

CENTER FOR
Dairy EXCELLENCE
 Dairy Week In Review

Dated December 21, 2017



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Dec) **	\$16.44/cwt.	▼ 1.1 %	▼ 7.8 %	▼ 10.4 %
Corn (Mar)	\$3.49/bushel	▲ 1.2 %	▲ 1.1 %	▲ 0.5 %
SBean Meal (Dec)	\$315.7/ton	▼ 3.1 %	▼ 1.1 %	▲ 1.9 %
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.*

- US total milk production continues to grow, up 1.0 percent from a year ago in November to 17.9 billion pounds, up 0.4 percent on a daily-average basis from October. Cow numbers are up 53,000 head from a year ago but flat from October, down 7,000 head from the August peak. Milk production per cow continues to grow, up 9 pounds or 0.5 percent from a year ago.
- The increase in milk production was led by tremendous growth in Colorado and Texas, up 6.1 and 5.9 percent, respectively, with a collective total of 74 million pounds more milk. California was down 1.1 percent from a year ago, while Wisconsin was up 0.9 percent. Both New York and Idaho fell in milk production, down 0.3 and 0.6 percent, respectively. Michigan was up 2.2 percent, while Pennsylvania gained 2.1 percent.
- Pennsylvania's milk production per cow was up 35 pounds or 2.1 percent on a monthly basis from last November, with cow numbers remaining flat. Despite the tremendous growth in milk production per cow, Pennsylvania remains 10 percent below the national average milk production per cow.
- European Union Dairy Powder Stocks are clouding world markets, putting downward pressure on both domestic and global dairy prices. Currently, the EU is sitting on more than 805 million pounds of skim milk powder, equal to about one-third of the total US annual NDM/SMP production. About 70 percent of the stocks are older than a year.
- Milk futures prices on the CME for the first six months of 2018 have fallen to an average of \$14 per hundredweight, with the early months below that threshold. Prices are not expected to increase until either production subsidies or stocks decrease.

Industry:

- With milk prices expected to decline about \$2 per hundredweight over the next two months, now is the time when dairy farm families should be looking hard at their financials and strategies to work through the downturn. The center's Dairy Decisions Consultant (DDC) Program provides up to \$3,500 in funding to work with an outside consultant to evaluate your operation and identify opportunities to enhance your performance and overall profitability. Call Melissa Anderson at 717-346-0849 to learn more.
- The Calving Corner, Pennsylvania's own dairy cow birthing center, will debut at the 2018 Pennsylvania Farm Show. Volunteers are still needed for the exhibit, which will allow Farm Show visitors to experience the miracle of life while learning what dairy farmers do day in and day out to care for their animals and the land. If you would like to volunteer, visit the Calving Corner website at thecalvingcorner.org.