at www.rma.usda.gov/tools/agent.html.
- The Center is continuing to accept applications for its On-Farm Program. Grants are available for Transformation, Transition and Profit Teams, with funds covering paid team members and discovery-related costs. Farms can also apply for a Dairy Decisions Consultant Grant. Learn more by contacting Melissa Anderson at 717-346-0849.
- Penn State Extension and the Center for Dairy Excellence are offering multiple Northern Tier Dairy Discussion Groups across the state this February. The meetings are free and include lunch. Contact Michal Lunak at 570-265-2896 or at mpl5660@psu.edu to reserve your lunch. Dates include February 18 in Montrose and February 20 in Tunkhannock.