



Dairy Week In Review

Dated November 11, 2010

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Nov) **	\$17.20/cwt.	▼ 8.6 %	▼ 4.8 %	▲ 8.0 %
Corn (Dec)	\$5.70/bushel	▼ 1.8 %	▲ 11.5 %	▲ 44.6 %
SBean Meal (Dec)	\$355.7/ton	▲ 5.0 %	▲ 14.7 %	▲ 19.0%
Milk Margin*	\$12.43/cwt.	—	▼ 2.74 %	▲ 54.22%

*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, an estimate of what you can expect to see on your milk check next month.

- U.S. dairy exports were up 57 percent in September from a year ago, according to recent USDA/FAS trade data. Shipments of nonfat and skim milk powder were up 117 percent at 95.5 million lbs., the most since June 2008. Cheese shipments were up 46 percent to 28.3 million, and butterfat exports were up 92 percent to 9.7 million lbs. The value of dairy exports was up 87 percent to \$345.5 million, according to the USDA.
- USDA's revised estimates for 2010/11 ending stocks of corn were down 75 million pounds this week to 827 million bushels, the lowest carryout since 1995/96. The average price for corn in the coming year is expected to reach \$4.80-\$5.60 a bushel, well above the previous record of \$4.20 in 2007/08.
- The Class III price for October is \$16.94, up 68 cents from September, up \$4.12 from 2009, and the highest since October 2008. Class prices have averaged \$14.36/cwt. so far this year. The October Class IV price is \$17.15/cwt., up 39 cents from September, up \$5.29 from September 2009, and the highest since December 2007.
- USDA's *Dairy Products* report shows butter production up 16.7 percent from a year ago. Total cheese output was 4.3 percent higher than September 2009. For the year, cheese output is 3 percent higher than in 2009. Powder production is increasing seasonally. In September, nonfat and skim milk powder output was 126 million lbs., up 25.5 percent from a year ago, according to USDA. This is the highest figure for September since 1962.

Government & Industry:

- Cooperatives Working Together accepted 14 bids to provide assistance on exports of 10.2 million lbs. of cheese for delivery through next April. Since activating the program in March, CWT has committed to export bonuses of 62.1 million lbs. of cheese.
- Dairy Management Inc. revised its dairy producer checkoff website to offer more easy-to-follow links to dairy farmer image programs, such as "Telling Your Story," to help producers become active industry spokespersons. The site also includes current news, a schedule of upcoming industry meetings and contact information for local checkoff offices.
- The Pennsylvania Dairy Profitability Forum will be held in two locations next week. This year's forum will offer low-cost solutions to address the health of your business, farm and family. On Tuesday, Nov. 16, it will be held at the Farm Show Complex and Expo Center in Harrisburg. On Wednesday, Nov. 17, it will be held at the Clarks Mill United Methodist Church near Sandy Lake, Mercer County. Walk-in registrations are welcome. For more information, visit www.centerfordairyexcellence.org or call the Center for Dairy Excellence at 717-346-0849.

