



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated June 17, 2020



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (June) **	\$21.64/cwt.	▲ 0.4 %	▲ 63.1 %	▲ 25.1 %
Corn (July)	\$3.29/bushel	▲ 0.6 %	▲ 2.5 %	▼ 25.6 %
SBean Meal (July)	\$287.9/ton	▲ 0.2 %	▲ 1.2 %	▼ 9.4 %
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.

- The dairy price index on the latest Global Dairy Trade auction was up 1.9 percent to \$2,979 per metric ton. Skim milk powder, whole milk powder and Cheddar cheese prices were all up, increasing 3.1, 2.2 and 1.4 percent, respectively. The butter price fell 1.0 percent.
- Total milk production in the European Union was flat in April, totaling nearly 31 billion pounds, with Austria, Greece and Sweden still needing to report. In contrast, milk production in Australia was up 6.4 percent in April to 1.4 billion pounds. The increase in milk production is attributed to better than average rainfalls after last year's drought. Milk production in the Oceania state was still 5.4 percent below levels in April 2018.

Government and Industry:

- USDA announced that nearly one-fourth of the nation's 32,000 dairy operations have received assistance from the Coronavirus Food Assistance Program (CFAP). Just over 7,700 dairy producers applied for and have received \$337 million, with other livestock producers receiving another \$676 million. For those who haven't signed up, you can do so online 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 Commonwealth of Pennsylvania has announced that \$40 million in CARES Act funding to address dairy relief and food security. Specifically, \$15 million of the \$40 million in support will provide direct assistance to farms experiencing losses associated with discarded or displaced milk related to the COVID-19 pandemic. Farms that have a documented loss can apply for a minimum of \$1,500 in assistance and an additional prorated share of the remaining funds, not to exceed the actual amount assessed by the handler. The deadline to apply for the Dairy Indemnity Program is September 30, 2020. For an application, go to agriculture.pa.gov/COVID.
- 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.