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DairyEXCELLENCE
Dairy Week In Review

Dated November 4, 2020



Markets:

1Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Class III Milk Price (Nov)	\$23.77/cwt.	▲ 9.7 %	▲ 16.6 %	▲ 11.9 %
Class IV Milk Price (Nov)	\$13.56/cwt.	▲ 0.2 %	▲ 0.7 %	▼ 19.2 %
Corn (December)	\$4.05/bushel	▲ 0.9 %	▲ 4.3 %	▲ 6.8 %
SBean Meal (December)	\$385.6/ton	▲ 2.3 %	▲ 6.8 %	▲ 29.0 %
Milk Margin (August)*	\$11.93/cwt.	—	▼ 5.84 %	▼ 6.28 %

**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."*

- US dairy export volumes, on a total milk solids basis, grew 17 percent year-over-year to 190,435 tons of milk powder, cheese, whey products, lactose and butterfat in August, with year-to-date volumes up 16 percent from a year ago. August's volumes were a record high for the month, while the value of dairy exports was up 11% to \$548.8 million. Nonfat dry milk and skim milk powder exports were up 17,714 tons, while total cheese exports were up 17 percent and butterfat exports were up 4 percent. Total exports represented 16.4 percent of the total US August milk production on a total solids basis.
- USDA announced the October Class III milk price at \$21.61 per hundredweight, up \$2.89 from a year ago. The Class IV milk price was \$13.47 per hundredweight, down \$2.92 from a year ago.

Government and Industry:

- Farmers are encouraged to sign up for a second round of disaster assistance related to the COVID pandemic. The Coronavirus Food Assistance Program Round 2 (CFAP2) Program includes a dairy payment totaling \$1.20 per hundredweight on a farm's milk production for the last nine months of 2020. The program also includes \$55 per head for bull calves and dairy steers, but not for breeding stock, and payments of crops including corn, soybeans and wheat. The enrollment period will close on December 11. To apply, contact your local FSA Office.
- Dairy farmers are encouraged to enroll for the 2021 Program Year of the Dairy Margin Coverage Program. All dairy farmers who want coverage must visit their local USDA Service Center office to pay the annual administrative fee, which is \$100. Current margin forecasts are projecting a margin below the \$9.50 threshold for February - July of next year. Producers must visit their local office before December 11 to enroll in 2021.
- Based on expected feed prices and the average All-Milk price, the September margin under the Dairy Margin Coverage program is expected to be under the \$9.50 level. However, it has not been announced yet.