

## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (June) **	\$17.30/cwt.	—	▲ 1.7 %	▲ 6.0 %
Corn (July)	\$4.42/bushel	▲ 2.6%	▲ 19.8 %	▲ 24.9 %
SBean Meal (July)	\$317.7/ton	▼ 0.8%	▲ 6.0 %	▼ 4.9 %
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.

- Total milk production in the US was down 0.4 percent in May to 19.055 billion pounds, according to the latest USDA Milk Production Report. Total cow numbers fell 11,000 head from a year ago to 9.333 million head, increasing 5,000 head from last month. Milk production per cow was still up 12 pounds or 0.5 percent from a year ago to 2,042 pounds for the month, dropping 0.5 percent from last month.
- California, Idaho, New York, Texas, and Michigan all were up in milk production, increasing 1.3, 1.4, 1.0, 5.4 and 0.4 percent, respectively. Wisconsin's milk production fell 0.4 percent. Pennsylvania's milk production continued to fall significantly, down 7 percent from a year ago to 887 million pounds. The state was down 30,000 head from a year ago, with 25 pounds less milk per cow for the month.
- Milk production in Japan also continues to decline. According to the Agriculture, Forestry and Ministry data, the number of dairy farm households declined 58 percent in the last two decades, from 37,400 farms in 1998 to 15,700 farms in 2018, an average loss of three operations per day. The average herd size in Japan is 50 cows per day.
- The latest USDA Crop Progress Report showed a big jump in the percentage of corn and beans planted, despite continuing wet weather conditions. According to the report, 92 percent of the corn and 77 percent of the soybeans are now in the ground. Trade analysts are questioning the report, citing that reported prevented acres could be included in the report, distorting the actual number of acres in the ground. Prevented planting acres this year is expected to surpass the previous record of 3.6 million acres in 2013 by a wide margin. As of June 9, 14.5 million acres remained unplanted in the 18 states reported in the Crop Progress report. The prospect of planting more than 14 million acres of corn after June 10 seems unlikely.

## Government and Industry:

- Enrollment in the new Dairy Margin Coverage program opened on Monday, June 17. Dairy farmers are encouraged to visit their local FSA Office to sign up for the program. Last week USDA announced it would incorporate the price of dairy-quality hay into payments for the Dairy Margin Coverage program, which will boost payments for producers and better reflect actual feed-cost conditions. Milk production will retroactively be covered starting January 1, 2019. With the 50 percent hay blend, FSA's revised April 2019 income over feed cost margin is \$8.82 per hundredweight (cwt). The revised margins for January, February and March are, respectively, \$7.71, \$7.91 and \$8.66 – triggering DMC payments for each month.
- The Homeland Security appropriations bill included an amendment that signals dairy's importance in the immigration debate. The bipartisan proposal offered by Rep. Henry Cuellar (D-TX) and Rep. Dan Newhouse (R-WA), would reform the H-2A visa program to make it workable for year-round employees, which is essential for dairy.

## Dairy Opportunity of the Month:

- A family located in Butler County is looking for a free stall parlor operation with heifer barn facilities and a house to live in. They currently have their own herd of cows and are looking to rent a facility built for more than 100 cows. They would also like to have access to cropland for feed. They have 24 years of experience in the dairy industry and two sons with interest in dairy farming. Contact PA Farm Link at 717-705-2121 or pafarmlink.org for more information.