



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review



Dated November 6, 2019

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Nov) **	\$21.23/cwt.	▲ 0.1 %	▲ 15.6 %	▲ 37.3 %
Corn (Dec)	\$3.79/bushel	▼ 2.1 %	▼ 1.1 %	▲ 1.8 %
SBean Meal (Dec)	\$298.9/ton	▼ 1.2 %	▲ 3.1 %	▼ 3.3 %
Milk Margin (September)*	\$13.28/cwt.	—	▲ 4.3 %	▲ 20.7 %

**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 suppliers shipped 170,731 tons of milk powders, cheese, whey products, lactose and butterfat in September, up 2 percent from last year. The volume of all exports in September was up \$508.8 million, up 17 percent and the most since May. Exports of nonfat dry milk and skim milk powder reached a 16-month high, up 25 percent from a year ago. Cheese exports also rebounded in September, with volumes up 12 percent from a year ago. Total whey exports were down 11 percent, while butterfat exports fell 42 percent and whole milk powder exports were down 49 percent. On a total milk solids basis, US dairy exports were equivalent to 15.3 percent of US milk solids production in September.
- The All-Milk Price for September was \$19.30 per hundredweight, according to the USDA Ag Prices report, up 40 cents from the previous month and \$2.20 above a year-ago levels. The corn price fell 13 cents from August to \$3.80 per bushel, while the soybean price was down less than a dollar and the blended alfalfa hay price was up a dollar, resulting in feed costs of \$8.89 per hundredweight. The margin under the Dairy Margin Coverage program was announced at \$10.41 per hundredweight, well above the \$9.50 maximum coverage level available.
- The dairy price index on the latest Global Dairy Trade auction was up 3.7 percent to \$3,446 per metric ton, marking the largest increase in price in at least the past six months. Skim milk powder posted the biggest increase in price, up 6.7 percent, while butter milk powder was up 5.4 percent. The butter price was up 0.2 percent, while the Cheddar cheese price fell 0.6 percent and the whole milk price was up 3.6 percent.

Government and Industry:

- The Center for Dairy Excellence and Penn State Extension Dairy Team are teaming up to host Dairy Producer Roundtables across the state. Come learn more about your risk management options and find resources to help in calculating your cost of production. Meetings will be held on Tuesday, November 12, in Martinsburg and Grover City and on Friday, November 15, in Chambersburg. To learn more or register, call the Center for Dairy Excellence at 717-346-0849.
- 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. December 6 is the deadline to sign up, with the remaining two payments expected in 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 the Center for Dairy Excellence at 717-346-0849 or email 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.