

Federal and State Policy:

- Erick Coolidge, a dairy farmer from Wellsboro, and Robert Schupper, dairy category manager at Giant Foods in Carlisle, are Pennsylvania's representation on the 17-member USDA Dairy Industry Advisory Committee. The committee is charged with reviewing the issues of farm milk price volatility, dairy farmer profitability; consolidation, and fair prices to offer suggestions on ways USDA can best address the needs of a struggling dairy industry.
- January 19 is the deadline for dairy farmers who did not participate in the 2009 MILC program to sign up to receive the estimated 32 per hundredweight payment, up to 600 million lbs., authorized in the Dairy Economic Loss Assistance Program. Sign up at your local FSA office.

Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (Dec.) **	\$16.15/cwt.	▼ 1.6 %	▼ 0.7 %	▲ 39.4 %
Corn (Mar.)	\$3.85/bushel	▼ 9.0 %	▲ 4.1 %	▲ 3.0 %
SBean Meal (Jan.)	\$300.5/ton	▼ 5.4 %	▼ 5.8 %	▼ 2.8 %
Milk Margin*	\$10.47/cwt.	—	▲ 4.9 %	▼ 14.5 %

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

- U.S. dairy exports continue to increase, according to recent USDA/FAS data. Total U.S. dairy exports were up 2 percent from the prior year, valued at \$224.5 million, marking the first time since September 2008 that exports were above year-earlier levels.
- Butterfat, cheese and whey protein exports all reached their highest levels for the year in November. Butterfat increased for the fourth straight month, up 59 percent from a year ago to 13.7 million lbs., representing 11.4 percent of the butter produced during the month. Cheese exports were up 13 percent to 21.1 million lbs., and whey protein shipments were up 47 percent to 80.1 million lbs. in November.
- Exports of Skim Milk Powder and Nonfat Dry Milk were 43.7 million lbs. in November, down from recent months but still up 24 percent from November 2008.
- On the import side, Milk Protein Concentrates will be at their lowest level in five years, down 15 percent to 101.3 million in the eleven month period from January to November. Imports of casein and caseinates are also down, falling 39 percent to 144.2 million lbs. Cheese imports are down 12 percent from a year ago during the Sept. – Nov. period and down 1 percent year-to-date. Butterfat imports fell 67 percent during the Oct.- Nov. period, although year-to-date imports are still up 51 percent from a year ago.

Industry:

- Hannaford Supermarket stores in New England will be the first to stock milk and dairy products branded with a "Keep Local Farms" logo, part of a new initiative to provide an opportunity for consumers who are interested in purchasing local foods to support New England dairy farmers, their community and the local economy.

