



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Oct) **	\$19.65/cwt.	▲ 0.2 %	▲ 7.6 %	▲ 19.1 %
Corn (Dec)	\$3.88/bushel	▼ 0.8 %	▲ 3.7 %	▲ 5.4 %
SBean Meal (Oct)	\$308.6/ton	▲ 1.3 %	▲ 5.3 %	▲ 0.6 %
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.

- US total milk production was up 1.3 percent year-over-year to 17.6 billion pounds in September, according to the latest USDA Milk Production report. This was the strongest year-over-year increase in 12 months. Cow numbers still fell, down 2,000 head from August and 52,000 head below a year ago levels. The increase was driven by a 1.8 percent increase in milk production per cow, reported at 1,891 pounds for the month, or about 63 pounds per day.
- The top six dairy states were all up in milk production, adding a collective 278 million pounds of milk to their production level. California was up 1.6 percent, while Wisconsin was up 0.6 percent, Idaho was up 3.6 percent, while New York grew by 1.7 percent. Texas was up significant, increasing milk production by 9.3 percent and cow numbers by 30,000 head, with Michigan up by 3.8 percent.
- Pennsylvania was the only state in the top seven to post a decrease in milk production, down 3.8 percent with 32,000 fewer cows than a year ago. Pennsylvania may have turned a corner, though, with cow numbers remaining flat for the past three months. Milk production per cow in the Commonwealth was up, increasing 2.4 percent from a year ago.
- USDA's latest Cold Storage report shows butter stocks up 7 percent from a year ago to 302 million pounds on Sept. 30, falling just 2.2 million pounds or 0.8 percent from August. US cheese stocks totaled 1.37 billion pounds, up 6.4 billion pounds from August but down 10.5 million pounds from a year ago. Most analysts expected the growth in cheese stocks to be higher than what it is, while the month-over-month decline in butter stocks is much smaller than the five-year average of 27 million pounds.
- New Zealand also boosted an increase in milk production in September, with the country's total milk solids up 0.7 percent from a year ago. Season-to-date collections in NZ are up 2 percent from a year ago. The European Union also recently reported an increase in milk production, with the EU-28 up 0.9 percent to 29.1 billion pounds in August.
- Total DMC 2019 indemnity payments for those enrolled were estimated at \$305.8 million, averaging \$13,369 per operation. In Pennsylvania, 2,238 farms enrolled in the program for 2019, with about 6.1 billion pounds covered through the program. That represents about 36 percent of the farms and about 57 percent of the milk produced in the state.

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 13, 2019, to enroll in 2020.