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Dairy EXCELLENCE
 Dairy Week In Review



Dated June 13, 2019

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (June)**	\$17.30/cwt.	▲ 1.1%	▼ 0.6 %	▲ 5.7 %
Corn (July)	\$4.31/bushel	▲ 4.3%	▲ 21.4 %	▲ 14.6 %
SBean Meal (July)	\$320.2/ton	▲ 0.8%	▲ 12.4 %	▼ 8.0 %
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.

- USDA's World Agricultural Supply and Demand Estimates reports estimates the US corn production in 2019/20 at 13.7 billion bushels, down 1.4 billion bushels from the 2018/19 harvest and driven down by unprecedented wet weather conditions. Bushels per acre were lowered to 166 bushels per acre and 3 million acres were removed from harvest estimates. With end use bushels also lowered, carryout is expected to decline 810 million bushels to 1.7 billion bushels, the lowest since 2013/14. Soybean estimates were unchanged in this report, despite only 60 percent of the soybean crop being planted.
- In the report, the USDA lowered milk production estimates for 2019 based on slower-than-anticipated growth in milk per cow and lower expected cow numbers. Despite lower milk production levels, the report reduced estimates for the 2019 all milk price to \$18 per hundredweight. However, the 2020 all milk price estimate was raised to \$18.90 per cwt.
- US dairy exports in April failed to exceed year-ago levels, with US nonfat dry milk powder sales down 25 percent from a year ago to nearly 125 million pounds. Overall, suppliers shipped 169,072 tons of dairy exports overseas in April, down about 22 percent from the all-time high volume achieved last April. The total value of dairy exports also fell, down 5 percent from a year ago to \$498.1 million. Cheese exports were down 1 percent in April, but up 7 percent year-to-date. Whole milk powder exports were down 50 percent from a year ago, while butterfat exports were down 71 percent. On a market basis, dairy exports to Mexico, the largest market for US dairy, were down 4 percent, while exports to China were down 43 percent. Increased sales to all other markets except Oceania helped to offset the declines.

Government and Industry:

- Enrollment in the new Dairy Margin Coverage program is expected to open next week on June 17. Milk production will retroactively be covered starting January 1, 2019. The actual margins for January, February, March and April are \$7.99, \$8.22, \$8.85 and \$8.96 per hundredweight, respectively. The USDA has announced a new web-based tool available to help dairy producers evaluate participation in the new Dairy Margin Coverage program. The University of Wisconsin offers the tool in cooperation with FSA designed to help producers determine the level of coverage under a variety of conditions that will provide them with the strongest financial safety net. To access the tool, go to: <https://www.fsa.usda.gov/programs-and-services/farm-bill/farm-safety-net/dairy-programs/dmc-decision-tool/index>.