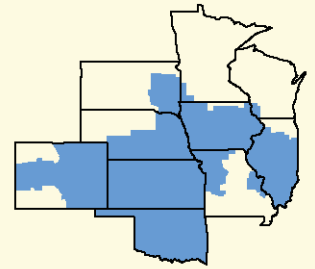


# Bulletin

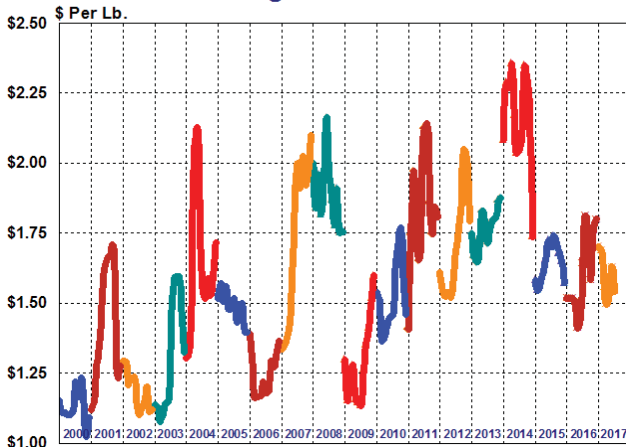


Facilitating the efficient marketing of milk and dairy products.



**CENTRAL MARKETING AREA**

**AMS / NASS Wtd. Avg. Block/Barrel Cheese Prices\***

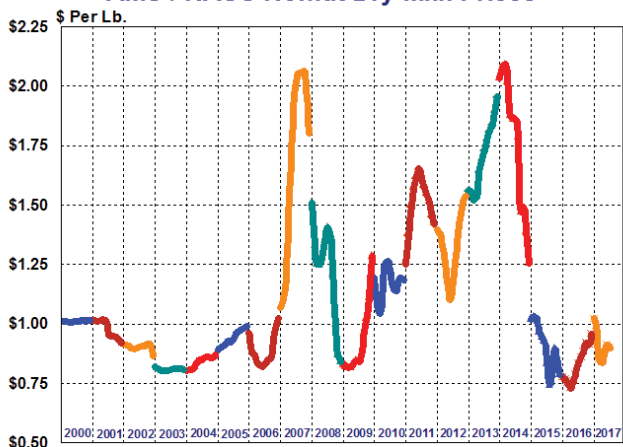


A variety of economic factors affecting the U.S. dairy industry are illustrated by the graphs in this bulletin. These graphs depict monthly data for 15 selected factors from January 2000 through July of this year. A cursory examination of this data provides insight into the milk marketing environment in the U.S. over the past 18 years.



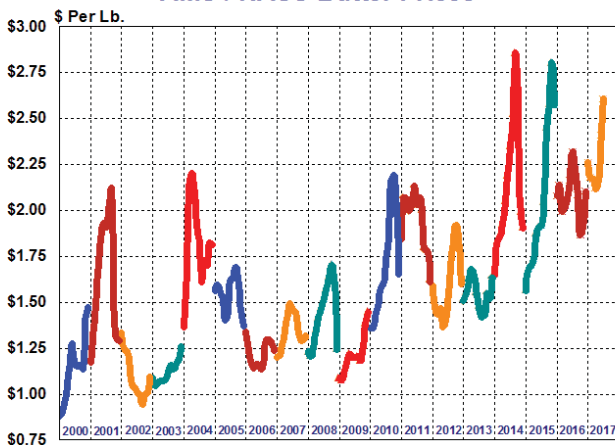
Most of the price series depicted in this bulletin reached record high levels during 2014. Nearly all declined since then, however, many by substantial amounts. This is emphasized by nonfat dry milk prices which recently declined to their lowest levels during this time frame. In contrast, butter prices have risen substantially since late 2016 with current prices approaching 2014 record highs.

**AMS / NASS Nonfat Dry Milk Prices\***



Federal Milk Order (FMO) Class prices remain substantially below the peak levels recorded during 2014. Compared with 2014's all-time highs, most recent FMO Class prices for I, II, III & IV are down 29.3%, 33.1%, 37.2%, and 30.5%, respectively. These prices have rebounded compared with the low levels recorded in 2016, however, with Class I, II, III & IV being up 23.6%, 29.2%, 21.1%, and 30.9%, respectively. The Central Order Statistical Blend Price has also declined substantially since 2014, with current levels approximately 33.5% less than the all-time high of \$24.83 posted in September 2014. This price has rebounded since its bottom in 2016, however, increasing to 22.1%.

