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**Dairy** EXCELLENCE  
 Dairy Week In Review



Dated July 5, 2018

## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (June)**	\$15.49/cwt.	▼ 4.7 %	▼ 5.1 %	▼ 6.5 %
Corn (July)	\$3.42/bushel	▼ 2.6 %	▼ 9.6 %	▼ 13.5 %
SBean Meal (July)	\$327.8/ton	▼ 2.1 %	▼ 11.5 %	▲ 0.3 %
Milk Margin (Apr)*	\$ 9.51/cwt.	—	▼ 3.5 %	▼ 16.0 %

\*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 USDA Agricultural Prices report shows the US All-milk price up 40 cents month-over-month in May to \$16.20 per hundredweight, down 40 cents from last year. Feed prices were also up, with corn prices up 9 cents per bushel, soybean meal prices up \$7.71 per ton, and alfalfa hay up \$6 per ton. The milk-over-feed margin was up 16 cents to \$6.78 per hundredweight based on the Dairy Margin Protection Program (MPP). This will generate a payment of \$1.22 for those insured at the maximum \$8 margin threshold.
- The dairy price index on the latest Global Dairy Trade auction fell 5 percent to \$3,232 per metric ton, representing the steepest decline since March and the lowest price since January. Butter, Cheddar cheese and skim milk powder all fell about 4 percent, while whole milk powder was down 7.3 percent. Buttermilk powder was the only product to show an increase, up 6.4 percent.

## Industry:

- The Penn State Extension Dairy Team is hosting two "Twilight Tour" events on dairy farms in early July. The first is on Thursday, July 5, at Laurel Run Farm, owned by Tim and Tyler Peachey, in Huntingdon, Huntingdon County. The second is on Thursday, July 11, at Zancroft Dairy, owned by the Sattazahns, in Womelsdorf, Berks County. To learn more and register, go to <https://extension.psu.edu/twilight-tour>.
- The Senate passed its version of the 2018 Farm Bill last Thursday on a bipartisan vote of 86 to 11. With the House having adopted its version of the Farm Bill on June 21, the two chambers must now reconcile differences in the two bills in a conference committee later this summer. The Senate measure, like the House version, bolsters the overall dairy safety net, and includes \$100 million in additional funding for the dairy title baseline.
- More than 60 companies representing American dairy farmers and cheesemakers urged President Trump to postpone the implementation of steel tariffs against Mexico in order to prevent retaliatory tariffs that could impair U.S. cheese sales. In their letter to President Trump, dairy groups asked the administration to work collaboratively with Mexico and suspend the steel and aluminum tariffs on Mexican products until the negotiations for a modernized NAFTA have been concluded.

# Happy Independence Day!