



Dairy Week In Review

Dated
April 7, 2010



Policy:

- The first meeting of the newly established Dairy Industry Advisory Committee will be held April 13 – 15 at the USDA headquarters in Washington, D.C. The meeting is open to the public. The committee was chartered to review farm milk price volatility and dairy farmer profitability. The committee will make recommendations to USDA Secretary Tom Vilsack on how the USDA can best address these issues to meet the dairy industry's needs, both short and long term. Erick Coolidge, a dairy farmer from Wellsboro, Pa., and Robert Schupper from Giant Foods in Carlisle serve on the committee. Comments can be submitted to solomon.whitfield.wdu.usda.gov

Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (Mar) **	\$14.53/cwt.	▲ 0.4 %	▼ 2.4 %	▲ 7.7 %
Corn (May)	\$3.56/bushel	▲ 0.5 %	▼ 4.0 %	▼ 7.9 %
SBean Meal (May)	\$265.6/ton	▼ 0.6%	▼ 5.2 %	▼ 4.3 %
Milk Margin*	\$11.88/cwt.	—	▼ 0.3 %	▲ 74.4 %

*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 \$1.75, which is an estimate of what you can

- The March Class III price is \$12.78, down \$1.50 from February but up \$2.34 from March 2009, and the lowest price since September. The March Class IV price is \$12.92, up 2¢ from February and up \$3.28 from January 2009.
- Total cheese production was up 1.0 percent from a year ago, according to the latest USDA "Dairy Products" report. Commercial use, or disappearance, of American cheese was down 4.9 percent from a year ago, the largest downturn since August – October 2007. Commercial use of other cheeses was up nearly 7 percent, bringing the total cheese disappearance to 2.2 percent for November – January.
- Commercial disappearance of butter was down 2.1 percent, with butter production being down 3.1 percent.
- Inventories of nonfat and skim milk powder are down 21.9 percent from a year ago, with NDM/SMP production down 4.5 percent to 130.9 million pounds, according to the report.

Industry:

- CWT accepted five bids to provide export bonuses on 3.5 million lbs. of cheddar. The product will be delivered between now and July. A week earlier CWT gave awards on 2.1 million lbs. of cheddar for April-May delivery.
- Maryland & Virginia Milk Producers Cooperative reported record earnings of \$14.5 million in earnings for 2009 is based on marketings of nearly three billion pounds of member milk. Overall the cooperative reduced its debt by \$4.6 million and increased member equity by more than \$10 million.

