Milk Price Recovery or Not?

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Big Factors Affecting Milk Prices

Supply

Demand

Production
Domestic
International

Domestic
Season Trends

Stocks
Domestic
International

International
Exports

Things to understand (or not)

» Domestic Markets

Source: Milk Producers Council

Source: J. Karlin,
2017 Virginia State Feed Association & Nutritional Management Cow College

Source: J. Karlin,
2/16/17

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Things to understand (or not)

- Domestic Markets
- When you got burned you are weary of anything looking hot!

- World Markets
Things to understand (or not)

- Domestic Markets
- World Markets
  - European production is down and not likely to recover soon
  - Oceania production is contracting
    - Moderately in NZ
    - Severely in Australia
  - WMP prices at Global Dairy Trade generally up
  - US NDM competitive with world price for Skim Milk Powder

$17/cwt is the new $12/cwt

- National break-even price is at ~ $17/cwt Class III,
- or $18.50 - $19.00 /cwt mailbox price
- ... You have to be able to make money at these prices!

... which is why we cannot forecast milk prices!