**AMS / NASS Butter Prices\***



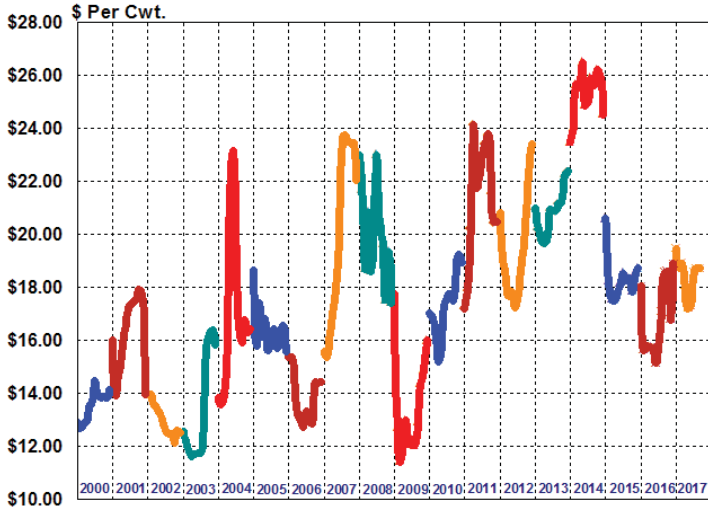
Prices for soybeans and corn registered all-time highs in mid-year 2012. Since that time, both have declined substantially with current soybean prices approximately \$7 below peak levels, while corn prices remain around \$4 below 2012's record (page 3). The substantial price decreases for these two important feed grains have helped to lessen the impact of lower producer milk prices on dairy producers' income over feed costs (IOFC).

Two non-price data series are depicted in this bulletin – U.S. milk production and FMO Class I producer receipts. U.S. milk production, portrayed in the bottom left graph on page three, indicates a persistent upward trend since 2001. Year-over-year milk production has increased in 18 of the last 20 years, with the only exceptions occurring in 2001 and 2009. In contrast to U.S. milk production, FMO Class I producer receipts have been on a downward trajectory since 2009, as indicated by the third graph on page three.

The graphs on this page illustrate three commodity price series that have a direct impact on Federal Milk Order minimum prices. The six graphs on page two along with the first graph on page three depict FMO prices applicable to dairy farmers and/or regulated milk processors. A variety of factors that directly and indirectly influence the economic environment for milk production and processing are portrayed by the remaining graphs on page three.

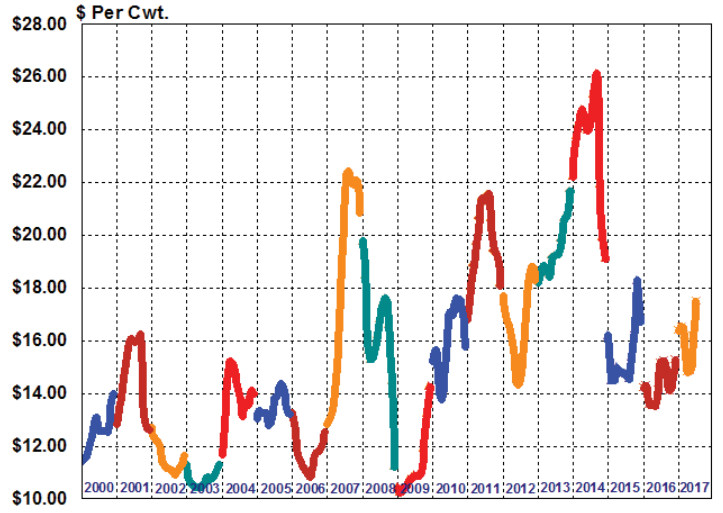
\* NASS prices prior to April 2012.

