

CENTER FOR
Dairy EXCELLENCE
Dairy Week In Review

Dated September 13, 2018



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Sept) **	\$17.13/cwt.	▼ 2.4 %	▲ 5.8 %	▼ 0.6 %
Corn (Sept)	\$3.41/bushel	▼ 2.9 %	▼ 5.6 %	▼ 1.5 %
SBean Meal (Sept)	\$315.7/ton	▲ 1.2 %	▼ 4.4 %	▲ 2.7 %
Milk Margin (July)*	\$11.55/cwt.	—	▲ 1.3 %	▼ 4.3 %

**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.*

- The USDA World Agricultural Supply and Demand Estimates report increased estimates for both corn and soybean yields, with corn at a record -high 181.3 bushels per acre, while soybean yield was estimated at 52.8 bushels per acre. Total soybean production was estimated at 4.69 billion bushels, up 90 million from last month, while total corn production is expected to be 14.827 billion bushels, up 241 million from last month and the second highest ever.
- USDA released 2017 dairy product consumption data last week. Americans consumed 149 pounds of milk, just over 17 gallons, down 3.2 percent from 2016 levels. Year-over-year sales of whole milk increased to 15.8 million pounds in 2017, up 2.8 percent. Flavored milk sales also increased, up 2.7 percent. Consumption of butter and yogurt remained unchanged, at 5.7 pounds and 13.7 pounds per capita, respectively. US cheese consumption was up slightly in 2017, at 44.7 pounds per capita compared to 44.2 pounds per capita in 2016.

Government and Industry:

- The USDA Farm Service Agency begun accepting Market Facilitation Program applications for the current payment period on September 4. The payment will equal \$0.12 per cwt for dairy production based off the historical production reported for the Margin Protection Program for Dairy. For existing dairy operations, the production history is established using the highest annual milk production marketed during the full calendar years of 2011, 2012, and 2013. Dairy operations are also required to have been in operation on June 1, 2018 to be eligible for payments.
- The USDA has extended the deadline for dairy producers to pay their premium for 2017-18 Dairy Margin Protection Program coverage to September 28, 2018. To pay any outstanding premiums, dairy producers are encouraged to visit their local FSA Office prior to the 28th. The program generated payments in February through July so far this fiscal year.
- The Center's Dairy Decisions Consultant (DDC) Program remains open and 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.