

Federal and State Dairy Policy:

- Law makers announced agreement on \$350 million in aid for struggling dairy farmers. \$290 million would go for direct support of dairy farmers under a program to be devised by the USDA, while \$60 million will cover purchases of product.

Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (Sept.) **	\$14.33/cwt.	—	▼ 6.4%	▼ 26.6%
Corn (Dec.)	\$3.42/lb.	▲ 4.7%	▲ 6.5%	▼ 38.5%
SBean Meal (Sept.)	\$288/ton	▲ 2.4%	▼ 24.3%	▼ 8.2%
Milk Margin*	\$6.72/cwt.	—	▲ 5.7%	▼ 46.6%

*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 \$2.25, which provides an estimate of what producers can expect to see on their milk check for the coming month.

- The USDA's "Cold Storage" report shows the smallest August declines in American cheese stocks since 1992. American cheese stocks were at 621.5 million pounds on August 31, down by just 6.8 million pounds from July and up 53.9 million pounds from last year. Commercial butter inventories increased in August for the first time since 1990, with stocks expanding by 391,000 pounds. On Aug. 31, commercial butter holdings were 263. 2 million lbs., up 49.4 million pounds from a year ago.

Industry:

- Cooperatives Working Together, a farmer-funded program, completed its eighth herd retirement, sending 74,113 cows to slaughter and reducing U.S. milk supply by 0.8%. The final tally was 12,598 head lower than expected after 20 bids were withdrawn or rejected during the auditing process. In total, 42% of the cows removed were from CWT's South-west region and 33% were from the West region. CWT still has the resources to consider future herd retirement activities as conditions warrant.
- The Food and Agriculture Organization of the United Nations released a discussion paper outlining a major challenge for agriculture: producing 70 percent more food for 2.3 billion more people by 2050 while combating poverty and hunger, using resources more efficiently, and adapting to climate changes. FAO will host a forum in October with 300 leading experts addressing "How to Feed the World in 2050."

Resources and Meetings:

- Dairy Herd Management offers a Crisis Management Resource Center as part of its Web site. The center offers advice on finances, risk management, human capital, psychological effects of a crisis, and dealing with activists. It also lists other crisis management resources. To access the center, go to: www.dairyherd.com/crisis.
- U.S. Congresswoman Kathy Dahlkemper, who serves on the House Ag Committee, will host a Dairy Solutions Forum on Oct. 5 in the Auditorium Building at the Butler County Farm Show grounds. The meeting will be held from 10 a.m.—12:30 p.m. For more information, call 877-528-4948.

