



CENTER FOR
DairyEXCELLENCE
Dairy Week In Review

Dated October 16, 2019



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Oct) **	\$19.62/cwt.	▼ 0.6 %	▲ 7.5 %	▲ 11.3 %
Corn (Dec)	\$3.91/bushel	▼ 0.6 %	▲ 5.3 %	▲ 12.3 %
SBean Meal (Oct)	\$304.8/ton	▼ 0.6 %	▲ 4.5 %	▼ 5.3 %
Milk Margin (August)*	\$12.39/cwt.	—	▼ 2.8 %	▲ 23.4 %

**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.*

- Dairy prices on the latest Global Dairy Trade were up slightly, with the average dairy price index increasing 0.5 percent to \$3,330 per metric ton. Butter and cheese prices both fell, with butter down 0.4 percent and Cheddar cheese down 2.2 percent. Skim milk powder prices were up 2.5 percent while whole milk powder was flat.
- A recent report from USDA's Foreign Agricultural Services (FAS) expects growth in that dairy industry to be limited. New legislation within the country calls for zero net carbon emissions by 2050, requiring agriculture to pay carbon tax on 5 percent of its methane emissions, estimated at about 1 cent per kilogram of milk solids produced. Over time, agriculture will need to cut its methane emissions by 24 – 47 percent below 2017 levels.
- August milk collections in the European Union-28 totaled 29.1 billion pounds, up 0.9 percent from a year ago. It's the largest year-over-year increase since April. However, it's up just 1 percent from two years ago, marking the smallest two-year growth since June 2017. Milk production gains in Poland, Ireland and the United Kingdom accounted for most of the growth in the EU-28 milk production.

Government and Industry:

- Farmers can 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.
- Sign-up for the 2020 Dairy Margin Coverage Program began October 7, 2019. All dairy farmers who want 2020 coverage must visit their local USDA Service Center office to pay the annual administrative fee, which is \$100. Producers must visit their local office before December 31, 2019, to enroll in 2020.

Dairy Opportunity of the Month:

- Beginning farmer from the Amish community looking to rent a 50 to 100-acre dairy farm near Lancaster to milk 50 head of dairy cows. The farmer has ten years of experience and prefers natural farming with limited pesticide use. He has his own equipment and his own herd of cows. He would also need a house for a family of seven. To learn more, contact PA Farm Link at 717-705-2121 or visit pafarmlink.org.