



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated July 8, 2020



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (July) **	\$23.66/cwt.	▲ 7.9 %	▲ 12.7 %	▲ 36.2 %
Corn (July)	\$3.46/bushel	▲ 1.7 %	▲ 7.1 %	▼ 20.3 %
SBean Meal (July)	\$292.2/ton	▲ 2.5 %	▲ 2.3 %	▼ 5.5 %
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 announced the June Class III milk price at \$21.04 per hundredweight, up \$8.90 from May and \$4.77 above year-ago levels. The Class IV milk price was announced at \$12.90 per cwt., up \$2.23 from last month but down \$3.93 from a year ago. Class III milk futures prices average \$17.83 per cwt. for the next 12 months, while Class IV milk futures average \$15.51 for the next 12 months, as of July 8.
- The dairy price index on the latest Global Dairy Trade auction jumped 8.3 percent to \$3,197 per metric ton, marking the largest jump since November 2016. The price is up 11.5 percent since reaching a low on May 5. Whole milk powder posted the biggest increase, up 14 percent, while skim milk powder, Cheddar cheese and butter all posted modest gains, at +3.5, +3.0 and +3.3 percent, respectively.
- In May, U.S. suppliers shipped 210,429 tons of milk powders, cheese, whey products, lactose, and butterfat, 18% more than the year before. This was the highest figure since April 2018. The value of all exports was \$585.2 million, 8 percent more than a year ago. Non-fat dry milk and skim milk powder exports reached 79,613 tons, the most ever for May and up 24 percent from a year ago. Whey exports were up 17 percent from a year ago, while cheese and whole milk powder exports increased, up 7 and 83 percent, respectively. Butterfat exports were down 7 percent from a year ago. On a total milk solids basis, US exports of dairy were equivalent to 17.4 percent of the US milk production in May, the highest since April 2018.
- USDA announced the May 2020 income over feed cost margin, calculated under the Dairy Margin Coverage program, was \$5.37 per cwt., triggering the third payment of 2020 for dairy producers who purchased the appropriate level of coverage under the DMC Program.

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.
- Dairy farmers who experienced losses related to dumped milk due to the pandemic can apply for CARES Act funding to reimburse their dairies for those losses. 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 value of the discarded milk or the total fees assessed by the handler. For an application, go to agriculture.pa.gov/COVID or call the Center at 717-346-0849 to have an application mailed to you. Leave your mailing address and a phone number with your message.