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**Dairy** EXCELLENCE  
Dairy Week In Review

May 10, 2018



## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (May) **	\$16.27/cwt.	▲ 0.2 %	▲ 5.6 %	▲ 7.4 %
Corn (May)	\$3.94/bushel	▼ 0.6 %	▲ 1.8 %	▲ 5.3 %
SBean Meal (May)	\$389.2/ton	▼ 2.7 %	▲ 2.4 %	▲ 24.2 %
Milk Margin (Mar)*	\$ 7.58/cwt.	—	▲ 0.2 %	▼ 20.5 %

\*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 latest USDA Dairy Products report shows total cheese production increasing, up 2.7 percent from March to 1.10 billion pounds in April, 11.6 percent above year-ago levels. Italian-type cheese growth was up 2.5 percent from last month to 482 million pounds, while American-type cheese was up 1.7 percent from March to 437 million pounds. Since February, production of American-type cheese has grown 10 percent. Cheddar cheese production was down 2.7 percent in March. Butter production was up 4.8 percent in March to 186 million pounds, 9.1 percent above February. Whey production was up 1.5 percent from a year ago to 88 million pounds of dry whey.
- US dairy exports set a new record high in March on a total volume basis, surpassing the previous high set in March 2014. Exporters shipped 204,453 tons of milk powder, cheese, butterfat, whey and lactose in March, up 26 percent from a year ago. The value of those exports totaled \$510 million, up 8 percent from a year ago and the highest total value since April 2015, according to the latest dairy trade data.
- Overall nonfat dry milk and skim milk powder exports were up 38 percent from a year ago, while lactose exports were up 19 percent. Cheese exports were the highest in ten months, up 9 percent from a year ago, and whey exports were up 19 percent. Butter showed the greatest increase, up 180 percent from the previous year. On a total milk solids basis, the US shipped 17.3 percent of its milk supply overseas in March, with dairy imports into the US at 3 percent of the nation's milk supply.

## Industry:

- The June 1 deadline is approaching. Dairy farmers are encouraged to evaluate their options with the new and improved Margin Protection Program for Dairy (MPP-Dairy), which offers better protection for dairy producers. Recent changes authorized under the Bipartisan Budget Act of 2018 authorizes the FSA to open an enrollment period from April 9 to June 1 for 2018, which will be retroactive to January 1. Changes include margin calculations done on a monthly instead of bi-monthly basis, covered production increasing to 5 million pounds on the Tier 1 premium schedule, and lower premium rates for Tier 1 producers. To learn more about the new program or to enroll, visit your local FSA Office.
- 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. Farmers who need assistance in financial planning can leverage this and other programs available through the Center. Call Melissa Anderson at 717-346-0849 to learn more.
- The U.S. Department of Agriculture's (USDA) released its proposed regulatory standard for the labeling of bioengineered food. The USDA Agriculture Marketing Service's (AMS) proposed rule outlines mandatory uniform standards for how food marketing companies must provide consumers information about the use of biotechnology in the food supply. The proposed regulation follows the strict, science-based approach that was backed by dairy industry groups to determine how foods made using bioengineering should be regulated. The new rule, however, has left several issues unresolved. A public comment period has opened up to allow input on the ruling.