CDE DAIRY MARKETS & MANAGEMENT UPDATE All prices – TUESDAY, MAR. 3, 2020 – except where noted

2019 Milk Production and Farm Numbers: Milk price started low at the beginning of 2019 but increased through the year, ending strong compared to recent years. The U.S. all-milk price was \$16.60 in January and finished the year at \$20.70 in December. At \$18.60, the 2019 U.S. all-milk price averaged \$2.33 higher than 2018 and the highest since 2014. Prices in 2019 provided some much-needed relief for dairy farmers across the nation, but not nearly enough to make up for multiple years of suppressed milk prices. Right now, milk prices through 2020 are projected to be similar to 2019 with the U.S. all-milk price forecasted to average 25 cents higher at \$18.85.

According to the USDA, 2019 U.S. milk production increased to 218.3 billion pounds of milk, only 0.3% higher than 2018. This represents the lowest year-over-year increase in at least 10 years. Total annual U.S. milk production has increased a cumulative 13.0% since 2010. Average cow numbers declined 62,000 head to 9.336 million in 2019. The slight increase in 2019 production was driven by increased productivity per cow. Average production per cow increased to 23,391 pounds, 241 pounds above 2018. National per-cow production has increased 10.6% since 2010.

Pennsylvania total milk production declined to 10.1 billion pounds, 5.2% less than 2018. The loss in production was driven by the loss of cows. The Pennsylvania dairy herd decreased 29,000 head in 2019 to 490,000. Pennsylvania's decrease in cow numbers accounts for 47% of the total national decrease in cow numbers. Pennsylvania production lags the national average by 2,762 pounds per cow. However, productivity of Pennsylvania dairy cows did increase 95 pounds per cow, to 20,629 pounds annually. Unfortunately, the productivity increase was not enough to offset dairy cow losses in the state to maintain total milk production.

Dairy farm numbers continued their decline in 2019. The year started with 37,468 licensed dairies and finished with 34,187 at the end of Decem-Prices change daily. This market information is an example for educational purposes. The market data below are compiled weekly by Farmshine. Via CME & USDA reports ber 2019. This represents an 8.8% loss of dairies in the U.S. Cow and dairy numbers show that consolidation of cows continues. Average national herd size increased from 251 cows per dairy in 2018 to 273 in 2019.





For the second year in a row, Wisconsin and Pennsylvania lost the largest number of dairy farms. Wisconsin lost the equivalent of over two dairies per day in 2019, falling from 8,500 dairies to 7,720. This is a loss of 780 dairies or 9.2%. Pennsylvania dairy farm numbers fell from 6,200 to 5,730, a loss of 470 dairies, or 7.6%. No state increased its number of dairies in 2019.

With the loss of farms in Wisconsin and Pennsylvania, consolidation of cows occurred. Wisconsin's herd size increased from 150 cows per dairy to 164 in 2019. Despite a drop of 29,000 head of cows in Pennsylvania, herd size still managed to increase from 84 to 86 cows per dairy in 2019. The loss of cows and dairies in Pennsylvania is concerning. However, 2020 is forecasted to be a profitable year for most dairies. Hopefully, the decrease

we have seen in milk futures prices over the last couple of months have stabilized and 2020 will continue to be a favorable year and help stem the loss of dairies across Pennsylvania and the U.S.

in	Dairy Farm Losses, Top 7 Dairy									
es	States									
u-		2018	2019	% Change						
ve 20 be ar he ss nd	CA	1,335	1,255	-5.99% -9.18%						
	WI	8,500	7,720							
	ID	480	460	-4.17%						
	NY	4,190	3,880	-7.40%						
	TX	400	380	-5.00% -12.50%						
	MI	1,520	1,330							
	PA	6,200	5,730	-7.58%						
	U.S.	37,468	34,187	-8.76%						

