



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated July 29, 2020



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (July)	\$24.42/cwt.	▲ 0.2 %	▲ 11.2 %	▲ 38.8 %
Class IV Milk Price (July)	\$13.65/cwt.	▼ 1.1 %	▼ 5.3 %	▼ 19.3 %
Corn (September)	\$3.15/bushel	▼ 1.6 %	▼ 7.4 %	▼ 25.8 %
SBean Meal (August)	\$286.9/ton	▲ 0.1 %	▲ 0.5 %	▼ 6.5 %
Milk Margin (May)*	\$ 6.14/cwt.	—	▼ 32.30%	▼ 46.79%

*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."

- Natural cheese stocks fell 3 percent month-over-month to 1.416 billion pounds at the end of June, but remained at a record high for the month, up 2.6 percent from a year ago, according to USDA'S Cold Storage report. Butter stocks also fell month-over-month by 4 percent to 361.6 million pounds, marking the largest May-to-June drawdown since 2014 but are still up 11 percent from a year ago.
- The price index on the latest Global Dairy Trade fell 0.7 percent to \$3,201 per metric ton, after four consecutive session increases. Butter prices were down 4.9 percent, while skim milk powder was down 0.5 percent. Whole milk powder was up 0.6 percent, while Cheddar cheese prices were up 0.6 percent.
- The August Class I base price was announced at \$19.78 per hundred-weight, which is up \$3.22 from a month ago and \$1.89 above the Class I price in August 2019. The Class I price is determined by taking the average of the Class III and Class IV prices plus 75 cents. Currently, there is nearly a \$9 difference between the two.

Government and Industry:

- Dairy farmers have one more month to apply for the financial assistance offered by USDA's Coronavirus Food Assistance Program. As of July 20, approximately 21,000 dairy producers have signed up to receive \$1.25 billion – about one-fifth of the total \$6.2 billion in payouts. For those who haven't signed up yet, 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.
- The Center hosted its monthly "Protecting Your Profits" conference call this Wednesday. To access a recording and learn more about current market dynamics and dairy margins, call 717-346-0849 or visit the website at centerfordairyexcellence.org/markets-management/protecting-your-profits/.

Dairy Opportunity of the Month:

- A 130-acre farm is available to rent in Lancaster County. The farm has a 140-cow freestall barn, double nine parlor, upright silos, feed available and crops for sale. There is also a house on the property. The property also has the capabilities of growing tobacco or produce. For more information, call the PA Farm Link at 717-705-2121. You can also visit pafarmlink.org to learn more. Interested parties are asked to send resumes and cover letters to farmland@pafarmlink.org.