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**Dairy** EXCELLENCE  
 Dairy Week In Review



Dated May 17, 2017

## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (May) **	\$16.62/cwt.	▲ 2.8 %	▲ 2.6 %	▲ 20.9 %
Com (May)	\$3.71/bushel	▲ 1.6 %	▲ 1.1 %	▼ 8.1 %
SBean Meal (May)	\$315.8/ton	▼ 0.6 %	▲ 1.0 %	▼ 15.0 %
Milk Margin (Mar)*	\$ 12.03/cwt.	—	▼ 8.2 %	▲ 29.4 %

\*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 European Union's milk production increased by 0.2 percent in March to 13.5 billion metric tons, or 29.7 billion pounds, marketing the first month with a year-over-year increase since May 2016. For the first quarter of 2017, milk production in the region was down 1 percent.
- US dairy exports were up 14 percent by volume and 17 percent by value in the first quarter of 2017, with total exports valued at \$1.32 billion for January – March. In the month of March, dairy exports valued \$482 million, the highest in 22 months, with the total volume of dairy exports topping a year-ago levels for the past 10 months. Cheese, milk powder and whey products now make up more than two-thirds of US dairy exports. On a total milk solids basis, US exports were equivalent to 14.0 percent of US milk production, while imports were equivalent to 3.6 percent.
- The dairy price index was up 3.2 percent to \$3,313 per metric ton during the latest Global Dairy Trade auction. Butter prices increased by 11 .2 percent, while skim milk powder and whole milk powder prices rose by 1.0 and 1.3 percent, respectively. Cheddar cheese prices were up just 0.6 percent.

## Industry:

- Cooperatives Working Together has accepted eight requests for export assistant which total sales of 930,351 pounds of Cheddar and Gouda cheese and 220,462 pounds of butter to customers in Asia, the Middle East, and North Africa. So far this year, CW has assisted with the sales of 31.604 million pounds of American-type cheeses and 2.088 million pounds of butter to fifteen countries on four continents.
- Fonterra Cooperative Group, the world's largest dairy exporter, is forecasting fairly stable prices for the next three years for its dairy members. The cooperative represents 10,500 dairy farms. Fonterra CEO Theo Spierings says current whole milk powder prices are at about \$3,000 per metric ton, and that is about the right price level to provide a stable price environment, barring no major worldwide incidents affecting the price environment.