



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated June 30, 2020



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (June) **	\$21.97/cwt.	▲ 4.3 %	▲ 66.6 %	▲ 26.8 %
Corn (July)	\$3.40/bushel	▲ 4.6 %	▲ 6.6 %	▼ 23.3 %
SBean Meal (July)	\$285.2/ton	▼ 0.6 %	▲ 0.4 %	▼ 9.0 %
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.

- USDA's Cold Storage report shows total cheese stocks down 1.6 percent month-over-month to 1.45 billion pounds at the end of May. That counters historical trends for inventories to grow from April to May. Total cheese stocks were up 5 percent from a year ago, despite the 24-million-pound drawdown from April, the largest on record for this time of year. Butter inventories, in contrast, were up month-over-month, increasing 7.6 million pounds or 2 percent to 380.2 million pounds at the end of May.
- The July 2020 Class I base price was announced at \$16.56 per hundred-weight, up \$5.14 from May but down 51 cents from a year ago.
- Dairy producers lost an average of \$1.81/cwt. of milk in 2019, according to USDA's cost of production estimates released last week. While the gross value of production on U.S. dairy farms improved from 2018, total costs increased, too, driven by feed, labor, and capital recovery.
- The dairy price index on the latest Global Dairy Trade was up 1.4 percent to \$2,979 per metric ton. The increase was driven by price increases in Cheddar cheese, skim milk powder, and whole milk powder, up 1.4, 3.1 and 2.2 percent, respectively. The butter price fell 1.0 percent.

Government and Industry:

- For those who haven't signed up for the USDA's CFAP Program, 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 milk production, in addition to support allocated for cull cows, bull calves and feed inventories. 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 your local FSA Office. To sign up through the office, call your local FSA Office. Phone appointments are available.
- The Commonwealth of Pennsylvania has announced that \$40 million in CARES Act funding is available to address dairy relief and food security. Specifically, \$15 million of the \$40 million in support will provide assistance to farms experiencing losses associated with discarded 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. For an application, go to agriculture.pa.gov/COVID.
- The Center for Dairy Excellence hosted a Dairy Industry Call this past Tuesday. The call discusses the Dairy CARES Program and other COVID updates. To access the recording, dial 978-990-5099 and use the Access Code: 553371#. Use reference number #7.
- The Center will host a "Building the Bridge: The People Side of Dairying" Webinar Series in July. The first session will be on Wednesday, July 8, from 12:30—2:00 p.m. and will include a discussion on "Working with Family" led by Rob Skacel, a licensed psychologist with senior executive experience at True Edge Performance Solutions. To learn more or register, call the Center at 717-346-0849.