



CENTER FOR Dairy EXCELLENCE

Dairy Week In Review

Dated Nov. 23, 2011



Markets:

| Dairy Prices | Price | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|---------------------------|---------------------|---------------------|----------------------|---------------------|
| Milk Price (Nov) ** | \$20.86/cwt. | — | ▲ 5.0 % | ▲ 21.2 % |
| Corn (Dec) | \$5.99/bushel | ▼ 7.6 % | ▼ 1.4 % | ▲ 22.4 % |
| SBean Meal (Dec) | \$291.2/ton | ▼ 1.7 % | ▼ 8.1 % | ▼ 9.8 % |
| Milk Margin (Oct)* | \$13.97/cwt. | — | ▼ 10.73 % | ▲ 2.57% |

*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.

- Milk production in the U.S. was up 2.5 percent from a year ago to 15.2 billion pounds in October, with production per cow up 20 pounds to 1,787 pounds from the month. The dairy herd grew 111,000 head from a year ago to 8.48 million head, 10,000 more than in September. Arizona, Colorado, Florida, and New Mexico all had increases of above 6 percent, while Pennsylvania's milk production fell 1.7 percent. The state's dairy herd was down 3,000 head to 538,000 cows, while total milk production in the state was down 15 million pounds to 872 million pounds for the month, according to the USDA *Milk Production* report.
- The December Class I milk price is \$18.47 per cwt., up 2 cents from November and up \$1.51 from a year ago. The Class I mover price averaged \$19.13 for 2011, the highest price ever.
- Total natural cheese stocks were down 3 percent from a month ago, according to the latest USDA *Cold Storage* report. Total cheese inventories were 1,012.6 million lbs., down 4 percent from a year ago but up 9.1 percent from the five-year average. American cheese stocks were up 9.1 percent from the five-year average to 614.7 million lbs. Butter inventories were down 14 percent from last month but up 19 percent from a year ago. Butter inventories were 129.8 million lbs., down 19.1 percent from the average over the 2006-10 period.

Government/Industry:

- The wet weather has made manure application prior to Dec. 15 difficult on many farms. Regulations to govern how manure is applied in winter months. Nutrient management regulations define winter as Dec. 15 - Feb. 28 or when the ground is frozen at least four inches deep. The act further states that fields receiving winter manure applications must have at least 25 percent crop residue or an established cover crop present. For more details, contact your local conservation district.

Happy Thanksgiving!



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