



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review



Dated August 4, 2020

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (August)	\$24.55/cwt.	▲ 0.5 %	▲ 3.8 %	▲ 39.7 %
Class IV Milk Price (August)	\$13.61/cwt.	▼ 3.8 %	▼ 4.6 %	▼ 18.8 %
Corn (September)	\$3.10/bushel	▼ 1.6 %	▼ 10.5 %	▼ 23.2 %
SBean Meal (August)	\$282.6/ton	▼ 1.5 %	▼ 3.5 %	▼ 4.4 %
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."*

- The US Agricultural Prices report indicated that the June all milk price of \$18.10 per cwt is \$4.50 higher than May but unchanged from June 2019. The June margin announced as part of the Dairy Margin Coverage Program was \$9.99 per cwt., up \$4.62 from May. Record negative PPDs reduced mailbox milk prices across most of the country that resulted in actual margins much lower than the announced DMC margins despite a significantly improved blend price.
- USDA announced the Class III milk price at \$21.04 per hundredweight, up \$4.07 from a year ago and \$8.90 above May's low of \$12.90 per cwt. The June Class IV milk price was announced at \$12.90 per cwt., down \$3.93 from a year ago but up \$2.23 from May. Futures on the CME for both Class III and IV prices fell this week, with Class III prices averaging \$18.31 per cwt. for the next six months, while Class IV prices average \$13.36.

Government and Industry:

- Dairy farmers have one more month to apply for the financial assistance offered by USDA's Coronavirus Food Assistance Program. In Pennsylvania, 2,410 applications have been submitted, approved, and \$77.8 million in relief have been made to dairy farmers across the state. Based on these numbers, there are still over 3,000 dairy farmers in Pennsylvania that have not applied. Applications must be filled out and returned to your local Farm Service Agency office. If you are one of those and would like to know more about the program, contact me or your local FSA office. CFAP payments can be made to you through your cooperative if you do not want to receive it directly from FSA. If you are interested in this option, you will still have to complete the required documents and application with your local FSA office. Once that is completed, you will be able to fill out an additional document that allows the money to go to your cooperative. Your cooperative will then pay you the CFAP funds in your milk check.
- 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 Pennsylvania Dairy Futures Commission released their 54 recommendations to strengthen the future of Pennsylvania's dairy industry. To learn more about the Commission, established through Act 66 by the Pennsylvania General Assembly, and their recommendations, join a webinar hosted by Penn State and the Center on Wednesday, August 12, from 12 p.m.—1:15 p.m. Learn more at centerfordairyexcellence.org.