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**Dairy**EXCELLENCE  
Dairy Week In Review



Dated August 1, 2019

## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (July)**	\$17.25/cwt.	▼ 1.0 %	▲ 0.1 %	▲ 8.7 %
Corn (Sept)	\$4.00/bushel	▼ 5.7 %	▼ 3.2%	▲ 9.5 %
SBean Meal (Aug)	\$298.2/ton	▼ 2.7 %	▼ 1.8 %	▼ 10.4 %
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 July Agricultural Prices report. The June all-milk price was up 10 cents from last month to \$18.10 per hundredweight, while the corn price was up 35 cents to \$3.98 per bushel. The soybean meal price was up \$27.53 to \$324.75 per ton, while the blended alfalfa hay price fell \$8 to \$205 per ton. Based on those figures, the milk margin above feed costs announced under the Dairy Margin Coverage Program was \$8.63 per hundredweight, resulting in a payment of 87 cents for those farmers enrolled at the \$9.50 level.
- The July Class III milk price was announced at \$17.55 per hundredweight, up \$1.28 from June and \$3.45 above year-ago levels. The Class IV price was announced at \$16.90 per cwt., up 7 cents from June and up \$2.76 from a year ago.

## Government and Industry:

- The USDA announced details last week about farm payments now available under the Market Facilitation Program. Dairy producers are eligible for payments of \$0.20/cwt on their production history. The first portion will include 50% of the total payment, which for dairy farmers should mean an initial rate of \$0.20/cwt. on half of their production history. Payment rates on crop production are calculated by county and range from \$15 to \$150 per acre on qualified acres. The first and largest payment will be issued in August. The other 50% will be divided into two later payments late this year and early next year, if conditions warrant. Sign-ups opened on June 29 and end on December 6. Farmers are encouraged to visit their local FSA Office to sign up.
- USDA also announced that there are now 13,240 farms enrolled in the Dairy Margin Coverage Program out of 37,468 licensed dairy operations nationwide. Dairy farmers are encouraged to visit their local FSA Office to sign up for the program. Milk production will retroactively be covered starting January 1, 2019. DMC margins for the first five months of the year are 7.71, 7.91, 8.66, 8.82 and 9.00 per hundredweight, with the \$9.50 coverage level yielding a payment in all five months.
- 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).
- The Dairy Decisions Consultant Program remains open and available to 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. Guidelines for the 2019-20 On-Farm Team Programs are being developed now, with farm applications available in late August. Call 717-346-0849 to learn more or visit [centerfordairyexcellence.org](http://centerfordairyexcellence.org).