

**Federal and State Policy:**

- The Pennsylvania Department of Community and Economic Development has reopened the First Industries Agriculture program, which offers low-interest loans through the Small Business First and the Machinery & Equipment Loan Fund (MELF) programs. The maximum loan amount under the First Industries MELF equipment project remains \$500,000 with a fixed annual interest rate of 5%. For more details, contact Dennis Hall from PA Grows at 1-877-475-2686.

**Markets:**

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (Dec.) **	\$16.66/cwt.	▲ 0.5 %	▲ 5.4 %	▲ 23.8 %
Corn (Mar.)	\$4.17/bushel	▲ 4.5 %	▲ 3.4 %	▼ 0.9 %
SBean Meal (Jan.)	\$313.1/ton	▲ 3.7 %	▼ 0.6 %	▲ 1.2 %
Milk Margin*	\$10.47/cwt.	—	▲ 4.9 %	▼ 14.5 %

\*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.

- Stocks of commercial dairy products are not disappearing at a rapid rate, according to the latest USDA Cold Storage Report. Commercial stocks of American-type cheese were up 10.6 percent from last year to 582.7 million lbs., while total cheese stocks were up 17.4 percent from last year to 961.4 million lbs. On a month-to-month basis, American-type cheese stocks grew 0.5% while total cheese stocks fell 0.8%. Butter stocks fell 25.4 percent from October but were still up 18.5 percent from a year ago at 142.2 million lbs. Typically in November, total cheese stocks fall about 3 percent while butter stocks drop 32 percent.
- Fluid milk sales from August to October were up 0.35% from last year, according to Federal Order and California data released earlier this month. So far in 2009, milk sales are up 1.0 percent from a year ago.
- Dairy producers sent 208,000 cows to slaughter in November, according to the USDA "Livestock Slaughter" report. This is the lowest level since May but still about the same volume as in November 2008.

**Events:**

- The Keystone Farm Show will be held Jan. 5 - 7, 2010, at the York Fairgrounds in York, Pa. The Pennsylvania Farm Show will be held at the Pennsylvania Farm Show Complex in Harrisburg on Jan. 9 - 16.
- The Center for Dairy Excellence will host two "Mastering the Dairy Business" conference calls in January to help dairy farm families think through building their 2010 dairy budget. Dr. Mark Stephenson, Cornell, will lead a call on Wednesday, Jan. 13, while Gary Snider, Western New York Farm Credit, will lead the discussion on Wednesday, Jan. 27. Both calls will be held from 12 p.m.—1:30 p.m. For more information, call the center at 717-346-0849.

