



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated June 3, 2020



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (June) **	\$20.99/cwt.	▲ 59.7 %	▲ 67.9 %	▲ 22.6 %
Corn (July)	\$3.23/bushel	▲ 1.3 %	▲ 3.9 %	▼ 21.8 %
SBean Meal (July)	\$285.1/ton	▲ 0.4 %	▲ 0.4%	▼ 10.4 %
Milk Margin (April)*	\$ 7.61/cwt.	—	▼ 32.30%	▲ 32.11%

*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.

- USDA's Crop Progress report shows about 80 percent of Pennsylvania's corn crop is in the ground, as of May 31. This is up from 1 percent from the five-year average and 8 percent ahead of last year. About 91 percent of the crop is in the good to excellent "crop condition" category. Nationally, 93 percent of the corn crop has been planted, with 74 percent of it in the good to excellent "crop condition" category.
- USDA announced the May Class III milk price at \$12.14 per hundred-weight, down 93 cents from last month and \$4.24 under year-ago levels. The Class IV price was announced at \$10.67 per cwt., down 73 cents from April and \$5.60 below May 2019 levels. These are the lowest Class III and IV prices in the past 10 years. CME milk futures have done a dramatic rebound, with the average 6-month Class III milk futures price at \$17.74.

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. 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.
- 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. With Class III and Class IV prices strong right now, it may be a good time to consider using this program. To learn more, contact your crop insurance agent. A list of agents is available on the RMA website at rma.usda.gov/tools/agent.html.
- The Small Business Association (SBA) is continuing to accept new Economic Injury Disaster Loan (EIDL) and EIDL Advance applications from agricultural businesses, which includes dairy producers, in order to provide unprecedented relief to U.S. agricultural businesses. The application is available at SBA.gov/Disaster.

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 webinar to walk both producers and consultants through step-by-step instructions in completing the CFAP Application. The webinar will be held on Friday, June 12, at 8 a.m. Register for the free webinar at centerfordairyexcellence.org/cfap-webinar.