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**Dairy** EXCELLENCE  
 Dairy Week In Review

Dated October 5, 2017



## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Oct) **	\$17.63/cwt.	▲ 1.4 %	▲ 1.6 %	▲ 1.3 %
Corn (Dec)	\$3.48/bushel	▼ 1.7 %	▲ 0.2 %	▲ 0.2 %
SBean Meal (Oct)	\$306.9/ton	▼ 0.6 %	▲ 0.9 %	▲ 1.2 %
Milk Margin (Aug)*	\$ 12.38/cwt.	—	▼ 1.3 %	▲ 10.1 %

\*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.

- USDA announced the September Class III milk price at \$16.36 per hundredweight, down 21 cents from last month and falling 3 cents from a year ago. The September Class IV milk price was announced at \$15.86 per cwt., falling 75 cents from last month but up \$1.61 from a year ago.
- The Dairy Price Index on the latest Global Dairy Trade auction fell 2.4 percent to \$3,223 per metric ton. The Cheddar cheese price was up 1.9 percent, while prices for virtually all other dairy products fell. The butter price was down 3.6 percent, while whole milk powder was down 2.7 percent and skim milk powder fell 1.4 percent.
- USDA's Ag Prices report indicated that the national All-Milk price averaged \$18 per hundredweight in August, up 70 cents from July and 80 cents from a year ago. Feed costs were lower this month in previous months, which resulted in a lower calculated feed cost, which fell 49 cents to \$7.73 per hundredweight. This puts the income-over-feed margin at \$10.27 per cwt., with the July-August MPP margin averaging \$9.67 per cwt.
- Dairy cow slaughter totaled 265.6 thousand head in August, up 7.3 percent from a year ago and nearly 18 percent above July. Dairy cow slaughter is running higher in 2017 than in 2016, with 1,986.7 thousand head of cows sent to auction this year. That's an increase of 3.2 percent year-over-year.

## Industry:

- The sign up period for the Dairy Margin Protection Program (Dairy MPP) has opened, with dairy farm families given until December 15, 2017, to enroll in the program for 2018. The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer.
- California dairy farms will soon vote on a stand-alone quota system administered by the state if producers decide to join the federal milk marketing system. The quota system would continue the producer-funded program that currently operates within the California Milk Marketing Program. Producers' checks will be assessed 35 – 37 cents a hundredweight to fund the quota system, if approved.