

CENTER FOR
Dairy EXCELLENCE
 Dairy Week In Review

Dated December 28, 2017



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Dec) **	\$16.42/cwt.	▼ 0.2 %	▼ 8.0 %	▼ 10.4 %
Corn (Mar)	\$3.52/bushel	▲ 0.8 %	▲ 2.0 %	▲ 1.4 %
SBean Meal (Dec)	\$314.2/ton	▼ 0.5 %	▼ 1.3 %	▲ 1.6 %
Milk Margin (Oct)*	\$ 12.94/cwt.	—	▼ 1.3 %	▲ 14.8 %

**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.*

- New Zealand's milk production was up 4.2 percent from a year ago to 2.97 million metric tons, or 6.54 billion pounds. Australia's milk production is up 4.3 percent from a year ago to 986 million liters, or 2.1 billion pounds. Annual milk production in the major dairy producing regions of the world, including Argentina, Brazil, Europe, Oceania and the United States, was up 1.6 percent from a year ago through October.
- US dairy stocks are down, according to the USDA's latest Cold Storage report. US butter stocks fell 59.1 million pounds in November to 158.8 million pounds on November 30, falling 1.5 percent from a year ago. The month-to-month decline was higher than the five-year average of 46.3 million pounds but below last November's drawdown of 67 million pounds. US total cheese stocks were 1.26 billion pounds on November 30, down 9.3 million pounds from October but still 6.4 percent above last year's levels. The October-to-November drawdown was above the five-year average of 3.8 million pounds.
- Dairy cow slaughter in November totaled 243,700 head, down about 1.4 percent from October on a daily-average basis and flat from a year ago.
- The dairy price index on the latest Global Dairy Trade auction fell 3.9 percent to \$2,969 per metric ton, marking the largest decline in recent trading sessions. The Cheddar cheese price fell 7.9 percent, while butter dropped 2.3 percent. The whole milk powder price fell 2.5 percent while the skim milk powder price was down 4.9 percent.

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.

Happy Holidays from the Center.