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# Dairy Week In Review

Dated  
June 24, 2010



## Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (June) **	\$15.31/cwt.	▲ 0.7 %	▼ 0.3 %	▲ 21.1 %
Corn (July)	\$3.38/bushel	▲ 3.8 %	▼ 7.7 %	
SBean Meal (July)	\$285.5/ton	▲ 1.8 %	▲ 5.3 %	
Milk Margin*	\$11.20/cwt.	—	▲ 3.32 %	▲ 67.16 %

*\*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 is an estimate of what you can expect to see on your milk check for the coming month.*

- Milk production in the U.S. was estimated at an all-time high of 16.98 billion lbs. in May, up 1.1 percent from a year ago. Cow numbers increased 4,000 head since April, while daily milk production per cow was up 1.7 lbs. (or 3 percent) from a year ago to 60.2 lbs. Pennsylvania's milk production is up 1.28 percent, with 6,000 fewer cows and 2 pounds more milk per cow per day than a year ago, according to USDA's Milk Production Report.
- USDA's Cold Storage Report shows butter stocks at their lowest level in five years, down 41.8 million lbs. from a year ago to 211.5 million lbs. on May 31. Cheese stocks are up 48.3 million lbs. to 1.02 billion lbs, with American cheese stocks at 617.2 million lbs.
- Retail prices for dairy products are up, with the consumer price index for butter at 174.6, up 7.9 percent in the past two months and the highest since January 2009. Milk's CPI is up 0.6 percent from April to 131.3, and cheese's is up 0.3 percent to 203.5.
- The Class I mover for July is \$15.66, up 38 cents from June and the highest price since January 2009.

## Government & Industry:

- Last week the USDA issued a final decision on what exactly constitutes a Class I "fluid milk product" for purposes of categorizing how products are priced. Although it adopted National Milk Producer Federation's recommended dairy protein standard, the decision failed to properly categorize dairy drinks, according to the NMPF.



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