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# Dairy Week In Review

Dated Dec. 15, 2011



## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Dec) **	\$20.31/cwt.	▼ 1.3 %	▼ 2.7 %	▲ 21.8 %
Corn (Dec)	\$5.80/bushel	▼ 0.4 %	▼ 10.8 %	▼ 3.2 %
SBean Meal (Jan)	\$280.6/ton	▼ 1.2 %	▼ 5.6 %	▼ 25.2 %
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.

- U.S. fluid milk sales in the August-October period were estimated at 13.62 billion lbs., down 0.5% from a year ago, according to Federal Order and California state data. Year-to-date sales were off 1.4%, USDA says.
- USDA's latest "World Agricultural Supply & Demand Estimates" report shows overseas corn production up 8.5 percent or 43.4 million tons next year, with large gains from China and Ukraine. USDA didn't change the U.S. corn production and use forecast, with 2012 carryout stocks projected at 848 million bushels, down 25 percent from this year and just 6.7 percent of expected use.
- Recent USDA/FAS data shows U.S. dairy export volumes of milk powder, whey, lactose, cheese and butterfat at 281.0 million pounds in October, down 2 percent from September and down 9.1 percent from a year ago. Shipments of skim milk and nonfat dry milk powder, the largest export category, were down 13.6 percent from September to 76.1 million pounds, down 30.1 percent from the record high levels of a year ago. Cheese exports were up 8.5 percent from September and up 22.2 percent from 2010 to 37.3 million pounds. In the first 10 months of the year, U.S. dairy exports were valued at \$3.96 billion, 29 percent higher than last year and already a record-high figure for a full-year with two months left to go.

## Government/Industry:

- Construction has started on the "Today's Agriculture" display showcasing modern day ag practices to consumers who attend the PA Farm Show on Jan. 7 - 15 in Harrisburg, Pa.



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