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DairyEXCELLENCE
Dairy Week In Review

Dated March 4, 2020



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Feb) **	\$17.99/cwt.	▼ 0.2 %	▲ 0.5 %	▲ 11.6 %
Corn (Mar)	\$3.81/bushel	▲ 2.9 %	▲ 0.2 %	▲ 4.1 %
SBean Meal (Jan)	\$303.8/ton	▲ 4.1 %	▲ 5.7 %	▼ 0.6 %
Milk Margin (January)*	\$13.09/cwt.	—	▲ 5.1 %	▲ 21.9 %

**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.*

- Total cheese stocks were at 1.35 billion pounds as of Jan. 31, up 2 percent from last month but down 1.2 percent from a year ago. Cheese stocks were at their second highest level in January on record, with the December-to-January build-up the largest in 20 years. Butter stocks grew dramatically in January to 242.7 million pounds, up 14.9 percent from a year ago, up 53 million pounds from December, and the highest since 1994.
- Milk production output is slowing in other parts of the world. Gains in the European Union have slowed, with total 2019 milk collections just 0.6 percent above 2018. Eleven of the EU-28 nations produced less milk than last year, including Germany, France and the Netherlands. The United Kingdom and Ireland were both up in annual milk production, 1.6 and 5.3 percent respectively, but saw declines in monthly milk production in December. In the Oceania region, Australia's milk production was down 7.3 percent for the first 11 months of 2019.
- The USDA is predicting slightly higher milk prices in 2020. In the agency's annual dairy price report, the USDA's Class III milk forecast for this year is \$16.95 per cwt., and the Class IV price forecast is \$16.70. The all-milk price estimate for 2020 is \$18.85, an increase of \$0.25 from 2019.

Government and Industry:

- A broad bipartisan coalition of nearly 60 congressional lawmakers wrote last week to Food and Drug Administration Commissioner Stephen Hahn, urging that he take action to enforce regulations defining what may be labeled a dairy product. National Milk Producers Federation and other industry organizations worked to support the effort.
- 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. 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.