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**Dairy** EXCELLENCE  
**Dairy Week In Review**

Dated August 25, 2020



**Markets:**

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (August)	\$19.59/cwt.	▼ 1.3 %	▼ 19.8 %	▲ 11.3 %
Class IV Milk Price (August)	\$12.80/cwt.	▼ 3.4 %	▼ 5.7 %	▼ 23.2 %
Corn (September)	\$3.39/bushel	▲ 3.7 %	▲ 7.6 %	▼ 6.4 %
SBean Meal (August)	\$291.6/ton	▼ 1.8 %	▲ 1.7 %	▼ 0.9 %
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."

- Total milk production in the US is growing, up 1.5 percent from a year ago to 18.6 billion pounds. Production per cow is up 21 pounds to 1,994 pounds in July, while the number of milk cows in the nation's dairy herd is up 37,000 head from a year ago to 9.35 million. Cow numbers are also up 2,000 head from June. Pennsylvania's milk production was up dramatically in July, growing 4.0 percent from a year ago to 865 million pounds. Cow numbers were down 3,000 head from a year ago, while production per cow jumped 4.6 percent from last year, with better forages helping to carry the state's dairy herd through hotter July temperatures. Other major dairy states had modest to strong growth in milk production: California (+0.5%), Wisconsin (+0.6%), Idaho (+2.3%) New York (+1.8%), Texas (+4.4%) and Michigan (+2.7%). South Dakota saw the most growth in milk production, up 11.5 percent, while Georgia saw the greatest decline, down 5.7 percent, of the top 24 milk production states.
- Total butter stocks rose 13 percent year-over-year to almost 373 million pounds at the end of July, up about 10 million pounds from a month ago, according to the latest USDA Cold Storage report. Typically, butter stocks are flat to declining month-over-month this time of year. Total cheese stocks, however, fell 2 percent from June to 1.393 million pounds, as of July 31, still up 2 percent from a year ago. American cheese stocks were 12 million pounds higher than a year ago, but down 1 percent from a month ago. Industry analysts attribute the drawdown in cheese stocks to the USDA food box program.
- As of August 24, Class III milk price averaged \$16.69 per cwt for the next 12 months, \$1.51 per cwt lower than the end of July. The 12-month average Class IV price also fell, averaging \$14.65 last Monday, 26 cents per cwt less than this time last month. While retail sales are still increasing year over year (YOY), food service sales are still lagging YOY. With milk production back to positive YOY growth from May's decrease, that is resulting in a milk surplus which is causing the decrease in milk prices.
- Decreased harvest expectations drove grain futures prices up this week. In its latest report, USDA rated 64% of the corn crop and 69% of the soybean crop in good or excellent condition, down five and three points, respectively, from the previous week. Ratings deteriorated in Iowa, the nation's top corn-producing state, where millions of acres of cropland were damaged or destroyed by the recent storm. USDA rated only half of Iowa's corn crop in good or excellent condition, down from 77% a month ago. Drier weather patterns are also weighing on harvest expectations.

**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. If you have already applied and received the initial 80% payment, the remaining 20% payment started processing beginning on August 17, 2020. Applications received now until the deadline will receive 100% of the payment once the application is approved.
- The CFAP direct payment is roughly equivalent to \$6.20 per cwt of an applicant's first quarter milk production. This is roughly \$6,200 for each 100,000 pounds of first quarter milk production. Dairy farmers can elect to have the direct payment paid to them through their cooperative. Contact your local Farm Service Agency Office for more information. Or if you would like help completing the application, please contact the Center at the number below.
- Dairy farmers who experienced losses related to dumped milk due to the pandemic can apply for CARES Act funding through the Pennsylvania Department of Agriculture 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](http://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.