



CENTER FOR
DairyEXCELLENCE
Dairy Week In Review

Dated April 12, 2017



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Apr) **	\$16.19/cwt.	▼ 0.8 %	▼ 2.9 %	▲ 12.6 %
Corn (May)	\$3.69/bushel	▲ 1.3 %	▲ 1.6 %	▼ 1.4 %
SBean Meal (May)	\$312.7/ton	▲ 0.7 %	▼ 4.6 %	▲ 22.0 %
Milk Margin (Feb)*	\$ 13.07/cwt.	—	▼ 0.2 %	▲ 29.8 %

*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.

- The latest USDA World Agricultural Supply and Demand Estimates (WASDE) reporter lowered dairy product price forecasts, which in turn decreased projections for the Class III, Class IV and All-milk prices for 2017. USDA expects the 2017 All-Milk price to range from \$17.40 to \$17.90 per cwt., falling 40 cents on the low and 50 cents on the high. The growing US dairy herd is expected to overcome any slowdown in growth per cow, with the nation's herd at 9.367 million head in February, the highest since the early 1990s. USDA projected 2017 milk production levels up 2.3 percent from a year ago to 217.3 billion pounds.
- Tighter margins on the farm are causing Pennsylvania dairy farms to improve their management. Milk production per cow reported in the Pennsylvania Dairy Industry Performance Scorecard is up 3.8 percent, with somatic cells down by 4.7 percent and Age at First Calving dropping by nearly 1 percent.

Industry & Government News:

- US Dairy industry groups continue to weigh in against the new Canadian dairy pricing program that is discriminating against U.S. milk exports, in violation of existing trade commitments between the two nations. The National Milk Producers Federation was joined by the U.S. Dairy Export Council (USDEC) and the International Dairy Foods Association (IDFA) in calling on the U.S. government to take immediate action in response to Canada's violation of its trade commitments to the United States.
- The new Canadian pricing system has already caused producers in Wisconsin and Minnesota to lose their milk market. On April 1, Grassland Dairy Inc., based in Greenwood, Wisconsin, sent letters to some patrons notifying them the company would no longer be able to accept their milk, effective May 1.
- Cooperatives Working Together (CWT) has accepted 12 requests for export assistance to sell 2.01 million pounds (911 metric tons) of Cheddar and Monterey Jack cheeses to customers in Asia, Central America, the Middle East and Oceania. So far this year, CWT has assisted member cooperatives that have contracts to sell 23.49 million pounds of American-type cheeses and 1.43 million pounds of butter (82% milkfat) to 12 countries on four continents. The sales are the equivalent of 248.94 million pounds of milk on a milkfat basis.