

MARGIN PROTECTION PROGRAM (MPP) CALCULATIONS

		Soybean Meal Central III AMS (¢/cwt, OR 117)									
Month	Pay Period	Corn (\$/bu)	Alfalfa Hay (\$/ton)	Soybean Meal (\$/ton)	All Milk \$/cwt	Feed Cost for MPP Dairy (\$/cwt)	Milk Margin Above Feed Cost (\$/cwt)	Milk Margin/pay Period*			
2017											
August	4	3.49	152.00	326.04	17.30	8.22286600	9.07713400				
June	3	3.43	152.00	300.72	17.30	7.97239600	9.32760400		8.97093		
April	2	3.45	148.00	307.63	16.70	8.08574050	8.61425950				
March		3.44	155.00	305.67	16.50	7.95397850	8.54602150		8.94898		
February		3.49	135.00	320.34	17.30	7.94807100	9.35192900				
January	1	3.44	129.00	334.42	18.50	7.91571900	10.58428100		10.82023		
		3.40	128.00	332.34	18.90	7.84381900	11.05618100				
2016											
December	6	3.33	129.00	321.02	18.80	7.69922100	11.10077900		10.54246		
November		3.23	130.00	322.41	17.60	7.61585750	9.98414250				
October	5	3.29	135.00	323.27	16.60	7.75504650	8.84495350		9.16485		
September		3.22	137.00	337.95	17.30	7.81524850	9.48475150				
August		3.21	138.00	340.80	17.10	7.83916800	9.26083200		8.42515		
July	3	3.60	140.00	371.49	16.10	8.51053150	7.58946850				
June	3	3.82	142.00	408.57	14.80	9.04648550	5.73514500		5.76277		
May		3.68	147.00	376.35	14.50	8.72797650	5.77202350				
April	2	3.58	153.00	303.81	15.00	8.16972750	6.83027250		7.14868		
March		3.57	144.00	276.22	15.30	7.83291300	7.46708700				
February		3.57	142.00	273.61	15.70	7.78632950	7.91367050		8.00928		
January	1	3.66	147.00	279.56	16.10	7.99511400	8.10488600				
2015											
December	6	3.65	150.00	289.78	17.20	8.10060300	9.09939700		9.55705		
November		3.60	150.00	308.60	18.20	8.18529000	10.01471000				
October	5	3.67	156.00	327.97	17.70	8.48495550	9.21504450		9.08207		
September		3.68	157.00	333.62	17.50	8.55091100	8.94908900				
August		3.68	159.00	357.85	16.70	8.75640150	7.94359850		7.69510		
July	3	3.80	169.00	375.71	16.60	9.15340850	7.44659150				
June	3	3.58	178.00	335.03	16.90	8.74169450	8.15830550		7.99534		
May		3.62	192.00	320.23	16.70	8.86762650	7.83237350				
April	2	3.75	184.00	336.61	16.50	9.01788350	7.48211650		7.50415		
March		3.81	172.00	357.83	16.60	9.07381850	7.52618150				
February	1	3.79	172.00	370.38	16.80	9.14460500	7.65539500		7.99554		
January		3.81	174.00	380.02	17.60	9.26431500	8.33568500				
2014											
December	6	3.78	183.00	431.73	20.40	9.73549950	10.66450050		12.02943		
November		3.58	184.00	441.39	23.00	9.60564050	13.39435950				
October	5	3.56	194.00	381.50	24.90	9.28099300	15.61900700		15.51136		
September		3.48	197.00	525.72	25.70	10.29628600	15.40371400				
August	4	3.63	209.00	490.32	23.10	10.36141600	13.73858400		13.21062		
July		4.05	216.00	450.79	23.30	10.61734650	12.68265350				
June	3	4.49	222.00	501.72	23.20	11.54591400	11.65408600		11.95748		
May		4.71	224.00	519.38	24.20	11.93913100	12.26086900				
April	2	4.71	206.00	514.01	25.30	11.65306150	13.64693850		13.87422		
March		4.51	191.00	495.71	25.20	11.09849650	14.10150350				
February		4.35	188.00	509.25	24.90	10.98526750	13.91473250		13.30692		
January	1	4.42	185.00	479.54	23.50	10.80089500	12.69910500				
2013											
December	6	4.41	187.00	498.31	22.00	10.95526500	11.04447500		11.04319		
November		4.35	188.00	451.13	21.60	10.55808550	11.04191450				
October	5	4.61	193.00	443.63	20.90	10.85038850	10.04961150		9.01041		
September		5.40	194.00	500.39	20.10	12.12878650	7.97121350				

Milk Margin minus Feed Cost Calculation Detail

The feed cost for each month is calculated by summing three calculated numbers:

- 1) the corn price per bushel times 1.0728: **plus**
- 2) the soybean meal price per ton times 0.00735, **plus**
- 3) the alfalfa hay price per ton times 0.0137.

The Milk Margin for each month is then calculated by subtracting the resulting composite feed cost from the all-milk price.

The paired month milk margin is calculated by taking the simple average of the milk margins that were calculated for the individual months in the pairing.

The paired months are specified in the 2014 Farm Bill and are January-February, March-April, May-June, and so on

An example calculation for January-February 2014:

- January corn price is 4.42 X 1.0728 = 4.7418
- January soybean meal price is 479.54 X 0.00735 = 3.524619
- January alfalfa hay price is 185 X 0.0137 = 2.5345

The January feed cost is the sum of these three products above:, which is \$10.80 /cwt.

The January Milk Margin is the All-Milk price, \$23.50 per cwt., minus the feed cost of \$10.80 per cwt. = \$12.70 per cwt.

Performing similar calculations for February yields a \$13.91 per cwt. margin.

* The January-February Milk Margin is the average of the January and February margins (\$12.70 plus \$13.91, divided by two) and equals \$13.30 per cwt.

Margin values are final when full month data is first available and will not be revised with future data revisions.

Feed costs and monthly milk margins are not rounded before calculating the pay period margin.

Payment periods

- 01 – January/February
- 02 – March/April
- 03 – May/June
- 04 – July/August
- 05 – Sep/Oct
- 06 – Nov/Dec

*At a milk margin (all-milk price minus feed cost) of less than \$8.00 per cwt, payments are possible depending on the level of coverage chosen by the dairy operation.