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Dairy Week In Review

Dated November 21, 2019



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Nov) **	\$21.34/cwt.	▲ 0.6 %	▲ 8.6 %	▲ 37.2 %
Corn (Dec)	\$3.66/bushel	▼ 2.3 %	▼ 5.7 %	▲ 1.1 %
SBean Meal (Dec)	\$299.8/ton	▼ 1.5 %	▼ 2.9 %	▼ 2.0 %
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.*

- Total US milk production was up 1.3 percent year-over-year in October to 18.1 billion pounds, according to the latest USDA Milk Production Report. Cow numbers were up 5,000 head from the revised September number but down 40,000 from a year ago to 9.327 million head. The increase in production was driven by a 1.7-percent increase in milk production per cow, with the nation's average milk per cow at 1,941 pounds for the month.
- Pennsylvania continued to be the only state in the top eight milk producing states to decline in milk production. California was up 2.8 percent, while Wisconsin was up 1 percent. Idaho increased production by 2.3 percent, while New York was up 1.8 percent. Texas continues its rapid growth, up 9.3 percent, while Michigan and Minnesota were up 3 percent and 1.8 percent, respectively. Minnesota has remained above Pennsylvania in total milk production since June, despite having 38,000 fewer cows.
- Pennsylvania's dairy herd does appear to be stabilizing, though. Cow numbers in October were at 485,000 head, down 30,000 from a year ago but flat since July. Milk production per cow in the Commonwealth was up 2.4 percent year-over-year to 1,705 pounds in October, still 234 pounds below the national average. Total milk production for Pennsylvania remains down 3.5 percent year-over-year with the lower cow numbers continuing to offset the increasing milk production.
- Dairy prices on the latest Global Dairy Trade auction were up 1.7 percent to \$3,481 per metric ton, marking the fifth consecutive increase in prices between auctions. All commodities except butter and anhydrous milkfat posted increases, with skim milk powder, Cheddar cheese and whole milk powder increasing 3.3, 2.5 and 2.2 percent, respectively.

Government and Industry:

- 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.
- 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.