

## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (June)**	\$17.32/cwt.	▲ 0.1 %	▼ 0.4 %	▲ 6.7 %
Corn (July)	\$4.43/bushel	▲ 0.2 %	▲ 5.9 %	▲ 26.2 %
SBean Meal (July)	\$313.4/ton	▼ 1.3 %	▼ 1.8 %	▼ 6.3 %
<b>Milk Margin (May)*</b>	<b>\$12.80/cwt.</b>	—	▲ 7.8 %	▲ 12.8 %

\*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 Cold Storage report has total natural cheese stocks falling 1 percent from a month ago to 1.396 billion pounds, still up slightly from May 2018 levels. Butter production was up 8 percent from a month ago to 313.9 million pounds, down 7 percent from a year ago.
- The dairy price index on the latest Global Dairy Trade auction was down 3.8 percent to \$3,208 per metric ton. This is the third consecutive session-to-session decline, with butter prices falling 5.7 percent, Cheddar cheese and whole milk powder both down 4.3 percent, and skim milk powder falling 3.5 percent.
- USDA's Livestock Slaughter report showed 258,100 head of dairy cows going to auction in May, up 13,000 head from a year ago but down 10,000 head from April. Year to date, dairy cow slaughter levels are up about 75,000 head from a year ago, or about 5.6 percent.
- The July Class I milk price was announced at \$17.18 per hundredweight, up 11 cents from last month and \$1.82 above year-ago levels.
- New Zealand's milk production dropped 0.1 percent on a fluid basis from a year ago to 1.91 billion pounds in May. Components are down even more, with the country's total milk solids falling 1.1 percent.

## Government and Industry:

- Enrollment in the new Dairy Margin Coverage program opened on 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.
- Dairy Revenue Protection (Dairy R-P) coverage for the last fourth quarter of 2019 through the fourth quarter of 2020 is now available from authorized crop insurance agents. Farms can choose to cover any of the five upcoming quarterly (three month) periods, but they must enroll first. The program allows you to put 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 [www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html).