

MARGIN PROTECTION PROGRAM (MPP) CALCULATIONS

Month	Pay Period	Corn (\$/bu)	Soybean Meal Central @ AMS (\$/ton)	Alfalfa Hay (\$/ton)	All Milk (\$/cwt)	Feed Cost for MPP-Dairy (\$/cwt)	Milk Margin Above Feed Cost (\$/cwt)	Milk Margin/pay Period*
2018								
July		3.47	179.00	341.08	15.40	8.68185400	6.71814600	6.71815
June		3.58	181.00	355.71	16.30	8.93479250	7.36520750	7.36521
May		3.67	189.00	393.55	16.20	9.41906850	6.78093150	6.78093
April		3.58	183.00	385.84	15.80	9.18364800	6.61635200	6.61635
March		3.51	166.00	379.85	15.60	8.81625500	6.76837450	6.76837
February		3.38	155.00	362.86	15.30	8.41651150	6.88348850	6.88349
January		3.29	152.00	322.59	16.10	7.98294850	8.11705150	8.11705
2017								
December	6	3.23	148.00	319.22	17.20	7.83901100	9.36098900	9.87485
November		3.15	148.00	313.52	18.10	7.71120200	10.38870800	
October	5	3.26	152.00	315.23	17.90	7.89666850	10.0032150	9.99619
September		3.27	149.00	307.70	17.80	7.81095100	9.98904900	
August	4	3.27	147.00	301.05	18.00	7.73467350	10.35532650	9.67123
July		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
May		3.45	155.00	307.63	16.70	8.08574050	8.61425950	
April	2	3.43	148.00	305.67	16.50	7.95397850	8.54602150	8.94898
March		3.49	135.00	320.34	17.30	7.94807100	9.35192900	
February	1	3.44	129.00	334.42	18.50	7.91571900	10.58428100	10.82023
January		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	337.96	17.30	7.81524850	9.48475150	
August	4	3.21	138.00	340.80	17.10	7.83916800	9.26083200	8.42515
July		3.60	140.00	371.49	16.10	8.51053150	7.58946850	
June	3	3.82	142.00	408.57	14.80	9.04648550	5.75351450	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	1	3.57	142.00	273.61	15.70	7.78632950	7.91367050	8.00928
January		3.66	147.00	278.56	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	4	3.68	159.00	357.85	16.70	8.75640150	7.94359850	7.09510
July		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	24.10	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	11.54991400	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	11.09848600	14.10150350	
February	1	4.35	188.00	509.25	24.90	10.98526750	13.91473250	13.30692
January		4.42	185.00	479.54	23.50	10.80089500	12.69910500	
2013								
December	6	4.41	187.00	498.31	22.00	10.95553650	11.04447350	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	

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 2013 - 2017

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

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.

*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.