



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated September 1, 2020



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (August)	\$19.80/cwt.	▲ 1.2 %	▼ 19.4 %	▲ 12.4 %
Class IV Milk Price (August)	\$12.70/cwt.	▼ 0.8 %	▼ 6.7 %	▼ 24.1 %
Corn (September)	\$3.39/bushel	▲ 3.7 %	▲ 9.3 %	▼ 2.1 %
SBean Meal (August)	\$291.6/ton	▼ 1.8 %	▲ 3.2 %	▼ 0.3 %
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."*

- The average dairy price index fell 1 percent to \$2,955 per metric ton on the latest Global Dairy Trade auction, marking the fourth consecutive auction-to-auction decrease. Butter, Cheddar cheese, and whole milk powder all posted decreases, falling 1.2%, 0.4%, and 2.0%, respectively. The skim milk powder price was up 1.8% from the previous auction.
- The USDA's Livestock Slaughter report shows dairy cow slaughter in July up 10,000 head from June, with 233,700 sent to auction that month. July's numbers were down 9 percent from July 2019. Year-to-date, dairy cow slaughter totals 1.826 million head, down 3.7 percent from a year ago.
- Milk price futures on the CME continue to erode, with the September Class III price more than \$4 below the August Class III price on the board. Class III milk futures prices for the next six months (September through February) average \$16.79 per hundredweight, while Class IV prices average \$13.89 per cwt. The Class III milk futures average price for the next six months has fallen \$2.50 since last month, while the Class IV price is down 50 cents.

Government and Industry:

- The deadline to apply for direct payments through the Coronavirus Food Assistance Program is Sept. 11. The CFAP direct payment is roughly equivalent to \$6.20 per cwt of an applicant's first quarter milk production. 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 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 Center will be hosting the Dairy Financial and Risk Management Conference virtually from 9 a.m. - 11:30 a.m. on Tuesday and Wednesday, September 15 and 16. The conference is open to anyone and offers insight for dairy financial consultants and lenders working with producers. To learn more, go to centerfordairyexcellence.org or call 717-346-0849.