

**Federal and State Dairy Policy:**

- Members of the U.S. House-Senate conference committee are in discussions on an ag spending bill, which would allocate most, if not all, of the \$350 million earmarked for dairy assistance to dairy producers in the form of a retroactive Milk Income Loss Contract (MILC) payment. House Ag Committee Chair Collin Peterson said it would amount to about \$1 per hundredweight on milk shipped from Jan.-Aug.

**Markets:**

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (Sept.) **	\$14.32/cwt.	▲ 0.5%	▼ 3.5%	▼ 28.2%
Corn (Dec.)	\$3.25/lb.	▲ 3.4%	▲ 3.5%	▼ 41.4%
SBean Meal (Sept.)	\$281/ton	▼ 10.3%	▼ 10.3%	▼ 7.2%
Milk Margin*	\$6.72/cwt.	—	▲ 5.7%	▼ 46.6%

\*Each issue of "Dairy Week in Review" will report on current and projected "Milk Margin," or the dollars remaining per one hundred lbs. of milk after feed is paid for. 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 \$2.25, which provides an estimate of what producers can expect to see on their milk check for the coming month.

- The nation's milk production is declining, down 0.3 percent in August from a year ago, according to the USDA's "Milk Production" report. Milk production per cow was up 1.6 percent, while cow numbers dropped 30,000 head from last month. Pennsylvania's milk production was up 0.7 percent from a year ago, while per-cow production was up 1.3 percent. California's milk output fell 4.5 percent last year.
- The Class I base price for October is \$12.35 per hundred-weight, up \$1.42 from September and the highest since January, yielding an estimated 60¢ MILC premium.
- There is an uptick in whey and powder prices, with western powder up 3¢ from last week, while skim milk powder is up 18¢. Whey prices are slightly higher in the Midwest and steady in the West, while European dry whey jumped to the highest price in more than a year.

**Industry:**

- More than 60,000 European dairy farmers halted or reduced milk deliveries last week to protest falling prices and plans to scrap production quotas. The 27-nation European Union, the world's largest milk producer, dumped 92,000 gallons of milk in streets and fields last week.
- A survey released last week by Feeding America reported a significant increase in requests for food, with food banks struggling to keep up with record demand for services. A record 35 million people are now using food stamps.
- Dairy Farmers of America (DFA) has offered 350 Western Area member farms the opportunity to increase individual milk bases, based on increasing demand for Class I, cheese and other value-added products in that region, at a time of significant milk production declines.

**Events:**

- On Tuesday, Pennsylvania acting Agriculture Secretary Russell Redding held a special meeting with the PA Dairy Task Force, during the All-American, to discuss the current situation and points of agreement on dairy policy reform.

