

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated August 12, 2020



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (August)	\$19.49/cwt.	▼ 20.7 %	▼ 19.8 %	▲ 10.5 %
Class IV Milk Price (August)	\$13.51/cwt.	▼ 0.8 %	▼ 3.7 %	▼ 18.8 %
Corn (September)	\$3.14/bushel	▲ 1.2 %	▼ 3.7 %	▼ 12.6 %
SBean Meal (August)	\$281.7/ton	▼ 0.8 %	▼ 1.5 %	▼ 1.9 %
Milk Margin (June)*	\$12.65/cwt.	—	▲ 86.3 %	▼ 9.81%

*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."

- US dairy exports in June were up from a year ago, increasing 28 percent by volume and 22 percent by value. The month caps off a first half of double-digit growth in dairy exports. US suppliers shipped 206,411 tons of dairy overseas, the most since April 2018, with the value of all exports at \$583.7 million. On a total solids basis, US exports were equivalent to 17.7 percent of US milk solids production in June, also the highest since April 2018. Cheese exports were up 29 percent, while exports of non-fat and skim milk powder were up 77 percent. Fluid milk and cream exports were up 17 percent, while butterfat exports were up 15 percent.
- USDA's latest World Agricultural Supply and Demand Estimates report estimates the 2020-21 corn crop to be a record 15.3 billion bushels, 278 million larger than last month's forecast and 120 million more than expected. The estimate puts the corn yield at a record-high 181.8 bu. per acre, up 3.3 bu. from last month's projection and 1.3 bu. more than anticipated. USDA also raised its estimate for soybean production by 290 million bushels to a record 4.425 billion. Yields were estimated at a record 53.3 bu. per acre, up 3.5 bu. from last month and 5.9 bu. higher than last year.

Government and Industry:

- USDA has extended the deadline to apply for direct payments through the Coronavirus Food Assistance Program to Sept. 11. To ensure availability of funding, the USDA initially released only 80% of approved payments to farmers. But nine weeks into the program, less than half of the \$16 billion allotted has been awarded. The agency said it will now pay out the nearly \$1.8 billion it held back from initial payments.
- In Pennsylvania, 2,431 applications have been submitted, approved, and \$79.9 million in relief has been made to dairy farmers across the state. 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 Penn State Extension Dairy Team and the Center hosted a webinar on the Pennsylvania Dairy Futures Commission recommendations released last week. Commission Chair Brett Reinford, along with the chairs from the sub-committees, shared their perspective on the recommendations and the process. To learn more about the recommendations or to access the webinar, visit centerfordairyexcellence.org/recommendations/.