



CENTER FOR Dairy EXCELLENCE

Dairy Week In Review



Dated Sept. 29, 2011

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Sept) **	\$20.75/cwt.	▼ 0.7 %	▼ 12.1 %	▲ 13.0 %
Corn (Dec)	\$6.30/bushel	▼ 8.7 %	▼ 13.9 %	▲ 19.9 %
SBean Meal (Oct)	\$315.4/ton	▼ 7.4 %	▼ 14.5 %	▲ 3.0 %
Milk Margin*	\$14.71/cwt.	—	▲ 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.*

- The Class I base price for October is \$19.56 per hundredweight, down \$2.22 from September, ending an eight-month streak of increases. This is \$2.98 higher than it was in October 2010.
- According to USDA's *Cold Storage* report, total natural cheese stocks reported on Aug. 31 were down 2 percent to 1.059 billion pounds. American cheese stocks were down 1 percent from July, representing the smallest August decrease since 1992. Butter stocks on Aug. 31 were still down by historical standards, at 165.6 million, compared to an average of 220.9 million pounds on Aug. 31 over the past five years.
- Dairy cow slaughter in August was up 38,000 head from July and 14,000 head from last year to 245,000. So far this year, 83,000 more dairy cows have gone to slaughter than in 2010, a 4-percent increase from a year ago.
- USDA estimates that 15 percent of the corn crop has been harvested, in line with the five-year average. However, only 52 percent of the crop is rated "good" or "excellent," compared with 68 percent a year ago.

Government/Industry:

- U.S. House Agriculture Committee Ranking Member Collin C. Peterson (D-Minn.) and Rep. Mike Simpson (R-Idaho) introduced "The Dairy Security Act of 2011." The bill reflects changes to Foundations for the Future approved by the NMPF Board last week.
- Pennsylvania Governor Tom Corbett established a dairy leadership council that will be chaired by Agriculture Secretary George Greig to make recommendations to the governor on dairy policies, processes and regulations. The council is comprised of twenty-five individuals.



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