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**Dairy** EXCELLENCE  
 Dairy Week In Review

Dated August 9, 2018



## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Aug) **	\$15.83/cwt.	▼ 0.2 %	▲ 4.1 %	▼ 9.7 %
Corn (Sept)	\$3.70/bushel	▲ 1.3 %	▲ 11.1 %	▼ 0.6 %
SBean Meal (Aug)	\$332.7/ton	▼ 1.2 %	▼ 0.1 %	▲ 8.4 %
<b>Milk Margin (June)*</b>	<b>\$11.40/cwt.</b>	—	<b>▲ 7.9 %</b>	<b>▼ 6.9 %</b>

\*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 dairy exports grew 16 percent from a year ago in June, with suppliers shipping 180,984 tons of milk powder, cheese, butterfat, whey products and lactose during the month. US dairy exports were valued at \$481 million, up 4 percent from a year ago. Year to date, dairy exports were up 5 percent to \$2.904 billion. On a total solids basis, US dairy exports represented about 16.4 percent of the US milk production in June.
- Exports of nonfat and skim milk powders grew 24 percent from a year ago to 57,018 tons, with shipments to Southeast Asia and Mexico driving the increase. Cheese exports were up 12 percent to 34,191 tons, while butterfat sales were up 9 percent to 3,814 tons. Cheese exports to Mexico were up 43 percent to 12,206 tons, the highest ever. Sales of butterfat to Mexico were up 184 percent, while sales to the Middle East and North Africa were up 152 percent. These offset lower butterfat exports to Canada, down 26 percent. Tariffs on US dairy products into Mexico, China and Canada were announced in late June.
- The USDA Dairy Products report shows total cheese output (excluding cottage cheese) up 1.8 percent from a year ago to 1.06 billion pounds in June, down 1.9 percent from May. Italian type cheeses were flat from a year ago, while American type cheeses were up 2.7 percent. Butter production was up 3.1 percent year-over-year to 143 million pounds in June, down 14.7 percent from May 2018. Nonfat dry milk production was down 9 percent year-over-year to 148.2 million pounds in June.
- The dairy price index on the latest Global Dairy Trade auction stayed flat at \$3,136 per metric ton. A 1.3 percent increase in the Cheddar cheese price and an 8 percent increase in the price of Casein was offset by a 5.9 percent decline in the butter price and a 0.3 percent decline in the skim milk powder price.

## Industry:

- The State Conservation Commission will begin accepting 2018 Resource Enhancement and Protection Program (REAP) applications on Mon., Aug. 6th, 2018 – on a first-come, first-served basis. An application deadline will be set as they get close to exhausting the \$10 million. For more information call (717) 787-8821. Find the 2018 REAP application packet at [http://www.agriculture.pa.gov/Plants\\_Land\\_Water/StateConservationCommission/REAP/Pages/default.aspx](http://www.agriculture.pa.gov/Plants_Land_Water/StateConservationCommission/REAP/Pages/default.aspx).