



Markets:

| Dairy Prices | Price | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|----------------------|---------------|---------------------|----------------------|---------------------|
| Milk Price (May) ** | \$17.38/cwt. | ▲ 0.5 % | ▲ 2.8 % | ▲ 7.4 % |
| Corn (July) | \$4.18/bushel | ▲ 6.1 % | ▲ 20.8 % | ▲ 6.3 % |
| SBean Meal (July) | \$319.0/ton | ▲ 8.0 % | ▲ 6.3 % | ▼ 15.4 % |
| Milk Margin (March)* | \$11.90/cwt. | — | ▲ 4.9 % | ▲ 20.1 % |

*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 production levels in the Oceania region are struggling due to severe drought conditions. Combined milk production in April for New Zealand and Australia was 4.2 billion pounds, down 10 percent from the prior year and the lowest level in April since 2014. Milk production in the European Union, however, was up 1.1 percent in March compared to the prior year.
- The USDA Cold Storage report shows total cheese stocks up 1 percent from March to 1.399 billion pounds, a 4-percent increase from a year ago. American cheese stocks fell 0.3 percent to 782.6 million pounds, just 0.3 percent above a year ago levels. This is the first time since 1993 that American cheese stocks fell from March to April. Butter stocks fell 5 percent from a year ago to 290.8 million lbs., up 8 percent from a month ago.
- The USDA announced the June Class I base price at \$17.07 per hundredweight, up 65 cents from May and \$1.82 higher than year-ago levels.

Government and Industry:

- Dairy Revenue Protection (Dairy R-P) coverage for the last half of 2019 and first three quarters in 2020 is now available from authorized crop insurance agents. Coverage for the third quarter of 2019 will be available until June 15, when the program will move to the next five quarters. Farms can choose to cover any of the five upcoming quarterly (three month) periods, but they must enroll first. The program allows you to put 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 crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/tools/agent.html.
- Enrollment in the new Dairy Margin Coverage program is expected to open on June 17. Milk production will retroactively be covered starting January 1, 2019. The actual margins for January, February and March are \$7.99, \$8.22 and \$8.85 per hundredweight, respectively
- USDA announced another phase of relief to compensate farmers suffering from ongoing trade conflicts but key details, including payment rates to dairy farmers, remain unknown. The structure of this year's program will be the similar to the 2018 Market Facilitation Program. Once details are announced, the payments are expected to come in three installments, starting this summer, followed by another in the fall and possibly a third in 2020. The government will also purchase \$1.4 billion worth of dairy products, other animal proteins, and fruits and vegetables for domestic distribution