



CENTER FOR Dairy EXCELLENCE

Dairy Week In Review



Dated Sept. 14, 2011

Markets:

| Dairy Prices | Price | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|---------------------|---------------|---------------------|----------------------|---------------------|
| Milk Price (Aug) ** | \$20.67/cwt. | ▼ 13.0 % | ▼ 13.1 % | ▲ 14.3 % |
| Corn (Sept) | \$7.13/bushel | ▼ 2.5 % | ▲ 5.0 % | ▲ 31.7 % |
| SBean Meal (Aug) | \$357.9/ton | ▼ 4.6 % | ▲ 6.1 % | ▲ 18.8 % |
| Milk Margin* | \$14.36/cwt. | — | ▲ 1.8 % | ▲ 18.58 % |

**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.*

- The latest US Crop Production report shows corn yields dropping 4.9 bushels per acre this month to 148.1 bushels. The corn production forecast was reduced 417 million to 12.5 billion bushels. Higher corn prices are expected to reduce use, with feed and residual use down. Ending stocks are expected to drop 42 million bushels to 672 million bushels, just 5.3 percent of the expected use. Over the previous decade, the U.S. stock-to-use ration averaged 13 percent.
- The latest World Agricultural Supply and Demand report shows milk production rising in 2011, with the forecast production level in 2012 dropping as the higher feed costs reduce the rate of growth in milk production per cow. The all-milk price for 2011 was lowered to \$20.15 to \$20.35 per hundredweight, while the 2012 price was unchanged.
- Recent USDA/FAS data shows that July cheese exports were at 36.1 million pounds, an eight-month low and just 4 percent higher than a year ago. Exports of nonfat and skim milk powder were up 22 percent from a year ago in July to 81.7 million pounds, representing 47 percent of the U.S. NDM and SMP production.

Government/Industry:

- For those farms across Pennsylvania impacted by Hurricane Irene and Tropical Storm Lee, some support may be available. USDA has offered to help dairy farms in the flood-stricken areas by allowing them to receive credit for the milk they produced but couldn't actually market in August and September. The center's "On-Farm Dairy Resource Team" program could also assist in putting resources around the table to develop a recovery plan.



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