



CENTER FOR  
**Dairy** EXCELLENCE  
**Dairy Week In Review**

Dated May 27, 2020



## Markets:

| Dairy Prices         | Price         | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|----------------------|---------------|---------------------|----------------------|---------------------|
| Milk Price (May) **  | \$13.19/cwt.  | ▼ 0.7 %             | ▲ 4.1 %              | ▼ 24.2 %            |
| Corn (July)          | \$3.19/bushel | ▼ 0.7 %             | ▲ 6.3 %              | ▼ 23.7 %            |
| SBean Meal (July)    | \$283.9/ton   | ▼ 0.3 %             | ▲ 1.1%               | ▼ 11.1 %            |
| 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.

- April milk production in the US was up 1.4 percent to 18.7 billion pounds, with 18 pounds more milk per cow and 49,000 more head. However, cow numbers did fall 4,000 head from March to April, after peaking at 9.385 million head. Milk production per cow also fell from March to April, on a daily average basis, by 0.3 percent.
- Milk production in the top eight producing states was mostly up, with California up 0.3 percent, Wisconsin flat, Idaho up 6.3 percent, New York up 1.5 percent and Texas up 4.9 percent. Michigan was also up 1.6 percent, while Pennsylvania and Minnesota were both up, 0.4 and 1.6 percent, respectively.
- Pennsylvania's milk production in April totaled 883 million pounds, which was up 0.6 percent from March, on a daily average basis. Cow numbers were 10,000 head below year ago levels, while milk production per cow was up 3.7 percent.
- USDA's Cold Storage Report shows stocks of both cheese and butter building. Total natural cheese stocks as of April 30 were up 8 percent from March and 6 percent from a year ago to 1.483 billion pounds. Total butter stocks were up 19 percent from last month and up 27 percent from a year ago to 386.6 billion pounds.

## Government and Industry:

- The sign up for agricultural producers to enroll to receive direct payments through the CFAP Program opened on Tuesday, May 26. Farmers can sign up online through the USDA website at [farmers.gov/cfap](http://farmers.gov/cfap). They can download the CFAP Payment Calculator to estimate their payments and populate the application form. They can then print out the form, sign it, and mail, fax, or email a scanned copy back to their local FSA Office. To ask questions or sign up through the office, call your local FSA Office. Only phone appointments are available now.
- For dairy, the payment is estimated to be about \$6.20 per cwt on first quarter production and will be distributed in two portions with 80 percent paid upfront and 20 percent paid later. Dairy farmers can also receive direct payments on cull cows, bull calves sold to market, and feed crops.
- Dairy Revenue Protection Program 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](http://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/](http://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.
- Recordings of past Dairy Industry and COVID calls hosted by the Center 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. This week's call recording is also now available and can be accessed by using reference number 7#. This week's call featured Cynthia Walters from USDA sharing information about the CFAP Program, as well as a market update from Matt Gould with the *Dairy Market Analyst*.