



CENTER FOR  
**Dairy** EXCELLENCE  
 Dairy Week In Review



Dated October 4, 2018

**Markets:**

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Sept) **	\$17.09/cwt.	▼ 0.3 %	▼ 2.7 %	▼ 1.4 %
Com (Dec)	\$3.64/bushel	▼ 0.2 %	▲ 3.7 %	▲ 2.5 %
SBean Meal (Oct)	\$307.5/ton	▼ 0.1 %	▼ 1.5 %	▼ 0.4 %
Milk Margin (Aug)*	\$11.22/cwt.	—	▲ 11.3 %	▼ 14.6 %

\*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 August All-Milk price was up 50 cents from a month ago to \$15.90 per hundredweight, \$2.29 lower than it was a year ago. Feed costs fell from the past month, increasing the Dairy Margin Protection Program margin by 70 cents to \$7.42 per hundredweight.
- The dairy price index fell 1.9 percent from the previous session to \$2,901 per metric ton. Butter prices fell 5.9 percent, while Cheddar cheese and whole milk powder prices fell 1.2 percent. The only products that increased in price was butter milk powder, up 3.6 percent, and rennet casein, up 3.0 percent.

**Government and Industry:**

- The new Dairy Revenue Protection (Dairy R-P) policy will go on sale October 9 from authorized crop insurance agents. Farms can choose to cover any of the five upcoming quarterly (three month) periods. Producers can choose to cover any of the 2019 quarterly coverage periods or the first quarter (January -March) of 2020 until December 15, 2018. Dairy Revenue Protection offers two pricing options: the class pricing option and the component pricing option. A list of crop insurance agents is available at all USDA service centers and on the RMA website at [www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html).
- US, Mexico and Canada have signed a new trade agreement. Along with other details, the agreement does include the elimination of Canada's Class 6 and 7 milk prices and provides additional access to the Canadian markets. The hope is, with the new agreement, that the US will relax steel and aluminum tariffs on its two trading partners and Mexico will eliminate retaliatory tariffs on US cheese.
- The Center for Dairy Excellence will host Dairy Producer Roundtable Meetings across Pennsylvania in October. The roundtable meetings will include a discussion on current market dynamics and controlling the controllable through the right resources, as well as a look at dairy programs recently made available, both at the federal level and within the state. Dates and locations are below.
  - o October 18: Dutchway Restaurant, Myerstown, at 8:30 a.m.
  - o October 18: Hoss's Steak & Seahouse, Carlisle, at 12:30 p.m.
  - o October 23: Perkins, State College, at 8:30 a.m.
  - o October 23: Lamb's Creek Food & Spirits, Mansfield, at 12:30 p.m.
  - o October 25: The Bistro at the Village Green, Martinsburg, at 8:30 a.m.
  - o October 25: Hoss's Steak & Seahouse, Grove City, at 1:00 p.m.