



CENTER FOR Dairy EXCELLENCE

# Dairy Week In Review

Dated Dec. 22, 2011



## Markets:

| Dairy Prices        | Price         | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|---------------------|---------------|---------------------|----------------------|---------------------|
| Milk Price (Dec) ** | \$20.45/cwt.  | ▲ 0.6 %             | ▼ 2.0 %              | ▲ 4.3 %             |
| Corn (Mar)          | \$6.16/bushel | ▲ 6.2 %             | ▲ 2.2 %              | ▼ 2.8 %             |
| SBean Meal (Jan)    | \$299.0/ton   | ▲ 6.2 %             | ▲ 2.6 %              | ▼ 17.6 %            |
| Milk Margin (Oct)*  | \$13.27/cwt.  | —                   | ▼ 3.56 %             | ▼ 1.56 %            |

\*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. is up 1.8 percent in November, at 15.775 billion lbs., according to the latest *USDA Milk Production Report*. Cow numbers were down 1,000 head to 9.216 million, the first decline since the last CWT cull in August 2010. Production per cow was up 0.8 percent or 0.5 pounds to 57.1 pounds. Pennsylvania and New York were the only states to report significant losses, with Pennsylvania down 17 million pounds, or 1.96 percent from last year, and New York down 13 million pounds. Pennsylvania's total monthly production was 850 million pounds, the lowest since February 2010, with 4,000 fewer cows than a year ago and 1.23 percent less milk per day. Forage quality and quantity is having an effect on production.
- The consumer price index for dairy products declined in November. The Milk CPI was 148.8, down 0.4 percent from October, according to Bureau of Labor Statistics. The Butter CPI fell 5.9 percent from the prior month to 200.6, while the Cheese CPI declined 0.7 percent to 225.6, the first decline since February.

## Government/Industry:

- USDA's National Agricultural Statistics Service (NASS) announced last week that it will reinstate funding for a key dairy industry statistical report. The July *Cattle report* and the *Farms, Land in Farms, and Livestock Operations report* will be restored to NASS' publication schedule.
- The House passed a nearly \$1 trillion omnibus measure to fund nine federal agencies for the remaining nine months of Fiscal Year 2012. The Senate passed the measure Saturday. But the House balked at a two-month extension into 2012 of the reduced payroll tax for employees, also approved on Saturday by the Senate, meaning the issue may not be resolved prior to Christmas, according to the National Milk Producers Federation.



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