



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (May) **	\$12.50/cwt.	▼ 1.3%	▼ 16.9 %	▼ 28.3 %
Corn (May)	\$3.11/bushel	▲ 3.6 %	▼ 6.4%	▼ 12.4 %
SBean Meal (May)	\$283.1/ton	▲ 0.8 %	▼ 10.8 %	▼ 0.6 %
Milk Margin (March)*	\$12.03/cwt.	—	▼ 6.9 %	▲ 5.6 %

*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.

- According to the latest USDA Cold Storage report, butter stocks were up 7.7 million pounds from Feb. 29 to 309.6 million pounds on March 31, the largest amount for March since 1993 and up 15 percent from a year ago. However, the month-to-month build was not as large as expected and less than what is typical for February to March. Total natural cheese stocks were up 11.3 million pounds from February to 1.373 billion pounds, with the build up slightly below the five-year average build up from Feb. to March of 14.3 million pounds. Year over year, total cheese stocks fell 1 percent.
- Butter production was up 7.5 percent year-over-year to 188 million pounds in March, according to the latest USDA Dairy Products report. Combined production of nonfat dry milk (NDM) and skim milk powder (SMP) was up 1.6 percent to 213.5 million pounds. Stocks of nonfat dry milk climbed to 349.2 million pounds, the highest total on record. Cheese production was up 0.2 percent to 1.12 billion pounds, with Cheddar cheese production up 1.1 percent while Mozzarella was down 0.4 percent year over year.
- After seven months of Dairy Margin Coverage (DMC) margins above the highest insurable margin of \$9.50 per hundredweight, the March margin was announced at \$9.15 per cwt.. This triggered an indemnity payment of \$0.35 per cwt on March milk at the \$9.50 per cwt. margin coverage. The March margin dropped \$0.91 per cwt. from February and \$1.57 per cwt. since January. The DMC final feed costs have remained relatively stable since January with increases in some commodities mostly offset by decreases in others. The March final feed cost was \$8.85 per cwt., only three cents less than the peak 2020 cost in January. This indicates that the reduction in margins is due to the drop in milk price. The U.S. March all-milk price was announced as \$18.00 per cwt., 90 cents less than February and \$1.60 less than January.

Government and Industry:

- The Coronavirus Food Assistance Program (CFAP) will purchase \$100 million worth of dairy products each month for six months. Last week, USDA put out solicitations for processed cheese, shredded cheese, butter, and milk. These and other dairy products will be distributed to food banks. This is in addition to the \$2.9 billion in direct payments to dairy farms allotted in the CFAP, with more details regarding how those direct payments will be distributed expected soon.
- The Small Business Association (SBA) began accepting new Economic Injury Disaster Loan (EIDL) and EIDL Advance applications this past Monday on a limited basis only. They are reopening the portal only to agricultural businesses, which includes dairy producers, in order to provide unprecedented relief to U.S. agricultural businesses. The application is available at www.SBA.gov/Disaster.

COVID-19 Resources:

- 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.