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Dairy EXCELLENCE
 Dairy Week In Review



Dated July 12, 2017

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (June) **	\$16.63/cwt.	▼ 0.3 %	▼ 4.0 %	▲ 2.5 %
Corn (June)	\$3.99/bushel	▲ 4.7 %	▲ 6.1 %	▲ 14.3 %
SBean Meal (June)	\$334.4/ton	▲ 6.0 %	▲ 10.9 %	▼ 11.6 %
Milk Margin (May)*	\$ 12.25/cwt.	—	▲ 10.7 %	▲ 40.9 %

*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.

- US dairy exports reached a total value of \$508.9 million in May, a two-year high and 34 percent above a year ago, with exports to Mexico leading the record gain. Exporters shipped 169,648 tons of milk powder, cheese, butterfat, whey and lactose, up 15 percent from last year. Nearly 30 percent of the exports in May went to Mexico.
- Cheese exports in May were up 48 percent from a year ago to 35,409 tons, the most since March 2014. Exports of whey were up 4 percent to 44,452 tons, while lactose exports were the lowest in 28 months, down 19 percent from a year ago. Exports of nonfat and skim milk powder were up 31 percent year-over-year to 58,598 tons. On a total solids basis, US exports were equivalent to 14.7 percent of US milk production in May, with imports only at about 3.1 percent of total production.
- The U.S. butterfat trade balance was negative in May, according to the *Daily Dairy Report*. U.S. butter and milkfat exports totaled 4.3 million pounds in May, while imports topped 8.75 million pounds. May exports decreased by 1.2% from April levels, while imports increased 11%. It appears that U.S. importers of European butterfat are securing product ahead of rising costs. Through April, EU butter exports to the United States totaled nearly 18 million pounds, up 57% compared to the same period last year.
- Exports are important to Pennsylvania's dairy industry. The 6,600 dairy farms in Pennsylvania that provide milk to 80 processing plants in the Commonwealth and others in surrounding states, generate \$247 million in dairy exports. The dairy industry creates 3,921 Pennsylvania jobs from exports with an economic impact of \$512 million, according to US Dairy Export Council data.

Industry:

- A group of more than 20 U.S. legislators sent a letter to the Food and Drug Administration demanding it require the makers of soy milk, almond milk and rice milk to drop "milk" from the label of anything that doesn't come directly from an animal. This follows suit with dairy organizations' request of FDA to clarify the enforcement activities surrounding dairy terms on mislabeled, plant-based milk imitators.
- Cooperatives Working Together has accepted requests for export assistance to sell 1.49 million pounds of Cheddar and Monterey Jack cheese to customers in Asia, Central America and the Middle East. So far this year, CWT has assisted with the sale of 43.324 million pounds of American-type cheeses, and 3.013 million pounds of butter (82% milkfat) to 17 countries on five continents.