

Federal and State Policy:

- A group called the United States Dairy Farmers and Friends has organized a dairy rally for Dec. 2 in Washington, D.C., to meet with House and Senate Ag Committee members, as well as members of the House Education and Labor Committee. More information is available from Tammy Graves at 315-858-0163 or gravesarborgraphics@yahoo.com.
- The target date for payments distributed through the Dairy Economic Loss Assistance Payment Program (DELAP), included in the 2010 Ag Appropriations bill, is mid-December, with USDA currently laying out provisions on eligibility, payment rates, and processing.
- The Pennsylvania Senate Agriculture and Rural Affairs Committee will hold a hearing on Dec. 9 to discuss the transparency of milk pricing. The goal of the hearing is to build better understanding among Ag Committee members of the current pricing structure and how the milk price the farmer receives is determined.

Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (Nov.) **	\$15.79/cwt.	▼0.1 %	▲ 1.8 %	▼1.5 %
Corn (Dec.)	\$3.87/lb.	▼3.8 %	▲ 0.7 %	▲ 15.5 %
SBean Meal (Dec.)	\$315.5/ton	▲ 2.2 %	▲ 3.0 %	▲ 26.9 %
Milk Margin*	\$9.55/cwt.	—	▲ 18.5%	▼23.4%

*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 provides an estimate of what producers can expect to see on their milk check for the coming month.

- The December Class I mover is \$13.99 per hundredweight, up \$1.13 from November but down \$1.44 from last December. This is the fourth straight month of increases, with an average Class I base price in 2009 of \$11.48. Since the mover is above \$13.69, December will be the first month with no MILC payment since January.
- According to USDA's "Cold Storage" report, cheese stocks remain well above inventories from a year ago. American cheese inventories were 579.6 million lbs., up 39.5 million lbs or 7.3% from last year. Total cheese stocks are at 968.4 million lbs., up 139.4 million lbs. or 16.8% from a year ago. Butter inventories have also increased, now at 195.1 million lbs., up 139.4 million lbs. or 16.8% from a year ago.

Industry:

- About 226,800 dairy cows were slaughtered in October, down about 9,700 head from September 2009 and 9,400 less than October 2008. However, year-to-date cull cow slaughter under federal inspection was up about 221,000 head, totaling about 2.375 million head.
- Land O'Lakes is distributing \$10 million in equity revolve-ment to 5,400 current and past dairy members. Recipients must have been members of Land O'Lakes in 2000 and hold equity from the sale of the Dairy Foods Fluid Milk Division.
- An evaluation released by Dr. Scott Brown of the University of Missouri shows that Cooperatives Working Together (CWT) has generated a return on dairy farmers' milk checks of \$1.54 per hundredweight so far in 2009.

