



CENTER FOR DairyEXCELLENCE

# Dairy Week In Review



Dated Aug. 3, 2011

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (July) **	\$23.11/cwt.	▲ 0.1 %	▲ 1.7 %	▲ 27.8 %
Corn (Sept)	\$7.06/bushel	▲ 2.1 %	▲ 8.9 %	▲ 76.5 %
SBean Meal (Aug)	\$353.0/ton	▼ 0.5 %	▲ 3.3 %	▲ 11.6 %
Milk Margin*	\$14.00/cwt.	—	▲ 4.9 %	▲ 19.05 %

\*Each issue of "Dairy Week in Review" will report on current "Milk Margin," or the dollars remaining per one hundred lbs. of milk after feed is paid for, based on data in the latest "PA Dairy Industry Performance Scorecard." 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, an estimate of what you can expect to see on your milk check next month.

## Markets:

- USDA "Dairy Products" report shows total cheese production has reached record levels for the month of June to 29.8 million lbs. a day, up 1.3 percent from a year ago but down 2.3 percent from May. Italian-type cheese production was down 3.3 percent from May, while American-type cheese production was down 1.8 percent from May and down 1.5 percent from June 2010. Butter production was up 13.5 percent from a year ago but down 9.5 percent from May to 935.7 million pounds. Production of skim milk powder was up 58.9 percent.
- The latest USDA "Ag Prices" report shows farm profitability improved in July, with higher milk prices outpacing increases in feed costs. The All-Milk price for July was up 90 cents from June to \$22.10 per hundredweight, the highest price ever. The cost of feed to produce 100 pounds of milk was up 29 cents from June to \$11.57. Corn was up 8 cents, soybeans were up 20 cents, and alfalfa hay was up 9 dollars, all three record highs. Income over feed costs was up 61 cents from June to \$10.53 per hundredweight.
- Class III prices left the board at \$21.41 per hundredweight. Class III and IV prices for July should come out on Friday.

## Government/Industry:

- In the last two weeks of July, Cooperatives Working Together accepted eight bids for export assistance to sell 7.893 millions of cheddar cheese to customers in Asia, Middle East, Central America, Europe and the South Pacific. So far this year CWT has assisted with 57.6 million in cheese exports to 20 countries.



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