Prices es. The m	s change daily. arket data bel	This market i ow are compil	information led weekly b	is an example by Farmshine,	e for educat via CME & U	ional purpos JSDA reports	the U.S.		U.S.	37,468	-		7.58% 8.76%
CME DAILY FUTURES & OPTIONS TRADING – MAR. 3, 2020 AT THE CLOSE													
\frown	MAR-20	APR-20	MAY-20	JUN-20	JUL-20	AUG-20	SEP-20	0CT-2	0 NOV-20	DEC-20	JAN-21	FEB-21	TREND
	CLASS III	MILK FUT	URES (\$/	CWT)									
*AVG =	16.99	16.34	16.08	16.28	16.49	16.74		17.1	4 17.12	17.15	16.92	16.60	↓↓
Average	16.53	16.39	16.47	16.69	17.05	<i>WEEK P</i> 17.20		17.2	8 17.21	17.06	16.80	16.78	
basis for North-									AND MONTH				
East and		18.16 12/19 14.59 11/18							01/20 18.01 (11/18 14.52 1				
Mid-East									NDIVIDUAL I				
*MARGIN = Milk	PA 1.81	1.58	1.19	1.60	1.28	1.01	0.85	1.33	1.87	1.70	2.75	2.30	
Price	*AVG 2.25	2.02	1.25	2.14	1.80	1.12	0.90	1.32	1.82	1.65	2.72	2.70	
over Feed	MPP/DWC 0 MPP NOV-18			S per cwt.(USL 19 FEB-1					ces, feed for all (JUL-19 AUC				C-19
Cost	8.66	7.85		.71 7.91		6 8.	82 9.00	8.63	9.27 9.8	35 10.41	10.88 1	2.21 *1 [•]	1.95 ↓↓
per cwt. YELLOW	U.S. AVG MILI NOV-18						• •		ted com & alfal G-19 SEP-19			•	• ·
= payment	11.40			.00 11.63		11.76	11.82 12			13.98 *1			
									A corn & alfalfa				
	11.29			.34 11.39		11.54	11.52 11		73 13.17	13.09 *1	3.76 * 13.7	78 * <mark>13.0</mark>	9
	CLASS III N 17 00 0 69 1								0.78 17.00 0	68 17 25 0	91 17 00 (93 16 50	0.66
				SEP-20	DEC-20	-	ample		0 JUL-20	SEP-20	DEC-20		0.00
		• • •		TIONS – C		Dail	y Strike		EAL (\$/TON				
				3.90 21.20 4.70 05.00	4.00 22.1 5.10 04.0		/ Premium		5 280 24.40 0 340 02.20				
	CORN FUTL			4.70 03.00	J.10 04.0	0		293 01.2	0 340 02.20	340 04.23	300 02.0	.0	
	MAR-20		JUL-20	SEP-20	DEC-20	MAR-2	1 MAY-21	JUL-2	I SEP-21	DEC-21	JUL-21	SEP-21	TREND
			3.862	3.820	3.854			4.020		3.944		4.054	††
			0 700	0.770	2 04 4	- WEEK AG		2.000		2.044	4 0 4 4	4.050	
	3.704		3.786	3.776	3.814	3.914	3.956	3.980) 3.916	3.944	4.044	4.052	
10	SOYMEAL F MAR-20		JUL-20	AUG-20	SEP-20	0CT-20) DEC-20	JAN-2	L MAR-21	MAY-21	JUL-21	AUG-21	TREND
			312.8	312.6	312.2	311.9	314.8	313.6		307.3	308.2	307.7	
00						WEEK AGO)						
			303.8	305.8	307.1	308.0	311.1	311.2		308.1	310.1	309.4	
*=NEW	PA MILK MA	RGIN & IOF EED COST			<mark>S - *FEB</mark> A MILK MA		CME DAIR		ETTLED FUTU R MAY JU	RES (\$/LB) IN JUL	03/03/20 AUG SE	SPOT CA	ASH TREND 3/03/20
FEED =		/CWT milk)		bs milk)	(\$/CWT m			46 1.154 68 0.363			1.185 1.2 0.360 0.3	00 11 64 MIXED	1.1400
\$/CWT. IOFC =	*FEB. *PREV MO	* 7.25 11	t '	* 9.79 ↓↓ 9.82		06 ↓↓	BUTTER 1.8				1.994 2.0		1.8600 11
A/0.014/	YRAGO	7.19 6.56		9.02 8.51	13. 11.		CHEESE 1.7 CME SPOT CI		2 1.699 1.7 ARRELS 1.5		1.756 1.7 BLOCKS 1		ee Below / 11
**USDA SEF				D FEDERA					URRENT FEDI				
'FL \$22.5	\$19.81						S *ALL-MILK		GHTED AVG. 4-		,	* FEB. 2	
N.ENGL \$19.7	\$19.39 17.					*19.60(JAN)	↓↓ * 20.20 (J	AN)↓↓ PRO	DUCT VALUE	MAKE ALLO		СОМРО	
APPAL \$20.1 U.S. \$19.3) \$18.85) \$18.58			MONTH AGO		4.03F	3.99F		EESE 1.7884		1.5881	*PROT 3	
*PA \$19.6 *NY \$19.4 *IN \$18.8) \$18.43	55 17.		17.05 1 YEAR AGO -	6.65	20.70	20.90	*NF	TTER 1.8076 DM 1.2453		1.6361 ↓↓ 1.0775 ↑↑	* B.FAT 1 * N.FAT 1	
'OH \$19.3	\$18.34 \$17.15 15.	98 16.			5.86	16.60	17.70		WHEY 0.3690		0.1699 11	*OTHER (
Price	CATTLE - DA	IRY PURPO	DSES(\$/HI	D) NORTHEA	AST (Avg. I	EB. 19, 2	020 sale Ne	w Holland	d, PA)				
averages do not	COWS Fresh		· – –				· · · · ·	-	600 lbs Beef)				(600-1800 lb)
include lower-end	1000	1150	850			N/A VEEK RUNI	N/A NING AVG	350	N/A	550	N/A	800	
'common'	1000	950	1100			N/A	850	325	N/A	475	600	900	
cows and heifers.	Avg. of prices PA & NY Auct						STEERS (\$/0 1250-1550			CURRENT 89.00	WEEK AGO 89.00	YR AGO 87.00	
	CULL MARI						No. 1 & 2,	•		50.00	135 .00	59.00	
	Premium Wi			ners Lean	1			0-85 lbs		42.00	55.00	36.00	↓↓
Average to high dressing	N/A 72.50 ↑↑ 67.75↓↓ 61.85 ↑↑ <i>WEEKAGO</i>				brought to you by:								
	N/A	72.5	68 0	61.8	5 🏻 🔏	Dairyexcellence				MQLI		penr	nsylvania
	 N/A	YEAF 60.7	RAGO '5 58	.75 51.2								IENT OF AGRICULTURE	
	IN/A	00.7	5 50	.10 01.2	J								