**Federal Order Class I Price (\$2.00 Differential)\***

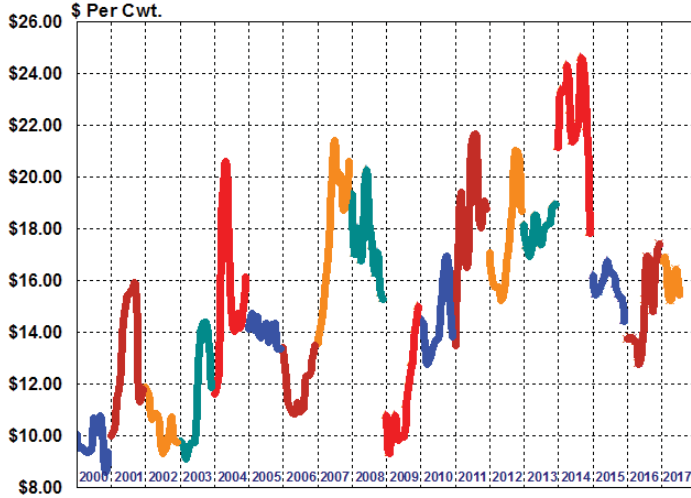


\*Through September 2016

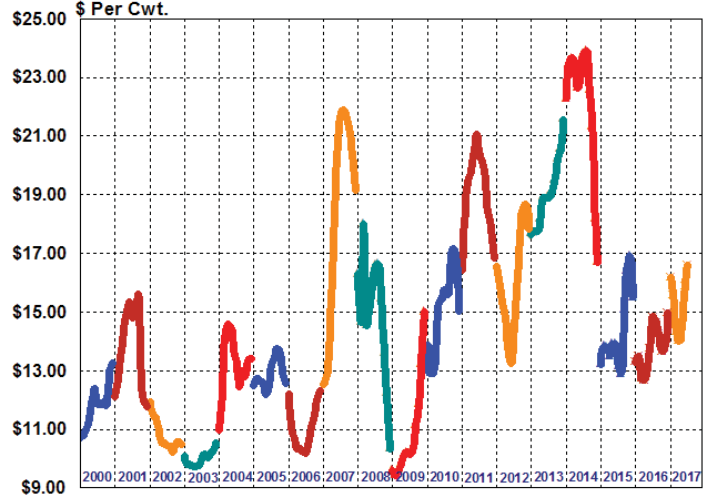
**Federal Order Class II Price**



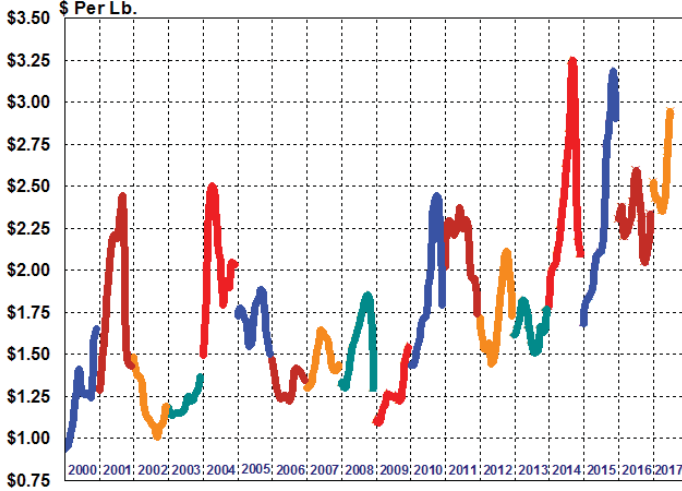
**Federal Order Class III Price**



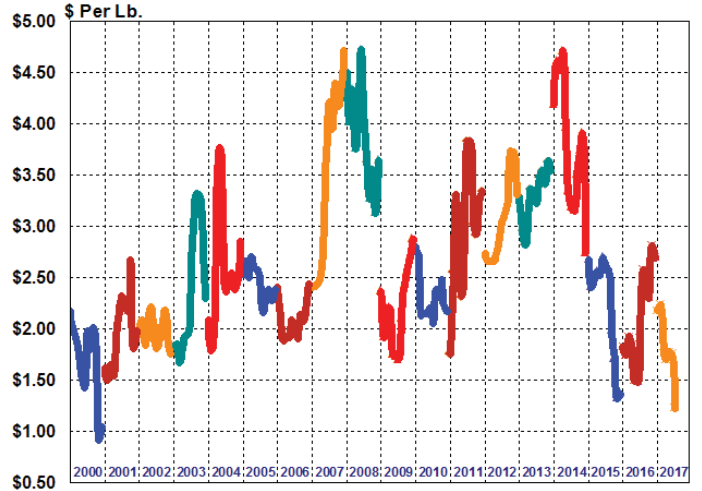
**Federal Order Class IV Price**



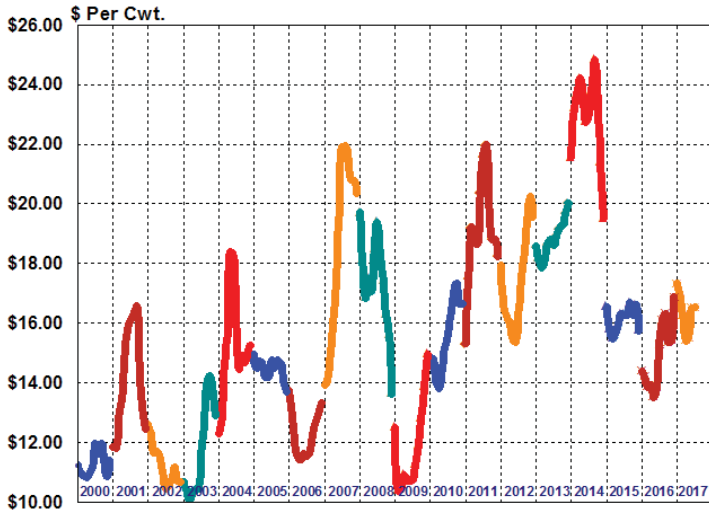
