



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated April 15, 2020



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Apr) **	\$14.69/cwt.	▼ 2.4 %	▼ 15.3 %	▼ 11.4 %
Corn (May)	\$3.19/bushel	▼ 3.7 %	▼ 7.3 %	▼ 8.4 %
SBean Meal (May)	\$292.2/ton	▼ 0.6 %	▼ 0.7 %	▼ 4.0 %
Milk Margin (February)*	\$12.93/cwt.	—	▼ 1.2 %	▲ 14.0 %

*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.

- Wholesale dairy product prices and milk price forecasts have been lowered substantially from last month’s forecasts in USDA’s latest *Livestock, Dairy and Poultry Outlook* report. The all-milk price forecast is \$14.35 per hundredweight, a reduction of \$3.90 from the previous forecast. Dairy product demand is expected to be much lower due to the COVID19 pandemic. Export forecasts have been lowered based on lower expectations for global demand. The report also expects the nation’s dairy herd to contract, estimating the annual average herd for 2020 to be at 9.350 million head.

Government and Industry:

- The CARES Act provides \$349 billion to create a new loan program called the Paycheck Protection Program (PPP). The PPP is a low interest, short-term loan program designed to retain employees and maintain payroll. It can also be used to pay some qualifying operating expenses like mortgage payments, lease payments, and utility payments. The maximum loan amount is the lesser of 2.5 times the average monthly payroll incurred during calendar year 2019 or \$10 million. Dairy farms may be eligible for this program even if they do not have a regular payroll. The money can be used to cover owner draws, salary, wages, commissions, or tips, as well as, employee benefits like health insurance premiums, medical costs, retirement benefits, state and local taxes, and more. Contact your agriculture lender for more information on the program or to apply for a PPP loan. PPP loan applications will be accepted until June 30, 2020.

COVID-19 Resources:

- The Center and the Professional Dairy Managers of Pennsylvania are hosting a Farm Contingency Webinar on Monday, April 20, from 12 p.m.—1:30 p.m. During the webinar, attendees will hear directly from other dairy farmers who have already taken the time to think through contingency plans related to COVID-19. Participation is limited so registration is required. Go to centerfordairyexcellence.org/webinar to register.
- The Center has assembled a library of resources to help farmers navigate through the COVID-19 situation. To access the library, visit centerfordairyexcellence.org/covid-19-farm-resources/. Assistance with developing your farm’s contingency plan is also available by calling Melissa Anderson at 717-636-0779.