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**Dairy** EXCELLENCE  
**Dairy Week In Review**

Dated October 14, 2020



## Markets:

1 Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Oct)	\$21.17/cwt.	▲ 3.9 %	▲ 29.6 %	▲ 0.9 %
Class IV Milk Price (Oct)	\$13.46/cwt.	▼ 0.5 %	▲ 8.7 %	▼ 17.8 %
Corn (December)	\$3.91/bushel	▲ 0.8 %	▲ 6.0 %	—
SBean Meal (October)	\$358.5/ton	▼ 0.7 %	▲ 12.4 %	▲ 17.5 %
<b>Milk Margin (August)*</b>	<b>\$11.93/cwt.</b>	—	▼ 5.84 %	▼ 6.28 %

\*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."

- USDA's latest Crop Production Report is supporting the higher feed costs that producers are now experiencing. USDA trimmed yield estimates for both corn and soybeans, dropping the average corn yield from 178.5 bushels per acre estimated in September to 178.4 bushels per acre expected today. Soybean yields were estimated at 51.9 bushels per acre. The agency lowered expected harvested acres of corn by 1 million acres, and lowered harvested soybean acres by 731,000 acres. With the reduced acres, the harvest is no longer expected to be the record-breaking crop that was expected a few months ago. However, inventories of corn are still strong, with USDA projecting the 2020-21 ending stocks at 2.17 billion bushels. Soybeans are a different story, with projected inventories as of Sept. 1, 2021, expected to be just 290 million bushels, a five-year low.
- The average dairy price index rose 2.2 percent to \$3,143 per metric ton on the latest Global Dairy Trade auction. This was the second consecutive gain, with prices up 3.6 percent in the previous auction. Butter prices were up 8.4 percent, while whole milk powder was up 1.7 percent and Cheddar cheese was up 0.4 percent. Skim milk powder prices fell 0.9 percent.
- In the latest USDA World Agriculture Supply and Demand Estimates report, the all-milk price forecast was raised for both 2020 and 2021. The 2020 estimated price is now at \$18.00 per hundredweight, up 25 cents from last month's estimate with both Class III and Class IV expected to be higher than they were a month ago. The 2021 estimated all-milk price jumped 60 cents this month to \$17.60 per hundredweight, with strong domestic demand and increasing export sales expected to outweigh an anticipated increase in milk production next year.

## Government and Industry:

- The USDA announced a second round of disaster assistance related to the COVID pandemic. The Coronavirus Food Assistance Program Round 2 (CFAP2) Program includes a dairy payment totaling \$1.20 per hundredweight on a farm's milk production for the last nine months of 2020. The program also includes \$55 per head for bull calves and dairy steers, but not for breeding stock, and payments of crops including corn, soybeans and wheat. The enrollment period opened September 21 and will close on December 11. To apply, contact your local FSA Office.
- Dairy farmers are encouraged to enroll for the 2021 Program Year of the Dairy Margin Coverage Program. All dairy farmers who want coverage must visit their local USDA Service Center office to pay the annual administrative fee, which is \$100. Current margin forecasts are projecting a margin below the \$9.50 threshold for February - July of next year. Producers must visit their local office before December 11 to enroll in 2021.
- The Center for Dairy Excellence is hosting a Dairy Roundtable Discussion on Thursday, Oct. 29, from 10 a.m. - 11:45 a.m. Dairy farmers and industry representatives who want help in managing through change can join the interactive virtual workshop hosted by Dr. King Hickman. Call 717-346-0849 or visit [centerfordairyexcellence.org](http://centerfordairyexcellence.org) to register .