



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (May) **	\$13.27/cwt.	▲ 4.2 %	▼ 8.0 %	▼ 18.5 %
Com (May)	\$3.21/bushel	▼ 0.7 %	▲ 1.6 %	▼ 21.4 %
SBean Meal (May)	\$284.6/ton	▼ 1.4 %	▼ 1.2 %	▼ 25.3 %
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.

- After falling to 20-year lows in late April and early May, Class III and Class IV milk futures prices have been increasing on the CME, driven by increases in prices for butter and cheese. As of May 19, Class III prices for the next 12 months averaged \$16.02 per cwt., up from an average of \$14.39 on March 31, while Class IV prices averaged \$14.52 per cwt., up from an average of \$12.04 on March 31.
- In its most recent World Agricultural Supply and Demand Estimates (WASDE) report, USDA raised its forecast for the 2020 All-Milk price by 20¢ to \$14.55/cwt. The increase in the All-Milk price was aided by an increase in the Class III estimate, which rose to \$13.35/cwt. The Class IV price fell 25¢ to \$11.90/cwt. This would be the lowest price since 2009.
- The dairy price index increased 1.0 percent on the latest Global Dairy Trade auction to an average price of \$2,907 per metric ton, after two consecutive down sessions. The increase was driven primarily by a 6.7 percent increase in skim milk prices, while Cheddar cheese, butter and whole milk all were down, at -6.0%, -1.9% and -0.5%, respectively.

Government and Industry:

- USDA announced that the sign up period for agricultural producers to enroll to receive direct payments through the CFAP Program opens May 26. Farmers must make an appointment with their local FSA Office to enroll. The total direct payment will be comprised of two components and will be paid to dairy farmers to help compensate for lost revenue due to drastic price drops and shifts in demand that ultimately led to milk being dumped.
- For dairy, the first part of the plan includes a payment that reflects 80 percent of milk price declines during January to March of 2020, which USDA determined to be equal to \$4.71 per hundredweight. The first portion of the direct payment will be calculated by taking a farm's first quarter 2020 milk production and multiplying it by \$4.71 per cwt. The second part of the payment will address 25 percent of the projected loss in second quarter 2020 and was calculated at \$1.47 per cwt. This portion of the payment will be calculated by taking Quarter 1 production, factoring in an increase due to spring flush, and multiplying by \$1.47 per cwt. Payments will be divided into two parts, with 80 percent paid upfront and 20 percent paid later.
- With ongoing uncertainty in the marketplace, now may be a time to look into protecting price risks through Dairy Revenue Protection Program. Dairy R-P offers market-based price coverage for the next five quarters, from the third quarter of 2020 through the third quarter of 2021. The program puts 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.

COVID-19 Resources:

- The Center has assembled a library of resources to help farmers navigate through the COVID-19 situation. 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.
- The Center will host a fifth industry call on Tuesday, May 26, from 12:30 - 1:30 p.m. Join the call by dialing 987-990-5000 and entering Access Code 553371#. Submit questions by calling or texting 717-585-0766. Recordings of past calls are available for play back by dialing 978-990-5099 and using the Access Code: 553371#. For the first call, use reference number 2#, for the second use 3#, for the third use 4#, and for the fourth one use #6.