



CENTER FOR Dairy EXCELLENCE

# Dairy Week In Review



Dated Sept. 22, 2011

## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Aug) **	\$20.68/cwt.	▲ 0.4 %	▼ 12.5 %	▲ 12.7 %
Corn (Sept)	\$6.85/bushel	▼ 4.0 %	▼ 6.7 %	▲ 27.3 %
SBean Meal (Aug)	\$339.9/ton	▼ 5.2 %	▼ 8.2 %	▲ 10.7 %
<b>Milk Margin*</b>	<b>\$14.71/cwt.</b>	—	▲ 5.15 %	▲ 16.93 %

*\*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.*

- According to the latest Federal Order and California data, fluid milk sales were down in the May – July period, off 2.4 percent from last year and down 4.3 percent from two years ago. Sales were down 1.8 percent in the first seven months of the year, with July being the worst month for sales in at least 15 years.
- According to USDA's Milk Production Report, milk production in the U.S. was up 2.1 percent in August to 16.4 billion pounds. Production per cow grew 19 pounds from a year ago to 1,783 pounds. Cow numbers increased 2,000 head during the month to 9,217 head. In Pennsylvania, cow numbers were down 2,000 with 1.7 percent less daily milk per cow. The state's total production was down 2.1 percent from a year ago to 884 million pounds.
- Retail dairy prices hit new highs in August. The Milk consumer price index was 149.9, up 11 percent from last year, according to the Bureau of Labor Statistics. The Butter CPI was up 17 percent to 218.1. The Cheese CPI was up 9 percent from a year ago to a record high of 223.0.

## Government/Industry:

- The National Milk Producers Federation board voted this week to modify its Foundation for the Future (FFTF) dairy policy reform plan, proposing to make participation in the government safety net voluntary. Under the revised proposal, if a producer elects to participate in the margin protection plan, he must also participate in the supply management program when it is triggered. But if a producer decides not to participate in the margin protection plan, he would not be part of the supply management program. NMPF expects a bill based on FFTF to be introduced in Congress this fall.



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