**Producer Butterfat Price (component orders)**



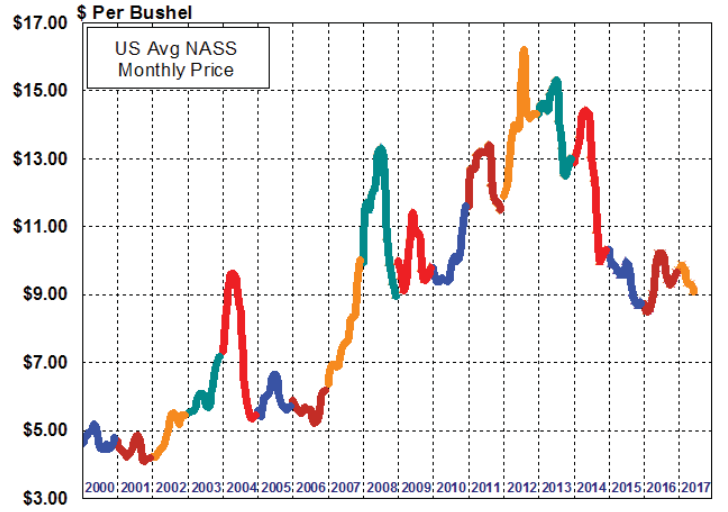
**Producer & Handler Protein Price**



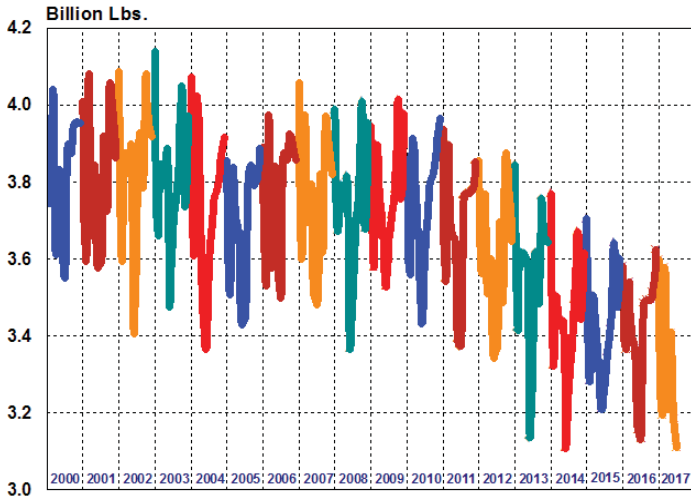
### Central Federal Order Statistical Blend Price



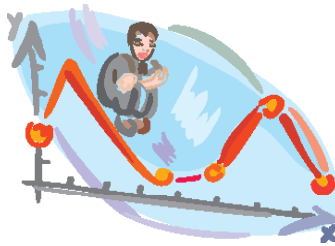
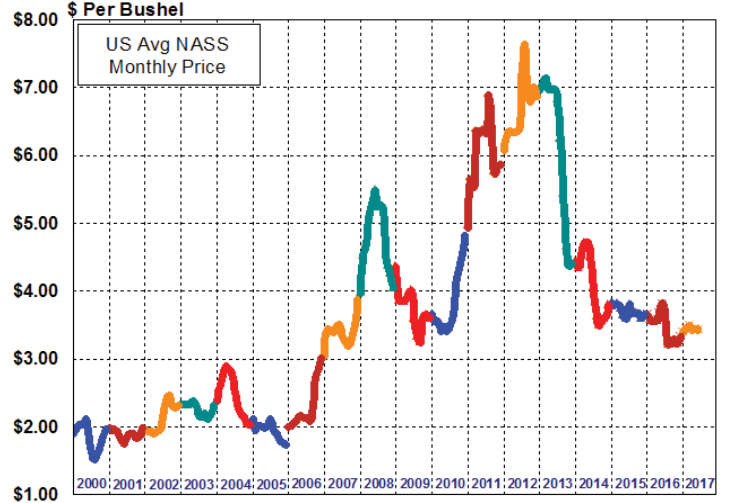
### Soybeans - US Avg Prices



