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

Dated March 11, 2020



## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Mar) **	\$17.33/cwt.	▼ 4.7 %	▼ 4.7 %	▲ 8.9 %
Corn (Mar)	\$3.80/bushel	▼ 0.3 %	▼ 1.9 %	▲ 6.4 %
SBean Meal (Mar)	\$295.8/ton	▼ 1.1 %	▼ 1.7 %	▼ 1.7 %
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.

- Milk future prices fell dramatically this week, with the April Class III milk price dipping below \$16 per hundredweight and the average Class III milk price now at \$16.23 per cwt. Class IV milk prices for the next six months now average \$15.57 per cwt. Class III futures prices for the next six months have fallen more than a dollar in the past two months, while Class IV milk prices are down nearly \$2 in the past two months.
- The value of US dairy exports was up 29.5 percent year-over-year to \$546.2 million in January, marking the fifth consecutive month of growth and only the second time in history when January exports exceeded \$500 million. It was also the highest figure in nearly five years. US suppliers shipped 184,033 tons of milk powders, cheese, whey products, lactose and butter fat during the month, 21 percent above year-ago levels. On a total milk solids basis, US exports were equivalent to 15.1 percent of the total US milk solids produced in January.
- Nonfat dry milk and skim milk powder exports were up 41 percent year over year, while total whey exports were up 18 percent. Cheese exports were flat, while whole milk powder exports fell 8 percent and butter fat exports were down 23 percent, according to the US Dairy Export Council. Despite the strong performance in January, concerns exist about how the spread of coronavirus and an expected slowdown in the global economy will affect global dairy demand in the coming months.
- Production of both cheese and butter was up in January, according to the latest USDA Dairy Products report. Butter production was up 0.6 percent from a year ago and the highest on record for any January at 191 million pounds. Overall cheese output was up 0.4 percent to 1.1 billion pounds, again a record for January. Skim milk powder production was also up, increasing 29.5 percent from a year ago, marking the largest year-over-year increase since 2011.
- The average dairy price index on the latest Global Dairy Trade auction fell 1.2 percent to \$3,112 per metric ton. This is the third consecutive decrease, with Cheddar cheese, skim milk powder and whole milk powder all posting declines. Butter prices were up 1 percent, while Cheddar fell 4.7 percent and whole milk and skim milk powder were down 0.5 and 3.2 percent, respectively.

## Government and Industry:

- 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](http://www.rma.usda.gov/tools/agent.html).
- According to USDA's Risk Management Agency, 1,824 dairy farms nationwide representing 38.4 billion pounds of milk have protected their income through Dairy R-P since the new crop year began on July 1, 2019. On an annualized basis, that represents roughly 18% of U.S. milk output. With milk futures prices falling in the past few weeks, those farms are likely to receive an indemnity payment for the first and second quarters of 2020.
- 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.