

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (June) **	\$17.27/cwt.	▼ 0.3 %	▲ 0.8 %	▲ 11.5 %
Corn (July)	\$4.13/bushel	▼ 6.8 %	—	▲ 20.7 %
SBean Meal (July)	\$303.5/ton	▼ 3.3 %	▼ 5.5 %	▼ 7.4 %
Milk Margin (May)*	\$12.80/cwt.	—	▲ 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 released its planted acreage report at the end of last week, which shocked the market. USDA estimated planted corn acres at 91.7 million acres, up 3 percent from a year ago and well above trade estimates of 86.7 million acres. USDA projected soybean acres at 80 million acres, down 10 percent from a year ago and well below the trade expectations.
- In USDA's Grain Stocks report, corn stocks were reported at 5.2 billion bushels, down about 2 percent than a year ago. Soybean stocks were 47 percent larger than a year ago at a record high of 1.79 billion bushels.
- USDA's Ag Prices report was also released last week. The All-milk price for May was \$18 per hundredweight, up 30 cents from April and \$1.80 from a year ago. When adjusted for changes in the feed prices, the All-milk price resulted in a margin calculated using the Dairy Margin Coverage formula of \$9 per hundredweight for May. With this report, DMC margins for the first five months of 2019 have been announced at \$7.71, \$7.91, \$8.66, \$8.82 and \$9.00 – triggering DMC payments for each month for those farms that select the maximum coverage level.
- The dairy price index on the latest Global Dairy Trade auction fell 0.4 percent, marking the fourth consecutive decline in the average price. Buttermilk posted the largest decline, down 11.9 percent. Butter was down 4.8 percent, while Cheddar cheese fell 1.5 percent. Skim milk powder was up 3.2 percent, while whole milk powder was flat.
- Class III milk price futures on the CME have been climbing recently, with the average Class III milk price for the next 12 months as of July 2 at \$17.26 per hundredweight. August through October 2019 Class III milk futures are approaching \$18 per cwt. Class IV milk futures prices for the next 12 months averaged about \$17.38 per cwt., as of July 2.

Government and Industry:

- USDA reported last week that 5,364 farmers have enrolled in the Dairy Margin Coverage Program in the first 10 days of the sign-up period. Of those, 2,600 producers are signed up for the full five-year length of the program, with the remainder electing to participate just in calendar year 2019. Northey said that of those enrolling in Tier 1, 98% had selected the maximum coverage level of \$9.50 per hundredweight. USDA is ready to begin issuing payments in July, but that the Office of Management and Budget has not approved all of the program's final details, possibly delaying the payment process for a short period. DMC payments will be reduced by 6.2% in 2019 because of the budget sequestration process.
- 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.
- Pennsylvania Governor Tom Wolff has signed into law several pieces of legislation that made up the first ever Pennsylvania Farm Bill, investing \$23.1 million into the agriculture industry. Among the programs funded through the legislation was \$5 million invested in Round 2 of the Pennsylvania Dairy Investment Program. In Year 1, the PDIP Program awarded \$5 million to 29 applicants across the state investing in value-added and innovation in the dairy sector.
- The Dairy Decisions Consultant Program could help those farms who want assistance in making those critical decisions affecting the future of their farm. Once accepted into the program, farms can receive up to \$3,500 in funds to work with a DDC. Call 717-346-0849 to learn more.