



CENTER FOR  
**Dairy**EXCELLENCE

## For Immediate Release

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### **LEARN ABOUT RISK MANAGEMENT DURING ‘PROTECTING YOUR PROFITS’ CALL ON OCT. 23**

*The Monthly Call Helps Pennsylvania Dairy Producers Understand the Changing Marketplace*

**Harrisburg, Pa.** – Dairy producers and industry professionals are invited to join the Center for Dairy Excellence on Wednesday, October 23 at noon for its monthly “Protecting Your Profits” call. Led by Zach Myers, Risk Education Manager with the Center, the call will include data and insight to help Pennsylvania dairy producers understand the changing marketplace and develop a plan for maintaining profitability.

“Market fundamentals seem to be set for continued improvement in milk price over the coming months. In addition, the national herd continues its decline and milk production is not increasing as rapidly as it has in recent years,” said Myers. “This month’s Protecting Your Profits call will allow us to discuss this data in more depth.”

During the call, Myers will provide an overview of the following data:

- As of Oct. 14, 2019, Class III and Class IV futures prices for the next six months are still trending higher than the previous six months, but Class III is down slightly from this time last month. Class III futures are averaging \$17.68 per hundredweight, about 16 cents below mid-September 2019.
- Class IV futures have been trending down over the last few months; however, futures prices have seemed to level off and are trading, on average, virtually the same as mid-September. Class IV futures prices are up about 6 cents per hundredweight over this time last month.
- August dairy cow slaughter was down 4.7 percent compared to August 2018, but the rolling 12-month average for dairy cow slaughter is still up over 4 percent.
- Milk production increased 0.16 percent over August of 2018. Over the last 10 years, milk production has grown 1.5 to 2 percent a year. Milk production over the last 12 months has increased an average of 0.54 percent while dairy cow numbers continue to decline.
- August cow numbers dropped over 0.5 percent from August of 2018 to 9.318 million head. The national dairy herd has declined 61,000 head in the last year. The reduction in

the Pennsylvania dairy herd accounted for over half of the nation's dairy cattle loss, declining 35,000 head since last August.

Producers will also learn about current risk management programs, including the Dairy Margin Coverage (DMC) program. DMC enrollment for 2019 ended on September 27, with nearly 75 percent of US dairies enrolling in the program and receiving nearly \$304 million in payments for January through August production. August DMC margin was announced at \$9.85 and was the first month this year not to trigger an additional payment. Enrollment for the 2020 program year began October 7 and will continue until December 6. Dairy Revenue Protection policies for 1<sup>st</sup> Quarter 2020 through 1<sup>st</sup> quarter 2021 will also be available for purchase from an Authorized Insurance Provider through December 15, 2019.

“Along with market updates and risk management information, the call will also allow us to look at the dairy industry from a global perspective, with several advancements that have been made in trade agreements,” Myers added. “A temporary agreement has been reached with Japan that puts US dairy on even ground with our exporting competitors, and China has lifted some tariffs on certain milk powders coming from the US. These two advancements should help increase exports and move more US dairy products overseas.”

Join the Center on October 23 to find out how these programs and the conventional price risk management tools can fit in to your marketing plan. All are welcome to participate at no cost. To register, call 717-346-0849 or email Myers at [zmyers@centerfordairyexcellence.org](mailto:zmyers@centerfordairyexcellence.org).

The call will start promptly at noon and last approximately 15 minutes. Calls are recorded and posted on the Center for Dairy Excellence [website](#) for those who are unable to join the live session.

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The Center for Dairy Excellence is a non-profit organization initiated by the Pennsylvania Department of Agriculture in 2004. Bringing together people from more than 40 different dairy organizations in Pennsylvania, the Center's mission is to enhance the profitability of the dairy industry by empowering people, creating partnerships, and increasing the availability and use of resources. Learn more at [centerfordairyexcellence.org](http://centerfordairyexcellence.org).

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