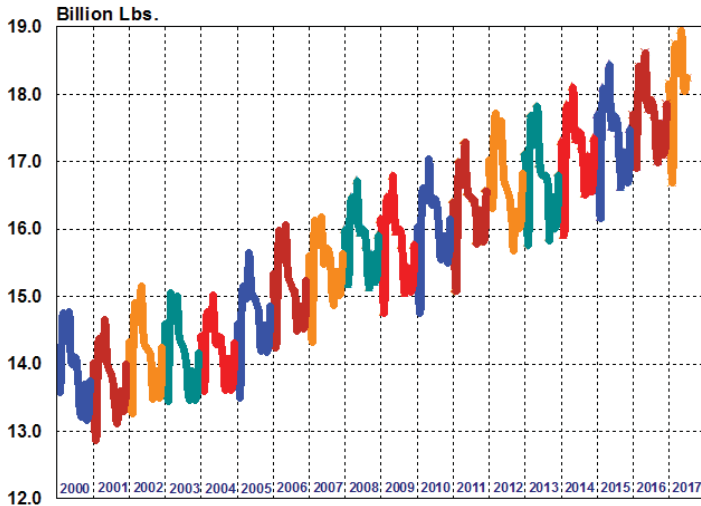
### Class I Producer Receipts (All Federal Milk Orders)



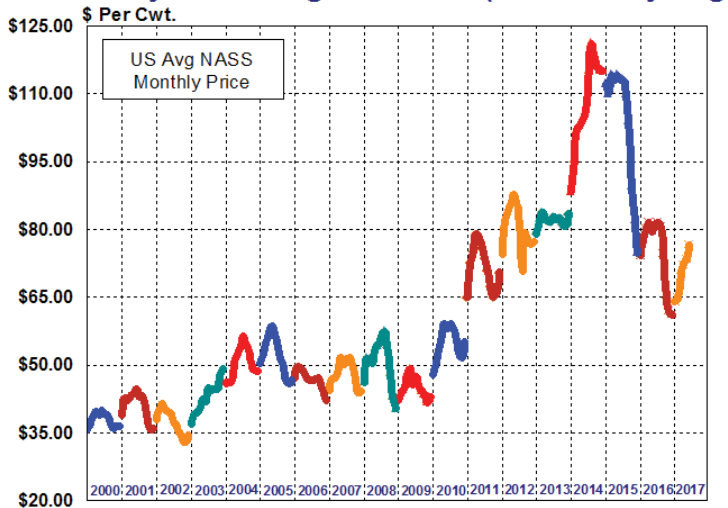
### Corn - U.S. Avg Prices



### Estimated U.S. Milk Production



### Beef & Dairy Cow Slaughter Prices (U.S. Monthly Avg.)





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Phone: 913-495-9300

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	<u>Jul '17</u>	<u>Jun '17</u>	<u>Jul '17</u>	<u>Jun '17</u>	<u>Jul '17</u>	<u>Jun '17</u>
Northeast	18.01	17.53	2.56	1.09	29.60	30.68
Appalachian	19.35	18.37	-----	-----	65.92	63.56
Florida	21.45	20.39	-----	-----	83.44	82.00
Southeast	19.64	18.70	-----	-----	67.51	66.25
Upper Midwest	15.80	16.56	0.35	0.12	8.08	9.15
<b>Central</b>	<b>16.52</b>	<b>16.50</b>	<b>1.07</b>	<b>0.06</b>	<b>25.43</b>	<b>27.32</b>
Mideast	17.01	16.71	1.56	0.27	29.27	28.74
Pacific Northwest	16.60	16.49	1.15	0.05	19.38	24.67
Southwest	17.29	17.33	1.84	0.89	26.56	27.69
Arizona	17.02	16.59	-----	-----	23.21	23.49

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