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

Dated January 9, 2020



## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Jan) **	\$18.04/cwt.	▼ 9.9 %	▼ 11.3 %	▲ 19.2 %
Corn (Mar)	\$3.84/bushel	▼ 0.8 %	▲ 4.1 %	▲ 0.5 %
SBean Meal (Jan)	\$296.9/ton	▼ 10.1 %	▼ 11.6 %	▼ 7.0 %
Milk Margin (November)*	\$14.89/cwt.	—	▲ 13.8 %	▲ 31.9 %

*\*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 December Class III milk price at \$19.37 per hundredweight, down \$1.08 from November but up \$5.59 from a year ago. Class III prices in 2019 averaged \$16.96 per cwt., up \$2.35 for 2018. The December Class IV price was \$16.70 per cwt., up 10 cents from November and \$1.61 above December 2018. The Class IV price averaged \$16.30 for the year, up \$2.07 from 2018.
- The dairy product export value was up 22.1 percent over a year ago to \$530 million in November. This month was the strongest month for US dairy product exports since April 2015, on a daily average basis, with the total aggregate volume of dairy exports up 13 percent from November 2018. The US sent 62.7 million pounds of cheese products overseas in November, up 7.4 percent from the prior year. Nonfat dry milk and skim milk powder were up 40.4 percent year-over-year to 148.6 million pounds, the highest November total on record.

## Government and Industry:

- New water rules may challenge California's dairy producers, with California implementing the Sustainable Groundwater Management Act (SGMA) this year. SGMA will dramatically change groundwater use throughout the state, especially in the Central Valley where water shortages are most severe. The majority of California's dairy farms are located in the Central Valley region.
- With milk prices on the Chicago Mercantile Exchange projected higher in 2020, now may be a good time to look into the Dairy Revenue Protection Program (Dairy R-P). The program 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](http://www.rma.usda.gov/tools/agent.html).
- The Center is continuing to accept applications for its On-Farm Program. With 2019 behind you, now may be a good time to consider using one of these programs. Contact Melissa Anderson at 717-346-0849 to learn more.