



CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated August 3, 2017



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (July) **	\$16.45/cwt.	▼ 0.4 %	▼ 1.4 %	▼ 8.6 %
Corn (Sept)	\$3.65/bushel	▼ 2.7 %	▼ 4.2 %	▲ 11.0 %
SBean Meal (Aug)	\$309.0/ton	▼ 2.9 %	▼ 2.3 %	▼ 5.3 %
Milk Margin (June)*	\$ 12.03/cwt.	—	▲ 9.6 %	▲ 30.5 %

*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 milk margin, or the amount remaining after feed costs are deducted, increased by 9.6 percent in June to \$12.03 per hundredweight, according to the latest Pennsylvania Dairy Industry Scorecard. The milk margin is calculated monthly by Penn State and is expected to decline again in July, with feed prices increasing while the Class III milk price declined.
- July's Class III milk price was announced at \$15.45 per hundredweight, down 99 cents from June but up 21 cents from a year ago. The Class IV milk price increased by 71 cents to \$16.60 per cwt. in July, up \$1.76 per cwt. from a year ago. July is the second month in a row that the Class IV price is the higher of the two, controlling the Class I mover.
- The dairy price index on the latest Global Dairy Trade auction fell 1.6 percent to \$3,343 per metric ton, with butter prices down 4.9 percent and Cheddar cheese prices down 4.8 percent. The only bright spot was with whole milk powder, which was up 1.3 percent.
- The national All-Milk price averaged \$17.30 per cwt. In June, increasing 60 cents from May and \$2.80 above last June. Feed costs were flat from prior months. The Dairy Margin Protection Program margin was announced at \$9.33 per hundredweight, which was above the MPP maximum threshold.
- The latest USDA Livestock Slaughter report shows dairy cow slaughter up nearly 6 percent from a year ago in June, with 236,700 head sent to slaughter. Nearly 3 percent more head were sent to slaughter in June than in May this year.

Industry:

- The American Farm Bureau Insurance Services is asking members to complete an online survey regarding dairy risk management as part of an effort to enhance risk management options available. To complete the survey, visit www.farmbureausellscropinsurance.com/dairy-risk-survey/.
- The Center for Dairy Excellence and Penn State Extension Dairy Team will host a Dairy Industry Breakfast on Wednesday, August 16, from 6:45 a.m. - 8:30 a.m. downstairs in the Little Red Barn on the Ag Progress Days grounds in Rock Springs, Pa. The meeting will include a listening session on the comprehensive dairy industry study. To register, call the center at 717-346-0849 or visit our website.