

CENTER FOR
Dairy EXCELLENCE
 Dairy Week In Review

Dated November 30, 2017



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Nov) **	\$17.88/cwt.	▲ 0.1 %	▲ 1.0 %	▲ 0.7 %
Corn (Dec)	\$3.38/bushel	▼ 2.1 %	▼ 3.8 %	▲ 0.6 %
SBean Meal (Dec)	\$325.5/ton	▲ 2.2 %	▲ 3.5 %	▼ 2.8 %
Milk Margin (Sept)*	\$ 13.07/cwt.	—	▼ 0.5 %	▲ 12.3 %

*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 Cold Storage report shows US butter stocks falling 3.7 percent from a year ago to 219.8 million pounds on October 30, 36.1 million pounds below September's level. The month-to-month decline was above the five-year average drawdown of 31.2 million pounds. Still, butter stocks remain high. US cheese stocks were 1.268 billion pounds at the end of October, down 40.2 million pounds from September but still up 3.7 percent from a year ago.
- US cheese stocks were 1.268 billion pounds at the end of October, down 40.2 million pounds from September but still up 3.7 percent from a year ago. American cheese stocks were at 739.3 million pounds, falling 41.1 million pounds or 5.3 percent from September, but still 0.5 percent above last October's record high. The month-to-month decline was significantly higher than the five-year average decline.
- The Dairy Price Index on the latest Global Dairy Trade auction fell 3.4 percent to an average price of \$2,970 per metric ton. All products posted declines, with butter falling 5.9 percent, Cheddar cheese down 4.2 percent and whole milk and skim milk powder down 2.7 and 6.5 percent, respectively.
- China has lowered tariffs on US cheese imports from 12 percent to 8 percent, in an effort to boost the affordability of products available to consumers. According to the *Daily Dairy Report*, the change should help the United States regain ground lost to New Zealand and Europe.

Industry:

- The deadline to nominate an individual or business for the 2018 Pennsylvania Dairy Industry Awards has been extended to December 1, 2017. The Dairymen's Association, the Center and PDMP sponsor the annual awards, which recognize industry excellence in leadership, service and innovation. Four awards are given: a dairy producer, dairy woman, dairy service and dairy innovator award. To nominate someone, download the form at centerfordairyexcellence.org. Go to Programs and Events and click on Dairy Industry Awards.
- The 2018 Margin Protection Program coverage election period ends on December 15. Farms currently enrolled can "opt out" of MPP by doing nothing. Dairy farm managers should assess dairy market fundamentals today and be aware of 2018 futures market prices and expected margins. Some may decide that the Margin Protection Program may be their best price safety net alternative for 2018, despite past history. These farms must re-enroll in the Margin Protection Program at their local Farm Service Agency office before December 15.