



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated December 12, 2019



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Dec) **	\$20.37/cwt.	▲ 0.1 %	▼ 4.1 %	▲ 38.4 %
Corn (Dec)	\$3.57/bushel	▼ 3.3 %	▼ 2.5 %	▲ 5.1 %
SBean Meal (Dec)	\$293.3/ton	▼ 2.6 %	▼ 3.6 %	▼ 5.7 %
Milk Margin (October)*	\$13.99/cwt.	—	▲ 5.3 %	▲ 19.8 %

*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.

Government and Industry:

- The US House of Representatives passed its bipartisan passage of the Farm Workforce Modernization Act, which represents the first House-passed agricultural labor reform since a comprehensive immigration plan in 1986. The Farm Workforce Modernization Act includes critical provisions to address dairy's unique workforce needs and was supported by many dairy groups across the country.
- The White House and Congress reached a deal on the United States-Mexico-Canada Agreement, which will provides the US with tools to enforce our rights if trading partners flout their dairy obligations under the trade deal. The USMCA will expand trade opportunities with our most valuable partners and secure immediate benefits for our rural communities, adding an estimated \$548 million to dairy-farm revenues in its first six years after implementation, according to National Milk Producers Federation. The Senate must now ratify the deal.
- The USDA has extended the deadlines for both the Dairy Margin Coverage Program and the Market Facilitation Program to Friday, December 20. Farmers who want 2020 coverage through DMC must visit their local Farm Service Agency Office to pay the annual administration fee and pick their level of coverage. Premiums are not due until September 20, 2020. Farmers should also visit the FSA office to sign up for the MFP Program, which offers 20 cents per hundredweight to dairy producers to offset the effects of trade wars. The first two of three potential payments were already distributed, representing 75 percent of a farm's production history. Another payment may be distributed in January for the remaining 25 percent.
- December 15 is the deadline to lock in coverage for the first quarter of 2020 through the Dairy Revenue Protection Program (Dairy R-P). The program offers market-based price coverage for the next five quarters, which include the first quarter of 2020 through the first quarter of 2021. The program allows you to put a floor under your milk price, and you can choose to price your milk either based on your Class utilization or on your components. To learn more, contact your crop insurance agent. A list of agents is available on the RMA website at www.rma.usda.gov/tools/agent.html.