



## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Sept) **	\$18.29/cwt.	▲ 3.8 %	▲ 3.7 %	▲ 6.8 %
Corn (Sept)	\$3.48/bushel	▲ 3.4 %	▼ 3.1 %	▲ 2.1 %
SBean Meal (Sept)	\$289.6/ton	▼ 0.9 %	▼ 1.2 %	▼ 8.3 %
Milk Margin (July)*	\$12.74/cwt.	—	▲ 10.6 %	▲ 24.1 %

*\*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.*

- The USDA announced the Class III price for August at \$17.60 per hundredweight, up \$2.65 from a year ago and 5 cents above July. The Class IV milk price was announced at \$16.74 per hundredweight, up 16 cents from July and \$1.93 above a year ago.
- China has exempted 16 US products from the list of duties, which lowers tariffs on those products to the rate on other nations. Whey permeate intended for feed was included on that list, but whey powder was not. China is the US most significant buyer of whey permeate. This announcement has had a positive affect on US dairy markets this week.
- According the USDA Dairy Products report, total cheese output in July was 1.09 billion pounds, up 0.5 percent from a year ago and 2.3 percent above June levels. Butter production was also up year over year, increasing 6.0 percent to 143 million pounds, still down 1.5 percent from June. Nonfat dry milk production was up 12.4 percent while skim milk powder production was down 22.7 percent. Dry whey production for human consumption was 80.1 million pounds in July, the lowest volume for any July since 2014 and 8.8 percent less than July 2018.
- Australia's milk production continues to suffer from a multi-year drought, with the country's 2018-19 full season milk collections at 19.5 billion pounds, down 5.2 percent and the lowest level since 1997-98.
- The dairy price index fell 0.4 percent to \$3,202 per metric ton on the latest Global Dairy Trade auction. Butter prices were flat, while both Cheddar cheese and whole milk powder prices were both down 0.8 percent.

## Government and Industry:

- This week is the deadline for dairy farms to enroll in Dairy Margin Coverage Program for this fiscal year. Dairy farmers are encouraged to visit their local FSA Office to sign up for the program. Milk production will be retroactively 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 hundredweight, with the \$9.50 coverage level yielding a payment in all six months. Visit your local FSA Office by September 20 to enroll.
- 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 available now 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 Center is now accepting applications for its On-Farm Program. Grants are available for Transformation, Transition and Profit Teams, with funds covering paid team members and discovery-related costs. Farms can also apply for a Dairy Decisions Consultant Grant, which will cover the cost of a consultant to do a whole farm review and offer insight on key decisions affecting the future of the farm. Contact Melissa Anderson at 717-346-0849 or manderson@centerfordairyexcellence.org for more information.