



CENTER FOR
DairyEXCELLENCE
Dairy Week In Review

Dated February 13, 2020



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Feb) **	\$18.03/cwt.	▲ 0.9 %	▼ 0.1 %	▲ 20.1 %
Corn (Mar)	\$3.83/bushel	▲ 0.7 %	▼ 0.3 %	▲ 1.3 %
SBean Meal (Jan)	\$291.7/ton	▲ 2.4 %	▼ 1.8 %	▼ 6.0 %
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.

- The average dairy price index fell 4.7 percent to \$3,226 per metric ton on the latest Global Dairy Trade auction. The decline came after two straight increases in January. The Cheddar cheese price was still up 6 percent from the last auction, while butter was up 0.2 percent. Skim milk powder prices fell 4.2 percent, while whole milk powder was down 6.2 percent.
- Recent data from the USDA shows the significant decline in the portion of total milk solids produced going into fluid milk products. In 2000, fluid milk productions accounted for 25.95 percent of total milk solids. That fell 9 percent to 16.95 percent by 2018. *Daily Dairy Report* estimated the drop translated to about a 23-cent average decline in farm milk checks.
- USDA's World Agricultural Supply and Demand Estimates report, released this week, held milk production forecasts for 2020, with export expectations increased based on rising international demand for dairy. The 2020 All-Milk estimated price was lowered 40 cents to \$18.85 per hundredweight.

Government and Industry:

- The Pennsylvania Department of Agriculture Bureau of Animal Health and Diagnostic Services is reminding all dairy farm families that all dairy calves, including bull calves, must be identified with tags. The Bureau recently received a letter from Atlantic Veal and Lamb LLC expressing concern regarding an uptick in the number of unidentified live calves arriving at their plant. Live calves without tag identification are not traceable and are automatically condemned as unfit for human consumption. For the sake of the dairy, dairy veal and dairy beef industry, farmers are encouraged to take the time to officially identify all dairy calves before they leave your farm. Official identification tags are available for free through the PA Department of Agriculture. To order tags, contact Allie Steck, ADT Coordinator for PDA BAHDS, at 717-678-3508 or asteck@pa.gov.
- March 15, 2020, is the deadline to enroll in the Dairy Revenue Protection Program (Dairy R-P) for the second quarter of 2020. The Dairy RP Program offers market-based price coverage for the next five quarters, which currently includes 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 19 in Montrose and February 20 in Tunkhannock.

Dairy Opportunity of the Month:

- A dairy farm with a 92-cow tie stall facility in Berks County is available to lease. The farm includes an 18-stall calf kennel, heifer barn, dry cow barn with pasture, and other buildings for animals. The owner would like to supply crops to the dairy. The tie-stall barn has box pens aside from the tie stalls and a track with automatic takeoff milkers. There is a milk house with an office and bathroom. There is a house available to rent with the dairy. For more information, call PA Farm Link at 717-705-2121 or visit pafarmlink.org.