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Dairy Week
Dated
May 20, 2010 **In Review**

Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (May) **	\$15.11/cwt.	▲ 0.8 %	▲ 1.4 %	▲ 34.5 %
Corn (May)	\$3.71/bushel	▼ 3.3 %	▼ 7.7 %	▼ 14.5 %
SBean Meal (May)	\$279/ton	▼ 2.8 %	▼ 2.8 %	▼ 21.2 %
Milk Margin*	\$10.76/cwt.	—	▼ 4.0 %	▲ 66.6 %

**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 expect to see on your milk check for the coming month.*

- The USDA released its *Milk Production Report* this week. Milk production in the 23 major states was up 1.7 percent to 15.2 billion pounds, with the total U.S. milk production up 1.5 percent to 16.385 billion pounds. Cow numbers increased 3,000 head from March, down 155,000 from last April. Average milk per cow was 1,823, up 63 pounds from March, with daily milk per cow above 60 pounds.
- Pennsylvania was one of several states that boosted increases in milk production, with the commonwealth up 2.8 percent in total milk production and up 4.1 percent in per-cow milk production. Cow numbers were down 8,000 head from a year ago. Wisconsin had the greatest milk production increase, at 6.2 percent, with Michigan up 5.1 percent.
- So far in 2010, U.S. cow numbers are up 14,000 head after falling more than 250,000 in 2009. Cow numbers increased in Washington, New Mexico and Idaho, while cow numbers in California are down 10,000 head.
- The latest Federal Order and California data shows that fluid milk sales were down 0.8 percent from a year ago in the first quarter of this year. Sales of whole milk were down nearly 5 percent.
- The USDA's "Dairy, Poultry and Livestock Outlook" forecasted a positive outlook for dairy demand in the coming year. "U.S. dairy products are competitively priced on world markets, and production from Oceania countries fell short of early season forecasts," the report read.

Industry:

- CWT accepted eight bids this week to provide bonuses on 9.5 million pounds of cheese exports. Deliveries of cheddar, Monterey jack and gouda will take place in June - November. In total, CWT has approved bonuses on 34.3 million lbs. of cheese exports in the past eight weeks.
- Pennsylvania is one of 29 states where dairy farms can apply to receive funding for individual on-farm energy audits. The USDA has \$2 million available through the EQIP program to use in fiscal year 2010. The deadline to apply is June 18, 2010.



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