



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated June 9, 2020



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (June) **	\$21.56/cwt.	▲ 2.7 %	▲ 72.5 %	▲ 25.9 %
Corn (July)	\$3.27/bushel	▲ 1.2 %	▲ 5.1 %	▼ 20.9 %
SBean Meal (July)	\$287.1/ton	▲ 0.7 %	▲ 1.1 %	▼ 9.7 %
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.

- Spot cheese prices are up dramatically over the past four weeks, with the Cheddar block price closing on June 9 at \$2.58 per pound. That is up \$1.28 from a month ago. The increase in cheese prices is driving up Class III milk futures prices, as well, with the June price closing at \$20.56 per cwt. Increasing retail sales, with food service institutions and restaurants opening, along with the USDA's Farmers to Families Food Box Program, are driving up demand for cheese. Analysts warn though that uncertainty still exists, with concerns that the forecasted demand may not materialize.
- USDA's Dairy Products report showed butter production reaching a record high in April, up 25.1 percent year-over-year to 215.7 million pounds. Total cheese production fell 1.7 percent to 1.07 billion pounds. Manufacturer stocks of nonfat dry milk and skim milk powder reached record highs, as well, up 12.5 percent from a month earlier to 392.6 million pounds.
- In April, US suppliers shipped 181,437 tons of milk powders, cheese, whey products, butterfat and other dairy products overseas, up 7 percent from a year earlier. The value of all exports was up 4 percent to \$521.0 million. Exports of nonfat dry milk and skim milk powder were up 20 percent from a year ago, with exports of these products into Southeast Asia up 62 percent. On the flipside, cheese exports were down 18 percent while butterfat exports were up 8 percent. On a total solids basis, US exports were equivalent to 15.3 percent of the US milk solids production for the month.

Government and Industry:

- Farmers should sign up online for CFAP payments through the USDA website at www.farmers.gov/cfap. About \$6.20 per hundredweight is available on the first quarter 2020 production. Download the Payment Calculator to estimate your payments and populate the application form. You 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. Phone appointments are available.
- With strength in the milk markets, the 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 rma.usda.gov/tools/agent.html.
- The Center is offering COVID-19 Assistance Grants, with up to \$1,000 available for individual dairy farms and \$2,000 for milk hauling and transportation companies to reimburse them for costs associated with COVID-19 mitigation efforts, surveillance and personal protection equipment purchases. Learn more or apply at www.centerfordairyexcellence.org/covid-grants/ or by calling 717-346-0849.