



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Nov) **	\$21.23/cwt.	▼ 0.2 %	▲ 7.7 %	▲ 36.4 %
Corn (Dec)	\$3.75/bushel	▼ 1.2 %	▼ 4.6 %	▲ 2.2 %
SBean Meal (Dec)	\$304.1/ton	▲ 2.0 %	▼ 0.8 %	▼ 0.6 %
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.

- The USDA raised its milk production forecasts for both 2019 and 2020 from the previous month, based on stronger milk production per cow than expected, according to the latest USDA World Agricultural Supply and Demand Estimates report. Export forecasts were lowered for most dairy products, while price forecasts for cheese and nonfat dry milk were increased based on strengthening demand. The 2019 all-milk price forecast was raised 20 cents from the previous month to \$18.60 per hundredweight, while the 2020 all-milk price forecast remained at \$18.85 per hundredweight.
- With retaliatory tariffs still intact, the US is missing opportunities with China's domestic consumption of dairy continuing to grow well beyond its domestic production capabilities. A recent USDA Global Agricultural Information Network (GAIN) report showed per-capita dairy consumption in China increasing 4.3 percent from 2017 to 2018. Fluid milk consumption is on the rise due to better living standards and more accessible refrigeration, along with a nation-wide school milk program. Cheese consumption is also on the rise, with China's cheese processing capabilities can supply about one-fourth of its consumption.

Government and Industry:

- Dean Foods publicly announced a Chapter 11 reorganization this week to continue operations while managing its debts and pension obligations. The company also announced it is in "advanced discussions" with its largest supplier Dairy Farmers of America (DFA) regarding the sale of substantially all assets."
- The deadline to sign up for the USDA Market Facilitation Program is approaching. Farmers have until December 6 to enroll in the program. The first payment for dairy producers of \$0.20/cwt on 50 percent of their production history was made available in August. A second payment on an additional 25 percent of their production history was approved by Congress last week, with a third payment possible in January. To enroll, farms should visit their local FSA office.
- 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.

Dairy Opportunity of the Month:

- A dairy family located in Bradford County, Pa., is looking for a lease or rent-to-own opportunity for a small dairy farm in that area. The father has ten years of experience as a dairy herdsman and would like to farm with his daughter. They have a herd of thirty milking cows and access to a milk market. For more information, please contact PA Farm Link at 717-705-2121 or visit pafarmlink.org.