



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review



Dated August 14, 2019

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Aug) **	\$17.64/cwt.	▲ 0.3 %	▲ 1.5 %	▲ 10.2 %
Corn (Sept)	\$3.59/bushel	▼ 10.2 %	▼ 17.3 %	▼ 0.1 %
SBean Meal (Aug)	\$293.1/ton	▼ 0.7 %	▼ 3.4 %	▼ 11.0 %
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.*

- In USDA's Crop Production report, the agency reported farmers planted 90 million acres of corn, up 1 percent from a year ago and well above the 88 million acres analysts expected. USDA also raised its estimates for corn yields to 169.5 bushels per acre, 6.9 bushels lower than last year but 3.5 bushels higher than its July estimate. Total production is expected to be 13.9 billion bushels, only 4 percent less than production levels a year ago.
- Total soybean production is expected to be 3.68 billion bushels, down 19 percent from last year. Yields are expected to be 48.5 bushels, down 3.1 bushels from 2018. Planted acres were estimated at 76.7 million acres, 14 percent less than a year ago. The corn forecast was well above analysts' expectations, sending the corn market down 10 percent this week.
- The Dairy Price Index on the Global Dairy Trade fell 2.6 percent to 2.6 percent to \$3.253 per metric ton. Butter prices fell 5.5 percent, while Cheddar cheese prices fell 2.0 percent. Whole milk powder and skim milk powder prices were both down, 1.7 and 1.6 percent, respectively. All products posted declines this week, coming off a market increase last week,

Government and Industry:

- The deadline to enroll in the Dairy Margin Coverage Program for this fiscal year is September 20, 2019. 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 six months of the year are 7.71, 7.91, 8.66, 8.82, 9.00 and 8.63 per hundred-weight, with the \$9.50 coverage level yielding a payment in all six months.
- Farmers can also sign up for the USDA Market Facilitation Program at their local FSA Office. Dairy producers are eligible for payments of \$0.20/cwt on their production history. The first portion is expected this month and 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. December 6 is the deadline to sign up, with the remaining two payments expected in December or January if market conditions warrant.
- 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.